

## Industrial Q2 2021

YoY  
Chg 12-Mo.  
Forecast**2.0%**

Vacancy Rate

**456K**

Net Absorption, SF

**\$9.19**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS  
Q2 2021YoY  
Chg 12-Mo.  
Forecast**423K**Southwest Florida  
Employment**4.0%**Southwest Florida  
Unemployment Rate**5.9%**U.S.  
Unemployment Rate

Source: BLS

## ECONOMIC OVERVIEW:

The Southwest Florida (SWFL) MSA which includes Charlotte, Collier & Lee Counties ended Q2 2021 with an unemployment rate of 4.0%, 50 basis points (bps) higher than Q1 2021, however, employment numbers have increased. This can be attributed to net migration, and while COVID-19 vaccines continue to roll out, we can expect this number to improve as consumers become more comfortable returning to the work force.

Single-family building permits for the tri-county region improved 112% from May of 2020 to May 2021, creating demand in job growth. April 2021 seasonally-adjusted tourist tax revenues are up 905% compared to April 2020, and 45% above the same month in 2019.

## SUPPLY AND DEMAND:

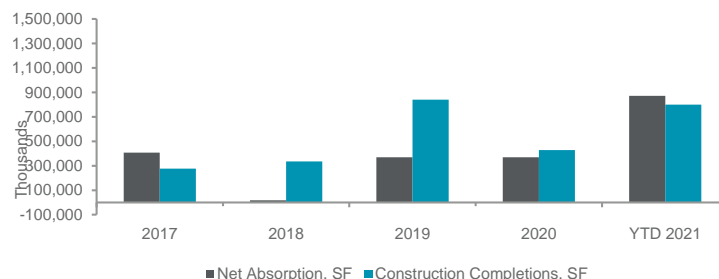
Between single-family home sales, single-family building permits, new multifamily developments, net migration, seasonally adjusted tax revenues, and an increase in e-commerce continuing to ramp up, industrial property types are in high demand in the Southwest Florida region and will remain stable in the near future. Currently, there are 623,058 square feet (sf) of industrial space underway expected to be completed by the end of 2021. Of this, 81% are being built out for warehouse and distribution uses. These properties will support demand for new construction activity, last-mile delivery, as well as the new Amazon facility center residing in the central SWFL submarket: S Fort Myers/San Carlos. The S Fort Myers/San Carlos submarket contains over 30% of industrial inventory across Charlotte, Collier & Lee County.

With a total market vacancy rate of 2.0%, 120 bps below vacancies in Q1 2021, and quarterly net absorption continuing to rise, new construction should not be a concern for developers and investors alike as supply and demand remain in balance and availability for developable land remains.

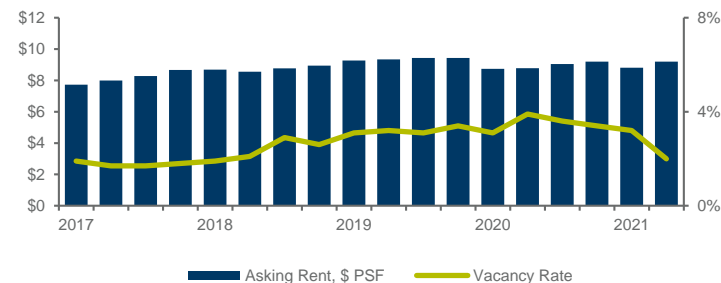
## PRICING:

Average overall triple net asking rents have increased a mere \$0.03 per square foot quarter-over-quarter, representing a stabilization in the SWFL market which is a continuing trend since Q4 2019. With product coming online, we can expect average rental rates to remain for some time until new product is absorbed, however, landlords representing flex/showroom spaces may have the opportunity to increase rents due to low inventory of this product type.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; ASKING RENT



