

MARKETBEAT

Retail Snapshot Q1 2017

Fort Myers / Naples



CUSHMAN & WAKEFIELD

COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

ECONOMIC INDICATORS

National

	Q1 16	Q1 17	12-Month Forecast
GDP Growth	1.6%	2.0%	▲
CPI Growth	1.1%	2.4%	▲
Consumer Spending Growth	2.4%	3.1%	▼
Retail Sales Growth	2.5%	5.2%	■

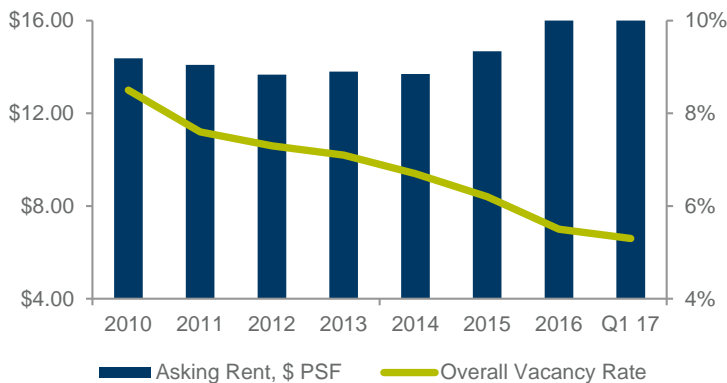
*Forecast by Cushman & Wakefield. Values represent Yr/Yr % change.

Regional

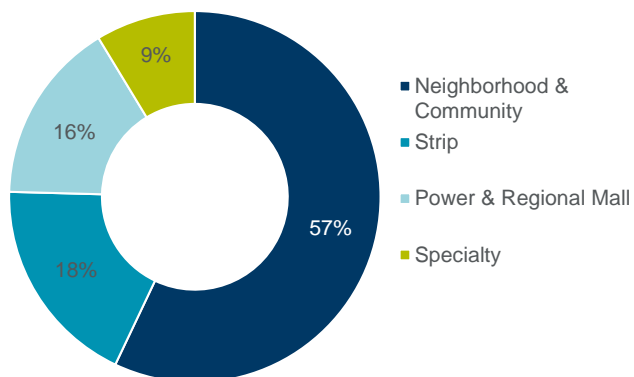
	Q1 16	Q1 17	12-Month Forecast
Household Income	\$51,875	\$53,597	▲
Population Growth	3.4%	3.5%	▲
Unemployment	4.7%	4.8%	■

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Availability by Type



Economy

Southwest Florida's regional economy was fairly strong in the first quarter. Positive trends included a 5% increase in single family building permits issued and a 3% increase in single family home sales. Lee County home prices increased 13% compared to 2016.

Seasonally-adjusted taxable sales increased 4% from the prior year. However, tourist tax revenues were down 10% and there was only a small increase in airport passenger activity. The sum of arrivals and departures for the three Southwest Florida airports- Southwest Florida International (RSW), Sarasota Bradenton International (SRW), and Punta Gorda (PGD)- was less than 1%.

Market Overview

The retail sector of the Southwest Florida market continues to report positive growth with increased asking rates and decreased vacancy rates. A positive trend in absorption supports a rise in demand with some of the most notable leases including the 41,500-square-foot (SF) deal with Walmart Neighborhood Market in the Cape Coral submarket. Cape Coral was noted as the fastest growing city in the U.S. according to Forbes magazine. Growth in the retail market is expected to continue, with an increase in population and baby boomers and millennials looking for more retail options. The data supports growth in the Southwest Florida market is no different than the national indicators of increased consumer spending and retail sales.

Outlook

Southwest Florida boasts positive population growth according to the U.S. Census Bureau. This strong pace of population growth fuels stronger demand for housing, health care, professional services and consumer spending. Southwest Florida's influx of tourism and seasonal residents support the increasing demand for retail trade, housing, and food service. This trend is evident in the decrease in vacancy and increase in overall absorption in the market.

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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
South Fort Myers/San Carlos	983	16,285,521	5.1%	-26,332	-26,332	244,859	\$17.06
North Naples	543	10,906,146	3.5%	13,587	13,587	30,000	\$21.96
Cape Coral	779	9,099,145	7.3%	49,883	49,883	63,000	\$13.47
City of Fort Myers	781	7,808,936	4.3%	37,614	37,614	3,500	\$12.21
East Naples	379	4,197,491	6.4%	7,532	7,532	18,500	\$16.74
TOTAL MARKET**	5,101	69,338,808	5.3%	226,875	226,875	433,907	\$16.23

**This table includes Southwest Florida's top five submarkets by inventory size. The total market line represents the overall market total and not just the total from the submarkets listed in the table.

FORT MYERS / NAPLES	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
Regional Mall	86	5,944,248	2.0%	8,029	8,029	0	\$20.53
Neighborhood Center	441	14,431,898	8.0%	56,771	56,771	12,763	\$14.30
Power Center	64	3,307,149	6.2%	705	705	29,900	\$21.27
Community Center	224	10,019,660	10.4%	25,110	25,110	0	\$15.49
Strip Center	578	6,078,359	6.2%	9,656	9,656	0	\$14.01
Lifestyle Center	32	1,291,556	4.3%	-3,092	-3,092	0	\$29.24
Specialty (Airport, Outlet, Themed)	10	639,817	27.6%	-15,825	-15,825	65,650	\$29.00

Key Lease Transactions Q1 2017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
2020 NE Pine Island Rd.	41,500	Walmart Neighborhood Market	New Direct	Cape Coral
1000-1016 Immokalee Rd.	37,157	Orchard Supply	New Direct	North Naples
3295 Pine Ridge Rd.	20,000	Germain Honda of Naples	New Direct	North Naples
13741-13749 S. Tamiami Trl.	18,300	Cost Plus World Market	Renewal	S. Fort Myers/San Carlos
3147 Davis Blvd.	15,000	Porsche of Naples	New Direct	East Naples

Key Sales Transactions Q12017

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
14680 S. Tamiami Trl.	38,892	The Jack Parker Corporation / JSA Promenade LLC	\$5,350,000 / \$138	S. Fort Myers/San Carlos
1661 Estero Blvd.	36,201	Tropical Hut Realty / Key Estero Shops, LLC	\$3,990,000 / \$110	S. Fort Myers/San Carlos
4720-4730 SE 15 th Ave.	34,568	Mauhi Enterprises Inc. / Lally's Tropical Real Estate, LLC	\$1,400,000 / \$41	Cape Coral
6381 Airport Pulling Rd. N.	31,908	Jonathan R. Myers / Naples J. Automotive Mgmt., LLC	\$19,548,578 / \$613	North Naples
954 NE Pine Island Rd. (Two Properties)	29,684	Hodges Properties / Mid Cape 954, LLC	\$1,650,000 / \$55.59	Cape Coral

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About Cushman & Wakefield

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