

# SOUTHWEST FLORIDA

Industrial Q1 2021



COMMERCIAL  
PROPERTY  
SOUTHWEST FLORIDA

	YoY Chg	12-Mo. Forecast
<b>3.2%</b> Vacancy Rate	▲	▼
<b>174K</b> Net Absorption, SF	▲	▲
<b>\$9.21</b> Asking Rent, PSF <i>Overall, Net Asking Rent</i>	▲	▲

### ECONOMIC OVERVIEW:

The Southwest Florida MSA, which includes Collier, Lee, and Charlotte counties closed Q1 with an unemployment rate of 3.5%, down 190 basis points (bps) from last quarter and 10 bps higher than the region's rate from one year ago at the peak of the pandemic. Another key indicator showing signs of growth is Southwest Florida's net inbound migration. This population growth is increasing demand for goods and services. Lee County population is projected to grow 2.5% annually, Collier County is projected to grow 1.7%, and Charlotte county expected to grow by 2.1%.

### SUPPLY AND DEMAND:

The industrial market remains resilient amid the pandemic with unprecedented levels. Vacancies remain relatively unchanged, with Q1 2021 marking the 10th straight quarter ending with positive net absorption. Overall vacancy adjusted slightly upward to 3.2% vs end of Q1 2020 at 3.1%, only 10 bps higher. This quarter, three industrial buildings were delivered for a total of 89,161 square feet (sf) one speculative and two build-to-suit projects already 100% leased. The pipeline remains steady with 623,058 sf (13 buildings) under construction. Lee County accounts for 508,573 sf of this pipeline and is to be delivered by year end 2021.

With the nation's cap rates and supply decreasing succinctly, capital investors are moving to secondary markets with more land available to keep up with increasing demand. Between Southwest Florida's growing population bringing in more jobs and consumers, low vacancy rates, and availability of land for development, it can be expected that new construction is on the horizon.

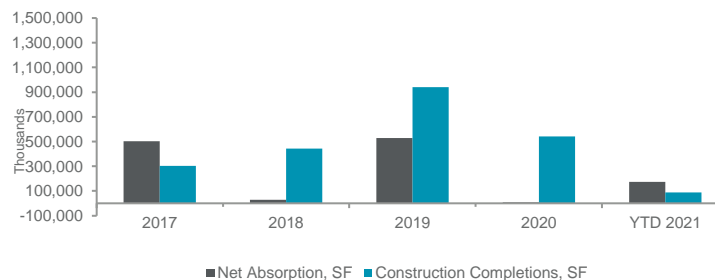
### ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
<b>420K</b> Southwest Florida Employment	▼	▲
<b>3.5%</b> Southwest Florida Unemployment Rate	▲	▼
<b>6.0%</b> U.S. Unemployment Rate	▲	▼

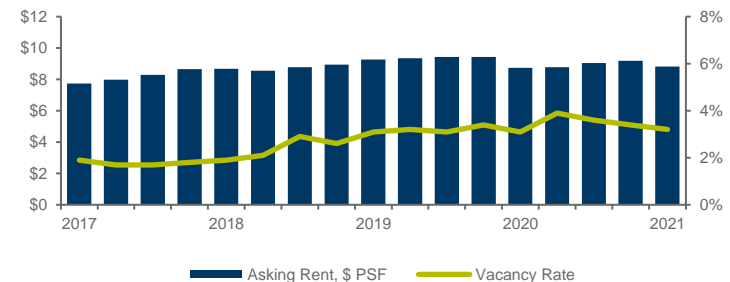
### PRICING:

Average overall triple net asking rents of all classes increased year-over-year by \$0.20 to \$9.21 per square foot, a record high for the Southwest Florida region. Whilst asking rents have reached a historic high, rental rate growth has slowed and began to stabilize since the beginning Q4 2019, increasing only 0.7% on average quarter-over-quarter. Considering the low vacancy rate, annual rent growth, population, and job growth; the Southwest Florida industrial market is bullish for investors, both private and public.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



