

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.5% Vacancy Rate	▲	▬
-101K YTD Net Absorption, SF	▼	▲
\$31.17 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
491K Southwest Florida Employment	▼	▲
4.2% Southwest Florida Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate <small>Source:BLS</small>	▲	▲

ECONOMIC OVERVIEW

Southwest Florida’s economy is softening slightly in Q3 2025, with unemployment rising to 4.2% from 3.7% year-over-year (YOY) and nonfarm employment slipping to 491,000 from 493,000 YOY. Lee County is leading the region with a net gain of 400 office-using jobs, driven by gains in professional and financial services, while Naples and Charlotte saw modest declines in select sectors. Overall, the region gained 300 office-using jobs, leaving growth concentrated in professional services. Despite these shifts, fundamentals remain solid, supported by 2.6% population growth and median household income increasing to \$82,200 from \$79,700 YOY.

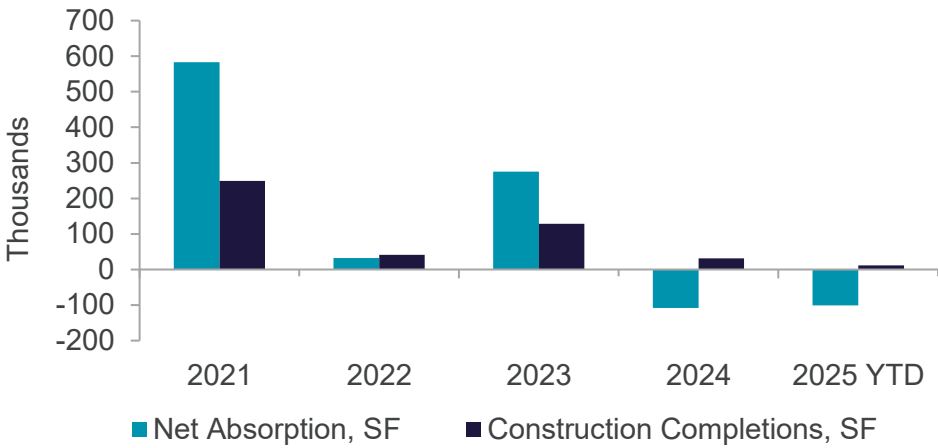
SUPPLY AND DEMAND

The Southwest Florida office market comprises 2,013 buildings totaling 22.7 million square feet of inventory, with recent growth driven by the delivery of 11,400 square feet (sf) year-to-date (YTD) across just two projects. Vacancy rose to 4.5%, up 20 basis points (bps) quarter-over-quarter and 60 bps YOY. Despite the increase, vacancy remains well below other Florida metros, where rates are considerably higher including Tampa at 16.7%, Miami at 14.9%, and Orlando at 14.6%. Net absorption registered -74,682 sf, marking the fourth consecutive quarter of negative absorption and bringing YTD absorption to -101,160 sf. Leasing activity slowed notably, with just 70 deals totaling 106,135 sf, marking a nearly 58% decline from the 254,142 sf signed one year ago and representing the lowest quarterly leasing volume since 2020. The average lease size was 1,968 sf, with terms averaging 2.6 years, while space spent an average of 3.8 months on the market. Development activity remains muted, with no new deliveries this quarter and just 12,516 sf currently under construction.

