MARKETBEAT

SOUTHWEST FLORIDA

INDUSTRIAL Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.1% Vacancy Rate	▲	▲
-71K YTD Net Absorption, SF	▼	–
$15.26 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
491K Southwest Florida Employment	▲	▲
3.7% Southwest Florida Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY OVERVIEW

Unemployment in Southwest Florida (SWFL) rose 40 basis points (bps) year-over-year (YOY), increasing from 3.3% to 3.7% but still below the national average of 4.1%. During the same period total employment climbed from 490,600 to 491,100.

Across the state, Florida has seen a 32% increase in manufacturing establishments since Q1 2019, now totaling over 27,000. Between February 2024 and February 2025, SWFL's industrial sector added 900 jobs across all counties. Of the 900 jobs added, 600 were in the manufacturing sector.

SUPPLY AND DEMAND

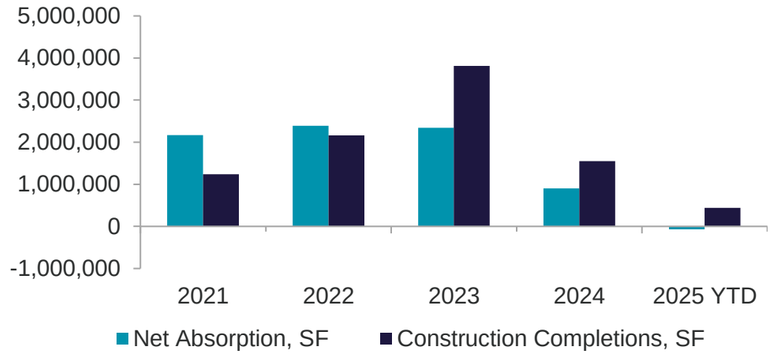
The industrial market reached 61.4 million square feet (msf) of inventory in Q1 2025, with 439,064 square feet (sf) added over the past quarter and almost 2 msf the past year. There are currently 32 buildings under construction totaling over 2.2 msf, of which 42% is already pre-leased. A single warehouse lease exceeded just over 119,000 sf at the Alico ITEC Logistics Park in the S Ft Myers / San Carlos submarket representing 25% of total leasing volume this quarter. Leasing activity has dropped 51% quarter-over-quarter (QOQ) and the lowest it has been since Q3 2019.

Vacancy has risen to 5.1%—a 80 bps increase from last quarter and 100 bps higher YOY—marking the highest rate since 2015 and 440 bps higher than the historic low reported in Q1 2023. The national U.S. industrial vacancy rate has seen similar trends with vacancies increasing 30 bps QOQ to 7.0%. The SWFL market has recorded -71,349 sf of net absorption, signaling a softening in demand following several years of strong occupancy growth.

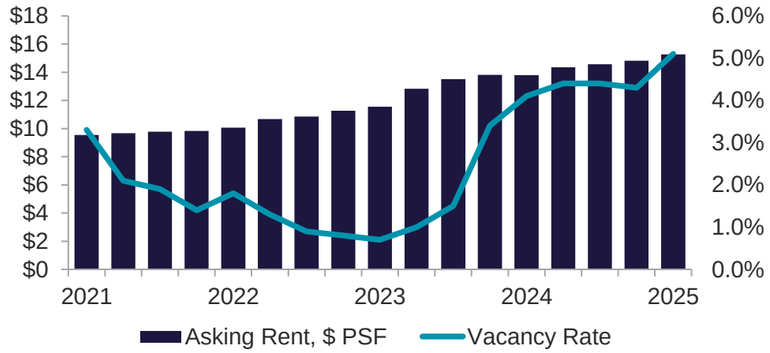
PRICING

Despite rising vacancies, the industrial market experienced moderate price increases in Q1 2025. Average asking rents rose to $15.26 per square foot (psf), an increase of $0.44 from last quarter and $1.47 YOY. Rent growth slowed to 4.0%, down from 8.3% in Q1 2024, indicating signs of stabilization in rental trends. Average cap rates have remained around 8.1% over the last year, while 12-month sales volume climbed to $488 million, up from $431 million YOY. The average market sale price increased to $148 psf, compared to $137 psf YOY.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