Source: BLS

# MARKETBEAT

# SOUTHWEST FLORIDA



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## Industrial Q1 2021

### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	4,224,341	78,372	1.9%	23,394	23,394	0	0	----	\$12.85	\$6.62
<b>CHARLOTTE COUNTY SUBMARKET TOTALS</b>	<b>4,224,341</b>	<b>78,372</b>	<b>1.9%</b>	<b>23,394</b>	<b>23,394</b>	<b>0</b>	<b>0</b>	<b>----</b>	<b>\$12.85</b>	<b>\$6.62</b>
Bonita Springs	1,251,769	96,851	7.7%	4,841	4,841	70,000	0	\$9.00	\$13.32	\$10.34
Cape Coral	3,251,084	122,080	3.8%	11,134	11,134	0	0	----	\$9.38	\$8.97
Estero	17,292	1,097	6.3%	-1,097	-1,097	0	0	----	\$11.00	----
City of Fort Myers	9,150,478	174,686	1.9%	64,336	64,336	0	44,982	\$7.81	----	\$8.12
South Fort Myers	13,072,771	598,323	4.6%	83,851	83,851	438,573	44,179	\$14.00	\$10.35	\$8.61
North Fort Myers	1,159,837	33,600	2.9%	5,825	5,825	0	0	----	----	\$7.83
Lehigh Acres	1,128,140	147,830	13.1%	-35,585	-35,585	0	0	----	\$9.50	\$8.67
The Islands	108,110	1,840	1.7%	----	----	0	0	----	N/A	----
<b>LEE COUNTY SUBMARKET TOTALS</b>	<b>29,139,481</b>	<b>1,176,307</b>	<b>5.3%</b>	<b>133,305</b>	<b>133,305</b>	<b>508,573</b>	<b>89,161</b>	<b>\$10.27</b>	<b>\$10.71</b>	<b>\$8.76</b>
East Naples	4,648,584	112,077	2.4%	38,724	38,724	104,860	0	\$10.49	\$10.00	\$11.33
North Naples	3,867,394	110,553	2.9%	-17,996	-17,996	0	0	\$12.74	\$9.00	\$12.52
Naples	46,200	----	0.0%	----	----	0	0	----	----	----
Marco Island	82,180	----	0.0%	----	----	0	0	N/A	N/A	----
Lely	N/A	----	----	----	----	----	----	----	----	----
Outlying Collier County	1,320,504	12,056	0.9%	-2,578	-2,578	9,625	0	----	N/A	----
Golden Gate	85,987	----	0.0%	----	----	0	0	----	N/A	----
<b>COLLIER COUNTY SUBMARKET TOTALS</b>	<b>10,050,849</b>	<b>234,686</b>	<b>1.0%</b>	<b>18,150</b>	<b>18,150</b>	<b>114,485</b>	<b>0</b>	<b>\$11.62</b>	<b>\$9.50</b>	<b>\$11.93</b>
<b>SOUTHWEST FLORIDA TOTALS</b>	<b>43,414,671</b>	<b>1,489,365</b>	<b>3.2%</b>	<b>174,849</b>	<b>174,849</b>	<b>623,058</b>	<b>89,161</b>	<b>\$9.62</b>	<b>\$10.47</b>	<b>\$8.81</b>

\*Rental rates reflect weighted net asking \$psf/year

\*Renewals not included in leasing statistics

FX = Flex MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

### KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
12320 Crystal Commerce Loop	S Fort Myers/San Carlos	Republic Fire Protection, Inc.	16,800	New
2751 Park Windsor Dr.	City of Fort Myers	Orange State Cabinetry, Inc.	14,784	New
5061 Lockett Road	City of Fort Myers	Granite Construction	14,700	New

### KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
820 NE 24 <sup>th</sup> Ln.	Cape Coral	Brookline Development Company / Private Buyer	30,000	\$61.67
2442 Rockfill Rd.	City of Fort Myers	William Veloz Properties, inc. / Private Buyer	20,900	\$76.08
1606 Benchmark Ave.	City of Fort Myers	Sutter Roofing / I2 Visual Inc.	19,942	\$124.11

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[cushmanwakefield.com](http://cushmanwakefield.com)

#### HANNA RAY

Research & Marketing Administrator  
Tel: +1 239 489 3600  
[hray@cpswfl.com](mailto:hray@cpswfl.com)

#### GARY TASMAN

Principal Broker & CEO  
Tel: +1 239 489 3600  
[gtasman@cpswfl.com](mailto:gtasman@cpswfl.com)