MARKETBEAT

Industrial Snapshot Q4 2015

Fort Myers/Naples, FL

CUSHMAN & WAKEFIELD | COMMERCIAL PROPERTY SOUTHWEST FLORIDA

FORT MYERS/NAPLES OFFICE

Economic Indicators

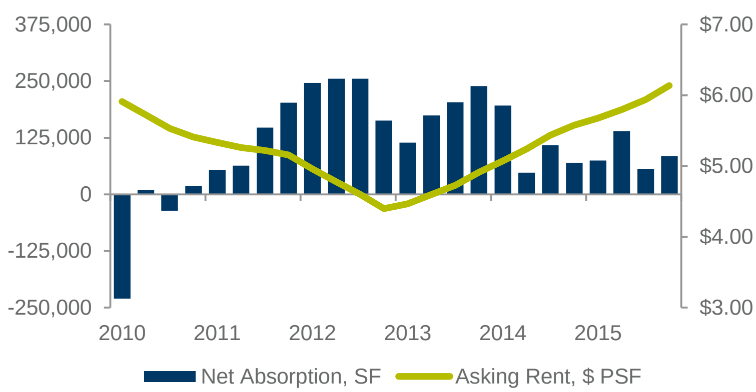
	Q4 14	Q4 15	12-Month Forecast
Lee Cty. Employment	235k	242k	▲
Lee Cty. Unemployment	5.6%	4.8%	▼
U.S. Unemployment	5.7%	5.0%	▼

Market Indicators (Overall, All Product Types)

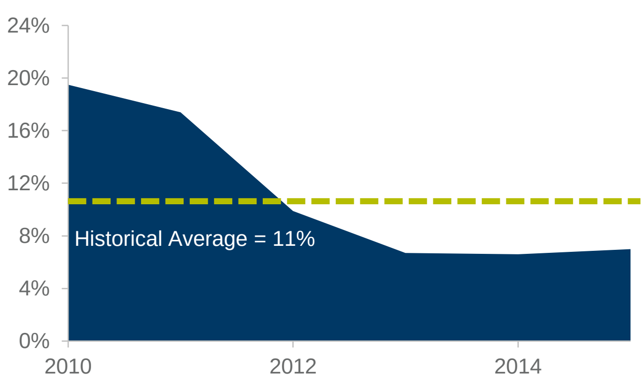
	Q4 14	Q4 15	12-Month Forecast
Overall Vacancy	6.2%	5.8%	▼
Net Absorption (sf)	279K	337K	▼
Under Construction (sf)	0	55K	▲
Overall Average Asking Rent	$5.57	$6.37	▲

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

The Southwest Florida economy continued to exhibit strong growth, with seasonally-adjusted unemployment rate for the five-county region falling to 5.0% for November; a full point improvement from a year ago. The area recorded a 1.5% increase (4,593) in new jobs added in Fort Myers/Cape Coral and a 0.7% increase (1,085 jobs) in the Naples/Marco Island area. Seasonally-adjusted regional tax sales were up 11% in September 2015 versus September 2014. Tourist Tax revenues for October 2015 climbed to 13% for the region encompassing Collier, Lee and Charlotte counties.

The demand for new construction residential and apartment living properties is expected to continue at least through the next few years. Rental rates have soared as landlords are taking advantage of the high demand and recoup losses from lower rents charged in the wake of the Recession. Salaries are staying the same, yet rent prices are increasing causing some renters to struggle with higher rents. On a positive note, some renters are considering buying instead.

Market Overview

All indicators continue to point to improving market conditions, specifically of note is the fact that new inventory is finally being constructed. This trend will likely continue and assuming it does, we will expect moderate rent growth and recovery rates will stabilize. Additionally, lower energy costs has stabilized the rapidly increasing construction costs. We remain confident that the strong national economy will be offset locally by strong population growth and increased job creation activity.

Outlook

The regional economy continues to improve and all indicators remain positive for the first quarter of 2016. Passenger activity for the three Southwest Florida airports in October 2015 was 9% above the figure last year. November 2015 sales of existing single-family homes for the two coastal counties were down 9% over November 2014 and 21% below October 2015. However, median prices were substantially higher, 16% in Lee and 30% in Collier, than the same time last year. Single-family building permits issued for the coastal counties in November reported an increase from a year ago with Lee County issuing 237, up 12% over last year, and Collier County issued 202 permits, 90 more than last November.

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SUBMARKET	TOTAL BLDGS	INVENTORY	YTD LEASING ACTIVITY	YTD USER SALES ACTIVITY	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION	UNDER CNSTR	DIRECT WEIGHTED AVG. NET RENT (MF)	DIRECT WEIGHTED AVG. NET RENT (FLEX)	DIRECT WEIGHTED AVG. NET RENT (W/D)	DIRECT WEIGHTED AVG. NET RENT (ALL)
Bonita Springs	118	1,392,679	15,586	0	11.0%	39,559	0	$10.27	$9.92	$7.20	$9.97
Cape Coral	373	3,456,930	110,584	42,478	7.4%	19,447	0	$7.92	$5.99	$7.63	$6.87
City of Fort Myers	657	9,776,126	346,626	102,759	8.0%	128,174	0	$6.24	$5.28	$5.30	$5.64
Estero	3	14,242	2,151	0	7.4%	2,114	0	N/A	$7.00	$7.00	$7.00
Lehigh Acres	86	1,295,627	66,289	29,700	11.3%	(6,392)	0	$8.34	$6.36	$6.25	$6.28
North Fort Myers	77	990,900	9,400	0	6.2%	(32,300)	0	N/A	$4.38	$4.38	$4.38
S Ft Myers/San Carlos	831	13,324,336	415,006	177,079	5.4%	46,789	40,000	$5.27	$6.01	$5.82	$5.95
LEE COUNTY SUBTOTAL	2,145	30,250,840	965,642	352,016	7.0%	197,391	40,000	$5.87	$5.85	$5.70	$5.93
East Naples	429	5,299,589	115,742	145,569	3.1%	71,996	0	$7.50	$7.56	$8.79	$8.53
Naples	10	58,902	0	7,589	0	0	0	$18.00	N/A	N/A	$18.00
North Naples	459	4,881,913	76,594	18,400	1.7%	67,651	15,015	$6.67	$13.28	$9.35	$10.79
COLLIER COUNTY SUBTOTAL	898	10,240,404	192,336	171,558	2.4%	139,647	15,015	$10.09	$9.35	$8.60	$9.95
TOTALS	3,043	40,491,244	1,157,978	523,574	5.8%	337,038	55,015	$6.37	$7.75	$5.93	$6.30

*Rental rates reflect asking $psf/year

MF = Manufacturing W/D = Warehouse/Distribution

Key Lease Transactions 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
6451 Metro Plex Dr.	40,000	Matter Brothers Furniture	Light Industrial	S. Ft. Myers/San Carlos
12291 Towne Lake Dr.	36,240	Advanced Components International, LLC	Manufacturing	S. Ft. Myers/San Carlos
5630 Zip Dr.	30,100	Raypak	Manufacturing	City of Ft. Myers
1828 Evans Ave.	25,000	Collision Repair Shop	Warehouse	City of Ft. Myers

Key Sales Transactions 2015

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/$ PSF	SUBMARKET
12641 Corporate Lakes Dr. (3 properties)	172,700	Seagate Development Group / Barron Collier Companies	Flex Warehouse	$14,352,200 / $83	S. Ft. Myers/San Carlos
7600 Alico Rd.	72,745	Alico Road LLC/Andover Properties LLC	Flex Showroom	$5,550,000 / $76	S. Ft. Myers/San Carlos

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