

Industrial Q4 2020

	YoY Chg	12-Mo. Forecast
5.7% Vacancy Rate	▲	▲
-2,119 Net Absorption, SF	▲	▲
\$9.07 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
421K Southwest Florida Employment	▼	▲
5.4% Southwest Florida Unemployment Rate	▲	▲
6.7% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMIC OVERVIEW:

The Southwest Florida MSA, which includes Collier, Lee, and Charlotte counties, added a total of 12,000 jobs this quarter and closed with an unemployment rate of 5.4%, down 480 basis points (bps) from last quarters results and 260 bps higher than the region's rate from one year ago. Two employment sectors that gained jobs in Q4 were Construction, adding 200 new positions and Leisure & Hospitality with 100 new jobs. Compared to national numbers, unemployment rates in the Southwest Florida MSA, tend to be more volatile, falling lower with national unemployment dips and rising higher when national unemployment rises.

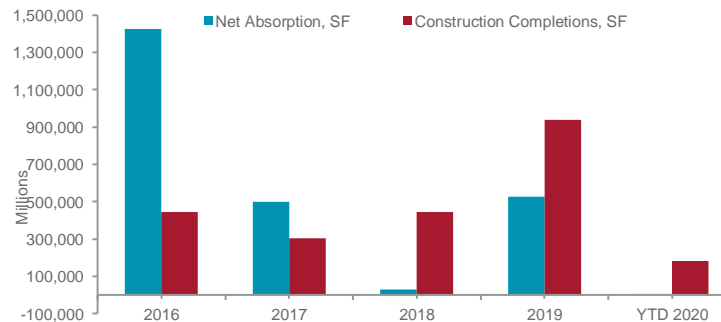
SUPPLY AND DEMAND:

The overall vacancy rate for all industrial segment types in Q4 slightly adjusted upward 3.8% vs last quarters result of 3.4%, in comparison to Q4 of 2019, 50 bps higher. Total overall absorption in Q4 for Industrial and Flex space was -2,119 square feet (sf) with most of the space being absorbed in the submarkets of Bonita Springs and The City of Fort Myers. The total leasing activity for Southwest Florida was 357,108 sf, a decline from Q3's total of 385,221 sf. In addition, Lee, Collier, and Charlotte counties together had combined leasing sf totals of 1,456,323 sf leased for the year 2020, a year-over-year (YOY) decline from 2,455,233 sf. Distribution and warehouse leasing continued to perform well, a trend that we are continuing to see in the Southwest Florida Market as this sector had the highest amount of leasing activity of all the asset classes at 163,099 sf leased quarter to date. However, this number was still a significant drop in comparison to Q3's result of 279,832 sf. The totals for year-to-date leasing activity for warehouse and distribution centers in Southwest Florida were 919,098 sf, flex Space came in at 349,559 sf and 187,666 sf for manufacturing.

PRICING:

Overall triple net asking rents for all industrial segment types increased YOY by \$.42 to \$9.07 per square foot (psf). Contributing to the price growth is the rise in e-commerce since the pandemic began in March of 2019. Collier County is showing the highest increase as this county improved its average rents just over \$2.00 sf while Charlotte and Lee counties had lower increases of just under \$1.00 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 2020

MARKET STATISTICS

SUBMARKET	INVENTORY	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION	UNDER CONSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	3,477,325	115,238	3.3%	-53,592	-71,566	-	-	\$13.00	\$12.05	\$9.00
CHARLOTTE COUNTY SUBTOTAL	3,477,325	115,238	3.3%	-53,592	-71,566	0	0	\$13.00	\$12.05	\$9.00
Bonita Springs	1,262,864	77,336	6.9%	-13,609	96,000	100,656	-	\$12.62	\$11.68	\$11.10
Cape Coral	3,385,812	138,577	4.3%	28,672	21,045	-	-	-	\$9.52	-
Estero	14,242	-	0.0%	-	-	-	-	-	-	-
City of Fort Myers	7,998,443	189,970	2.6%	49,896	138,833	-	110,051	\$6.78	\$8.02	\$7.64
South Fort Myers	11,767,096	538,933	5.0%	17,440	93,845	89,600	97,500	\$10.67	\$10.23	\$8.94
North Fort Myers	1,143,289	115,233	2.7%	-31,200	-26,494	-	-	-	-	\$7.73
Lehigh Acres	1,094,564	122,633	11.2%	21	-42,780	-	-	\$8.37	8.64	\$7.64
The Islands	123,752	1,840	1.5%	-1,840	-1,840	-	-	-	-	\$10.43
LEE COUNTY SUBTOTAL	26,790,062	1,184,522	4.4%	49,380	278,609	190,256	207,551	\$9.61	\$9.62	\$8.91
East Naples	4,567,120	161,493	3.7%	-4,170	-12,914	104,860	-	11.76	\$11.98	\$10.98
North Naples	3,937,922	92,951	2.6%	4,763	-39,166	-	-	\$15.12	\$16.17	\$13.61
Naples	46,926	-	0.0%	-	-	-	-	-	-	-
Marco Island	63,253	-	0.0%	-	-	-	-	-	-	-
Lely	9,963	-	0.0%	-	-	-	-	-	-	-
Outlying Collier County	1,595,576	16,978	1.4%	1,500	-8494	9,625	-	-	13.6	13.56
Golden Gate	99,477	9,060	9.1%	-	-9060	-	-	-	-	-
COLLIER COUNTY SUBTOTAL	10,320,237	280,482	2.7%	2,093	-69,634	114,485	0	\$13.44	\$13.92	\$12.72
SOUTHWEST FLORIDA TOTALS	40,587,624	2,319,868	5.7%	581	60,574	194,460	251,261	\$12.02	\$11.86	\$10.21

