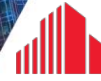


Office Snapshot Q1 2016

Fort Myers/Naples, FL



CUSHMAN & WAKEFIELD

**COMMERCIAL PROPERTY
SOUTHWEST FLORIDA**

FORT MYERS/NAPLES OFFICE

Economic Indicators

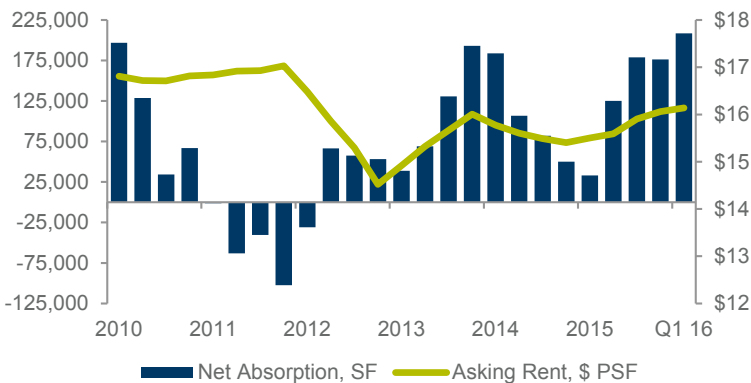
	Q1 15	Q1 16	12-Month Forecast
Lee Cty. Employment	241k	253k	▲
Lee Cty. Unemployment	5.4%	4.6%	▼
U.S. Unemployment	5.6%	4.9%	▼

Market Indicators (Overall, All Classes)

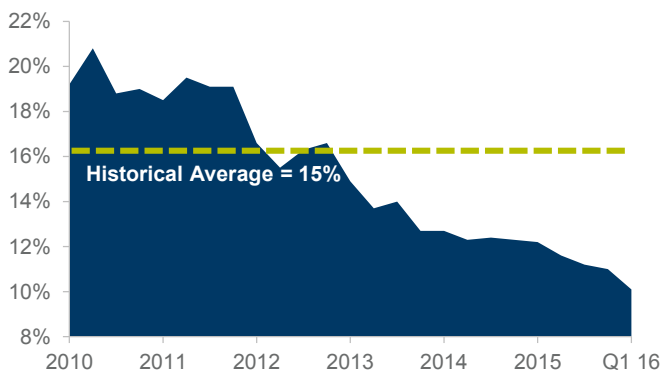
	Q1 15	Q1 16	12-Month Forecast
Overall Vacancy	12.2%	10.1%	▼
Net Absorption	47k	7k	▲
Under Construction	8k	149k	▲
Overall Average Asking Rent	\$15.75	\$16.27	▲

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

Southwest Florida's economy continued to exhibit strong growth associated with seasonal trends, with seasonally-adjusted unemployment rate for the five-county region falling to 4.5% in March, down from 5.2% in March 2016. Florida's unemployment rate declined to 4.8% in March, marking its lowest level in eight years. Long-run unemployment is projected through 2018. Employment in the region increased by 10,198 since March 2015, while the number of unemployed dropped by 3,507.

The seasonally adjusted tourist tax revenues for the three coastal counties continued to show gains over the prior year growing 7% in total from February 2015 to February 2016. Taxable sales collected increased 3% during that same time, albeit 3% below December 2015.

Leasing activity & construction deliveries remains strong

New medical office space totaling 56,576 square feet (sf) will be delivered by summer. The majority of this new development is already pre-leased. Somero Enterprises, a Michigan-based concrete grading company, is relocating their headquarters and training facility from the Midwest to 14530 Global Parkway, Fort Myers into a 75,380-sf concrete construction building scheduled for completion June 2016.

The top three office leases signed this quarter are located in North Naples with almost 34,000 sf leased. The increase of net absorption has led to cautious price increases throughout 2015 and into Q1 2016. This swing is a positive direction for end-users and investors. Before becoming too optimistic, where current rental rates are still below 2011 asking rates but show positive movement into the next quarter and beyond.

Outlook

The regional economy continues to improve and all indicators remain positive for the second quarter of 2016. Passenger activity in the three Southwest Florida airports rose in February 2016 by more than 11% to over 1.2 million passengers. Peak seasonal activity occurs in February through April with significantly lower activity in the summer months.

Southwest Florida's long-term trends continue to be mostly positive even though existing single family home sales decreased by 16% from March 2015 to March 2016. There were however substantial increases in median prices and area Realtors® remain positive. Positive population growth from trends in 2014 to 2015 resulted in Cape Coral-Fort Myers ranking first in the nation in population growth with a 3.3% increase followed by Austin, TX (ranked second, 3%).

