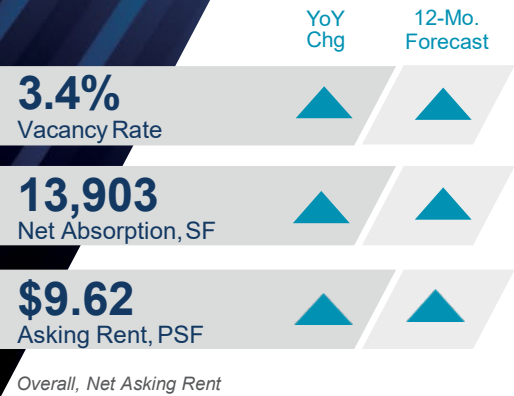
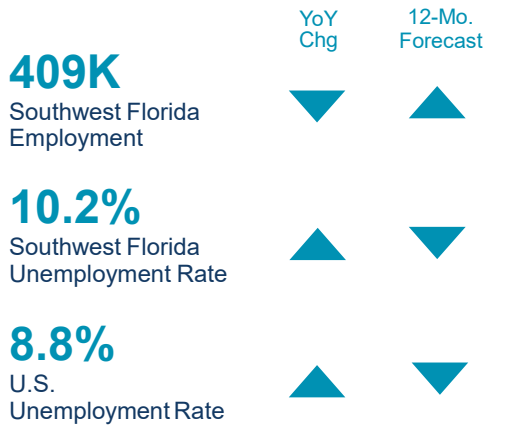


Industrial Q3 2020



ECONOMIC INDICATORS Q3 2020



Source: BLS

ECONOMIC OVERVIEW:

The Southwest Florida MSA which includes Collier, Lee, and Charlotte counties has a total Unemployment Rate of 10.2%. Lee county's construction sector was the only market to show third quarter job growth. The construction sector closed out the third quarter with a growth rate of .63%, or an increase of 33,000 jobs compared to the second quarter of 2020. Bonita Springs, a submarket within Lee County located between Fort Myers and Naples, had the lowest unemployment rate for all submarkets in the total Southwest Florida MSA at 6.0%. COVID-19 caused the economy to enter a recession in March 2020, resulting in the worst decline in post-war history during Q2-2020. Mounting evidence indicates that the recovery began between May and June with Q3 2020 data likely reflecting the start of the recovery. Until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Access the most recent research on CRE and the state of the economy [here](#)

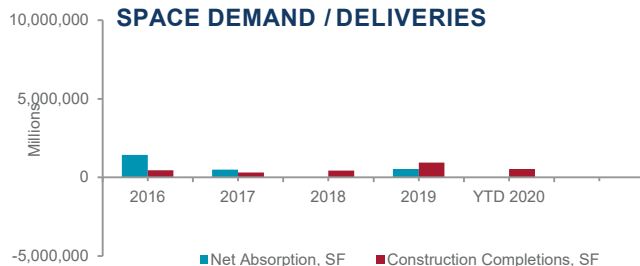
SUPPLY AND DEMAND:

The overall vacancy rate at the close of the third quarter was down 100-basis point at 3.4%, showing improvement in second quarter. Total absorption this quarter was 13,903 square feet (sf.) with nearly 53,651 sf being absorbed in the Cape Coral submarket of Lee County. Total Leasing Activity for the third quarter 2020 in Southwest Florida was 426,566 SF for the entire tri county area (Lee, Collier, and Charlotte). A significant portion of the total amount was contributed by distribution and warehouse leasing, as this sector ranked the highest of the asset classes at 283,902 SF leased quarter to date. However, this number is down 37% from the 450,879 SF recorded last year 2019. The most year-over-year growth occurred in Total Office/Flex space leased for the quarter. There was 155,122 sf of flex space leased during Q3, compared to last year's Q3 2019's results of 117,048 SF. Additionally, the manufacturing sector leased 58,577 SF of space this quarter, down 70% year-over-year from the 197,105 SF leased in the third quarter of 2019.

