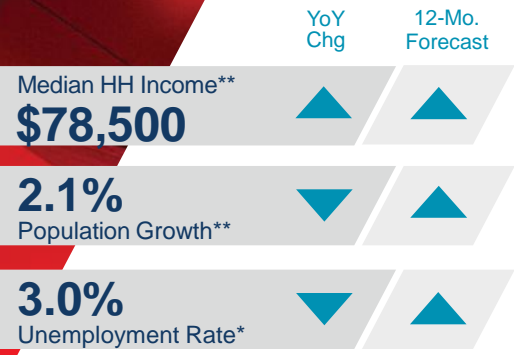


# SOUTHWEST FLORIDA



Retail Q4 2023



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

### ECONOMIC OVERVIEW:

The region has enjoyed strong employment figures, with unemployment showing a consistent decline since the fourth quarter of 2022. Despite this positive trend, projections from the Bureau of Labor Statistics indicate a potential increase in unemployment over the next 12 months. Concurrently, the population growth rate has experienced a slight downturn, dropping from 3.3% to 2.1% year over year. Despite this decrease, the influx of new residents into the area remains substantial compared to other regions, underpinning continued demand for retail space.

### SUPPLY AND DEMAND:

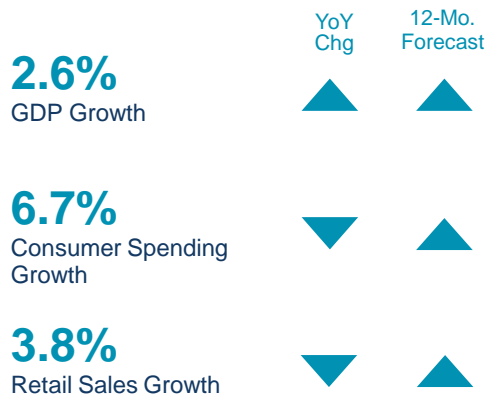
The supply side of the market is witnessing significant activity, with 172,616 square feet (sf) of retail space currently under construction. A notable 53% of this new inventory is concentrated in the Estero submarket, attributed to its available land and community development plans. Additionally, a fully leased 80,000-sf community center is underway in Cape Coral, situated along the heavily trafficked Pine Island Road. The addition of 67,438 sf of inventory in 2023 marked the lowest increase in supply within the last decade. Despite this, leasing activity remained robust, with 1.49 million sf leased in 2024, aligning with the five-year average. The market welcomed 25 new leases for spaces of 10,000 sf and above, featuring tenants such as O'Reilly Auto Parts, Kohls, and Nordstrom Rack. This activity contributed to an overall vacancy rate of 3.2%, a historic low, and a slight decrease from the previous year. However, speculative construction projects expected to be delivered in 2024 may lead to a minor uptick in vacancy rates. Yet, the overall net absorption remained positive for the third consecutive year, totaling 195,753 sf.

### PRICING:

On the pricing front, the average triple net rent in the region has climbed to \$19.61 per square foot (psf), marking a \$0.54 psf increase year-over-year and a significant 19% rise from five years ago. Collier County commands premium rents, averaging \$25.79 psf, compared to \$17.99 psf and \$18.05 psf in Lee and Charlotte Counties, respectively. The average market sale price per square foot has also seen an upward trajectory, reaching \$233 psf, up from \$210 psf the previous year.

In summary, the Southwest Florida retail market is characterized by strong employment fundamentals, albeit with a cautious outlook on unemployment. The supply of new retail space is growing, particularly in areas like Estero and Cape Coral, though overall supply growth has been modest. Demand remains healthy, as evidenced by low vacancy rates and steady leasing activity. Pricing trends indicate a market with increasing rents and property values, reflecting the ongoing attractiveness of the region for retailers and investors alike.

### U.S. ECONOMIC INDICATORS Q4 2023

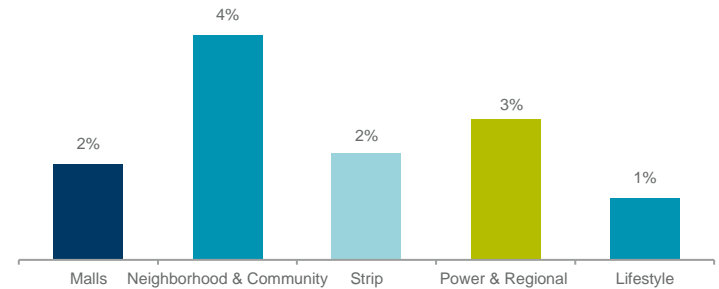


Source: BEA, Census Bureau

### OVERALL VACANCY & ASKING RENT



### AVAILABILITY BY PRODUCT TYPE



Source: CoStar

# SOUTHWEST FLORIDA

Retail Q4 2023



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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	5,718,898	0	132,115	2.3%	19,273	29,429	2,500	\$18.05
Lee	26,643,932	0	774,596	2.9%	105,071	135,259	170,116	\$17.99
Collier	13,394,118	14,850	532,595	4.1%	-31,033	31,065	0	\$25.79
<b>TOTALS</b>	<b>45,756,948</b>	<b>14,850</b>	<b>1,439,306</b>	<b>3.2%</b>	<b>93,311</b>	<b>195,753</b>	<b>172,616</b>	<b>\$19.61</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	4,748,196	0	78,618	1.7%	50,452	59,630	0	---
Community & Neighborhood	27,750,615	14,550	1,097,494	4.0%	334	-43,017	172,616	\$18.03
Power & Regional	3,985,504	0	99,112	2.5%	13,795	49,590	0	\$22.99
Strip	7,477,101	300	144,786	1.9%	27,650	108,898	0	\$20.73
Lifestyle	1,795,532	0	19,296	1.1%	1,080	20,652	0	\$36.27

\*\*The above chart excludes Airport Retail, Outlet Centers and Theme/Festival Centers.

## KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	Asking Rent (NNN)	TYPE
6351 Bayshore Rd.	North Fort Myers	O'Reilly Auto Parts	43,370	\$12.00	New Lease
4111-4343 Tamiami Trl N.	North Naples	Barnes & Noble	35,080	\$16.00	New Lease
13499 S Cleveland Ave.	S. Fort Myers/San Carlos	Nordstrom Rack	30,658	\$24.62	New Lease
42080 Cypress Pkwy.	Charlotte County	Marshalls	22,470	Undisclosed	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	BUYER/SELLER	RSF	CAP RATE	PRICE/\$PSF
15565 S Tamiami Trl.	S. Fort Myers/San Carlos	General RV Center / Sam Galloway	44,507	Owner-User Sale	\$12.5M/\$280.85
13751 S Tamiami Trl.	S. Fort Myers/San Carlos	Schiff Enterprises / One Liberty Properties, Inc.	29,993	7.50%	\$7.3M/\$243.39
11560 Majestic Palms Blvd.	S. Fort Myers/San Carlos	Island Palms Properties LLC / Sweet Island LLC	29,900	Undisclosed	\$6.1M/\$204.01

# SOUTHWEST FLORIDA

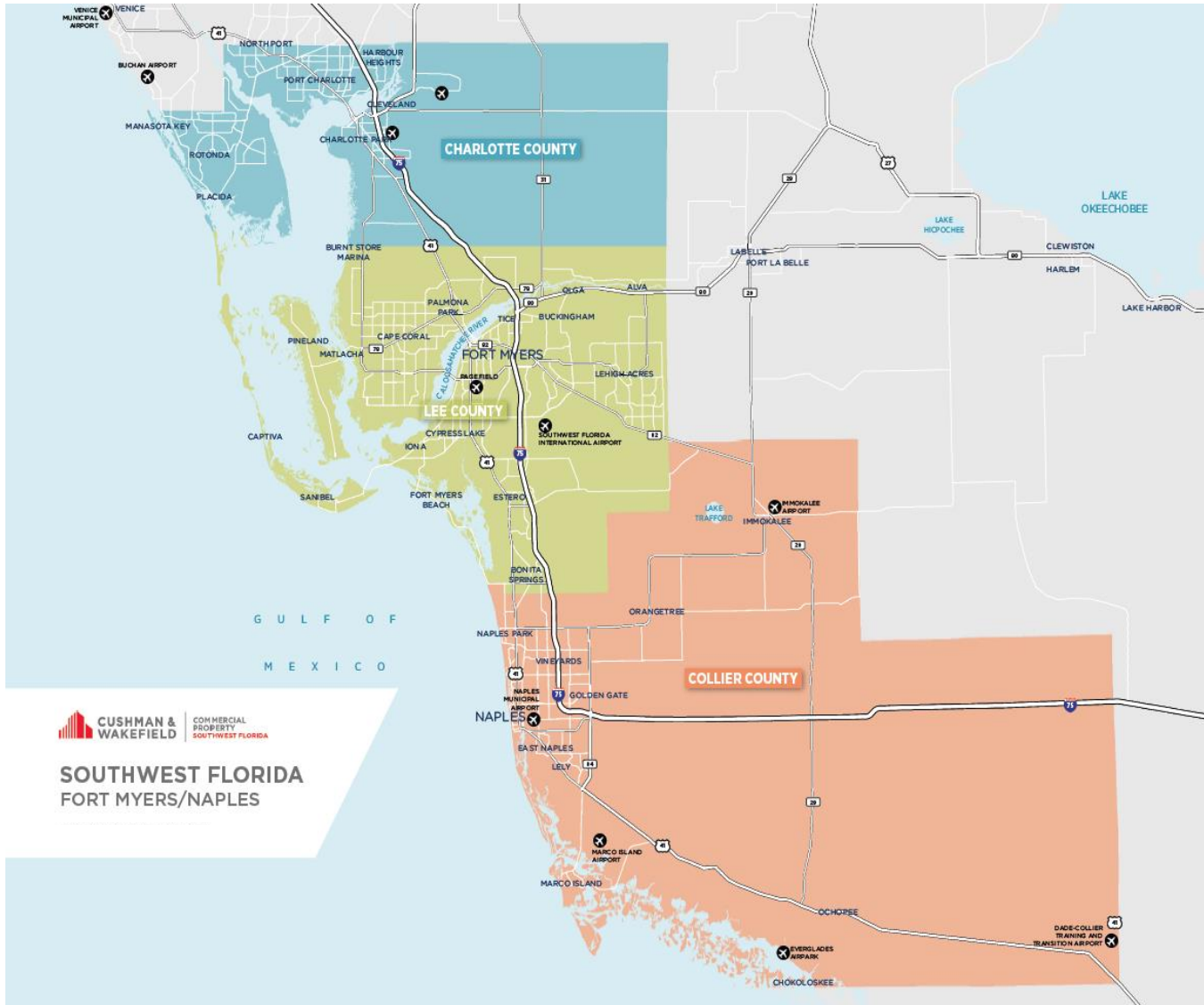
Retail Q4 2023



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SOUTHWEST FLORIDA**

## RETAIL SUBMARKETS



**SOUTHWEST FLORIDA  
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