



COMMERCIAL  
PROPERTY  
SOUTHWEST FLORIDA

# 2026 OUTLOOK

SOUTHWEST FLORIDA

WHAT TO WATCH

Better never settles



# 2026 OUTLOOK, A SHIFT IN MOMENTUM ACROSS SOUTHWEST FLORIDA CRE.

*Understanding growth cycles through comparative market insight*

Southwest Florida enters 2026 at a pivotal point in its commercial real estate cycle. After several years of accelerated growth fueled by post-pandemic migration, industrial expansion, and record-setting development activity, the market is transitioning into a more disciplined and selective phase. This shift is not a slowdown. Rather, it reflects a maturing region where demand is becoming increasingly aligned with where people work, receive care, and live their daily lives.

While industrial assets dominated investor attention and transaction volume through 2024, the most recent data points to a clear rebalancing underway. Office and medical office are emerging as the asset classes to watch in 2026, supported by outsized job growth, significant healthcare investment, limited new supply, and renewed tenant demand. At the same time, retail continues to deliver steady performance backed by population growth, rising household incomes, and record tourism levels, while land markets are recalibrating toward mixed-use, entitled, and infrastructure-ready sites.

Across asset classes, the common theme is intentional growth. Employers are expanding thoughtfully, healthcare systems are investing long-term, and developers are prioritizing projects that integrate uses and support how Southwest Florida functions as it grows. The result is a more balanced commercial real estate environment, where fundamentals matter, quality outperforms, and assets tied to employment, healthcare, and essential services are positioned to lead in 2026.

## Year-Over-Year Market Shift

At the close of 2024, Southwest Florida's commercial real estate narrative was clearly industrial-led. Vacancy sat near historic lows, absorption remained strong, and large-format logistics and distribution users continued to expand across Lee and Collier counties. Retail fundamentals were also solid, supported by population growth, rising household incomes, and limited new supply, reinforcing confidence across multiple asset classes.

By late 2025, however, the market began to reveal a more balanced and people-driven story. Industrial remains a critical backbone of the regional economy, but increased deliveries have introduced more choice for tenants and shifted the sector into a healthier, more normalized phase. At the same time, office and medical office fundamentals strengthened materially, driven by employment growth, healthcare expansion, and a persistent lack of new supply.

Office asking rents climbed more than 31% year-over-year, while new construction remained constrained with only approximately 13,000 square feet in the pipeline. Medical office demand

accelerated alongside healthcare job growth, capital investment, and demographic trends tied to an aging population. These forces collectively pushed office-using sectors back into the spotlight.

Underlying this shift is a labor market that continues to outperform national trends. Southwest Florida has recorded 12% employment growth compared to 6% nationally, with education and health services and government among the leading job-producing sectors. These industries rely heavily on professional, administrative, and medical office space, reinforcing why assets tied to people, services, and daily needs are emerging as the primary drivers of momentum heading into 2026. The result is a clear evolution in market leadership. Rather than being defined by a single asset class, Southwest Florida's commercial real estate market is entering 2026 with broader participation, stronger fundamentals, and a renewed focus on assets that support how and where the region's population lives and works.

## MARKET SNAPSHOT.

**Job Growth**  
**12%**



**Pipelined  
Development**  
**3.1 MSF**



**Asking Rent YoY  
(Office)**  
**▲ 31%**



# ASSET CLASS OUTLOOK FOR 2026 OFFICE.

## A Quiet Comeback Becoming a Defining Trend

The office market's resurgence is being driven by both supply constraints and job growth. Over the past year, Southwest Florida added approximately 2,100 education and health services jobs and 900 government jobs, sectors that rely heavily on professional and administrative office space.

The Southwest Florida office market enters 2026 with renewed momentum. Vacancy remains extremely tight by national standards, and new construction continues to lag long-term averages. Rents have increased meaningfully over the past year, reflecting sustained demand for well-located, Class A and professionally managed office space.

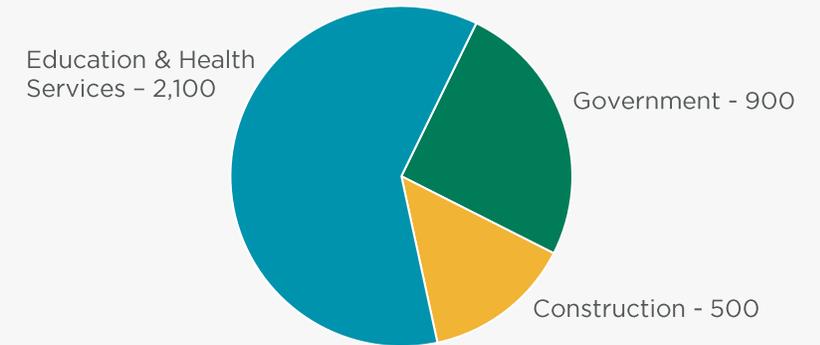
Employers are prioritizing quality over quantity, favoring modern layouts, walkable locations, and proximity to housing and amenities. Leasing activity has shortened time on market, and landlords in core submarkets are regaining pricing power. In 2026, office assets that offer flexibility, strong parking ratios, and modern finishes are positioned to outperform.

