

Market View

Charlotte County
3rd Quarter 2022



SECTOR OVERVIEW

While unable to maintain the sales advances of Q2, the Charlotte County office sector maintained predominantly positive indicators in 3Q2022.

Lease signings returned to Q1 levels with more than twice as many signings as Q2, however, for roughly half the space. Nonetheless, net absorption remained strong for the 2nd quarter with nearly 30k-sf absorbed. Similarly, rents continued to climb, up over 3% from Q2 and bringing YOY gains to nearly 8%. Vacancy also dropped back to 4Q21 levels at 3.1%, dropping ≈16% from Q2. Available sf in the county has now fallen below 150k-sf for the first time since 2006 when there was roughly ½-million sf less supply.

Unsurprisingly, with office usage still trying to find its new normal and interest rates rising, sales activity was subdued with transactions dropping 25%, \$ volume down 70%, and sf down 38%. Median PSF pricing held steady, down less than 1% from Q2 and remaining near \$160 PSF.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Punta Gorda	175	1,374,694	2.2%
Port Charlotte	307	2,266,513	4.2%
All Other Areas	185	824,688	1.3%
TOTAL	667	4,465,895	3.1%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Punta Gorda	7	3,381	-1,155
Port Charlotte	6	8,535	18,212
All Other Areas	4	4,900	12,493
TOTAL	17	16,816	29,550

NEW & UNDER CONSTRUCTION



28,000

SF Delivered YTD

0



SF Under Construction

TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class B Office	Placida Professional Center 2881 Placida Rd, Englewood	2018	2,400	Undisclosed
2	Class C Office	970 Kings Hwy, Port Charlotte	2003	2,295	Weight of Florida LLC
3	Class A Office	Premier Office Plaza 1777 Tamiami Trl, Port Charlotte	1987	2,201	Threlkeld Law

* Excludes Renewals

TOP SALES

	Description	Address	Built	Asset SF	Sales \$ PSF	Sale Type
1	Class C Medical Office	Casa Grande Medical & Professional Centre 2484 Caring Way, Port Charlotte	1995	15,788	\$2,500,000 \$158.35 PSF	Investment
2	Class B Medical Office	21205 Olean Blvd, Port Charlotte	2007	8,893	\$1,550,000 \$174.29 PSF	Investment
3	Class C Office	Rio Plaza 1531-1533 Rio De Janeiro Ave, Punta Gorda	2004	10,040	\$937,500 \$93.38 PSF	Investment

* Includes User and Investment Sales

OFFICE

Market Statistics

LEASE ACTIVITY				SALES ACTIVITY				
	# Executed Leases	Total SF Leased	Avg Deal Size	Current Avg. Asking Rate	# Sold	Median Sold PSF	# Sold	Median Sold PSF
SPACES UNDER 2,500 SF				BASE RENT	USER SALES	INVESTMENT SALES		
Punta Gorda	7	3,381	483	\$18.88	0	n/a	0	n/a
Port Charlotte	6	8,535	1,423	\$16.28	1	\$105	0	n/a
All Other Areas	4	4,900	1,225	\$12.93	1	\$220	0	n/a
TOTAL	17	16,816	989	\$16.67	2	\$163	0	n/a
SPACES FROM 2,500 - 4,999 SF				BASE RENT	USER SALES	INVESTMENT SALES		
Punta Gorda	0	0	n/a	\$17.49	0	n/a	3	\$170
Port Charlotte	0	0	n/a	\$15.49	0	n/a	0	n/a
All Other Areas	0	0	n/a	\$13.10	1	\$180	0	n/a
TOTAL	0	0	#DIV/0!	\$15.93	1	\$180	3	\$170
SPACES FROM 5,000 - 9,999 SF				BASE RENT	USER SALES	INVESTMENT SALES		
Punta Gorda	0	0	n/a	n/a	0	n/a	0	n/a
Port Charlotte	0	0	n/a	\$17.72	0	n/a	1	\$174
All Other Areas	0	0	n/a	\$13.10	1	\$83	0	n/a
TOTAL	0	0	n/a	\$16.01	1	\$83	1	\$174
SPACES FROM 10,000 - 24,999 SF				BASE RENT	USER SALES	INVESTMENT SALES		
Punta Gorda	0	0	n/a	n/a	0	n/a	1	\$93
Port Charlotte	0	0	n/a	n/a	0	n/a	1	\$158
All Other Areas	0	0	n/a	n/a	0	n/a	0	n/a
TOTAL	0	0	n/a	n/a	0	n/a	2	\$126
SPACES FROM 25,000 SF+				BASE RENT	USER SALES	INVESTMENT SALES		
Punta Gorda	0	0	n/a	n/a	0	n/a	0	n/a
Port Charlotte	0	0	n/a	n/a	0	n/a	0	n/a
All Other Areas	0	0	n/a	n/a	0	n/a	0	n/a
TOTAL	0	0	n/a	n/a	0	n/a	0	n/a

6.7%
Charlotte County

CAP RATES

Reflect average of advertised rates as reported to Costar over past 4-quarters (11 Sales Total)

6.0%
Punta Gorda

7.0%
Port Charlotte

8.1%
All Other Areas

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