



MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.3% Vacancy Rate	▲	▬
45K Net Absorption, SF	▲	▲
\$14.85 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
492K Southwest Florida Employment	▲	▲
4.5% Southwest Florida Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS, Moody's Analytics

ECONOMIC OVERVIEW

Southwest Florida's economic backdrop showed early signs of softening in the first quarter, as consumer sentiment declined modestly at both the state and national levels. Florida's index fell by 1.0 point month-over-month in March, while national sentiment dropped more sharply, reflecting growing caution among consumers. The region lost 3200 jobs in the mining, logging, and construction sectors over the past 12 months. Despite this near-term hesitation, underlying economic drivers remain intact, with population growth and continued business investment supporting long-term industrial demand across Lee, Charlotte, and Collier counties.

SUPPLY AND DEMAND

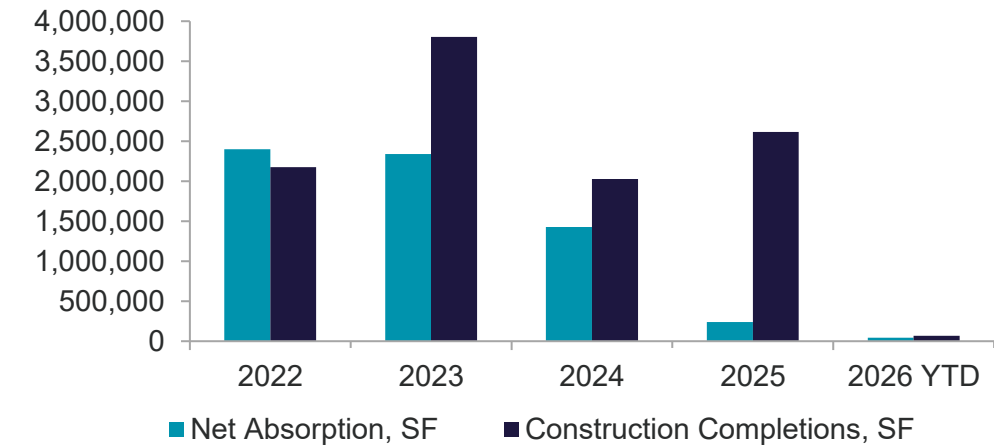
Market conditions are stabilizing following a period of elevated deliveries. Vacancy edged down 10 basis points quarter-over-quarter to 7.3%, indicating early signs of equilibrium after reaching a four-year high in the prior quarter. Limited new completions in Q1—just 67,700 square feet—temporarily constrained supply growth, allowing absorption trends to begin normalizing.

Even as completions slowed, the development pipeline remains active, with more than 2.5 million square feet under construction. New projects continue to cluster in key growth areas, particularly along the Alico Road/I-75 corridor in Lee County and around Punta Gorda's Airport Commerce Center in Charlotte County. The latter is gaining momentum as a regional logistics hub, with multiple warehouse and manufacturing projects proposed or underway and underscored by Amazon's recent acquisition of a nearby 233-acre site for future development. These patterns reinforce a shift toward strategically located, large-scale distribution nodes.

