

Market View

Lee County
1st Quarter 2023



RETAIL

SECTOR OVERVIEW

Despite plentiful reasons for the Lee County Retail sector to falter in 1Q2023, the sector continues to show resiliency if not the record setting performance of the past two years.

Vacancy continued its downward trend falling another 10-bps to 3.1%, the lowest point since 2006. Sublet space fell as well, measuring just 1.3% of available space as lessees remain committed to the sector. Net absorption remained positive but at ½ the rate of the prior quarter. Similarly rents continued to climb slightly after a large 4Q22 increase, resulting in a robust overall gain of 16% YOY. Leasing was down 8% in number of deals for 35% less space than the prior quarter, but only slightly below historical 1Q metrics.

Sales were mixed with a 19% increase in closings but for 30% less \$ volume on 32% less space leading to average PSF pricing jumping sharply to over \$325 PSF.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	455	7,933,809	6.0%
Cape Coral	836	9,876,293	1.9%
City of Fort Myers	801	8,392,464	1.2%
Lehigh Acres	154	1,770,239	0.9%
North Fort Myers	179	1,998,136	7.2%
South Fort Myers	1,005	17,583,328	3.2%
TOTAL	3,430	47,554,269	3.1%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	14	20,286	-33,634
Cape Coral	17	79,500	-3,057
City of Fort Myers	10	34,330	72,189
Lehigh Acres	1	3,122	8,761
North Fort Myers	1	1,444	8,504
South Fort Myers	35	70,129	29,872
TOTAL	78	208,811	82,635

NEW & UNDER CONSTRUCTION

 **68,597**
SF Delivered YTD

230,090 
SF Under Construction

TOP LEASES

	DESCRIPTION	ADDRESS	BUILT	SF LEASED	TENANT
1	Neighborhood Center	North Fort Myers Shopping Center 13761 N Cleveland Ave, Fort Myers	1978	31,529	Paradise Vintage Market
2	Community Center	Pine Island Marketplace 519-531 SW Pine Island Rd, Cape Coral	2007	21,408	Undisclosed
3	Community Center	El Dorado Plaza 4429 Cleveland Ave, Fort Myers	1970 2014	9,381	Concentra Health Services

* Excludes Renewals

TOP SALES

	DESCRIPTION	ADDRESS	BUILT	ASSET SF	SALE \$ PSF	SALE TYPE
1	Neighborhood Center	University Highlands 19521-19527 Highland Oaks Dr, Estero	2020	15,000	\$9,200,000 \$613.33 PSF	Investment
2	Storefront Retail	Alico Commons 16431 Corporate Commerce Way	2021	11,950	\$8,100,000 \$677.82 PSF	Investment
3	Neighborhood Center	Foxmoor Plaza - Winn Dixie 5696 Bayshore Rd, North Fort Myers	1999	46,295	\$6,500,000 \$140.40 PSF	NNN Investment

* Includes User and Investment Sales

RETAIL

Market Statistics

LEASE ACTIVITY

	# Executed Leases	Total SF Leased	Avg Deal Size	Current Avg. Asking Rate
SPACES UNDER 2,500 SF				BASE RENT
Bonita Springs/Estero	13	17,286	1,330	\$18.00
Cape Coral	14	21,109	1,508	\$19.91
City of Fort Myers	6	9,507	1,585	\$17.21
Lehigh Acres	0	0	n/a	\$21.84
North Fort Myers	1	1,444	1,444	\$9.65
South Fort Myers	24	28,143	1,173	\$20.82
TOTAL	58	77,489	1,336	\$17.62
SPACES FROM 2,500 - 4,999 SF				BASE RENT
Bonita Springs/Estero	1	3,000	3,000	\$18.97
Cape Coral	0	0	n/a	\$22.94
City of Fort Myers	1	3,377	3,377	\$19.83
Lehigh Acres	1	3,122	3,122	n/a
North Fort Myers	0	0	n/a	\$9.56
South Fort Myers	9	30,311	3,368	\$21.53
TOTAL	12	39,810	3,318	\$17.75
SPACES FROM 5,000 - 9,999 SF				BASE RENT
Bonita Springs/Estero	0	0	n/a	n/a
Cape Coral	1	5,454	5,454	\$10.93
City of Fort Myers	3	21,446	7,149	\$19.28
Lehigh Acres	0	0	n/a	n/a
North Fort Myers	0	0	n/a	n/a
South Fort Myers	2	11,675	5,838	\$22.43
TOTAL	6	38,575	6,429	\$18.23
SPACES FROM 10,000 - 24,999 SF				BASE RENT
Bonita Springs/Estero	0	0	n/a	\$16.42
Cape Coral	1	21,408	21,408	\$12.01
City of Fort Myers	0	0	n/a	n/a
Lehigh Acres	0	0	n/a	n/a
North Fort Myers	0	0	n/a	\$9.56
South Fort Myers	0	0	n/a	\$20.06
TOTAL	1	21,408	21,408	\$13.13
SPACES FROM 25,000 SF+				BASE RENT
Bonita Springs/Estero	0	0	n/a	n/a
Cape Coral	1	31,529	31,529	\$8.29
City of Fort Myers	0	0	n/a	n/a
Lehigh Acres	0	0	n/a	n/a
North Fort Myers	0	0	n/a	\$9.22
South Fort Myers	0	0	n/a	\$19.50
TOTAL	1	31,529	31,529	\$9.24

SALES ACTIVITY

# Sold	Median Sold PSF	# Sold	Median Sold PSF
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
1	\$519	2	\$172
4	\$251	2	\$254
0	n/a	2	\$1,148
0	n/a	1	\$163
0	n/a	1	\$402
5	\$262	8	\$297
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
0	n/a	3	\$375
1	\$169	1	\$176
0	n/a	0	n/a
1	\$128	0	n/a
0	n/a	2	\$421
2	\$149	6	\$356
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
0	n/a	2	\$108
0	n/a	2	\$475
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	4	\$153
USER SALES		INVESTMENT SALES	
0	n/a	1	\$613
0	n/a	2	\$280
0	n/a	1	\$144
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	2	\$496
0	n/a	6	\$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	1	\$140
0	n/a	0	n/a
0	n/a	1	\$140

6.5%
Bonita Springs/Estero

5.8%
Cape Coral

5.9%
City of Fort Myers

CAP RATES
Reflect the average of advertised rates as reported to Costar over past 4-quarters (31 Total Sales)

6.0%
Lehigh Acres

8.4%
North Fort Myers

6.2%
South Fort Myers

6.2%
Lee County

FORT MYERS OFFICE
12140 Carissa Commerce Ct, Suite 102
Fort Myers, FL 33966
239.481.3800 Tel
239.481.9950 Fax

NAPLES OFFICE
1100 5th Avenue S, Suite 404
Naples, FL 34102
239.659.1447 Tel
239.659.4028 Fax