## Office Market Snapshot: 2024 vs. 2025 vs. 2026 Outlook

| Metric            | Q4 2024        | Q4 2025        | 2026 Outlook              |
|-------------------|----------------|----------------|---------------------------|
| Vacancy Rate      | 4.5%           | 4.4%           | Remains tight             |
| Asking Rent (PSF) | \$23.51        | \$30.88        | Continued upward pressure |
| Net Absorption    | -135K          | -91K           | Continued upward trend    |
| New Construction  | 29,125 SF      | 18,722 SF      | 13,000 SF Projected       |
| Market Position   | Recovery phase | Reacceleration | Landlord-favorable        |

## Top Job-Producing Industries

Sept. 2024- Sept. 2025



Across Charlotte, Lee & Collier County

## Key Takeaways

- Office fundamentals in Southwest Florida are tightening, not softening.
- Job growth is driving real durable office demand.
- Quality and location are separating winners from the rest.

*“Southwest Florida is emerging as a standout office market entering 2026, as healthcare, education, and airport expansion reinforce strong fundamentals of tight vacancy and limited supply, strengthening long-term investment appeal in a highly lifestyle-driven market.”* -Michael Curran, Senior Director



# ASSET CLASS OUTLOOK FOR 2026 MEDICAL OFFICE.

## Long-Term Demand with Structural Support

Medical office demand is being reinforced by large-scale healthcare investment, system expansion, and sustained employment growth across Southwest Florida. The healthcare system, Lee Health, is currently in the midst of a \$1.5 billion capital improvement plan scheduled through 2028, which is projected to create 6,536 new jobs. These investments are driving demand not only for hospitals, but also for the medical office, outpatient, and specialty facilities that support them.

Other major healthcare providers are actively expanding their footprint. NCH is currently hiring for hundreds of roles across its system, including nurses, specialty physicians, and clinical technicians, signaling continued near-term demand for medical and administrative space. Millennium Physician Group continues to expand throughout the region with additional primary care offices, imaging centers, and specialty clinics designed to meet population-driven healthcare needs.

Beyond traditional healthcare systems, life sciences and medical-adjacent employers are also contributing to demand. Arthrex has committed to creating 560 new jobs in Southwest Florida following its multimillion-dollar headquarters expansion, further reinforcing the region’s position as a hub for healthcare innovation and employment.

Together, these expansions underscore why medical office remains one of the most structurally supported asset classes heading into 2026, with demand anchored by long-term investment, job creation, and demographic growth.

While short-term absorption can fluctuate as new space delivers, pricing momentum has remained intact due to rising construction costs, limited speculative development, and strong investor interest. Large healthcare systems, specialty providers, and outpatient users continue to shape demand patterns, positioning medical office as a defensive and resilient asset class for owners and investors heading into 2026.

*“We’re seeing sustained momentum in the Southwest Florida medical market as providers balance growth with efficiency. Many practices are consolidating and right-sizing their footprints while competing for high-quality outpatient space”*  
-Vanessa Tyler, Associate Director



## Major Healthcare Employers & Expansion Activity

| Organization               | Expansion Activity                           | Real Estate Implication                         |
|----------------------------|--|---|
| Lee Health                 | \$1.5B capital improvement plan              | Long-term demand near healthcare campuses       |
| NCH                        | Hiring hundreds of clinical and admin roles  | Near-term absorption of medical office space    |
| Millennium Physician Group | New primary care, imaging, specialty clinics | Ongoing need for flex and outpatient facilities |
| Arthrex                    | 560 new jobs via HQ expansion                | Office and medical-adjacent demand growth       |

## Key Takeaways

- Medical office demand is being driven by fundamentals, not cycles.
- Limited Speculative development is reinforcing pricing strength.
- Proximity and functionality are defining top-performing assets.

# ASSET CLASS OUTLOOK FOR 2026 INDUSTRIAL.

## From Breakneck Growth to Measured Stability

Industrial real estate remains a cornerstone of the Southwest Florida market, but the pace has normalized as the sector moves out of its rapid growth phase and into a more balanced cycle. In 2024, the market was defined by headline-making activity, including the \$115.1 million sale of the Tri-County 75 Industrial Park, underscoring strong investor confidence. Leasing activity was equally robust, with three leases exceeding 100,000 square feet, driven by logistics, distribution, and large-format users expanding across the region.

