

MARKETBEAT

SOUTHWEST FLORIDA



CUSHMAN & WAKEFIELD

COMMERCIAL PROPERTY
SOUTHWEST FLORIDA

Office Q3 2020

	YoY Chg	12-Mo. Forecast
5.9% Vacancy Rate	▼	▲
-100,167K Net Absorption, SF	▼	▲
\$18.61 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2020

	YoY Chg	12-Mo. Forecast
409K Southwest Florida Employment	▼	▲
10.2% Southwest Florida Unemployment Rate	▲	▼
8.8% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMIC OVERVIEW:

The Southwest Florida MSA which includes, Charlotte, Lee and Collier County's had a total unemployment rate of 10.2%, a 403-basis point decline from the second quarter 2020's result of 14.5%. The second quarter of 2020 closed with a total of 398K jobs therefore, the total number of jobs added over the last three months was approximately 11,000, closing out the third quarter with a total of 409K jobs in Southwest Florida year-to-date. Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in Q2-2020. Mounting evidence indicates that the recovery began in May or June with Q3 2020 data likely reflecting that. But until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Only then can households and businesses become more confident. Access the most recent research on CRE and the state of the economy [here](#)

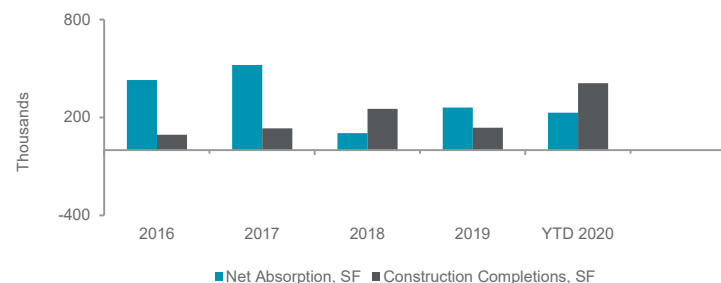
SUPPLY AND DEMAND:

The Southwest Florida vacancy rate increased to 5.9% at the close of the third quarter, a 90bps increase from the second quarter 2020. Overall vacant space for the MSA increased by 219,256 square feet since the close of the second quarter 2020. The North Naples submarket currently has the highest vacancy rate in Southwest Florida at 12.2%, an increase of 230 bps or 60,385 sf of overall vacant space compared to the second quarter of 2020. Collier County, which includes submarkets: North Naples, East Naples, Naples, Marco Island, Lely, Golden Gate, and Outlying Collier County, closed the third quarter with a 10.5% vacancy rate, an increase of 280 bps or 233,649 sf of overall vacant space year-over-year (YoY). Leasing activity was exceptionally strong in the South Fort Myers and City of Fort Myers submarkets as each contributed a significant amount to the 2020 year-to-date total of 362,576 sf leased in Lee County. Overall, South Fort Myers performed very well with 86,044 sf of positive absorption for the third consecutive quarter year to date.

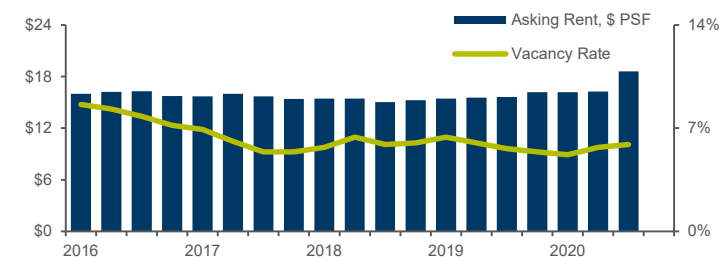
PRICING:

The overall average market rent in Southwest Florida closed the third quarter of 2020 at \$18.61 per square foot (psf) an increase of \$2.95 YoY than the recorded \$15.66 in Q3 2019. Lee County contributes to most of this increase as this time last year the average asking rents were \$13.33 psf, a \$4.40 YoY difference. Collier County's Overall Asking Rents for the third quarter 2019 closed at \$22.10 psf, a \$.60 psf increase YOY confirming that there has not been significant impact to pricing in the Naples market due to the pandemic.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Charlotte County	2,362,257	0	68,545	2.9%	-3,459	23,230	17,363	0	\$15.72	-
Charlotte County Totals	2,362,257	0	68,545	2.9%	-3,459	23,230	17,363	0	\$15.72	-
Bonita Springs	1,136,554	504	72,902	6.5%	620	-13,700	25,755	0	\$24.92	-
Cape Coral	1,687,236	0	98,808	5.9%	2,284	-50,048	38,419	0	\$12.56	-
Estero	615,388	0	7,688	1.2%	3,753	2,436	14,457	0	\$15.76	-
City of Fort Myers	3,960,036	9,373	178,367	4.7%	-1,358	-708	79,832	0	\$14.99	\$22.00
South Fort Myers	5,723,528	7,832	280,122	5.0%	-10,140	86,044	45,805	60,000	\$14.48	\$21.30
North Fort Myers	233,262	-	-	0.0%	-	-	-	0	\$13.33	-
Lehigh	163,519	0	6,371	3.9%	-2,560	-2,560	-	-	-	-
The Islands	159,839	600	-	0.4%	0	675	-	-	-	-
Lee County Totals	13,679,362	18,309	644,258	4.8%	-6,751	17,706	362,576	60,000	\$17.40	\$21.41
East Naples	1,103,308	0	106,385	9.6%	-15,387	-12	22,375	40,000	\$14.80	-
Naples	747,087	7,582	55,387	8.4%	1,172	-10,885	27,399	0	-	-
Marco Island	197,923	0	15,235	7.7%	-8,666	-6,734	3,716	0	-	-
Lely	34,014	2,451	0	7.2%	-2,451	-2,451	-	0	-	-
Golden Gate	75,499	-	-	0.0%	-	-	-	0	-	-
Outlying Collier County	343,788	0	7,400	2.2%	3,910	3,110	10,580	0	\$16.00	-
North Naples	3,858,405	25,118	446,052	12.2%	-64,409	214,121	63,605	42,132	\$26.40	-
Collier County Totals	6,360,024	35,151	360,459	10.5%	-83,299	195,217	138,278	82,132	\$22.70	-
SOUTHWEST FLORIDA TOTALS	22,368,531	53,460	1,343,262	5.9%	-100,167	229,495	514,421	172,132	\$18.61	\$21.41