SOUTHWEST FLORIDA
INDUSTRIAL Q1 2025

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	5,913,705	498,311	8.4%	-55,237	-55,237	560,200	29,000	---	$19.68	$13.43
CHARLOTTE COUNTY TOTAL	5,913,705	498,311	8.4%	-55,237	-55,237	560,200	29,000	---	$19.68	$13.43
Bonita Springs	1,881,699	94,541	5.0%	-35,057	-35,057	65,000	9,970	---	$22.04	$18.41
Cape Coral	4,019,712	141,580	3.5%	27,826	27,826	21,600	45,000	---	$16.86	$13.68
Estero	28,114	---	---	---	---	0	0	---	---	---
City of Fort Myers	12,191,707	555,218	4.6%	-5,778	-5,778	68,400	149,000	---	$19.68	$12.78
South Fort Myers	20,959,541	1,428,843	6.8%	26,984	26,984	1,463,735	188,300	$16.91	$18.30	$14.72
North Fort Myers	1,335,115	16,692	1.3%	7,908	7,908	0	0	---	---	$12.50
Lehigh Acres	1,348,171	81,081	6.0%	-4,165	-4,165	5,733	0	---	$15.14	$10.62
The Islands	126,065	1,250	1.0%	-1,250	-1,250	0	0	---	---	---
LEE COUNTY TOTAL	41,890,124	2,319,205	4.0%	16,468	16,468	1,624,468	392,670	$16.91	$18.40	$13.79
East Naples	5,822,788	150,702	2.6%	-33,765	-33,765	0	0	$20.49	$19.66	$19.32
North Naples	4,817,352	100,421	2.1%	-23,206	-23,206	0	0	$27.00	$15.45	$17.17
Naples	63,836	---	---	---	---	0	0	---	---	---
Marco Island	99,846	1,200	1.2%	-1,200	-1,200	0	0	---	---	$30.00
Lely	7,600	---	---	---	---	0	0	---	---	---
Outlying Collier County	2,712,021	56,332	2.1%	22,591	22,591	22,086	17,394	---	$24.00	$20.92
Golden Gate	96,614	---	---	3,000	3,000	0	0	---	---	---
COLLIER COUNTY TOTAL	13,620,057	308,655	2.0%	-32,580	-32,580	22,086	17,394	$23.75	$19.70	$21.85
SOUTHWEST FLORIDA TOTALS	61,423,886	3,126,171	5.1%	-71,349	-71,349	2,206,754	439,064	$17.97	$17.80	$14.52

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
16517 Airport Haul Rd	S Ft Myers / San Carlos	*Undisclosed*	119,802	New Lease
16140 Parallel	S Ft Myers / San Carlos	*Undisclosed*	29,980	New Lease
2236 Hemingway Dr	S Ft Myers / San Carlos	Mid Atlantic Roofing Supply Fort Myers	18,000	New Lease
2487 N Airport Rd	S Ft Myers / San Carlos	N&M Heating and Cooling	16,060	New Lease
4011 Sivan Rd	City of Ft Myers	American Residential Products	16,000	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
*4290 Colonial Blvd	S Ft Myers / San Carlos	AT&T, Inc / Reign Capital	75,365	$4.2M / $56
14501 Jetport Loop	S Ft Myers / San Carlos	The Ogden Newspaper / *Undisclosed*	40,394	$5.1M / $126
16260-16280 Old US 41	S Ft Myers / San Carlos	Z Equity Group / Fountain Real Estate Capital	30,000	$5M / $168
1956-1960 Trade Center Way	North Naples	Unipop / Spazio Marble	20,648	$6.6M / $323
17001 Alico Commerce Ct	S Ft Myers / San Carlos	Downing-Frye Realty / Chad The Handyman	18,400	$2.8M / $149

**Included in a portfolio sale*

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