By late 2025, the market dynamics had shifted from acceleration to stabilization, without losing momentum. Leasing activity remains healthy, with six leases over 50,000 square feet signed in 2025 and an average time on market of just 4.1 months, signaling that well-located, functional industrial space continues to be absorbed efficiently.

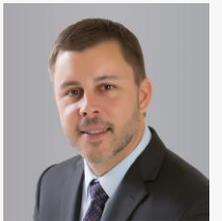
While new deliveries have increased vacancy and created more options for tenants, demand fundamentals remain intact. A significant portion of space under construction is already pre-leased, and population growth, infrastructure investment, and service-driven industries continue to support long-term industrial demand. Heading into 2026, the industrial market rewards disciplined development, modern facilities, and strategic locations rather than speculative expansion.

### Industrial Market Evolution Table

| Metric               | 2024: Breakneck Growth   | 2025: Stabilization     | 2026 Measured Outlook       |
|----------------------|--------------------------|-------------------------|-----------------------------|
| Market Activity      | Peak expansion           | Normalizing             | Disciplined growth          |
| Large Lease Activity | 3 leases over 100,000 SF | 6 leases over 50,000 SF | Sustained large user demand |
| Vacancy Trend        | Near historic lows       | Rising with new supply  | Balanced                    |
| Time on Market       | 2.9 months average       | 4.1 months average      | Competitive but efficient   |

*“The shift from rapid growth to measured stability is a positive signal for the SWFL industrial market. Investors and occupiers alike are benefiting from a market where demand remains durable, vacancy is more balanced, and long-term drivers like population growth and infrastructure investment continue to underpin performance.”*

*–Shawn Stoneburner, Senior Director*



### Key Takeaways

- Industrial demand stays strong, even as the market normalizes.
- Investor confidence has not wavered, it has matured.
- 2026 rewards strategy over speculation.

# ASSET CLASS OUTLOOK FOR 2026 RETAIL.

## Steady Performance Backed by Population Growth

Retail performance in Southwest Florida continues to be supported by strong demographic, economic, and tourism fundamentals. In 2025, Southwest Florida International Airport (RSW) finished the year with just over 11.154 million passengers, marking a more than 1% increase over the previous record set in 2024. Continued growth in visitor volume reinforces demand for retail, dining, and service-oriented uses across the region. Population growth reached 2.4% year-over-year, while median household income increased to \$82,800, up from \$79,800 in Q4 2024, surpassing major Florida metros including Tampa, Fort Lauderdale, Miami, and Jacksonville. These trends continue to translate directly into consumer spending power and retailer demand.

Retail vacancy increased modestly to 3.3%, reflecting a 20-basis-point increase quarter-over-quarter and 70 basis points year-over-year. Even with this rise, vacancy has remained below 5.0% for more than a decade, underscoring the region's consistently healthy retail environment. Net absorption totaled 211,985 square feet over the past year, extending a 10-year streak of positive absorption.

New supply accelerated in 2025, with 675,370 square feet delivered, more than doubling the combined total of 2023 and 2024. Importantly, approximately 85% of this new space is already leased, supporting stable fundamentals and continued absorption momentum. An additional 42 retail properties totaling 662,049 square feet are currently under construction, with 54% pre-leased, and all are scheduled for delivery in 2026. These projects include build-to-suit locations for EOS Fitness, Oar & Iron, Tractor Supply, and Piccolo Buco by Cooper's Hawk, along with notable developments such as Midtown at Bonita in Bonita Springs and Shops at Del Sol in Cape Coral.

Despite new deliveries, supply remains tight in several established submarkets. Areas such as Lehigh Acres, Marco Island, Lely, and Naples continue to post sub-2% vacancy, presenting clear opportunities for future retail expansion. Heading into 2026, retail assets that align with population growth, daily-needs tenants, and service-oriented concepts remain well positioned for stable performance and selective growth.

*“Southwest Florida retail market has proven its resilience. Strong population growth, limited new supply, and demand from service-oriented tenants continue to support rent growth and keep well-located centers highly competitive.” –Gretchen Smith, Senior Director*



## Notable Drivers of SWFL Retail

**RSW Saw 11.15M+ Passengers**



**Median Household Income Reached \$82.8K**



**Population Growth Reached 2.4% YoY**



## Key Takeaways

- Retail demand in Southwest Florida is being fueled by both residents and visitors.
- Vacancy remains structurally healthy despite modest increases.
- New supply is arriving in a disciplined, well-leased manner.