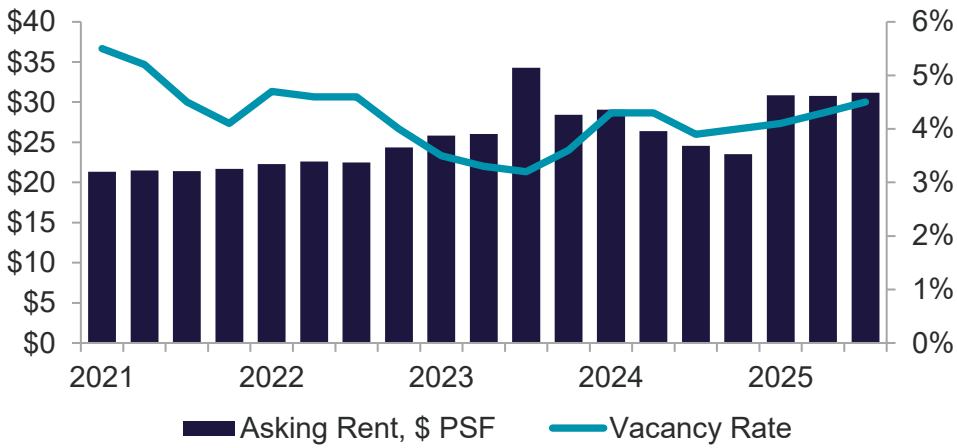
PRICING

Southwest Florida’s office market recorded a significant increase in asking rents, rising 26.9% YOY from \$24.56 per square foot (psf) to \$31.17 psf. Sales activity totaled 58 transactions this quarter, encompassing 732,661 sf and \$105.8 million in volume. While transaction count declined from 72 sales recorded YOY, dollar volume increased, up from \$103.8 million during the same period last year. The average sales price settled at \$2.1 million, equating to \$217.35 psf. Cap rates continued to compress, averaging 6.3% for the quarter, down 20 bps from Q2 and 60 bps YOY, reflecting strong investor interest in the region’s office assets.

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	2,183,159	---	48,468	2.2%	-18,604	30,385	0	\$30.59
CHARLOTTE COUNTY TOTAL	2,183,159	---	48,468	2.2%	-18,604	30,385	0	\$30.59
Bonita Springs	1,318,272	270	87,831	6.7%	-24,155	54,819	0	\$25.51
Cape Coral	1,701,354	325	20,884	1.2%	-7,320	23,606	7,000	\$29.54
Estero	747,425	---	---	0.0%	---	10,185	0	\$30.41
City of Fort Myers	3,539,827	---	65,400	1.8%	-2,247	36,521	0	\$27.96
South Fort Myers	5,706,626	253,277	220,277	8.3%	-18,971	154,278	5,516	\$24.33
North Fort Myers	200,637	---	14,432	7.2%	-14,432	---	0	\$21.48
Lehigh Acres	176,071	---	---	---	---	---	0	---
The Islands	176,487	---	3,638	2.1%	---	---	0	---
LEE COUNTY TOTAL	13,566,699	253,872	412,962	3.9%	-67,125	279,409	12,516	\$26.54
East Naples	1,401,730	---	56,136	4.0%	14,932	14,607	0	\$30.58
North Naples	4,190,426	1,109	186,118	4.5%	-983	91,617	0	\$42.54
Naples	706,998	---	16,914	2.4%	-2,902	14,343	0	\$43.89
Marco Island	181,048	---	---	---	---	2,103	0	\$28.17
Lely	27,946	---	5,001	17.9%	---	---	0	---
Outlying Collier County	389,499	---	40,259	10.3%	---	939	0	\$30.38
Golden Gate	97,994	---	---	---	---	900	0	\$33.74
COLLIER COUNTY TOTAL	6,995,641	1,109	304,428	7.8%	11,047	124,509	0	\$34.88
SOUTHWEST FLORIDA TOTALS	22,745,499	254,981	765,858	4.5%	-74,682	434,303	12,516	\$31.17

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
27599 Riverview Center Blvd.	Bonita Springs	Undisclosed	23,489	New Lease
4851 Tamiami Trl N.	North Naples	Undisclosed	14,047	New Lease
6801 Palisades Park Ct.	S Ft Myers / San Carlos	Property Lien Research	8,076	Renewal
4850 N Tamiami Trl.	North Naples	Edward Jones	6,531	New Lease
9130 Galleria Ct.	North Naples	Undisclosed	6,118	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
*6213 Presidential Ct.	S Ft Myers	Presidential Court I / Remington Properties	143,387	\$11.3M / \$78.62
800 Goodlette Rd N.	East Naples	Healthcare Realty Trust Inc / SG Contracting Inc	60,007	\$19.2M / \$320.80
*821 5 th Ave S.	Naples	Hendricks Commercial Properties / M Development	59,856	\$30.3M / \$505.55
4371 Veronica S Shoemaker.	City of Ft Myers	Florida Cancer Specialists & Research Institute / Lee Health	50,000	\$12.0M / \$240.00
*3066 Tamiami Trl N.	North Naples	First Cambridge Realty / KW Property Mgmt. & Consulting	40,897	\$8.4M / \$205.39

*Part of a Portfolio Sale

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)

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.