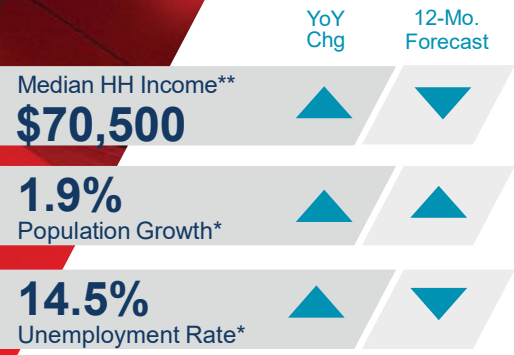


# SOUTHWEST FLORIDA

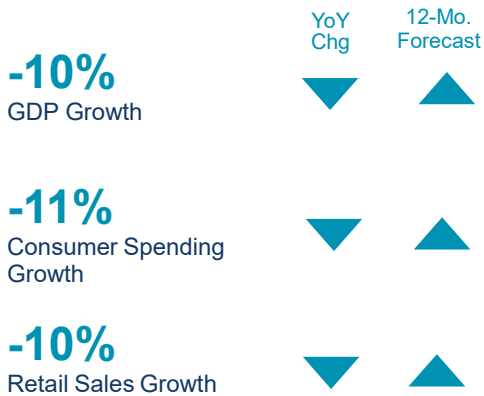


## Retail Q2 2020



\*Numbers above are monthly figures, FL Dept. Economic OPP  
\*\*Source: BLS (Economic Indicators are representative of specific county or MSA.)

### U.S. ECONOMIC INDICATORS Q2 2020



Source: BEA, Census Bureau

### ECONOMIC OVERVIEW:

Fort Myers' retail investment activity has long been one of the market's biggest success stories. Commercial real estate investors have preferred retail assets in Fort Myers over all other property types for thirteen consecutive years. Sales volume reached an all-time high in 2019 with just shy of \$450 million and has remained well above the historical average for six consecutive years. The market was well on track to make it seven in a row in 2020, with a strong first quarter. However, the pandemic has cast some doubt on the number of retail trades that will close over the remainder of the year. Retail average vacancies have been on a gentle upward rise over the past three years and have continued to loosen in 2020. While vacancies are still below the long-term average, they have softened by roughly 100 basis points over the past year. However, supply remains significantly below the historical average as well, which should limit additional pressure from new deliveries.

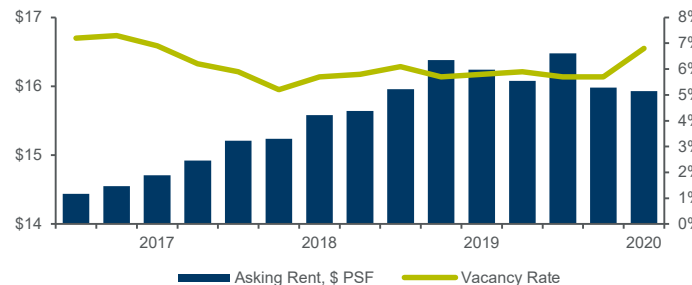
### SUPPLY AND DEMAND:

Fort Myers' retail demand has faltered a bit over the past two years including negative absorption in three of the past four quarters. The overall impact of this softening has been muted by a minimal supply pipeline and the average vacancy rate has only risen about 100 basis points at this time. Experiential retail had also seen recent success in Southwest Florida which included Dave and Buster's agreeing to take 40,000 SF in the old Saks Fifth Avenue in Bell Tower Shops and Top Golf's expected groundbreaking in 2020. Grocery-anchored centers have also seen high demand over recent years, such as Whole Foods signing a 45,000 SF lease at Daniel's Marketplace. Grocery stores have been one of the few bright spots with surging sales due to the stay at home orders.