# ASSET CLASS OUTLOOK FOR 2026 LAND.

## A Strategic Reset with a Shift Toward Mixed-use and Entitled Sales

Across Southwest Florida, land values and transaction volume cooled through 2024 into early 2025, aligning with a broader post-pandemic correction in commercial property pricing. Median prices per square foot and overall land sales declined as developers and investors recalibrated expectations after the unprecedented run-up of prior years. By mid-2025, however, the market began to show signs of normalization rather than contraction, with activity stabilizing as population growth and demand returned to more sustainable, pre-pandemic levels.

Despite this recalibration, land has remained a focal point for long-term investors and developers. Over the past two years, several major transactions have reinforced confidence in Southwest Florida's growth trajectory. Most notably, Cape Coral's Hudson Creek property, a 1,745-acre site, sold for \$100 million, marking the largest raw land sale in Lee County history. The project is entitled for a comprehensive mixed-use development including residential, retail, office, hospitality, institutional, university, and senior-living components, underscoring the region's growing appetite for large-scale, master-planned communities.

Additional large-scale acquisitions by national developers further highlight accelerating demand. Purchases by groups such as Forestar and D.R. Horton, along with Amazon's land acquisition in Fort Myers, signal continued momentum for both residential lot development and industrial and logistics land. While 2024 was heavily focused on residential land transactions, the market has since shifted toward mixed-use and higher-density commercial development sites, reflecting evolving community needs and infrastructure realities.

Southwest Florida is also experiencing a clear migration toward mixed-use, live-work-play environments. As roadway expansions attempt to keep pace with rapid population growth, communities are increasingly prioritizing developments that integrate housing, employment, retail, and services in a single location. This approach reduces commute times, eases congestion, and aligns with how residents and employees want to live and work. As a result, land entitled for mixed-use commercial development is becoming increasingly valuable.

Industrial and logistics land continues to be another critical theme. The strong focus on industrial land that defined 2024 remains intact, supporting long-term economic growth, job creation, and supply chain needs. In this environment, land with in-place entitlements, existing infrastructure, or facilities already on site continues to outperform, given the lengthy and labor-intensive approval processes now required for new development.

Several submarkets stand out as key areas to watch. Cape Coral, now home to more than 220,000 residents, is no longer just a housing market, with projects like Cape Coral Grove projected to deliver over \$1 billion in local economic benefits. Lehigh Acres serves as a critical labor base for healthcare, logistics, and construction, yet remains underserved in medical, service retail, and trades-related uses. Golden Gate and East Collier County represent an early-stage version of Cape Coral, where strong residential growth is expected to be followed by commercial infill over the next three to seven years. Further north, Punta Gorda benefits from an increasingly influential airport, drawing tourism, logistics, and workforce activity into the region and driving demand for hotels, service retail, light industrial, and medical development.

### Key Takeaways

- Land has reset from post-pandemic pricing into a more strategic, fundamentals-driven phase.
- Driven by infrastructure constraints, population growth, and demand for live-work-play environments.
- Submarket-driven opportunity - especially in areas with infrastructure, labor bases, and clear development paths.



*“Driven by consistently strong population growth, Southwest Florida’s land market continues to perform well, particularly for entitled, shovel ready land in prime areas.” -Lane Boy, Executive Director*

# LOOKING AHEAD

As Southwest Florida moves through 2026, its commercial real estate landscape is defined less by acceleration and more by intention. The market has transitioned from a period of rapid, post-pandemic expansion into a phase where fundamentals, discipline, and long-term alignment matter most. Growth is still very much present, but it is increasingly concentrated in assets and locations that support how people live, work, receive care, and conduct daily business.

Office and medical office are reasserting themselves as leading indicators of market health, supported by sustained job creation, healthcare investment, and limited new supply. Industrial remains a critical economic engine, operating in a more balanced and durable phase that rewards quality and location over speculation. Retail continues to perform steadily, buoyed by population growth, rising incomes, and record tourism, while land markets are evolving toward mixed-use, entitled, and infrastructure-ready sites that can support long-term community needs.

For property owners, investors, and occupiers, the takeaway is clear: success in 2026 will be driven by strategy rather than speed. Understanding where demand is structural, where supply is constrained, and where growth is most sustainable will be essential in making informed decisions.

**“SOUTHWEST FLORIDA’S  
NEXT CHAPTER IS BEING  
SHAPED NOW.  
THOSE WHO STAY AHEAD  
OF THESE SHIFTS, AND  
ALIGN THEIR REAL ESTATE  
DECISIONS WITH THE  
REGION’S UNDERLYING  
DRIVERS,  
WILL BE BEST POSITIONED  
TO CAPITALIZE ON WHAT  
COMES NEXT.”**

**-GARY TASMAN, CEO & PRINCIPAL  
BROKER**

