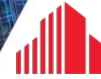


# Office Snapshot 2Q 2016

Fort Myers/Naples, FL



**CUSHMAN & WAKEFIELD**

**COMMERCIAL PROPERTY  
SOUTHWEST FLORIDA**

## FORT MYERS/NAPLES OFFICE

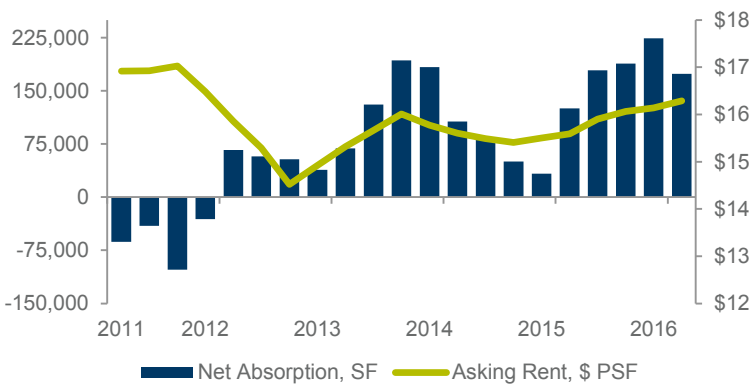
### Economic Indicators

	2Q 15	2Q 16	12-Month Forecast
Lee Cty. Employment	244k	253k	▲
Lee Cty. Unemployment	5.0%	4.5%	▼
U.S. Unemployment	5.4%	4.9%	▼

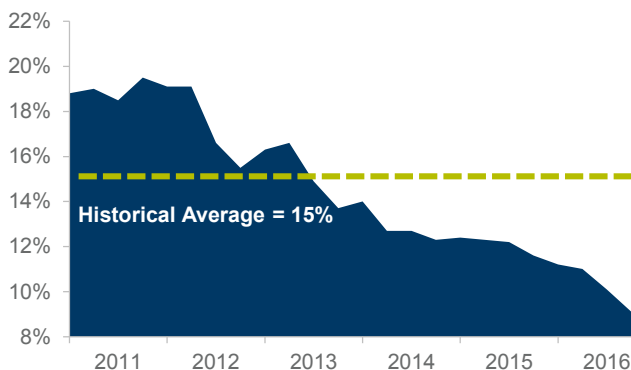
### Market Indicators (Overall, All Classes)

	2Q 15	2Q 16	12-Month Forecast
Overall Vacancy	11.6%	9.1%	▼
Net Absorption	383k	183k	▲
Under Construction	327k	214k	▲
Overall Average Asking Rent	\$15.73	\$16.31	▲

### Net Absorption/Asking Rent 4Q TRAILING AVERAGE



### Overall Vacancy



## Economy

The data available from FGPU 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.

## Accelerating commercial - Residential market tones it down

Construction deliveries this quarter included 4690 Cardinal Way in E. Naples with 5,856 square feet (SF) of office space and 14530 Global Parkway in the S. Fort Myers submarket with 75,380 SF of new office product. Manufacturer Somero will relocate their headquarters to this property. Both buildings were fully leased upon completion.

The data indicates retail, office and industrial occupancy and rents are rising. New construction of buildings for rent is just starting to resume in response to market demand. Office has been the laggard property type for the past ten years in Southwest Florida. The office vacancy rate is now less than 10%. Industrial vacancy is 4.8% in Lee and 1.6% in Collier. Retail vacancy in the three counties is less than 5%. These rates are the lowest vacancy for all three property types since 2007.

The apartment market continues to excel. Rent rates may be reaching a bubble in the area but are not curbing the development of the multiple apartment projects under way in both Lee and Collier County. The pace of absorption of residential properties has slowed as prices increase. Home prices and inventory have since resumed to customary levels, and buyers, while still cautious, are buying if the opportunity is a good value as an investment property or the property fits their personal needs for a owner occupant.