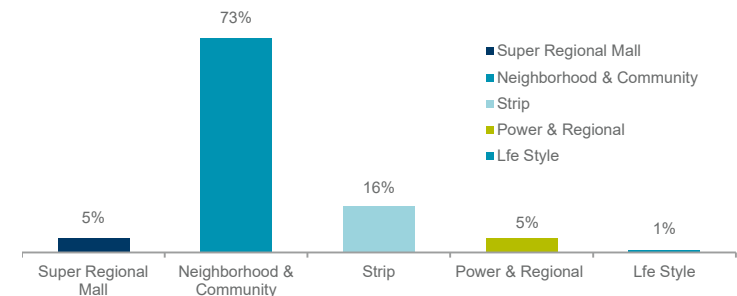
### PRICING:

Overall market rents have increased over the past 6 months, but not by much, at this time last year the average rent for retailers in the market was \$15.66. 2020 has shown an increase of 27 basis points year-over-year to \$15.93 per square foot (psf). Personal Consumption had continued to grow at a healthy clip prior to the coronavirus, owing not just to high population growth but also improved wage growth.

### OVERALL VACANCY & ASKING RENT



### AVAILABILITY BY PRODUCT TYPE



## SOUTHWEST FLORIDA

Retail Q2 2020



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COMMERCIAL PROPERTY  
SOUTHWEST FLORIDA

## MARKET STATISTICS

COUNTY	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Charlotte	5,360,388	1,271	278,221	5.0%	-38,837	22,138	0	\$13.16
Lee	27,989,271	19,344	2,009,464	7.2%	-207,673	-292,710	85,985	13.97
Collier	13,352,657	48,603	813,739	6.5%	-17,078	6,858	6,560	\$22.75
<b>TOTALS</b>	<b>46,972,316</b>	<b>69,218</b>	<b>3,101,424</b>	<b>6.8%</b>	<b>-263,588</b>	<b>-307,990</b>	<b>92,545</b>	<b>\$15.99</b>

\*Source: CoStar Group. Rental rates reflect NNN asking \$psf/yr.

SHOPPING CENTER TYPE	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Malls	6,941,653	0	251,146	3.6%	-129,270	-125,897	3,060	\$21.36
Community & Neighborhood	28,103,242	22,405	2,191,780	7.9%	-113,584	-135,910	137,767	\$15.83
Power & Regional	4,079,352	43,177	180,227	4.4%	50,486	\$21.99	6,290	\$21.99
Strip	7,491,056	3,636	486,434	6.5%	19,720	-35,278	38,100	\$15.57
Lifestyle	1,139,859	0	26,338	2.3%	4,686	10,136	0	\$20.95

\*\*The above chart excludes Airport Retail, Outlet Centers and Theme/Festival Centers. Super Regional Malls are included for inventory purposes only.

## KEY LEASE TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2267 First Street	City of Fort Myers	The Art of Fashion and Moore	5,939	Renewal
12575 S Cleveland Ave	S.Fort Myers/San Carlos	Trulieve Inc.	4,750	New Lease
12995 S Cleveland Avenue	S.Fort Myers/San Carlos	Escape Room Adventures	2,211	Renewal
2378-2384 Surfside Blvd	Cape Coral	VitaRide	1,775	New Lease
447 Cape Coral Pky	Cape Coral	Luan Dao & Lan	1,545	New Lease
2273 First Street	City of Fort Myers	Naples Soap Company, Inc.	1,300	Renewal

## KEY SALES TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	BUYER/SELLER	RSF	PRICE/\$PSF
3400 Lee Blvd	Lehigh	Iron Crest Lehigh Acres LLC/Sunshine Professional Suites	32,328	\$5,412,500/\$167.00
4246 Evans Ave	City of Fort Myers	Winfred & Josanna Ward/Sakhi Sumangalan Inc.	6,167	\$499,000/\$81.00

