MARKETBEAT
SOUTHWEST FLORIDA
RETAIL Q4 2024

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$81,200 Median HH Income	▲	▲
3.4% Population Growth	▲	▲
3.2% Unemployment Rate	▲	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1% GDP Growth	▼	▲
2.7% Consumer Spending Growth	–	▲
1.9% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

ECONOMY OVERVIEW

Southwest Florida's economy continues to show strong growth, with employment rising 12% from 2019 to 2024. The region's population surpassed 1.5 million in 2024, reflecting a 9.5% increase since 2020, with an additional 7.4% growth projected by 2029. Median household income rose from $78,900 in Q4 2023 to $81,200 in 2024, while population growth reached 3.4% this quarter and 2.5% year-to-date (YTD).

SUPPLY AND DEMAND

Southwest Florida's retail market maintains a tight vacancy rate of 2.9%, down from 3.1% YTD. Collier County has the highest vacancy rate at 4%, followed by Charlotte County at 3.3% and Lee County at 2.5%. Current vacancies total 1.34 million square feet (msf), representing a 6.4% year-over-year (YOY) decline. Inventory is set to grow by 23 basis points with the completion of 108,840 square feet (sf) of under-construction retail space. Strip centers account for the largest share of new development at 48,072 sf, followed by lifestyle centers at 30,268 sf. Of this space, 54% is already leased, with 6 out of the 13 properties fully pre-leased. The remaining space is expected to be absorbed upon delivery.

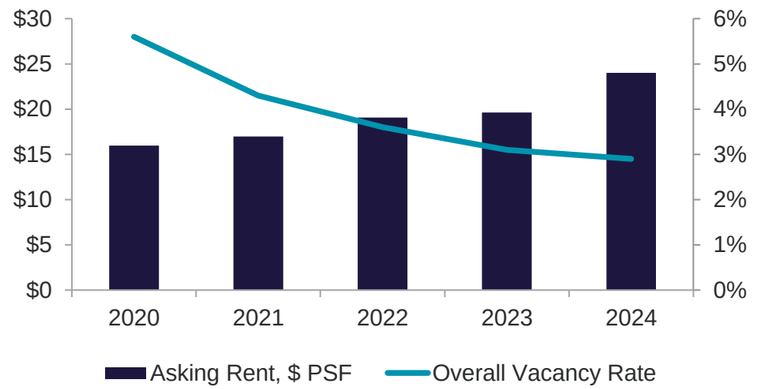
Year-to-date net absorption stands at 230,516 sf driven by community and neighborhood centers, which contributed 283,516 sf. This quarter saw a positive net absorption of 34,015 sf, a significant turnaround from last quarter's negative absorption of 71,268 sf, marking a 147% increase quarter-over-quarter. Demand continues to outpace supply, reflected in the low vacancy rates and strong absorption figures.

PRICING

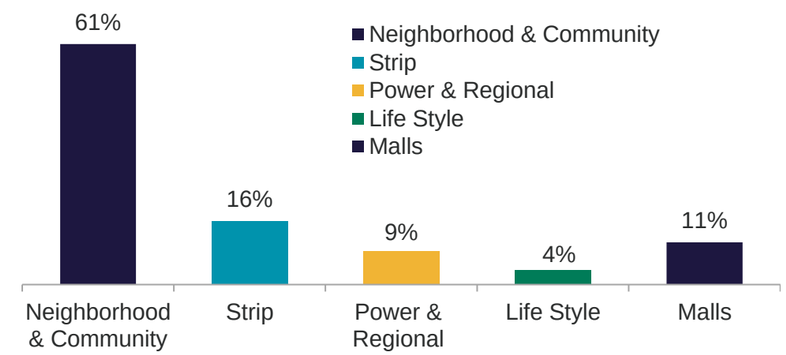
Retail rents in Southwest Florida have seen a significant YOY increase, with the average rent rising to $24.02 per square foot (psf), a 22% increase YTD. Collier County commands the highest rent at $26.97 psf, closely followed by Charlotte County at $26.28 psf, and Lee County at $21.32 psf.

This quarter recorded $70 million in sales volume, reflecting a 50% YOY increase, and a 32% decline compared to the previous quarter. Total annual sales volume reached $283 million, significantly outpacing last year's total of $157 million. Cap rates remained stable at 6.55%, compared to 6.56% YTD, with showing little change since Q4 of 2021. The market sale price psf rose to $225, up from $216 YTD, underscoring steady growth in property values.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



Source: CoStar

SOUTHWEST FLORIDA
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MARKET STATISTICS

COUNTY/SHOPPING CENTER TYPE	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Charlotte	5,683,463	0	185,095	3.3%	-20,288	-34,781	0	$26.28
Lee	27,106,304	1,810	652,140	2.4%	72,537	210,298	75,072	$21.32
Collier	13,635,507	16,006	504,962	3.8%	-18,234	55,237	33,768	$26.97
COUNTY TOTAL	46,425,274	17,816	1,342,197	2.9%	34,015	230,754	108,840	$24.02
Malls	4,969,592	0	90,569	1.8%	-4,579	-11,951	0	---
Community & Neighborhood	28,248,058	14,469	935,678	3.4%	76,424	283,516	22,000	$24.19
Power & Regional	3,961,949	0	91,332	2.3%	-23,117	7,780	8,500	$26.07
Strip	7,496,757	1,810	193,307	2.6%	-12,394	-27,249	48,072	$21.03
Lifestyle	1,748,918	1,537	31,311	1.9%	-2,319	-21,342	30,268	$36.22
SHOPPING CENTER TYPE TOTAL	46,425,274	17,816	1,342,197	2.9%	34,015	230,754	108,840	$24.02

**Rental rates reflect Triple Net asking $PSF/Year*

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
42080 Cypress Pkwy	Charlotte County	Home Goods	23,000	New Lease
8787-8811 Tamiami Trl N	North Naples	Ace Hardware	20,194	New Lease
1302-1344 Homestead Rd N	Lehigh	Smash Fitness	11,024	New Lease
4265 Tamiami Trl	Charlotte County	Archwell Health	9,500	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
Gulf Coast Town Center	S Ft Myers / San Carlos	Davidson Kempner Capital Mgmt / North American Development Group	1,052,356	$128M / $121.63
13300 S Cleveland Ave	S Ft Myers / San Carlos	TIAA / Benderson Development Company	276,288	$38M / $138.58
5010-5066 Airport Pulling Rd N	North Naples	SITE Centers / Benderson Development Company	250,234	$54M / $218.60
13711 S Tamiami Trl	S Ft Myers / San Carlos	Schiff Enterprises / Centro Realty	105,055	$18M / $175.18

CONSTRUCTION COMPLETIONS Q4 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
8590 Collier Blvd	Outlying Collier County	Pinnacle Health Specialists	15,816	FL Star Construction
20231 Summerlin Rd	S Ft Myers / San Carlos	Dunkin'	4,000	Phillips Edison & Company

Source: CoStar

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