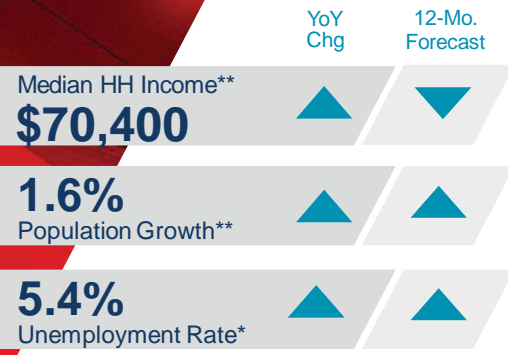


SOUTHWEST FLORIDA

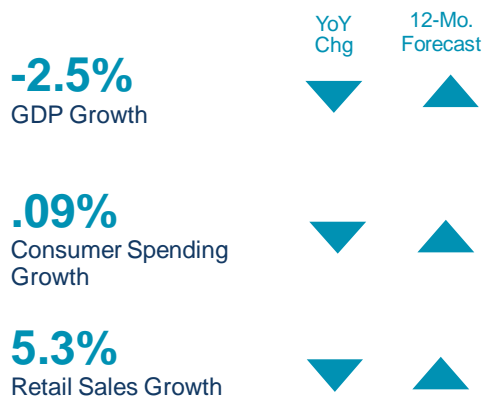


Retail Q4 2020



*Numbers above are monthly figures, FL Dept. Economic OPP
 **Source: BLS, BOC, Moody's Analytics
 (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q4 2020



Source: BEA, Census Bureau

ECONOMIC OVERVIEW:

Southwest Florida retail saw improvements in the last two quarters of 2020, with 325,626 square feet (sf) leased in the 4th quarter alone. Add that to the 131 leases written in Q3, the second half of the year saw a surge in leasing of 20.3% in comparison to the first half of 2020. With the impact of the pandemic and the slow start to 2020, it would appear owners and landlords are hesitant to push asking rents, but in keeping with the historic trends of the market, optimism for 2021 is high. Investors in the market have preferred the retail sector over all other property classes for over 14+ years – with the population growth, tourism and the possibility of tax credits, the Southwest Florida retail market outlook remains positive.

SUPPLY AND DEMAND:

Overall supply has generally been slow over the past 10 years, well below the average annual construction levels leading up to the prior recession. The limited supply encouraged local owners an opportunity to renovate existing properties, for example, the new owners of Gulf Coast Town Center are investing more than \$5 million in renovations and the developer of Bell Tower Shops announcing plans to rejuvenate the 25-year-old center. Other than a number of grocery-anchored centers, the majority of retail construction over recent years tended to be smaller, freestanding buildings under 10,000 SF. Nearly all projects have required an anchor tenant, with minimal speculative construction or available space delivering to the market. Most of the recent construction has been located within the Cape Coral and S Ft Myers/San Carlos submarkets, two areas of high population growth. The trend has held into 2020 with roughly 70% of all Fort Myers retail construction contained within these two submarkets.

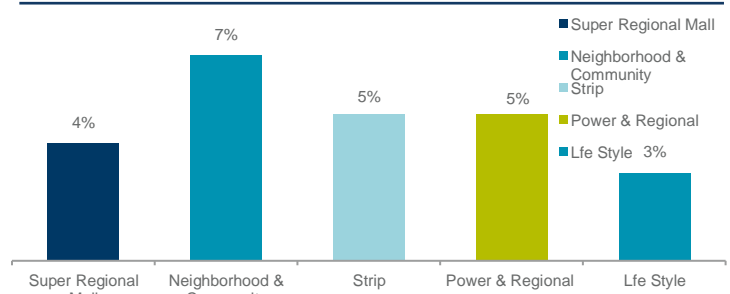
PRICING:

Overall market rents have increased over the past 12 months with exception to the retail strip center, which saw a decrease of 3.3% YOY, reflecting the impact of the pandemic and the weakening retail fundamentals in the year leading up to the pandemic. Overall, rents increased by nearly 3.4% YOY to \$16.53 per square foot by year-end. Vacancy remained historically low despite national retail closures and the Bricks to Clicks business models. Vacancy in Charlotte County did increase by 110 bps to 5.6%, while Collier County saw a 30 bps jump and Lee County a 6- bps increase, YOY. Collier County's average asking rents remained the highest in the market, closing out the quarter at approximately \$21.85 psf overall.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



Source: CoStar

SOUTHWEST FLORIDA



Retail Q4 2020

MARKET STATISTICS

COUNTY	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Charlotte	4,752,620	1,271	264,461	5.6%	784	-60,381	0	\$13.84
Lee	24,604,984	18,411	1,598,178	6.6%	142,451	-33,630	56,000	\$13.90
Collier	11,714,475	48,603	658,549	6.0%	-38,126	-81,007	160,000	\$21.85
TOTALS	41,072,079	68,285	2,521,188	6.1%	105,109	-175,018	216,000	\$16.53

*Source: CoStar Group. Rental rates reflect NNN asking \$psf/yr.

SHOPPING CENTER TYPE	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Malls	4,877,749	-	238,025	4.9%	3,060	-118,972	-	\$21.89
Community & Neighborhood	25,174,499	22,405	1,732,358	7.0%	81,126	14,333	56,000	\$15.71
Power & Regional	3,054,487	42,244	123,143	5.4%	3,080	-46,736	-	\$21.51
Strip	6,992,847	3,636	396,653	5.7%	13,143	-30,379	160,000	\$16.26
Lifestyle	972,497	-	29,738	3.1%	4,700	14,836	-	\$21.61

**The above chart excludes Airport Retail, Outlet Centers and Theme/Festival Centers. Super Regional Malls are included for inventory purposes only.

