

MARKETBEAT

Fort Myers / Naples

Industrial Q4 2016



COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

FORT MYERS/NAPLES INDUSTRIAL

Economic Indicators

	Q4 15	Q4 16	12-Month Forecast
Lee County Employment	250k	258k	▲
Lee County Unemployment	4.7%	4.5%	▼
U.S. Unemployment	5.0%	4.8%	▼

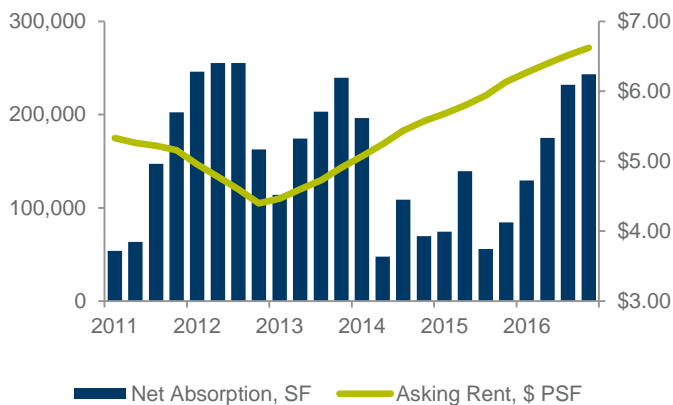
Market Indicators (Overall, All Property Types)

	Q4 15	Q4 16	12-Month Forecast
Vacancy	5.8%	2.8%	▼
YTD Net Absorption (sf)	337k	973k	▲
Under Construction (sf)	55k	28k	▼
Average Asking Rent*	\$6.37	\$6.80	▲

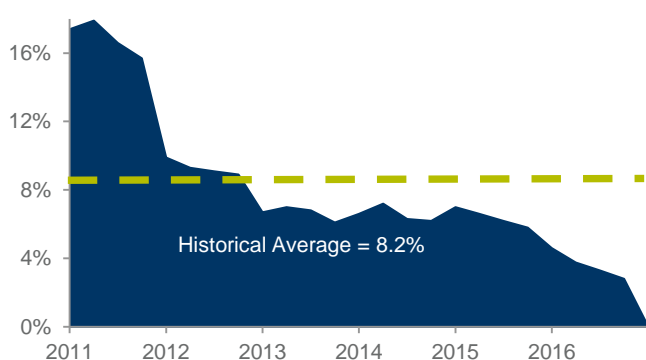
*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE



Overall Vacancy



Economy

Southwest Florida's regional economy provided mixed signals during December. Positive trends included a 9% increase in regional taxable sales from the prior year, a 3% increase in tourist tax revenues and a 5% increase in total airline passenger activity. Single family home sales increased by 13% from the prior year and single family permits grew 10% from November year-over-year. The regional unemployment rate held steady at 5% in November relatively consistent with a year ago.

Industrial spaces are hot commodity

The last several years of high vacancy rates and declining asking rental rates in Southwest Florida's industrial and flex space markets are on the rebound. However, manufacturing product remains flat due to lower demand in this market. Southwest Florida's industrial market heavily relies on the residential construction industry and the current boom has led to significant recovery of the industrial sector. New warehouse condominium and big box industrial projects are in high demand as occupancy rates are stabilizing.

Outlook

Passenger activity in the three Southwest Florida airports in December 2016 was consistent with activity reported a year ago. Peak seasonal activity occurs February through April with significantly lower activity in the summer months. Continued job and income gains nationwide are booking regional tourism even though fuel prices have been crawling up over the year, but are still low enough to support consumer spending. Southwest Florida boasts positive population growth. This increase is due in part to retirees recovering the wealth lost during the recession and are now able to sell their homes and relocate to the area. This strong pace of population growth fuels stronger demand for housing, health care, professional services and consumer spending on retail. The large elderly population will keep education for health care growing.

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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 (WD)
Bonita Springs	118	1,398,589	21,541	5.9%	2,725	0	\$13.06	\$11.12	\$9.00
Cape Coral	377	3,586,527	22,047	4.4%	103,499	0	\$7.92	N/A	\$7.65
City of Fort Myers	666	9,900,958	209,351	4.4%	189,340	0	\$5.50	\$9.51	\$5.393
Estero	4	17,292	0	0	1,057	0	N/A	N/A	\$7.00
Lehigh Acres	85	1,286,447	0	2.5%	54,214	0	\$8.34	\$6.00	\$6.25
North Fort Myers	79	1,309,244	20,727	0.9%	37,423	0	N/A	N/A	N/A
S Ft Myers/San Carlos	842	13,768,619	161,333	2.5%	442,062	0	\$5.71	\$8.55	\$6.26
LEE COUNTY SUBTOTAL	2,171	31,267,676	434,999	3.4%	830,320	0	\$6.12	\$8.68	\$6.02
East Naples	432	5,338,987	150,864	1.9%	77,623	24,976	\$8.00	\$10.43	\$9.58
Naples	10	58,902	0	0	0	0	\$15.00	N/A	N/A
North Naples	461	4,918,821	51,798	0.6%	64,641	3,395	\$11.09	\$12.15	\$12.56
COLLIER COUNTY SUBTOTAL	903	10,316,710	202,662	3.0%	142,264	28,371	\$12.06	\$11.24	\$10.34
FORT MYERS/NAPLES TOTALS	3,074	41,584,386	637,661	2.8%	972,584	28,371	\$6.60	\$8.06	\$6.39

*Rental rates reflect asking \$psf/year

OS = Office Service/Flex MF = Manufacturing WD = 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	2,129	28,026,257	362,198	2.4%	636,326	10,000	335,263	1,261,796	\$6.39
Manufacturing	513	7,990,776	165,821	3.0%	270,367	0	0	211,323	\$6.60
Flex	432	5,567,353	109,642	5.0%	65,891	18,371	12,600	258,629	\$8.06

Key Lease Transactions 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
7751 Bayshore Rd.	305,242	Raymond Building Supply	Lease	North Fort Myers
14001 Jetport Loop	213,508	FedEx	Lease	S. Fort Myers/San Carlos
2670 Colonial Blvd	92,164	FedEx	Renewal	S. Fort Myers/San Carlos
11901 Amedicus Ln	38,165	PODS	Lease	S. Fort Myers/San Carlos
7920 Interstate Court	24,000	Raymond Building Supply	Lease	S. Fort Myers/San Carlos

Key Sales Transactions 2016

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
7751 Bayshore Rd (4 properties)	430,166	Raymond Building Supply / STORE Capital Corp.	\$21,120,000 / \$49	North Fort Myers
3991 Sivan Rd. (20 properties)	264,731	Metro Center FIP LLC / Metro Center TWA LLC	\$12,250,000 / \$46	City of Fort Myers
71 Mid Cape Ter (3 properties)	102,000	Distressed Capital III, LLC / Mid Cape Flex, LLC	\$4,200,000 / \$41	Cape Coral
8030 Supply Dr.	59,835	S&S Holdings of SWFL, LLC / Alico SWFL, LLC	\$4,183,000 / \$70	South Fort Myers/San Carlos

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