

Market View

Collier County
1st Quarter 2023



OFFICE

SECTOR OVERVIEW

Considering the national struggle with post-pandemic office usage, the rise in cost of capital, and subsequent overall decline in CRE investment, one might expect far worse than the Collier County Office Sector experienced in 1Q2023.

Overall vacancy crept up by 20-bps from the prior quarter with sublease space rising to roughly 5% of available space as net absorption turned slightly negative. However, executed leases did rise by 25% from the prior quarter with SF contracted climbing only 12% reflecting a regional and national trend toward smaller spaces. Overall rents also managed to keep climbing, up 5% from the prior quarter & reaching 12% YOY gains. Development remains constrained with minimal activity in the pipeline that is unlikely to move the sector adversely.

Unsurprisingly, sales activity was sluggish with number of sales dropping 60% from 4Q22. On the other hand, \$ volume fell only 22% leading to average PSF pricing climbing 25% from the prior quarter.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
North Naples	379	5,834,938	6.2%
Naples	91	1,180,040	4.2%
East Naples	145	1,887,571	5.9%
Golden Gate	34	252,325	2.7%
Lely	17	129,294	5.5%
Marco Island	33	322,108	7.0%
Outlying Collier Co.	44	518,256	0.0%
TOTAL	743	10,124,532	5.5%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
North Naples	45	106,119	10,771
Naples	13	33,418	-7,649
East Naples	11	20,546	-22,793
Golden Gate	1	1,150	-3,804
Lely	2	2,530	4,461
Marco Island	4	3,749	7,303
Outlying Collier Co.	3	10,213	3,484
TOTAL	79	177,725	-8,227

NEW & UNDER CONSTRUCTION

 **20,000**
SF Delivered YTD

129,060 
SF Under Construction

TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class A Retail/Office	445 5th Ave, Naples	2023	13,990	Undisclosed
2	Class B Office	5025 Castello Dr, Naples	2004	12,494	NAMI Collier County
3	Class B Office Condo	Northbrooke Professional Village 2659 Professional Dr, Naples	2007	12,215	Social Security Administration

* Excludes Renewals

TOP SALES

	Description	Address	Built	Asset SF	Sales \$ PSF	Sale Type
1	Class A Office Condo	1185 Immokalee Rd, #100, 200, 210, 300, Naples	2002	32,106	\$10,000,000 \$311.46 PSF	Investment Sale
2	Class B Medical Office	Venetian Plaza 2240 Venetian Ct, Naples	2004	5,699	\$2,325,000 \$407.97 PSF	Investment Sale 100% Leased
3	Class A Office Condo	9045 Stradda Stell Ct, #305	2008	1,972	\$805,000 \$408.22 PSF	Investment Sale

* Includes User and Investment Sales

OFFICE

Market Statistics

LEASE ACTIVITY

	# Executed Leases	Total SF Leased	Avg Deal Size	Current Avg. Asking Rate
SPACES UNDER 2,500 SF				
North Naples	31	26,436	853	\$27.39
Naples	10	11,233	1,123	\$26.39
East Naples	9	12,068	1,341	\$24.04
Golden Gate	1	1,150	n/a	n/a
Lely	2	2,530	1,265	\$25.00
Marco Island	4	3,749	937	\$22.88
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	57	57,166	1,003	\$26.27
SPACES FROM 2,500 - 4,999 SF				
North Naples	9	28,123	3,125	\$27.61
Naples	1	2,523	2,523	\$24.52
East Naples	1	2,928	2,928	\$23.78
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	\$22.92
Marco Island	0	0	n/a	n/a
Outlying Collier Co.	3	10,213	3,404	n/a
TOTAL	14	43,787	3,128	\$26.53
SPACES FROM 5,000 - 9,999 SF				
North Naples	1	5,124	5,124	\$27.34
Naples	1	5,672	n/a	\$30.00
East Naples	1	5,550	5,550	n/a
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	n/a
Marco Island	0	0	n/a	n/a
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	3	16,346	5,449	\$27.40
SPACES FROM 10,000 - 24,999 SF				
North Naples	4	46,436	11,609	\$29.18
Naples	1	13,990	13,990	n/a
East Naples	0	0	n/a	\$27.00
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	n/a
Marco Island	0	0	n/a	n/a
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	5	60,426	n/a	\$28.90
SPACES FROM 25,000 SF+				
North Naples	0	0	n/a	n/a
Naples	0	0	n/a	n/a
East Naples	0	0	n/a	n/a
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	n/a
Marco Island	0	0	n/a	n/a
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	0	0	n/a	n/a

SALES ACTIVITY

# Sold	Median Sold PSF	# Sold	Median Sold PSF
USER SALES		INVESTMENT SALES	
0	n/a	2	\$334
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
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	2	\$334
USER SALES		INVESTMENT SALES	
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
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
USER SALES		INVESTMENT SALES	
0	n/a	1	\$408
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
0	n/a	0	n/a
0	n/a	1	\$408
USER SALES		INVESTMENT SALES	
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
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
USER SALES		INVESTMENT SALES	
0	n/a	1	\$311
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
0	n/a	1	\$311

6.0%
North Naples

CAP RATES

Reflect the average of advertised rates as reported to Costar over past 4-quarters (1 Sales Total)

6.0%
Collier County

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