

MARKETBEAT

Retail Snapshot 2Q 2016

Fort Myers / Naples



CUSHMAN & WAKEFIELD

COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

ECONOMIC INDICATORS

National

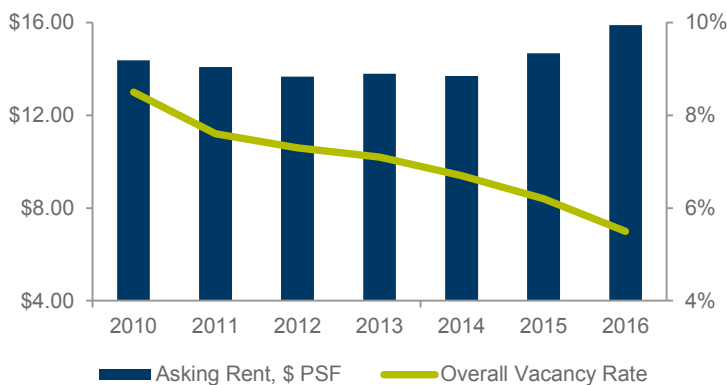
	2015	2016	12-Month Forecast
GDP Growth	2.7%	1.8%	▲
CPI Growth	0.0%	1.1%	▲
Consumer Spending Growth	3.3%	2.8%	▲
Retail Sales Growth	2.1%	2.6%	▲

Regional

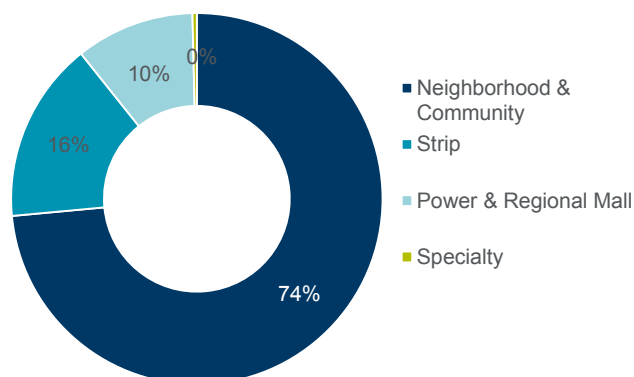
	2015	2016	12-Month Forecast
Household Income	\$51,189	\$52,697	▲
Population Growth	2.7%	2.4%	▲
Unemployment	5.4%	4.9%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Availability by Type



Economy

The data available from FGCU Regional Economic Research Institute depicts a strong regional economy consistent with established seasonal trends that still show signs of caution seven years into a national economic expansion. These indicators included a 5% increase in seasonally adjusted regional taxable sales for the region in April 2016 over April 2015 and a 3% decrease in seasonally adjusted tourist tax revenues for the coastal counties during the same period.

Seasonally-adjusted unemployment rates for the region fell to 4.3% in June down from 4.9% in June 2015.

Market Overview

Collier County is dominating new retail construction deliveries with over 1.5 million square feet delivered during the first half of the year where Lee County has delivered just over 305,000 square feet (SF) this year. Combined the two counties have nearly 700,000 SF still under construction anticipated to be delivered by year-end. Tamiami Crossing in Naples totaling 122,383 SF delivered 1Q and is fully leased with discount stores. Much of the other retail space soon to be completed has been released. With construction going strong, lease rates are increasing as the available inventory is absorbed. North Naples submarket reported an 11% increase in asking rental rates since 4Q 2015 at \$21.74 per square foot (PSF) NNN. S. Ft. Myers submarket overall asking rents increased over \$1.00 PSF to \$15.92 PSF NNN.

Outlook

While no recession is anticipated, consumers increasingly expect a slower pace of growth in the year ahead especially as the campaigns for U.S. President get in full swing. Passenger activity in the three Southwest Florida airports was down from the peak seasonal activity that occurs February through April with significantly lower activity in the summer months. Both airports were approved for expansions due to the increasing tourism and new airlines to the facilities. Despite the slower residential sales for the first half of 2016, year-over-year prices for 2Q are up 18% in Lee and Collier while Naples is one of the strongest markets in Florida.

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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
South Fort Myers/San Carlos	980	16,061,918	5.2%	44,549	128,931	71,178	\$15.92
North Naples	539	10,863,506	4.3%	14,245	101,028	102,761	\$21.74
Cape Coral	769	9,082,893	7.7%	56,035	94,725	52,061	\$21.53
City of Fort Myers	772	7,795,343	4.4%	49,809	134,874	7,157	\$10.49
East Naples	376	4,206,994	7.0%	13,846	76,058	0	\$15.38
TOTAL MARKET**	5,048	68,975,966	5.5%	336,900	794,117	365,786	\$15.89

*Rental rates reflect gross asking \$psf/year

**This table includes Southwest Florida's top five submarkets by inventory size. The total market line represents the overall market total and not just the total from the submarkets listed in the table.

FORT MYERS / NAPLES	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
Regional Mall	83	5,746,155	2.4%	(605)	(2,050)	0	\$20.53
Neighborhood Center	445	14,491,684	8.7%	20,392	88,628	42,000	\$14.60
Power Center	66	3,270,827	5.8%	11,329	51,184	6,038	\$17.05
Community Center	206	10,183,800	10.5%	72,085	136,785	3,023	\$14.79
Strip Center	587	6,128,821	8.1%	38,705	37,463	0	\$13.73
Lifestyle Center	28	1,174,420	4.7%	1,800	6,036	0	\$28.45

Key Lease Transactions Q2 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
6111 S. Pointe Blvd.	31,000	South Pointe Shoppes, LLC	Lease	S Fort Myers/San Carlos
4506 Del Prado Blvd. S.	28,814	The Salvation Army Thrift Store	Lease	Cape Coral
27251 Bay Landing Dr.	25,000	Home Goods	Lease	Bonita Springs
2415 Tarpon Bay Blvd.	21,600	PetSmart	Lease	North Naples

Key Sales Transactions Q2 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
3302-04 Bonita Beach Rd. (6 retail properties)	286,000	Bon Aviv Investments / AIG Global Real Estate	\$52,000,000 / \$182	Bonita Springs
20350 Summerlin Rd. (5 retail properties)	198,950	Tanger Factory Outlet Centers / Dahmann Properties	\$26,000,000 / \$131	S Fort Myers/San Carlos
6060 Collier Blvd. (3 properties)	148,737	CPG Partners, LP / Balfour Global, LLC	\$6,500,000 / \$44	Naples
1929 NE Pine Island Rd.	119,598	H&R REIT / National Retail Properties, LP	\$18,290,000 / \$153	Cape Coral

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