

Market View

Collier County
1st Quarter 2023



RETAIL

SECTOR OVERVIEW

Considering the continuing national economic pressures, fears of recession, inflation, and increased cost of capital, the 1Q2023 Collier County Retail sector held up admirably.

Vacancy resumed its downward trend, dropping 30-bps from the prior quarter to reach 3.7%, the lowest since 2017 and net absorption was firmly positive. Leasing activity improved both in terms of deals, up 33%, and space, up 25% while rents continuing to climb. According to CoStar, increasing an additional \$2 PSF from the prior quarter to exceed \$30 PSF and bringing YOY gains to 15%.

Unsurprisingly, given the national economic environment, sales activity was subdued and suffered the worst Q1 since 2019 with number of transactions falling 25% and \$ volume dropping 40%. However, average PSF pricing, rose as much as 20% to approach \$500 PSF with purchasing activity dominated by investment sales.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
North Naples	575	11,150,122	3.9%
Naples	227	3,017,435	0.8%
East Naples	379	4,049,074	1.7%
Golden Gate	109	1,017,351	11.1%
Lely	83	1,097,755	2.1%
Marco Island	124	1,355,824	2.1%
Outlying Collier Co.	229	2,349,953	8.4%
TOTAL	1,726	24,037,514	3.7%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
North Naples	29	59,755	44,176
Naples	11	32,795	6,349
East Naples	10	17,073	24,509
Golden Gate	1	2,434	3,726
Lely	2	7,624	29,935
Marco Island	4	5,300	-2,565
Outlying Collier Co.	3	9,054	7,322
TOTAL	60	134,035	113,452

NEW & UNDER CONSTRUCTION



37,382

SF Delivered YTD

88,928

SF Under Construction



TOP LEASES

	DESCRIPTION	ADDRESS	BUILT	SF LEASED	TENANT
1	Storefront Retail/Office	445 5th Ave, Naples	2023	13,990	Undisclosed
2	Community Center	Freedom Square 12703-12725 Tamiami Trl E, Naples	1995 2021	4,824	Princeton Pong
3	Storefront Retail/Office	401-409 5th Ave S, Naples	1971	4,393	Natbank

* Excludes Renewals

TOP SALES

	DESCRIPTION	ADDRESS	BUILT	ASSET SF	SALE \$ PSF	SALE TYPE
1	Neighborhood Center	Alamo Gun Range 2390 Vanderbilt Beach Rd, Naples	2015	26,000	\$10,000,000 \$384.62 PSF	Investment
2	Freestanding Retail	Walgreens 2200 Tamiami Trl N, Naples	2009	16,510	\$9,808,000 \$594.06 PSF	NNN Investment 100% Leased
3	Freestanding Retail	Commons on Collier 6654 Collier Blvd, Naples	2017	12,601	\$6,275,000 \$497.98 PSF	1031 Eschange Investment

* Includes User and Investment Sales

RETAIL

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	
North Naples	23	35,534	1,545	\$31.22	1	\$663	3	\$384
Naples	7	9,100	1,300	\$39.00	0	n/a	0	n/a
East Naples	7	8,813	1,259	\$18.60	0	n/a	0	n/a
Golden Gate	1	2,434	2,434	\$23.49	0	n/a	0	n/a
Lely	0	0	n/a	\$23.64	0	n/a	0	n/a
Marco Island	4	5,300	1,325	\$23.47	0	n/a	0	n/a
Outlying Collier Co.	1	2,325	2,325	\$18.61	0	n/a	0	n/a
TOTAL	43	63,506	1,477	\$27.01	1	\$664	3	\$384
SPACES FROM 2,500 - 4,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
North Naples	5	16,485	3,297	\$31.77	0	n/a	2	\$1,139
Naples	3	9,705	3,235	\$41.04	0	n/a	0	n/a
East Naples	3	8,260	2,753	n/a	0	n/a	1	\$507
Golden Gate	0	0	n/a	n/a	0	n/a	0	n/a
Lely	2	7,624	3,812	\$22.50	0	n/a	0	n/a
Marco Island	0	0	n/a	\$26.00	0	n/a	0	n/a
Outlying Collier Co.	2	6,729	3,365	\$15.42	0	n/a	0	n/a
TOTAL	15	48,803	3,254	\$25.70	0	n/a	3	\$507
SPACES FROM 5,000 - 9,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
North Naples	1	7,736	7,736	\$34.99	0	n/a	0	n/a
Naples	0	0	n/a	\$54.59	0	n/a	0	n/a
East Naples	0	0	n/a	\$9.00	0	n/a	1	\$350
Golden Gate	0	0	n/a	n/a	0	n/a	0	n/a
Lely	0	0	n/a	\$22.50	0	n/a	0	n/a
Marco Island	0	0	n/a	n/a	1	\$334	0	n/a
Outlying Collier Co.	0	0	n/a	\$15.42	0	n/a	0	n/a
TOTAL	1	7,736	7,736	\$24.09	1	\$334	1	\$350
SPACES FROM 10,000 - 24,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
North Naples	0	0	n/a	\$38.00	0	n/a	1	\$594
Naples	1	13,990	13,990	n/a	0	n/a	0	n/a
East Naples	0	0	n/a	n/a	0	n/a	1	\$177
Golden Gate	0	0	n/a	\$14.37	0	n/a	0	n/a
Lely	0	0	n/a	n/a	0	n/a	0	n/a
Marco Island	0	0	n/a	n/a	0	n/a	0	n/a
Outlying Collier Co.	0	0	n/a	\$15.42	0	n/a	1	\$498
TOTAL	1	13,990	13,990	\$20.14	0	n/a	3	\$498
SPACES FROM 25,000 SF+				BASE RENT	USER SALES		INVESTMENT SALES	
North Naples	0	0	n/a	\$37.76	0	n/a	1	\$385
Naples	0	0	n/a	n/a	0	n/a	0	n/a
East Naples	0	0	n/a	n/a	0	n/a	0	n/a
Golden Gate	0	0	n/a	n/a	0	n/a	0	n/a
Lely	0	0	n/a	n/a	0	n/a	0	n/a
Marco Island	0	0	n/a	n/a	0	n/a	0	n/a
Outlying Collier Co.	0	0	n/a	n/a	0	n/a	0	n/a
TOTAL	0	0	n/a	\$37.76	0	n/a	1	\$385

5.9%
Collier County

6.7%
Naples

CAP RATES

Reflect the average of advertised rates as reported to Costar over past 4-quarters (7 Total Sales)

4.2%
North Naples

6.9%
East Naples

6.2%
Outlying Collier Co.

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