## 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.

## MARKETBEAT

## Office Snapshot 2Q 2016

Fort Myers/Naples, FL



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COMMERCIAL PROPERTY  
SOUTHWEST FLORIDA

SUBMARKET	TOTAL BLDGS	INVENTORY	SUBLET VACANT	DIRECT VACANT	OVERALL VACANCY RATE	CURRENT OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT (ALL CLASSES)*	AVERAGE ASKING RENT (CLASS A)*
Bonita Springs	193	2,325,714	6,517	318,296	14.0%	26,638	44,704	0	\$14.38	\$13.63
Cape Coral	381	2,505,549	2,500	174,476	7.1%	11,375	18,455	3,619	\$13.18	\$17.34
City of Fort Myers	411	4,790,269	1,000	586,165	12.3%	34,957	54,658	50,000	\$11.67	\$14.33
Estero	34	831,634	0	49,429	5.9%	11,163	4,893	0	\$15.98	\$18.86
Lehigh Acres	74	432,088	0	32,256	7.5%	13,543	20,440	0	\$13.21	N/A
North Fort Myers	36	274,653	0	0	N/A	4,440	6,600	6,500	\$8.47	N/A
S. Ft. Myers/San Carlos	747	8,164,708	11,739	675,441	8.4%	61,114	102,767	106,858	\$14.86	\$19.61
The Islands	53	193,517	0	300	0.2%	0	0	0	\$17.43	N/A
<b>LEE COUNTY SUBTOTAL</b>	<b>1,929</b>	<b>19,518,132</b>	<b>21,756</b>	<b>1,836,363</b>	<b>9.5%</b>	<b>145,164</b>	<b>234,451</b>	<b>166,977</b>	<b>\$13.82</b>	<b>\$16.68</b>
East Naples	151	1,847,134	0	162,070	8.8%	20,549	18,163	0	\$16.01	N/A
Golden Gate	31	138,615	0	3,000	2.2%	0	(3,000)	0	\$14.13	N/A
Lely	16	127,558	0	34,720	27.2%	(2,465)	(7,076)	0	\$19.73	\$20.45
Marco Island	33	363,044	0	24,051	6.6%	(32)	(919)	0	\$19.35	N/A
Naples	98	1,278,438	6,919	72,218	6.2%	11,120	20,803	0	\$21.94	\$24.25
North Naples	361	5,073,415	0	407,381	8.0%	8,806	(8,015)	46,711	\$24.19	\$28.52
Outlying Collier County	37	362,441	0	34,300	9.5%	0	(1,800)	0	\$31.77	\$34.81
<b>COLLIER COUNTY SUBTOTAL</b>	<b>727</b>	<b>9,190,645</b>	<b>6,919</b>	<b>737,740</b>	<b>8.1%</b>	<b>37,978</b>	<b>18,156</b>	<b>46,711</b>	<b>\$21.45</b>	<b>\$28.15</b>
<b>TOTALS</b>	<b>2,656</b>	<b>28,708,777</b>	<b>28,675</b>	<b>2,574,103</b>	<b>9.1%</b>	<b>183,142</b>	<b>252,607</b>	<b>213,688</b>	<b>\$16.31</b>	<b>\$20.57</b>

\*Rental rates reflect gross asking \$psf/year \*Not all of the data on the Market Beat will match the public stats due to quarter not closed out. Data will be updated in Q3.

SUMMARY BY CLASS	TOTAL BLDGS	INVENTORY	SUBLET VACANT	DIRECT VACANT	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT OVERALL*	AVERAGE ASKING RENT DIRECT*
Class A	68	3,708,930	3,600	508,590	13.8%	26,868	20,262	0	\$16.31	\$20.54
Class B	1,533	18,665,761	25,075	1,579,896	8.6%	134,982	218,428	213,688	\$15.88	\$15.85
Class C	1,055	6,334,086	0	485,617	7.7%	21,292	13,917	0	\$13.23	\$13.23

## Key Lease Transactions Q2 2016

PROPERTY	SF	TENANT	TRANS. TYPE	ASKING RENT*	SUBMARKET
11161 Healthpark Blvd.	17,200	Surgery Center of Naples, LLC	Lease	\$27.00	North Naples
26269 S Tamiami Trl.	13,268	John R. Wood Realtors, Inc.	Lease	Withheld	Bonita Springs
10915 K Nine Dr.	10,000	Withheld	Lease	\$12.00	Bonita Springs
3820 Colonial Blvd..	8,513	Withheld	Lease	\$12.50	S. Fort Myers/San Carlos

\*asking rents are quoted on a Triple Net (NNN) basis

## Key Sales Transactions Q2 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$ PSF	SUBMARKET
10201 Arcos Ave.	35,132	Gregory Houck MD / Woodside Health	\$10,000,000 / \$285	Estero
851 5th Ave. N.	14,773	Leslie C. Norins MD / Timothy W. Apel	\$3,619,385 / \$245	Naples

## About Cushman &amp; Wakefield

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