

# Market View

Lee County  
3rd Quarter 2023



## SECTOR OVERVIEW

The 3Q2023 Lee County Office sector seemed to suffer slightly from the strain affecting the national economy and office sector but continued to remain well above the fray impacting the greater economy.

Overall vacancy remained effectively flat with vacancies creeping up just 0.1% and available space increasing by a mere 40k-sf, leaving overall occupancy at nearly 96%. Leasing activity increased slightly by number of deals but SF contracted did fall by 18% from the previous quarter. Rents also showed some sign of strain by falling by a few pennies PSF (<1%) however remain up almost 13% year-over-year.

As capital markets continue to be constrained with elevated costs, it is no surprise to see number of sales remain subdued. Number of transactions continue to hover at the pace set through the first & second quarter, while \$ volume and SF exchanged tumbled almost 50% from Q2. However, as tenant quality and income become even greater considerations, the sector experienced the highest average & median PSF pricing in the past 10-years.

## SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	238	3,222,790	5.2%
Cape Coral	415	2,808,111	1.0%
City of Fort Myers	434	5,245,547	2.2%
Lehigh Acres	80	556,166	3.0%
North Fort Myers	36	295,337	0.0%
South Fort Myers	770	9,241,580	6.5%
<b>TOTAL</b>	<b>1,973</b>	<b>21,369,531</b>	<b>4.4%</b>

## DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	33	51,646	-22,140
Cape Coral	23	36,005	30,093
City of Fort Myers	22	32,230	4,895
Lehigh Acres	3	3,532	-6,283
North Fort Myers	0	0	0
South Fort Myers	45	80,144	-24,376
<b>TOTAL</b>	<b>126</b>	<b>203,557</b>	<b>-17,811</b>

## NEW & UNDER CONSTRUCTION



133,865

SF Delivered YTD

31,000

SF Under Construction



## TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class B Office	Bonita Bay Executive Center 3451 Bonita Bay Blvd, Bonita Springs	1987	10,129	Designer Brands
2	Class B Office	Westlinks Business Park 12701 Commonwealth Dr, Fort Myers	2001	8,082	ADT Commercial, LLC
3	Class B Office	2247-2287 1st St. Fort Myers	1897	6,921	Stantec

\* Excludes Renewals

## TOP SALES

	Description	Address	Built	Asset SF	Sales \$   PSF	Sale Type
1	Class B Medical Office	Aspen Dental 2726 Lee Blvd, Lehigh Acres	2023	3,775	\$2,889,000 \$765.30 PSF	NNN Investment
2	Class B Medical Office	3040 Del Prado Blvd S, Cape Coral	2005	7,452	\$1,700,000 \$228.13 PSF	Owner User
3	Class B Medical Office	Lake Pointe Commons 9110 W College Pointe Ct, Fort Myers	2002	7,000	\$1,680,000 \$240.00 PSF	Owner User

\* Includes User and Investment Sales

# OFFICE

## Market Statistics

### LEASE ACTIVITY

# Executed Leases    Total SF Leased    Avg Deal Size

#### SPACES UNDER 2,500 SF

Bonita Springs/Estero	29	16,470	568
Cape Coral	19	20,922	1,101
City of Fort Myers	19	18,879	994
Lehigh Acres	3	3,532	1,177
North Fort Myers	0	0	n/a
South Fort Myers	34	33,613	989
<b>TOTAL</b>	<b>104</b>	<b>93,416</b>	<b>898</b>

#### SPACES FROM 2,500 - 4,999 SF

Bonita Springs/Estero	2	7,129	3,565
Cape Coral	3	9,859	3,286
City of Fort Myers	2	6,430	3,215
Lehigh Acres	0	0	n/a
North Fort Myers	0	0	n/a
South Fort Myers	8	26,672	3,334
<b>TOTAL</b>	<b>15</b>	<b>50,090</b>	<b>3,339</b>

#### SPACES FROM 5,000 - 9,999 SF

Bonita Springs/Estero	0	0	n/a
Cape Coral	1	5,224	5,224
City of Fort Myers	1	6,921	6,921
Lehigh Acres	0	0	n/a
North Fort Myers	0	0	n/a
South Fort Myers	3	19,859	6,620
<b>TOTAL</b>	<b>5</b>	<b>32,004</b>	<b>6,401</b>

#### SPACES FROM 10,000 - 24,999 SF

Bonita Springs/Estero	2	28,047	14,024
Cape Coral	0	0	n/a
City of Fort Myers	0	0	n/a
Lehigh Acres	0	0	n/a
North Fort Myers	0	0	n/a
South Fort Myers	0	0	n/a
<b>TOTAL</b>	<b>2</b>	<b>28,047</b>	<b>14,024</b>

#### SPACES FROM 25,000 SF+

Bonita Springs/Estero	0	0	n/a
Cape Coral	0	0	n/a
City of Fort Myers	0	0	n/a
Lehigh Acres	0	0	n/a
North Fort Myers	0	0	n/a
South Fort Myers	0	0	n/a
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>n/a</b>

### SALES ACTIVITY

# Sold    Median Sold PSF    # Sold    Median Sold PSF

#### USER SALES    INVESTMENT SALES

1	\$332	0	n/a
0	n/a	2	\$226
2	\$225	1	\$51
0	n/a	0	n/a
0	n/a	0	n/a
5	\$279	0	n/a
<b>8</b>	<b>\$273</b>	<b>3</b>	<b>\$226</b>

#### USER SALES    INVESTMENT SALES

0	n/a	0	n/a
2	\$277	0	n/a
0	n/a	1	\$153
0	n/a	1	\$765
0	n/a	0	n/a
2	\$305	2	\$159
<b>4</b>	<b>\$297</b>	<b>4</b>	<b>\$179</b>

#### USER SALES    INVESTMENT SALES

0	n/a	0	n/a
1	\$228	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
2	\$256	1	\$147
<b>3</b>	<b>\$240</b>	<b>1</b>	<b>\$147</b>

#### 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
<b>0</b>	<b>n/a</b>	<b>0</b>	<b>n/a</b>

#### 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
<b>0</b>	<b>n/a</b>	<b>0</b>	<b>n/a</b>

**6.3%**  
Bonita  
Springs/  
Estero

**5.8%**  
Lehigh  
Acres

**7.6%**  
City of  
Fort Myers

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

**7.0%**  
South Fort  
Myers

**6.9%**  
Lee  
County

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