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	RSF	Asking Rent (NNN)	TYPE
17901 Summerlin Rd	South Fort Myers	Dollar Tree	10,880	\$10.50 psf	New Lease
8750 Gladiolus Dr	South Fort Myers	One More Time Thrift Store	10,362	Undisclosed	New Lease
11521 S. Cleveland Ave	South Fort Myers	City Mattress	10,099	\$10.00 psf	New Lease
1500-1630 Lake Trafford Rd	Outlying Collier County	Undisclosed	8,876	\$11.00 psf	New Lease
8880 Tamiami Trail N	North Naples	Undisclosed	7,075	\$49.00 psf	New Lease
8777 Tamiami Trail N	North Naples	Pinchers	5,400	\$48.00 psf	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	BUYER/SELLER	RSF	CAP RATE	PRICE/\$PSF
3701-3755 Tamiami Trail E	Naples	NTC North LLC/Buckingham Properties	134,707	8.00%	\$74.24
11561 Majestic Palms Blvd	South Fort Myers	Patagonian Holdings LLC/RCS-Island Pass LLC	9,400		\$889.36
15880 San Carlos Blvd	South Fort Myers	Patagonia Holdings LLC/RCS-Island Pass LLC	15,954	4.99%	\$524.01

SOUTHWEST FLORIDA

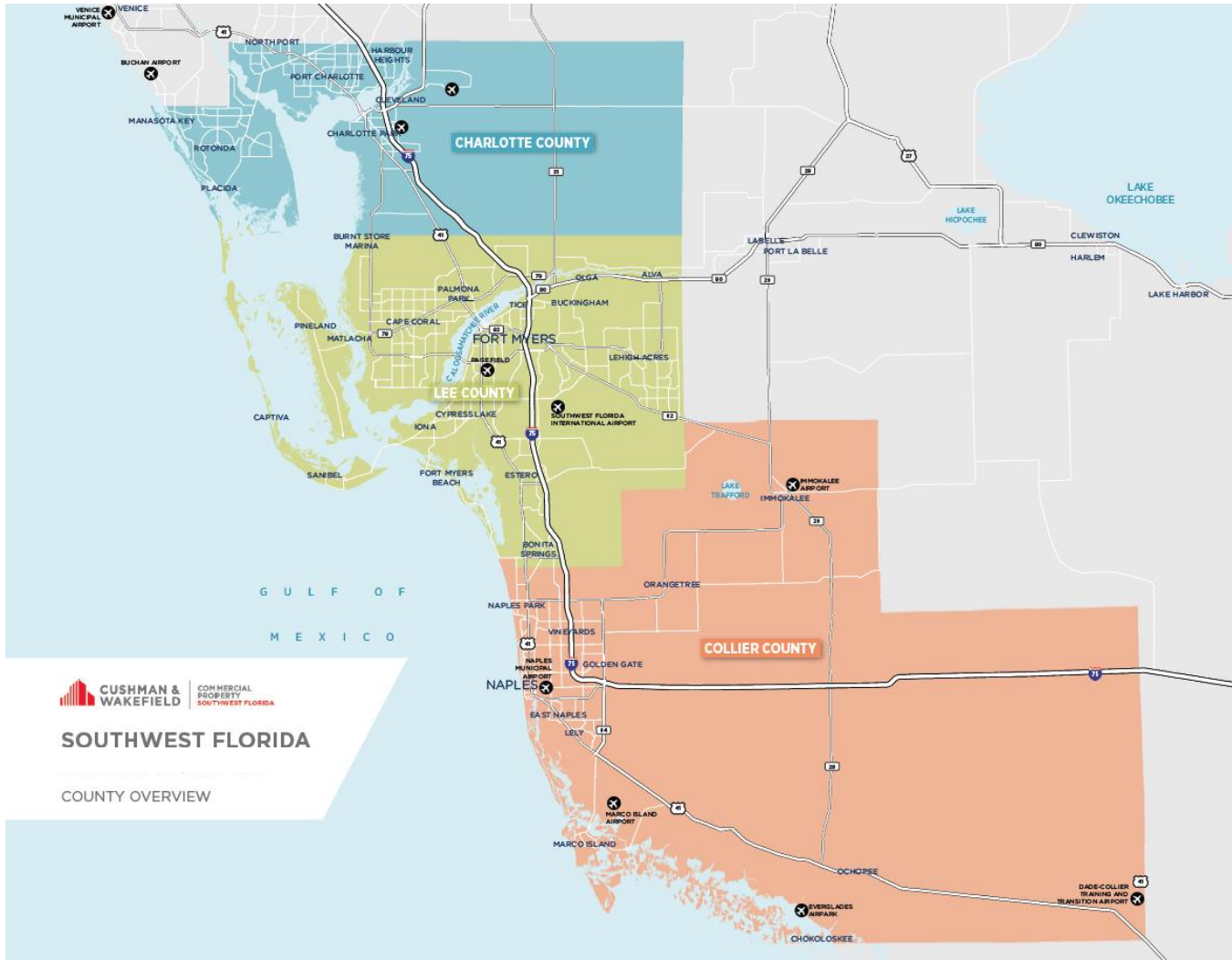
Retail Q4 2020



CUSHMAN & WAKEFIELD

**COMMERCIAL PROPERTY
SOUTHWEST FLORIDA**

RETAIL SUBMARKETS



SOUTHWEST FLORIDA

COUNTY OVERVIEW

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