

# Industrial Snapshot 2Q 2016

Fort Myers/Naples, FL



**CUSHMAN & WAKEFIELD**

**COMMERCIAL PROPERTY  
SOUTHWEST FLORIDA**

## FORT MYERS/NAPLES OFFICE

### Economic Indicators

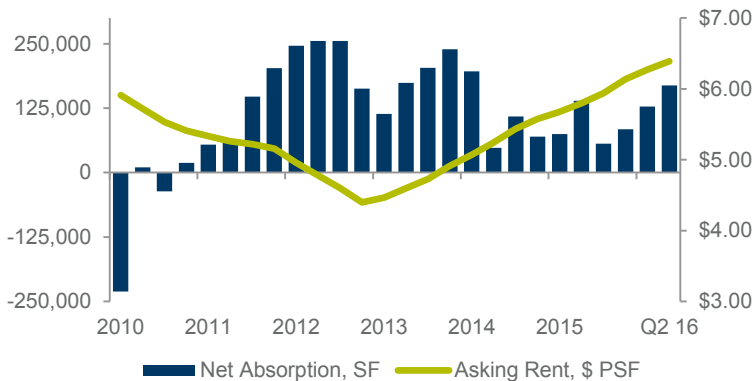
	Q2 15	Q2 16	12-Month Forecast
Lee Cty. Employment	244k	253k	▲
Lee Cty. Unemployment	5.0%	4.5%	▼
U.S. Unemployment	5.4%	4.9%	▼

### Market Indicators (Overall, All Product Types)

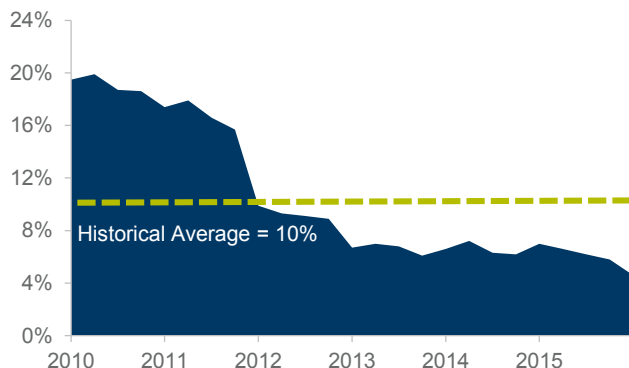
	Q2 15	Q2 16	12-Month Forecast
Overall Vacancy	6.6%	3.8%	▼
Net Absorption (sf)	169K	334K	▲
Under Construction (sf)	0	363K	▲
Overall Average Asking Rent	\$6.10	\$6.58	▲

### Net Absorption/Asking Rent

4Q TRAILING AVERAGE



### Overall Vacancy



## 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 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

The Southwest Florida industrial market experienced an improvement in market conditions in the second quarter 2016. The industrial vacancy rate continued to fall and reported 3.8% at mid-year, a 2.8 percentage point decline from this time last year. In fact the overall vacancy rate has continuously declined for the past eight quarters since mid-year 2014 where the rate reported 7.2%. Overall net absorption was positive for the fifth consecutive quarter and totaled 470,486 square feet (SF) year-to-date.

During the second quarter, five buildings totaling 81,730 SF completed construction in the market. Currently, with 362,658 SF under construction, 149,150 SF is expected to be delivered during the final quarters of 2016. All of these buildings are either build-to-suits or 100% leased.

## 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 are 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 increasing tourism and new airlines to the facilities. Despite the slower residential sales for the first half of 2016, year-over-year prices for second quarter are up 18% in Lee and Collier while Naples is one of the strongest markets in Florida.

## MARKETBEAT

# Industrial Snapshot 2Q 2016

Fort Myers/Naples, FL



**CUSHMAN & WAKEFIELD**

**COMMERCIAL PROPERTY  
SOUTHWEST FLORIDA**

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	1,392,949	14,611	0	6.5%	(5,381)	0	\$13.05	\$8.76	\$9.00	\$9.24
Cape Coral	377	3,578,886	78,240	4,988	5.0%	58,858	0	\$7.92	N/A	\$7.54	\$7.05
City of Fort Myers	659	9,732,635	100,954	26,785	5.7%	33,384	0	\$5.50	\$8.73	\$5.11	\$5.58
Estero	4	25,927	0	0	0	1,057	0	N/A	N/A	\$7.00	\$7.00
Lehigh Acres	85	1,286,447	31,550	9,000	4.5%	35,908	0	\$8.34	\$6.00	\$6.43	\$6.42
North Fort Myers	77	990,900	840	0	4.9%	503	0	N/A	N/A	\$6.00	\$6.00
S Ft Myers/San Carlos	836	13,439,494	254,083	65,710	3.3%	226,216	359,263	\$5.27	\$9.40	\$6.25	\$6.41
<b>LEE COUNTY SUBTOTAL</b>	<b>2,156</b>	<b>30,447,238</b>	<b>480,278</b>	<b>106,483</b>	<b>4.5%</b>	<b>350,545</b>	<b>359,263</b>	<b>\$6.05</b>	<b>\$8.63</b>	<b>\$6.03</b>	<b>\$6.30</b>
East Naples	430	5,324,777	58,180	110,340	2.0%	64,612	0	\$8.00	\$7.98	\$9.65	\$9.36
Naples	10	58,902	0	0	0	0	0	\$15.00	N/A	N/A	\$15.00
North Naples	461	4,914,900	27,298	45,472	1.1%	55,329	3,395	\$7.00	\$11.76	\$8.57	\$9.90
<b>COLLIER COUNTY SUBTOTAL</b>	<b>901</b>	<b>10,298,579</b>	<b>85,478</b>	<b>155,812</b>	<b>1.6%</b>	<b>119,941</b>	<b>3,395</b>	<b>\$11.59</b>	<b>\$10.22</b>	<b>\$9.54</b>	<b>\$9.91</b>
<b>TOTALS</b>	<b>3,057</b>	<b>40,745,817</b>	<b>565,756</b>	<b>262,295</b>	<b>3.8%</b>	<b>470,486</b>	<b>362,658</b>	<b>\$5.95</b>	<b>\$8.12</b>	<b>\$6.34</b>	<b>\$6.58</b>

\*Rental rates reflect asking \$psf/year

MF = Manufacturing W/D = Warehouse/Distribution

### Key Lease Transactions 2Q 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
12801 Commonwealth Dr.	21,200	Withheld	Warehouse	S. Ft. Myers/San Carlos
4051 Warehouse Rd.	11,700	Withheld	Warehouse	City of Ft. Myers
1228 Viscaya Pkwy.	10,491	Withheld	Warehouse	Cape Coral
4000 Warehouse Rd.	10,000	Withheld	Warehouse	City of Ft. Myers

### Key Sales Transactions 2Q 2016

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$ PSF	SUBMARKET
7751 Bayshore Rd. (3 add'l bldgs.)	393,792	Raymond Building Supply/ STORE Master Funding	Warehouse	\$21,120,000 / \$54	N. Fort Myers
3391 Sivan Rd. (16 add'l bldgs.)	230,200	Metro Center FIP/AAA Homes, LLC	Warehouse	\$12,250,000 / \$53	S. Ft. Myers/San Carlos

### About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @Cushwake on Twitter.

### Gary Tasman

CEO/Principal Broker  
5220 Summerlin Commons Blvd, Suite 500  
Fort Myers, FL 33907  
Tel: +1 239 489 3600  
Fax: +1 888 315 1526  
[gatasman@CPSWFL.com](mailto:gatasman@CPSWFL.com)