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2020

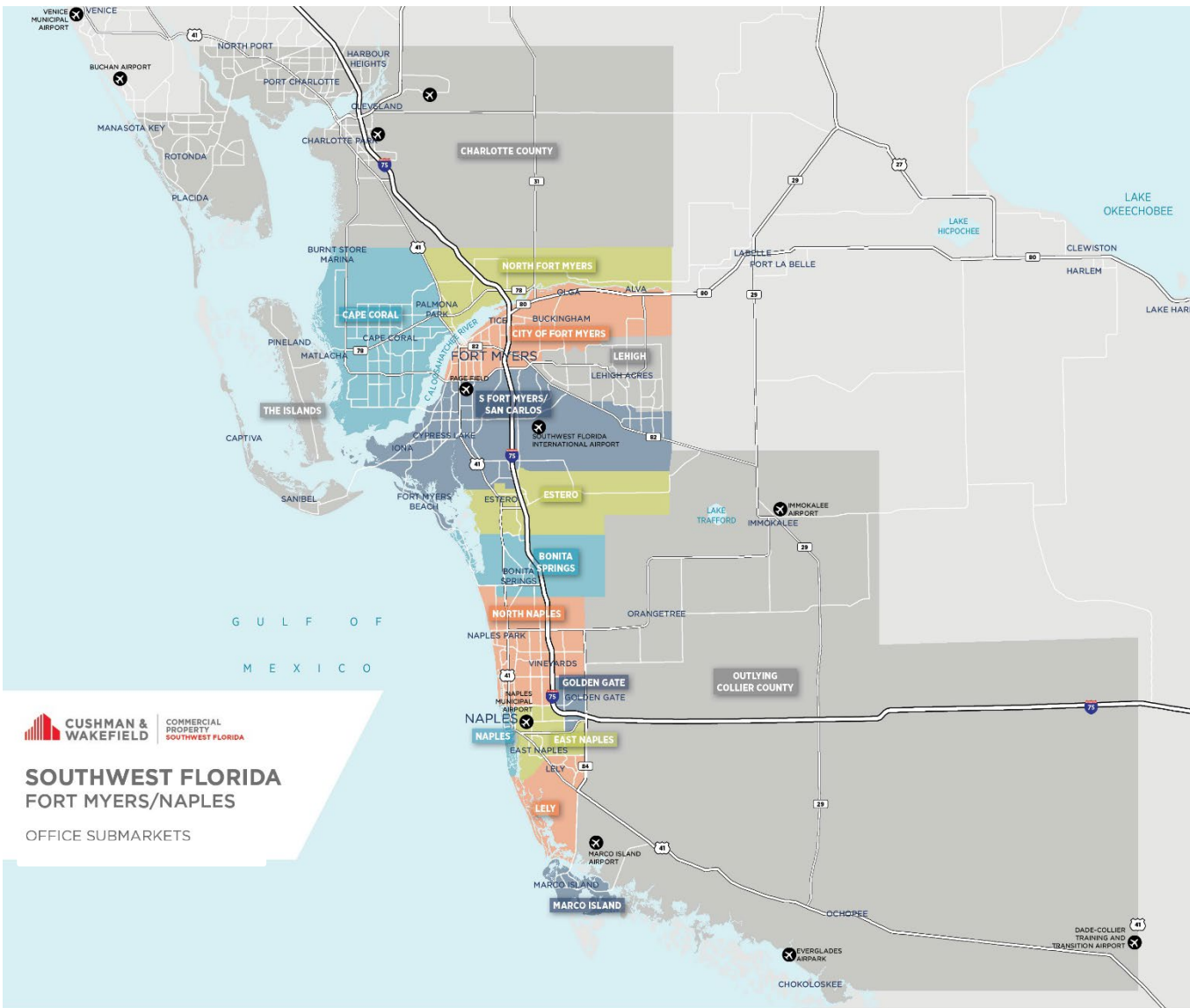
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6430 Plantation Park Court	S. Fort Myers/San Carlos	DNA Comprehensive Therapy,LLC	6,931	Renewal*
12995 S. Cleveland Ave	S. Fort Myers/San Carlos	Dress for Success	3,967	Renewal*
5252 Summerlin Commons Blvd.	City of Fort Myers	Greeley and Hansen LLC	3,134	Renewal*
1412 Jackson St.	S. Fort Myers/San Carlos	North American Properties-Southeast, Inc	3,096	Renewal*
12651 McGregor Blvd	S. Fort Myers/San Carlos	Word of Life Ministries, Inc	1,594	New
5272 Summerlin Commons Way	S. Fort Myers/San Carlos	Florida Art Therapy Services	1,431	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
12559/12561 New Brittany Blvd	S. Fort Myers/San Carlos	By The Sea Bookkeeping/Alan Braga	3,264	\$109.99/SF

OFFICE SUBMARKETS



**SOUTHWEST FLORIDA
FORT MYERS/NAPLES**

OFFICE SUBMARKETS

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