# SOUTHWEST FLORIDA

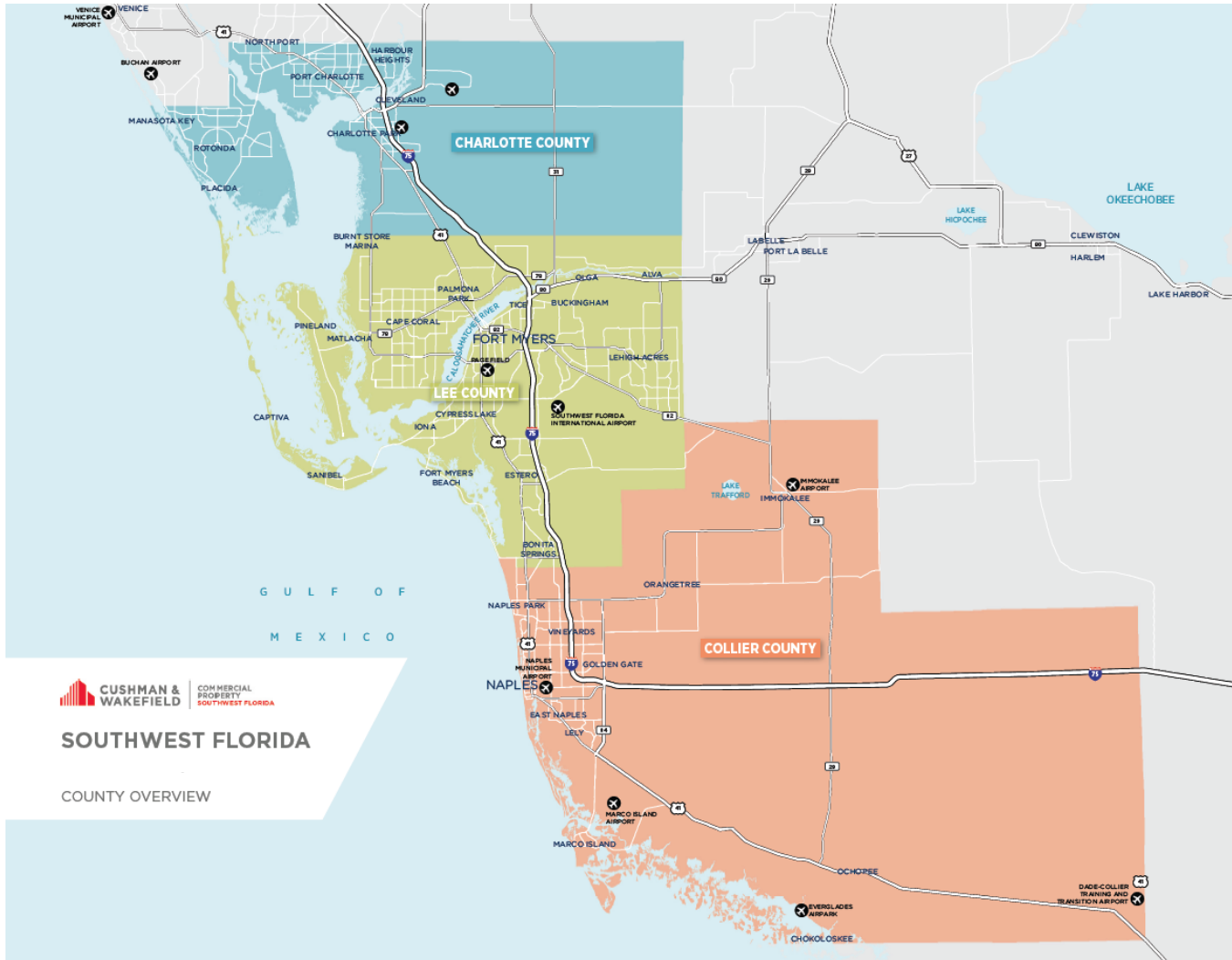
Retail Q2 2020



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SOUTHWEST FLORIDA**

## RETAIL SUBMARKETS



**SOUTHWEST FLORIDA**

COUNTY OVERVIEW

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