

# Market View

Collier County  
2nd Quarter 2022



OFFICE

## SECTOR OVERVIEW

Amidst plenty of uncertainty nationally, the Collier County Office sector delivered mixed results in 2Q2022.

Vacancy continued to decline slowly, dropping 20-basis points from the prior quarter, down nearly 3% year-over-year & approaching levels last seen in 4Q2018. Net Absorption remained modestly positive for the 7<sup>th</sup> straight quarter as development activity cooled with no new deliveries in Q2 and less than 150K-sf in development. Average NNN rents continued to increase modestly, up another 1.2% for the quarter bringing YOY growth to ≈2.7%. Leasing activity remained steady with executed deals down slightly but space leased rising by roughly 50%.

While number of sales remained flat, dollar volume fell sharply, down by more than 35% on nearly 3x the square footage of the prior quarter leading to a steep decline in average PSF pricing.

## SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
North Naples	376	5,785,117	7.4%
Naples	89	1,163,776	5.7%
East Naples	143	1,779,867	7.3%
Golden Gate	34	252,325	0.0%
Lely	17	129,294	13.3%
Marco Island	33	321,272	10.0%
Outlying Collier Co.	44	518,265	0.0%
<b>TOTAL</b>	<b>736</b>	<b>9,949,916</b>	<b>6.8%</b>

## DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
North Naples	45	140,730	29,853
Naples	7	17,966	-8,207
East Naples	6	35,275	10,991
Golden Gate	0	0	0
Lely	0	0	-4,837
Marco Island	2	2,003	-6,850
Outlying Collier Co.	0	0	0
<b>TOTAL</b>	<b>60</b>	<b>195,974</b>	<b>20,950</b>

## NEW & UNDER CONSTRUCTION

 **14,523**  
SF Delivered YTD

**149,060**   
SF Under Construction

## TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class A Medical Office	3500 Corporate Plaza 3530 Kraft Rd, Naples	2007	13,000	Radiology Regional Center
2	Class A Office	3500 Corporate Plaza 3520 Kraft Rd, Naples	2007	12,696	Fischer Identity
3	Class A Office	Commons Professional Park 704-708 Goodlette-Frank Rd N, Naples	2004	12,241	Steppin Stone Kids Therapy, LLC

\* Excludes Renewals

## TOP SALES

	Description	Address	Built	Asset SF	Sales \$   PSF	Sale Type
1	Class A Medical Office Condo	Bayfront Professional Center 1333 3rd Ave S, Units 305-307, Naples	1997	5,872	\$3,650,000 \$621.59 PSF	Investment Sale 100% Leased
2	Class B Office	4025 Radio Rd, Naples	1998	11,340	\$2,850,000 \$251.32 PSF	Investment Sale
3	Class B Office Condo	Galleria Plaza Condominiums, Bld F 9180 Galleria Ct, Naples	2004	13,059	\$2,644,897 \$202.53 PSF	Mixed Portfolio Investment Sale

\* Includes User and Investment Sales

# OFFICE

## Market Statistics

### LEASE ACTIVITY

	# Executed Leases	Total SF Leased	Avg Deal Size	Current Avg. Asking Rate
<b>SPACES UNDER 2,500 SF</b>				<b>BASE RENT</b>
North Naples	31	35,513	1,146	\$24.10
Naples	3	4,302	1,434	\$24.33
East Naples	3	4,522	1,507	\$19.51
Golden Gate	0	n/a	n/a	n/a
Lely	0	n/a	n/a	\$20.00
Marco Island	2	2,003	1,002	\$22.57
Outlying Collier Co.	0	n/a	n/a	n/a
<b>TOTAL</b>	<b>39</b>	<b>46,340</b>	<b>1,188</b>	<b>\$22.88</b>
<b>SPACES FROM 2,500 - 4,999 SF</b>				<b>BASE RENT</b>
North Naples	9	32,782	3,642	\$23.14
Naples	4	13,664	3,416	\$27.37
East Naples	0	n/a	n/a	\$19.85
Golden Gate	0	n/a	n/a	n/a
Lely	0	n/a	n/a	n/a
Marco Island	0	n/a	n/a	\$23.10
Outlying Collier Co.	0	n/a	n/a	n/a
<b>TOTAL</b>	<b>13</b>	<b>46,446</b>	<b>3,573</b>	<b>\$22.89</b>
<b>SPACES FROM 5,000 - 9,999 SF</b>				<b>BASE RENT</b>
North Naples	2	15,748	7,874	\$23.02
Naples	0	n/a	n/a	\$31.07
East Naples	1	7,172	n/a	\$18.62
Golden Gate	0	n/a	n/a	n/a
Lely	0	n/a	n/a	\$22.58
Marco Island	0	n/a	n/a	n/a
Outlying Collier Co.	0	n/a	n/a	n/a
<b>TOTAL</b>	<b>3</b>	<b>22,920</b>	<b>7,640</b>	<b>\$23.05</b>
<b>SPACES FROM 10,000 - 24,999 SF</b>				<b>BASE RENT</b>
North Naples	2	25,696	12,848	\$22.93
Naples	0	n/a	n/a	n/a
East Naples	2	23,581	11,791	\$20.98
Golden Gate	0	n/a	n/a	n/a
Lely	0	n/a	n/a	\$22.57
Marco Island	0	n/a	n/a	n/a
Outlying Collier Co.	0	n/a	n/a	n/a
<b>TOTAL</b>	<b>4</b>	<b>49,277</b>	<b>n/a</b>	<b>\$22.15</b>
<b>SPACES FROM 25,000 SF+</b>				<b>BASE RENT</b>
North Naples	1	30,991	n/a	n/a
Naples	0	n/a	n/a	n/a
East Naples	0	n/a	n/a	n/a
Golden Gate	0	n/a	n/a	n/a
Lely	0	n/a	n/a	n/a
Marco Island	0	n/a	n/a	n/a
Outlying Collier Co.	0	n/a	n/a	n/a
<b>TOTAL</b>	<b>1</b>	<b>30,991</b>	<b>n/a</b>	<b>n/a</b>

### SALES ACTIVITY

	# Sold	Median Sold PSF	# Sold	Median Sold PSF
<b>USER SALES</b>		<b>INVESTMENT SALES</b>		
2	\$301	3	\$197	
1	\$400	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
1	\$283	0	n/a	
<b>4</b>	<b>\$341</b>	<b>3</b>	<b>\$197</b>	
<b>USER SALES</b>		<b>INVESTMENT SALES</b>		
2	\$445	1	\$337	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	1	\$331	
0	n/a	1	\$212	
0	n/a	0	n/a	
0	n/a	0	n/a	
<b>2</b>	<b>\$445</b>	<b>3</b>	<b>\$331</b>	
<b>USER SALES</b>		<b>INVESTMENT SALES</b>		
0	n/a	1	\$288	
0	n/a	1	\$231	
0	n/a	1	\$622	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
<b>0</b>	<b>n/a</b>	<b>3</b>	<b>\$288</b>	
<b>USER SALES</b>		<b>INVESTMENT SALES</b>		
0	n/a	1	\$203	
0	n/a	0	n/a	
0	n/a	1	\$251	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
<b>0</b>	<b>n/a</b>	<b>2</b>	<b>\$227</b>	
<b>USER SALES</b>		<b>INVESTMENT SALES</b>		
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
0	n/a	0	n/a	
<b>0</b>	<b>n/a</b>	<b>0</b>	<b>n/a</b>	

**7.0%**  
North Naples

**CAP RATES**

Reflect the average of advertised rates as reported to Costar over past 4-quarters (8 Sales Total)

**7.0%**  
Collier County

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