MARKETBEAT

SOUTHWEST FLORIDA

OFFICE Q2 2025

CUSHMAN & WAKEFIELD | COMMERCIAL PROPERTY SOUTHWEST FLORIDA

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.3% Vacancy Rate	—	—
-21K YTD Net Absorption, SF	▲	▲
$30.83 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
493K Southwest Florida Employment	▲	▲
4.0% Southwest Florida Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMIC OVERVIEW

Southwest Florida's economic environment remained stable through Q2 2025, though broader uncertainty continues to shape business sentiment. Non-farm employment ticked up slightly—rising 10 basis points (bps) year-over-year—while the regional unemployment rate climbed 50 bps over the same period to 4.0%. Despite this increase, the local jobless rate remains below the national average of 4.2%. Office-using job growth has slowed across the region, yet Lee County stood out by adding 300 positions over the past year in the Financial Activities and Professional & Business Services sectors. While data still shows a stable commercial real estate market, we are tracking residential sales volumes, which could help inform us on CRE activity to come.

SUPPLY AND DEMAND

The Southwest Florida office market continues to demonstrate remarkable resilience. The overall vacancy rate stands at just 4.3%, increasing only 10 bps quarter-over-quarter while dropping 40 bps from this time last year. Vacancy rates in peer Florida metros remain in double digits—Tampa at 21.0%, Orlando at 16.8%, and Miami at 15.4%—highlighting Southwest Florida's sustained strength.

Several key submarkets—including Fort Myers, Estero, Charlotte County, and Cape Coral—reported vacancy rates below 2.0%, offering limited options for growing or relocating tenants. Despite tight supply, 136 new leases were signed this quarter, with an average suite size of 2,266 square feet. Lease terms averaged 3.6 years, and spaces remained on the market for an average of just 3.2 months. A flight to quality remains evident, with Class A properties accounting for 61% of total square footage leased year-to-date.

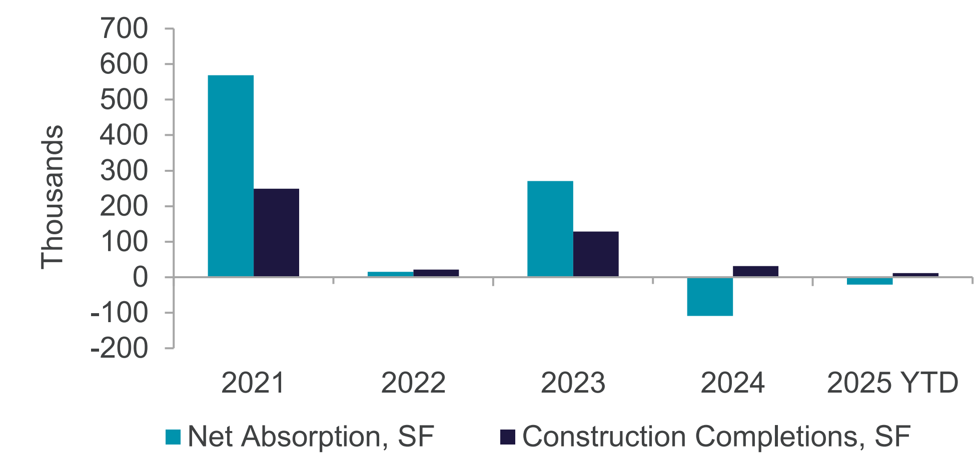
With just one small building currently under construction and no major projects in the pipeline, future availability is expected to remain tight. Quarterly deliveries totaled just 11,400 square foot-largely attributable to a single build-to-suit project.

PRICING

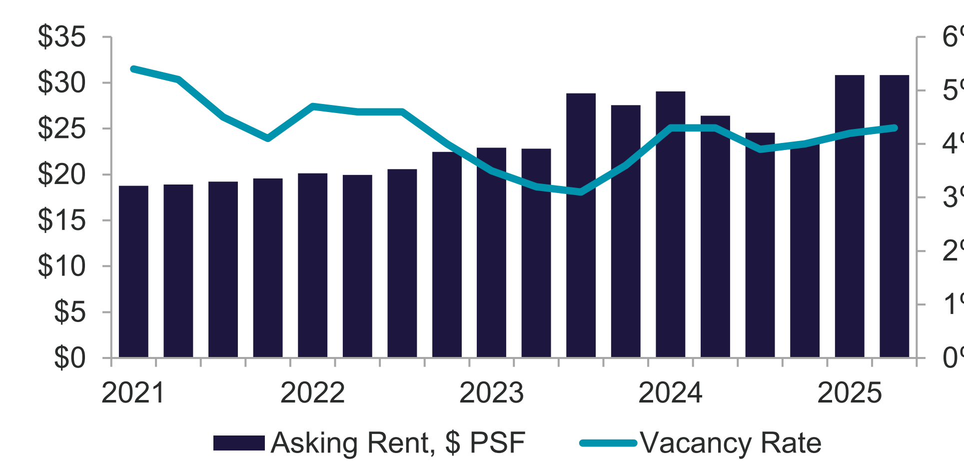
Constricted availability continues to place upward pressure on rents. The average gross asking rate reached $30.83 per square foot (psf) in Q2 2025—up nearly 17% from $26.40 psf just one year ago. As high-quality space becomes increasingly scarce, landlords remain well-positioned to command premium pricing.

