MARKETBEAT

SOUTHWEST FLORIDA

INDUSTRIAL Q4 2024

CUSHMAN & WAKEFIELD | COMMERCIAL PROPERTY SOUTHWEST FLORIDA

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.6% Vacancy Rate	▲	▲
508K YTD Net Absorption, SF	▼	—
$14.45 Asking Rent, PSF	▲	—

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
487K Southwest Florida Employment	▲	▲
3.3% Southwest Florida Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMIC OVERVIEW

Southwest Florida's industrial market maintained positive momentum in 2024, driven by robust job growth and steady economic activity. Nonfarm employment in the Fort Myers/Naples area rose from 481,200 in Q4 2023 to 487,200 in Q4 2024, with unemployment inching up from 3.1% to 3.3%. Key employment sectors contributed significantly, with Cape Coral/Fort Myers adding 2,000 trade, transportation, and utilities jobs, and Punta Gorda growing by additional 600 jobs in the same sectors between September and November 2024. Both Lee and Collier Counties, two of Florida's largest, posted employment gains year-over-year (YOY), at 2.0% and 3.1%, respectively, showcasing resilience amidst a tightening labor market.

SUPPLY AND DEMAND

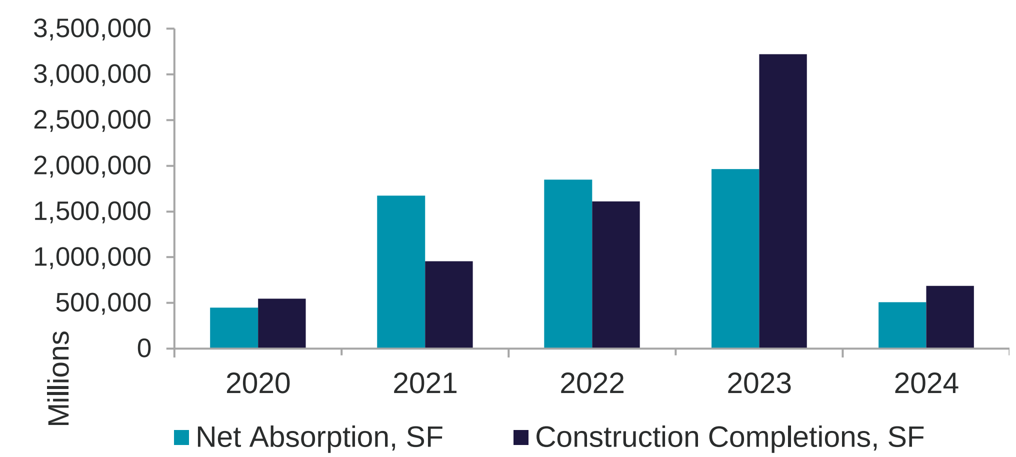
The industrial market in Southwest Florida demonstrated a healthy balance in 2024, with a 3.6% overall vacancy rate in the tri-county region—a 40-basis-point (bps) decline quarter-over-quarter but a 20 bps increase YOY. Positive absorption trends continued, marking the 15th consecutive year of positive net absorption, with 508,460 square feet (sf) absorbed year-to-date (YTD). Leasing activity for Q4 reached 517,049 sf, outperforming major Florida markets like Jacksonville and Tampa. Construction remained active, with 686,255 sf delivered YTD, including 30,700 sf in Q4, aligning with pre-pandemic norms. Over 1.2 million square feet are currently under construction, reflecting sustained demand.

Investor activity remained strong in Q4, highlighted by the $115.1 million sale of the Tri-County 75 industrial park, a four-building complex with 816,866 sf of leasable space and a 94.75% occupancy rate. The S. Fort Myers/San Carlos submarket also saw three leases exceeding 100,000 sf, further solidifying its role as a key industrial hub.

PRICING

The Southwest Florida industrial market saw moderate price increases in 2024. The average market sale price rose 3.8% YOY to $138 per square foot (psf), while the average cap rate edged up from 8.16% in Q4 2023 to 8.38% in Q4 2024. Triple net rents grew to $14.45 psf, marking an 8.4% increase compared to a year ago. However, the pace of YOY rent growth slowed to 4.5%, down from 9.3% the previous year, signaling a potential stabilization in rental trends.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	5,093,596	373,692	7.3%	76,576	-10,888	581,200	28,000	---	$15.50	$13.13
CHARLOTTE COUNTY TOTAL	5,093,596	373,692	7.3%	76,576	-10,888	581,200	28,000	---	$15.50	$13.13
Bonita Springs	1,402,941	49,880	3.6%	7,345	-38,630	0	0	$18.00	$16.89	$17.76
Cape Coral	3,304,566	106,397	3.2%	18,580	-43,296	0	0	---	$16.70	$14.30
Estero	17,292	---	---	---	---	0	0	---	---	---
City of Fort Myers	10,177,666	334,185	3.3%	41,379	268,594	78,600	2,700	---	---	$12.57
South Fort Myers	16,241,038	617,153	3.8%	174,122	404,977	577,467	0	$16.47	$17.04	$13.81
North Fort Myers	1,160,505	19,600	1.7%	---	9,600	0	0	---	---	$12.48
Lehigh Acres	1,190,689	66,559	5.6%	-2,820	-4,700	0	0	---	$14.60	$9.79
The Islands	111,125	---	---	---	920	0	0	---	---	---
LEE COUNTY TOTAL	33,605,822	1,193,774	3.5%	238,606	597,465	656,067	2,700	$17.24	$16.31	$13.45
East Naples	4,816,280	112,872	2.3%	-23,691	-28,692	0	0	$20.68	---	$19.96
North Naples	3,647,135	64,111	1.8%	-16,695	-52,456	0	0	$22.97	---	$22.85
Naples	46,200	---	---	---	---	0	0	---	---	---
Marco Island	82,180	---	---	---	---	0	0	---	---	---
Outlying Collier County	2,307,511	43,329	1.9%	2,543	3,031	0	0	---	$20.00	$15.51
Golden Gate	83,154	3,000	3.6%	---	---	0	0	---	---	---
COLLIER COUNTY TOTAL	10,982,460	223,312	2.4%	-37,843	-78,117	0	0	$21.83	---	$19.44
SOUTHWEST FLORIDA TOTALS	**49,661,480**	**1,790,778**	**3.6%**	**277,339**	**508,460**	**1,347,267**	**30,700**	**$19.68**	**$16.22**	**$14.09**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
16680 Oriole Rd.	S. Fort Myers	*Undisclosed*	250,000	New Lease
16523 Airport Haul Rd.	S. Fort Myers	U.S. AutoForce	118,178	New Lease
9111 Cheetos Cir.	S. Fort Myers	Frito-Lay	104,160	New Lease
16351 Lee Rd.	S. Fort Myers	*Undisclosed*	36,000	New Lease
4720 Radio Rd.	East Naples	L&W Supply Corporation	31,948	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
Tri-County 75 Industrial Park	City of Fort Myers	Columnar & Glenstar / Walton Street Capital	816,866	$115M / $190
9111 Cheetos Cir.	S. Fort Myers	SunCap Property Group / GTJ REIT, Inc	104,160	$35M / $336
4-Property Portfolio	*Various*	Shanahan Enterprises / Industrial Dev. Corp.	94,026	$12M / $166
3760 Fowler St.	City of Fort Myers	Harry Chapin Food Bank / The Easton Group	49,092	$6M / $114
8911-8919 N Fork Dr	Cape Coral	Moonstone Holdings / Southpaw Capital	30,000	$3M / $100

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