*Statistics not reflective of U.S. MarketBeat Tables

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	Tenant	RSF	TYPE
9353 Laredo Dr	City of Fort Myers	World Pac	23,168	Renewal
5600-5610 Enterprise Pkwy	City of Fort Myers	Gerezeny's RV World	23,000	Renewal
16281 Domestic Avenue	City of Fort Myers	Elegant Outdoor Living	15,000	New

*Rental rates reflect weighted net asking \$pss/year
**Totals not indicative of entire market

KEY SALES TRANSACTIONS Q4 2020

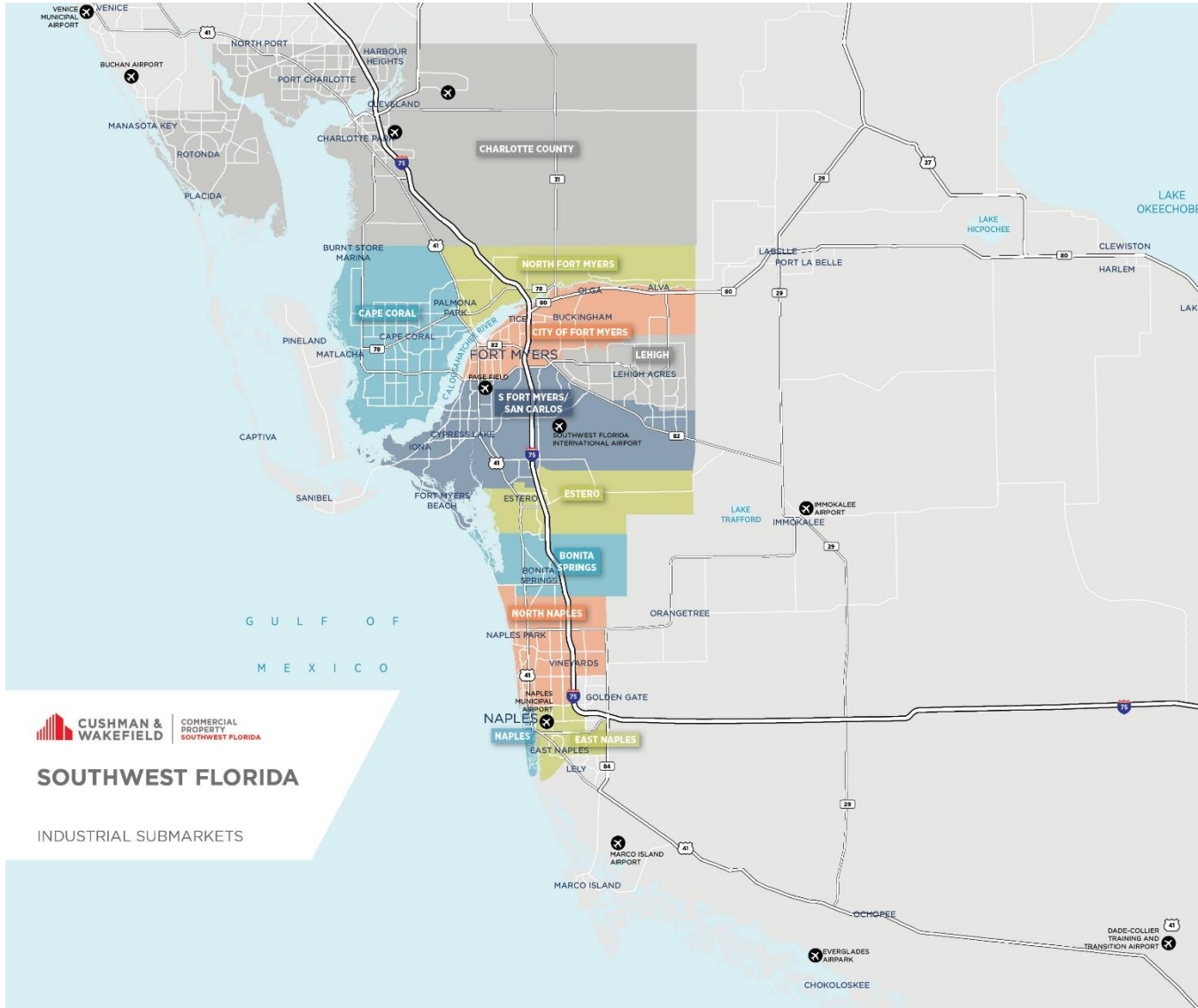
PROPERTY	SUBMARKET	BUYER/SELLER	TYPE
1100 Immokalee Road	North Naples	Naples Community Hospital/ Naples Daily News	186,503 SF Industrial Distribution
8391 Littleton Road	North Fort Myers	BA Acquisitions LLC/ Shawley Mckissick Partnership	57,600 SF Industrial Warehouse
2765 Fowler Street	The City of Fort Myers	Brian Quail Pala/SBK LLC	23,000 SF Industrial Warehouse
5571 Halifax Ave	S Fort Myers San Carlos	Harper Property Holdings/ Inge & Associates	14,666 SF Industrial Warehouse
28711 S Diesel Dr	Bonita Springs	First CZ Real Estate LLC/ Greyhound Warehouse LLC	14,319 SF Industrial Warehouse

*Renewals not included in leasing statistics

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