MARKETBEAT

Office Snapshot Q1 2016

Fort Myers/Naples, FL



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SUBMARKET	TOTAL BLDGS	INVENTORY	SUBLET VACANT	DIRECT VACANT	OVERALL VACANCY RATE	CURRENT OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT (ALL CLASSES)*	AVERAGE ASKING RENT (CLASS A)*
Bonita Springs	191	2,318,579	3,618	349,132	15.2%	16,977	19,495	0	\$15.09	\$18.47
Cape Coral	382	2,509,049	2,500	192,769	7.8%	4,184	4,184	0	\$12.93	\$17.34
City of Fort Myers	409	4,766,739	0	624,266	13.1%	(15,403)	(15,403)	0	\$11.12	\$13.64
Estero	34	836,406	0	59,271	7.1%	2,968	2,968	0	\$16.38	\$21.14
Lehigh Acres	73	426,771	0	43,399	10.2%	6,897	6,897	0	\$13.26	N/A
North Fort Myers	35	271,233	0	4,440	1.6%	2,160	2,160	0	N/A	N/A
S. Ft. Myers/San Carlos	746	8,090,888	13,672	760,349	9.6%	13,598	16,883	114,956	\$14.57	\$19.87
The Islands	53	193,517	0	300	0.2%	0	0	0	\$17.43	N/A
LEE COUNTY SUBTOTAL	1,923	19,413,182	19,790	2,032,121	10.6%	31,381	37,184	114,956	\$13.66	\$21.52
East Naples	148	1,831,748	0	186,115	10.2%	(4,293)	(4,293)	5,856	\$15.82	N/A
Golden Gate	31	138,615	0	4,150	3.0%	(3,000)	(3,000)	0	\$17.70	N/A
Lely	16	127,558	0	32,255	25.3%	(4,611)	(4,611)	0	\$20.21	\$20.45
Marco Island	33	363,044	0	23,129	6.4%	3	3	0	\$18.76	N/A
Naples	98	1,283,357	10,919	80,824	7.1%	8,197	8,197	0	\$21.97	\$25.38
North Naples	359	5,049,319	0	442,746	8.8%	(18,658)	(18,658)	28,600	\$24.33	\$29.01
Outlying Collier County	37	362,441	0	37,205	10.3%	(1,800)	(1,800)	0	\$29.96	\$34.81
COLLIER COUNTY SUBTOTAL	722	9,156,082	10,919	810,023	9.0%	(24,162)	(24,162)	34,456	\$22.11	\$28.70
TOTALS	2,645	28,569,264	30,709	2,834,949	10.1%	7,219	13,022	149,412	\$16.27	\$21.51

*Rental rates reflect gross asking \$psf/year *Not all of the data on the Market Beat will match the public stats due to quarter not closed out. Data will be updated in Q2.

SUMMARY BY CLASS	TOTAL BLDGS	INVENTORY	SUBLET VACANT	DIRECT VACANT	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT OVERALL*	AVERAGE ASKING RENT DIRECT*
Class A	68	3,704,494	3,600	550,217	14.9%	(7,593)	(7,593)	0	\$21.51	\$21.54
Class B	1,529	18,556,609	23,109	1,793,365	9.8%	60,183	65,986	149,412	\$15.77	\$15.72
Class C	1,048	6,308,161	4,000	500,367	8.0%	(45,371)	(45,371)	0	\$12.29	\$12.29

Key Lease Transactions Q1 2016

PROPERTY	SF	TENANT	TRANS. TYPE	ASKING RENT*	SUBMARKET
999 Vanderbilt Beach Rd.	12,914	Withheld	Lease	\$24.00	North Naples
5801 Pelican Bay Blvd	12,737	Stantec Consulting Services	Lease	\$27.00	North Naples
9130 Galleria Ct	8,206	Withheld	Lease	\$19.00	North Naples
12670 Creekside Ln.	7,032	Withheld	Lease	\$14.00	S. Ft. Myers/San Carlos

*asking rents are quoted on a Triple Net (NNN) basis

Key Sales Transactions Q1 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$ PSF	SUBMARKET
11121 & 11181 Health Park Blvd (2 props)	63,393	McGuire Development/Farley White Interest	\$15,750,000 / \$248	North Naples
5020 Tamiami Trl N (4 props)	52,330	Commercial Mgmt of Naples/AJS Realty Gp	\$8,415,000 / \$161	North Naples

About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.

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