

Market View

Collier County
3rd Quarter 2023



SECTOR OVERVIEW

The 3Q2023 Collier County Office sector continued to work its way back out of the trough that appears to have hit bottom in Q1.

Vacancy decreased again by >0.5% with available space falling an additional 2,000-sf. Net absorption stayed strongly positive, though slightly below Q2 with overall occupancy climbing to ~96%. On the other hand, leasing activity was flat by number of deals with square footage contracted falling by 8%. Market rents appear to be signaling equilibrium with a decrease of mere pennies from their record setting high points, yet remain up 8% YOY.

Sales activity continues to be moderate but improved both by number of trades increasing by 36% and dollar volume increasing nearly 50% for the best figure since 1Q22. Square footage transferred also increased by 67% with average PSF pricing falling by \$50 PSF but median PSF pricing up by \$50.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
North Naples	380	6,144,151	4.6%
Naples	90	1,116,229	2.5%
East Naples	149	1,929,604	5.1%
Golden Gate	34	252,325	0.0%
Lely	17	129,294	1.0%
Marco Island	33	323,762	2.6%
Outlying Collier Co.	44	521,700	0.0%
TOTAL	747	10,417,065	4.0%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
North Naples	38	84,899	27,242
Naples	14	28,878	17,981
East Naples	13	22,673	-9,622
Golden Gate	0	0	0
Lely	2	1,214	3,352
Marco Island	5	5,387	14,523
Outlying Collier Co.	1	2,828	0
TOTAL	73	145,879	53,476

NEW & UNDER CONSTRUCTION



31,712

SF Delivered YTD

117,348

SF Under Construction



TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class A Office	4501 Tamiami Trl N, Naples	1985	10,208	Varnum Law
2	Class B Office	Commons Professional Park 800 Goodlette Rd N, Naples	1990	7,203	Pinnacle Health Specialties
3	Class B Office	Capital Bank Building 6435 Naples Blvd, Naples	2006	6,876	Undisclosed

* Excludes Renewals

TOP SALES

	Description	Address	Built	Asset SF	Sales \$ PSF	Sale Type
1	Class B Office	Veterans Park Commons 1845 Veterans Park Dr, Naples	2003	14,905	\$6,650,000 \$446.16 PSF	User Sale
2	Class B Office	Offices at Hammock Cove 4660-4790 Cardinal Way, Naples	2008-2023	17,568	\$5,000,000 \$284.61 PSF	Investment
3	Class B Office	900 N Collier Blvd, Marco Island	1986	10,454	\$3,900,000 \$373.06 PSF	Investment

* 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				BASE RENT
North Naples	29	41,338	1,425	\$28.11
Naples	12	15,217	1,268	\$29.95
East Naples	11	12,933	1,176	\$22.19
Golden Gate	0	0	n/a	n/a
Lely	2	1,214	607	\$25.00
Marco Island	5	5,387	1,077	\$20.44
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	59	76,089	1,290	\$26.94
SPACES FROM 2,500 - 4,999 SF				BASE RENT
North Naples	6	19,882	3,314	\$27.57
Naples	1	2,665	2,665	\$26.39
East Naples	1	2,537	2,537	\$22.06
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	\$24.00
Marco Island	0	0	n/a	\$20.44
Outlying Collier Co.	1	2,828	2,828	n/a
TOTAL	9	27,912	3,101	\$26.36
SPACES FROM 5,000 - 9,999 SF				BASE RENT
North Naples	2	13,471	6,736	\$28.52
Naples	0	0	n/a	\$30.00
East Naples	1	7,203	7,203	\$24.88
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	\$24.00
Marco Island	0	0	n/a	n/a
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	3	20,674	6,891	\$28.01
SPACES FROM 10,000 - 24,999 SF				BASE RENT
North Naples	1	10,208	10,208	\$28.62
Naples	1	10,996	10,996	\$19.00
East Naples	0	0	n/a	\$26.00
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	2	21,204	n/a	\$26.30
SPACES FROM 25,000 SF+				BASE RENT
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	
2	\$341	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	\$341	0	n/a
USER SALES		INVESTMENT SALES	
0	n/a	1	\$376
0	n/a	0	n/a
2	\$433	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
2	\$369	0	n/a
0	n/a	1	\$163
4	\$433	2	\$270
USER SALES		INVESTMENT SALES	
0	n/a	2	\$313
1	\$333	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	\$333	2	\$313
USER SALES		INVESTMENT SALES	
1	\$446	0	n/a
0	n/a	0	n/a
0	n/a	2	\$319
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	1	\$373
0	n/a	0	n/a
1	\$446	3	\$353
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

8.0%
Outlying
Collier Co.

**CAP
RATES**

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

6.0%
East
Naples

7.0%
Collier
County

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