

MARKETBEAT

Fort Myers / Naples

Industrial Q1 2017



COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

FORT MYERS/NAPLES INDUSTRIAL

Economic Indicators

	Q1 16	Q1 17	12-Month Forecast
Lee County Employment	254k	260k	▲
Lee County Unemployment	4.7%	4.8%	▲
U.S. Unemployment	4.9%	4.8%	■

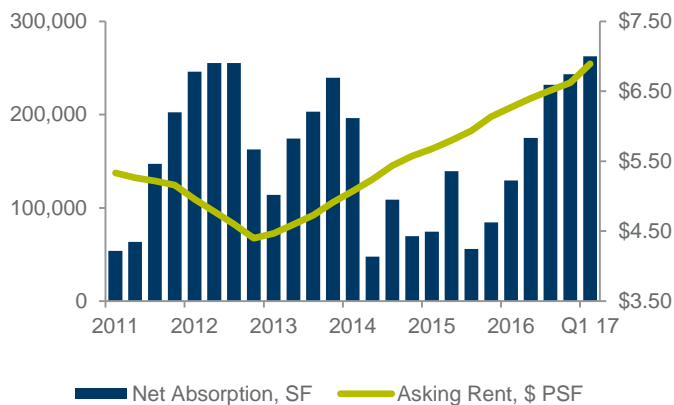
Market Indicators (Overall, All Property Types)

	Q1 16	Q1 17	12-Month Forecast
Vacancy	4.6%	2.2%	▼
YTD Net Absorption (sf)	142k	219k	▲
Under Construction (sf)	331k	235k	▼
Average Asking Rent*	\$6.36	\$7.44	▲

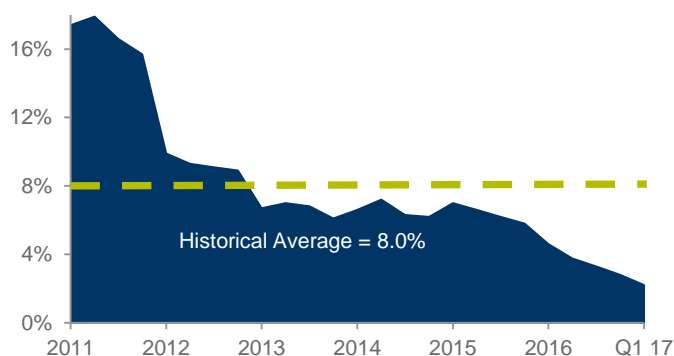
*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE



Overall Vacancy



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% when 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%.

Industrial Market on The Way to Recovery

The industrial market has become very competitive due to the limited amount of space available. This lack of available space has caused leasing and absorption to decline and allowed landlords to receive higher market rents. However, there is construction in the pipeline at SunCoast Commerce Center IV in Fort Myers. The 92,558-square-foot (SF) speculative distribution facility is an example that the Fort Myers submarket is on its way to reclaiming momentum in a market with primarily obsolete industrial buildings. A significant lease of 25,000 SF has already been secured at this location for a national known tenant, Mattress Firm.

Outlook

Southwest Florida boasts positive population growth according to the U.S. Census Bureau. Cape Coral was named the fastest growing city according to Forbes magazine. 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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CUSHMAN & WAKEFIELD

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SOUTHWEST FLORIDA**

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	DIRECT WEIGHTED AVG. NET RENT (MF)	DIRECT WEIGHTED AVG. NET RENT (FLEX)	DIRECT WEIGHTED AVG. NET RENT (W/D)
Bonita Springs	118	1,398,589	0	5.0%	10,973	0	\$13.37	\$11.12	\$9.00
Cape Coral	377	3,588,055	0	3.6%	21,785	0	\$8.64	N/A	\$7.80
City of Fort Myers	666	9,902,531	7,930	2.9%	89,526	92,558	\$5.50	\$8.71	\$6.03
Estero	4	17,292	0	0	0	0	N/A	N/A	\$8.50
Lehigh Acres	85	1,286,447	0	1.6%	8,105	0	\$8.34	\$6.00	\$7.56
North Fort Myers	79	1,310,640	0	0.9%	2,000	0	N/A	N/A	N/A
S. Fort Myers/San Carlos	845	13,945,428	65,452	2.1%	29,962	0	\$6.72	\$8.56	\$6.59
LEE COUNTY SUBTOTAL	2,174	31,448,982	73,382	2.6%	162,351	92,558	\$6.91	\$8.49	\$6.54
East Naples	434	5,376,024	0	1.3%	48,186	104,860	\$9.14	\$11.00	\$11.49
Naples	10	58,905	0	0	0	0	\$15.00	N/A	N/A
North Naples	461	4,927,137	0	0.5%	8,021	38,000	\$12.22	\$12.38	\$12.56
COLLIER COUNTY SUBTOTAL	905	10,362,066	0	0.9%	56,207	142,860	\$12.42	\$11.95	\$11.75
FORT MYERS/NAPLES TOTALS	3,079	41,811,048	73,382	2.2%	218,558	235,418	\$8.15	\$8.48	\$6.98

*Rental rates reflect asking \$psf/year

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

	TOTAL BLDGS	INVENTORY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY (SF)	OVERALL WEIGHTED AVG. NET RENT
Warehouse/Distribution	2,131	28,215,244	47,995	1.7%	99,118	197,418	0	59,579	\$6.98
Manufacturing	513	7,990,691	22,253	2.4%	77,213	0	0	11,402	\$8.15
Flex	435	5,605,113	3,134	4.3%	42,227	38,000	13,395	11,992	\$8.48

Key Lease Transactions Q12017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
9351 Laredo Avenue	25,000	Mattress Firm	Lease	City of Fort Myers
2142 Andrea Lane	14,250	Withheld	Lease	S. Fort Myers/San Carlos
4361 Corporate Square	10,568	Baker Distributing	Lease	East Naples
3620 Work Drive	10,414	Evolution Trailer Technologies, Inc.	Lease	City of Fort Myers

Key Sales Transactions Q12017

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
7751 Bayshore Rd. (4 Properties)	430,166	Raymond Building Supply, LLC / STORE Master Funding X, LLC	\$21,120,000 / \$49	North Fort Myers
3551-3591 Metro Pkwy., 3060-4011 Sivan Rd., 3050-4051 Warehouse Rd.	264,731	Metro Center FIP, LLC / Metro Center TWA, LLC	\$12,250,000 / \$46	City of Fort Myers

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