Investment activity remains healthy. A total of 42 sales closed this quarter, with an average price of $245 psf. Properties spent an average of 152 days on the market, holding steady from last quarter. Cap rates averaged 6.4%, down 110 bps from Q2 2024, reflecting growing investor confidence in the region's long-term fundamentals.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Charlotte County	2,218,956	0	34,842	1.6%	12,602	22,029	0	$30.59
CHARLOTTE COUNTY TOTAL	2,218,956	0	34,842	1.6%	12,602	22,029	0	$30.59
Bonita Springs	1,310,306	694	69,102	5.3%	-9,625	49,935	0	$23.83
Cape Coral	1,694,133	325	16,202	1.0%	2,044	17,356	7,000	$26.16
Estero	747,425	0	5,669	0.8%	---	4,516	0	$28.96
City of Fort Myers	3,777,782	0	72,409	1.9%	-6,476	21,082	0	$25.77
South Fort Myers	5,739,656	253,277	218,355	8.2%	12,053	102,752	0	$24.33
North Fort Myers	200,637	---	---	---	---	---	---	---
Lehigh Acres	160,359	---	---	---	---	---	0	---
The Islands	176,876	0	3,638	2.1%	---	---	0	---
LEE COUNTY TOTAL	13,807,174	254,296	385,375	3.2%	-2,004	195,641	7,000	$25.81
East Naples	1,410,672	0	71,808	5.1%	-16,830	9,574	0	$30.66
North Naples	4,185,127	5,180	174,056	4.3%	17,656	69,068	0	$41.42
Naples	563,091	0	14,024	2.5%	1,792	8,779	0	$43.09
Marco Island	181,048	---	---	---	---	2,103	0	$28.17
Lely	25,447	---	---	---	---	---	0	---
Outlying Collier County	389,499	0	41,198	10.6%	---	---	0	$29.93
Golden Gate	77,449	0	962	1.2%	-962	900	0	$33.74
COLLIER COUNTY TOTAL	6,832,333	5,180	302,048	4.7%	1,656	90,424	0	$34.50
SOUTHWEST FLORIDA TOTALS	22,858,463	259,476	722,265	4.3%	12,254	308,094	7,000	$30.83

Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
B Street Lifestyle Center Dr.	Charlotte County	Kitson & Partners	22,500	New Lease
13751 Metropolis Ave.	S Fort Myers/San Carlos	Blue Horizon Academy	11,515	New Lease
13515 Bell Tower Dr.	S Fort Myers/San Carlos	Dorcey Law	11,488	Renewal
4501 Tamiami Trl N.	North Naples	*Undisclosed*	8,636	New Lease
12840 University Dr.	S Fort Myers/San Carlos	Sandy Shores Profit Sharers	8,492	Renewal

Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
9530 Marketplace Rd.	S Ft Myers/San Carlos	Brookwood Financial / Mayhugh CRE Advisors	86,833	$9.7M / $111.42
7964 Summerlin Lakes Dr	S Ft Myers/San Carlos	Cynlab / JDGT2020	14,190	$6.1M / $429.54
1533 Hendry St.	City of Ft Myers	Edison Theater P'ship / Sanibel Captiva Bank	14,106	$2M / $141.78
22395 Edgewater Dr	Charlotte County	Adam Tiktin PA / MSM Magnolia 1	12,404	$6.2M / $499.96
5238 Mason Corbin Ct.	S Ft Myers/San Carlos	Donato Pisani / Ear Nose & Throat Specialists	10,521	$3.8M / $361.18

GARY TASMAN
Principal Broker & CEO
Tel: +1 239 489 3600
gtasman@cpswfl.com

HANNA RAY
Research Analyst
Tel: +1 239 489 3600
hray@cpswfl.com

NATHAN YORK
Research Coordinator
Tel: +1 239 489 3600
nyork@cpswfl.com

Independently Owned and Operated (A Member of the Cushman & Wakefield Alliance)