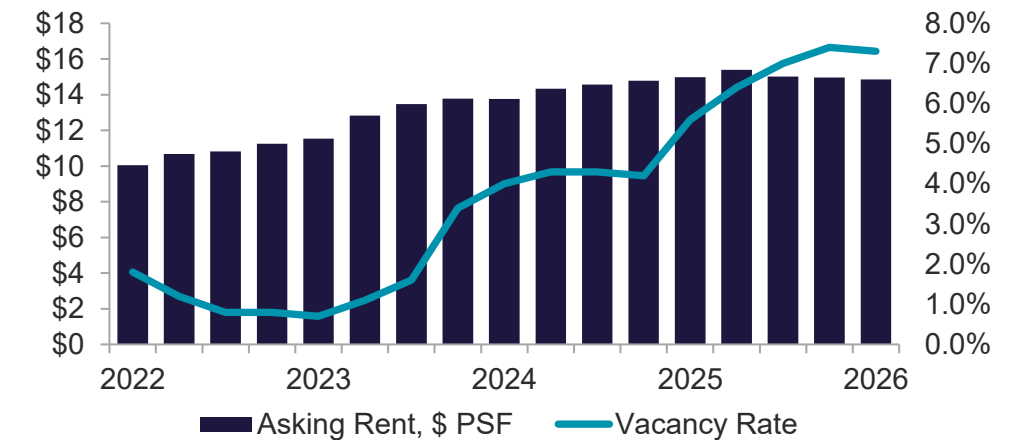
PRICING

Pricing fundamentals remain resilient despite the elevated vacancy rate. Overall asking rents declined modestly by \$0.10 quarter-over-quarter to \$14.85 per square foot, a slight contraction of approximately 0.7%. The limited pullback suggests that landlord pricing power has softened but not eroded. As additional supply delivers later in the year, rent growth is expected to remain flat in the near term, with performance increasingly tied to asset quality and location.

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	6,505,316	613,665	9.4%	113,186	113,186	422,678	67,750	---	\$15.58	\$13.83
CHARLOTTE COUNTY TOTAL	6,505,316	613,665	9.4%	113,186	113,186	422,678	67,750	---	\$15.58	\$13.83
Bonita Springs	1,886,418	51,405	2.7%	28,711	28,711	0	0	---	\$17.02	\$19.02
Cape Coral	4,064,165	176,803	4.4%	-6,083	-6,083	142,242	0	---	\$17.86	\$15.29
Estero	28,114	---	---	---	0	0	0	---	---	---
City of Fort Myers	12,773,046	798,638	6.3%	-88,031	-88,031	864,000	0	\$7.88	\$17.84	\$13.65
South Fort Myers	22,102,040	2,466,065	11.2%	76,616	76,616	1,060,185	0	\$14.41	\$17.94	\$14.07
North Fort Myers	1,590,505	54,406	3.4%	7,300	7,300	0	0	---	---	\$12.57
Lehigh Acres	1,338,754	45,768	3.4%	-13,997	-13,997	13,293	0	---	\$14.86	\$13.22
The Islands	132,674	1,250	0.9%	7,500	7,500	0	0	---	---	---
LEE COUNTY TOTAL	43,915,716	3,594,335	4.6%	12,016	12,016	2,079,720	0	\$11.15	\$17.10	\$14.64
East Naples	5,895,882	236,017	4.0%	-66,258	-66,258	0	0	\$17.48	\$20.39	\$19.67
North Naples	4,801,016	175,809	3.7%	-11,587	-11,587	0	0	\$23.18	\$17.46	\$18.91
Naples	63,949	---	---	---	0	0	0	---	---	---
Marco Island	103,592	1,886	1.8%	---	0	0	0	---	---	---
Lely	7,600	---	---	---	0	33,882	0	---	---	---
Outlying Collier County	2,738,689	87,838	3.2%	-2,025	-2,025	0	0	---	\$25.14	\$19.62
Golden Gate	96,614	---	---	---	0	0	0	---	---	---
COLLIER COUNTY TOTAL	13,707,342	501,550	3.2%	-79,870	-79,870	33,882	0	\$20.33	\$21.00	\$19.40
SOUTHWEST FLORIDA TOTALS	64,128,374	4,709,550	7.3%	45,332	45,332	2,536,280	67,750	\$13.25	\$17.98	\$14.57

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9400 Piper Rd	Charlotte County	Hajoca Corporation	69,296	New Lease
9385 Laredo Ave	City of Ft Myers	Undisclosed	35,428	New Lease
14520 Global Pky	S Ft Myers	Undisclosed	35,082	New Lease
7959 Drew Cir	S Ft Myers	Undisclosed	33,500	New Lease
5445 Williamsburg Dr	Charlotte County	NAS MRO Services	31,150	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
2320 E Mall Dr	City of Ft Myers	Storage Quest Equity, Inc / Palatine Capital Ptnrs	70,233	\$8.6M / \$98
2820 Cargo St	City of Ft Myers	Marsha Spaide / Hight Knox Properties, LLC	60,100	\$5.0M / \$83
2890 Cargo St	City of Ft Myers	Pilicy Franklin G / Axis IOS	56,416	\$7.3M / \$129
1327-1339 River Rd	North Fort Myers	Scott Bostrom / Northern RV	35,196	\$3.7M / \$104
5445 Williamsburg Dr	Punta Gorda	ABC Supply Co. Inc. / Andrew T Smith	30,684	\$3.9M / \$125

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