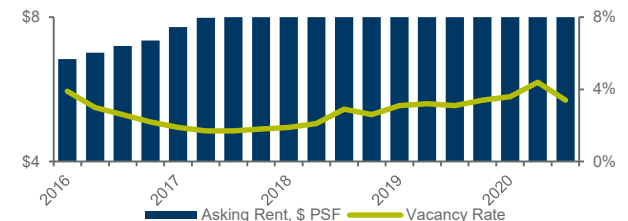
PRICING:

Of the asset types, manufacturing asking rents increased \$1.04 psf to \$10.97 compared to the second quarter 2020's result of \$9.87. This is most likely from the COVID-19 pandemic. Manufacturers must consider the health and safety of their people in addition to taking measures such as retooling technology systems to handle supply chain issues, inventory management and shifts in production processes. Warehouse/Distribution asking rents decreased \$0.10 to \$8.87 per square foot (psf) YoY and Office/Flex Space decreased \$0.15 to \$11.23 per square foot YoY. One major project underway is Premier Airport, the new mega complex industrial and storage buildings near Southwest International Airport. The project is set to build out a total of 1.8 million square-feet of industrial space spread out among 225 acres.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 2020

MARKET STATISTICS

SUBMARKET	INVENTORY	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION	UNDER CONSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	3,810,130	61,646	1.6%	-11,174	-17,974	0	0	\$13.00	\$11.89	\$9.59
CHARLOTTE COUNTY SUBTOTAL	3,810,130	61,646	1.6%	-11,174	-17,974	0	0	\$13.00	\$11.89	\$9.59
Bonita Springs	1,617,924	137,795	5.9%	30,734	109,609	0	0	\$13.28	\$10.92	\$11.06
Cape Coral	3,387,866	173,541	5.1%	53,651	-7,627	0	0	-	\$9.40	\$8.91
Estero	14,242	-	0%	-	-	0	0	-	-	-
City of Fort Myers	10,477,323	317,175	3.0%	-44,396	48,396	126,378	32,000	\$6.34	\$6.53	\$6.23
South Fort Myers	2,827,414	150,991	5.3%	5,627	-21,736	0	0	\$5.87	\$10.45	\$8.51
North Fort Myers	1,143,289	-	0%	5,250	4,706	0	0	-	-	\$7.67
Lehigh	1,087,709	122,564	11.3%	8,600	-42,801	0	0	\$8.37	\$7.60	\$7.66
The Islands	123,752	1,800	0%	1,800	0	0	0	-	-	\$9.60
LEE COUNTY SUBTOTAL	20,679,519	903,866	3.8%	61,266	90,547	126,378	32,000	\$8.47	\$8.98	\$8.52
East Naples	4,579,568	168,139	3.7%	3,340	-10,560	0	0	\$11.36	\$11.69	\$9.18
North Naples	4,960,609	104,784	2.7%	-34,034	-40,879	0	0	\$11.09	\$10.00	\$13.77
Naples	46,926	-	0%	-	-	0	0	-	-	-
Marco Island	63,253	-	0%	-	-	0	0	-	-	-
Lely	9,963	-	0%	-	-	0	0	-	-	-
Outlying Collier County	1,526,271	10,978	0.7%	0	-619	9,625	0	\$13.60	\$13.60	\$12.69
Golden Gate	99,447	9,040	9.10%	-	-9,060	0	0	-	\$13.60	\$12.69
COLLIER COUNTY SUBTOTAL	13,203,768	353,904	2.7%	-13,661	-33,408	0	0	\$11.23	\$11.76	\$11.88
SOUTHWEST FLORIDA TOTALS	37,137,391	1,264,405	3.40%	13,903	7,632	541,500	44,800	\$10.91	\$11.08	\$8.87

FX = Flex MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
I-75 & Toledo Blade	Charlotte County	Guardian Pharmacy of Southwest Florida LLC	9,431	New Lease
3200 Bailey Lane Suite 300	North Naples	Rock Custom Homes, Inc.	2,940	New Lease