# MARKETBEAT

# SOUTHWEST FLORIDA



COMMERCIAL  
PROPERTY  
SOUTHWEST FLORIDA

## Industrial Q2 2021

### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	4,228,087	51,537	1.4%	21,571	40,465	0	0	\$10.52	\$10.63	\$8.89
<b>CHARLOTTE COUNTY SUBMARKET TOTALS</b>	<b>4,228,087</b>	<b>51,537</b>	<b>1.4%</b>	<b>21,571</b>	<b>40,465</b>	<b>0</b>	<b>0</b>	<b>\$10.52</b>	<b>\$10.63</b>	<b>\$8.89</b>
Bonita Springs	1,271,769	91,599	7.6%	14,969	24,943	50,000	20,000	\$9.00	\$12.60	\$10.37
Cape Coral	3,246,023	36,080	1.5%	72,120	85,504	0	0	---	\$10.31	\$9.21
Estero	17,292	----	0.0%	1,097	----	0	0	---	\$11.00	----
City of Fort Myers	9,226,565	158,051	2.0%	20,100	117,692	20,000	0	\$8.33	----	\$8.41
South Fort Myers	13,439,272	365,905	5.7%	61,979	302,122	400,267	173,400	\$14.00	\$10.52	\$8.54
North Fort Myers	1,159,523	14,400	2.8%	428	6,253	0	0	----	----	\$8.02
Lehigh Acres	1,128,140	9,095	1.1%	135,585	100,000	0	0	----	\$9.50	\$9.01
The Islands	108,110	1,840	1.7%	----	----	0	0	----	----	----
<b>LEE COUNTY SUBMARKET TOTALS</b>	<b>29,596,694</b>	<b>676,970</b>	<b>3.4%</b>	<b>306,278</b>	<b>636,514</b>	<b>470,267</b>	<b>193,400</b>	<b>\$10.44</b>	<b>\$10.79</b>	<b>\$8.93</b>
East Naples	4,771,727	56,521	1.6%	124,608	185,519	7,800	104,860	\$11.24	\$10.00	\$11.47
North Naples	3,740,937	88,691	2.7%	-3,596	-9,392	0	0	\$12.78	\$9.00	\$12.54
Naples	46,200	---	0.0%	----	----	0	0	----	----	----
Marco Island	82,180	----	0.0%	----	----	0	0	----	----	----
Outlying Collier County	1,330,129	----	0.0%	6,900	19,103	33,160	0	----	----	\$14.24
Golden Gate	85,987	----	0.0%	----	----	0	0	----	----	----
<b>COLLIER COUNTY SUBMARKET TOTALS</b>	<b>10,057,160</b>	<b>145,212</b>	<b>1.80%</b>	<b>127,912</b>	<b>195,230</b>	<b>40,960</b>	<b>104,860</b>	<b>\$12.01</b>	<b>\$9.50</b>	<b>\$12.75</b>
<b>SOUTHWEST FLORIDA TOTALS</b>	<b>43,881,941</b>	<b>873,719</b>	<b>2.00%</b>	<b>455,761</b>	<b>872,209</b>	<b>511,227</b>	<b>298,260</b>	<b>\$10.52</b>	<b>\$10.63</b>	<b>\$8.89</b>

\*Rental rates reflect weighted net asking \$psf/year

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

### KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
10400 Meridian Center Pkwy	S Fort Myers/San Carlos	PGT Industries, Inc.	129,953	New lease
16240 Airport Park Dr.	S Fort Myers/San Carlos	Phase V Fulfillment Services	71,685	New lease
3661 Ironbridge Blvd.	City of Fort Myers	1-800-Pack-Rat	42,220	New lease

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
16120-16190 Lee Rd.	S. Fort Myers/San Carlos	Youngquist Brothers, Inc. / Stonemont Financial Group	284,508	\$39.5M/\$138.83
18301 N Tamiami Trl.	Cape Coral	C & F Enterprises, Inc. / Canam Self Storage	106,000	\$3.3M/\$31.60
28280 Old 41 Rd.	Bonita Springs	Hovland Real Estate / Private Buyer	39,240	\$611K/\$15.57

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