*Renewals not included in leasing statistics

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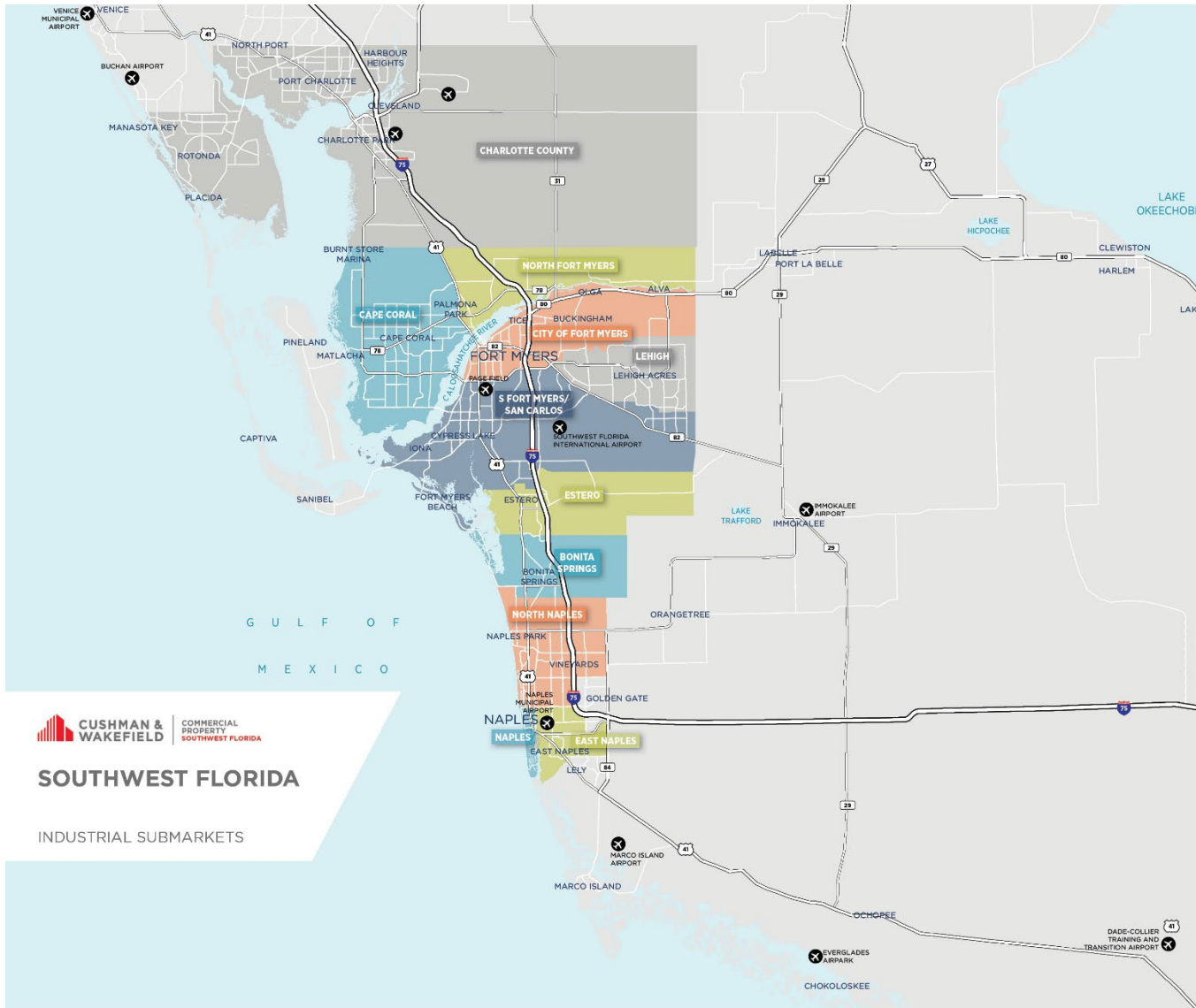
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INDUSTRIAL SUBMARKETS



SOUTHWEST FLORIDA

INDUSTRIAL SUBMARKETS

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