

Market View

Lee County
4th Quarter 2023



INDUSTRIAL

SECTOR OVERVIEW

Despite failing to reach the heights of the past 2-years, the 4Q2023 Lee County Industrial Sector continued to demonstrate strength in light of uncertainty facing the sector on a national level.

Vacancy rose for the 2nd straight quarter, surpassing 4% for the first time since 1Q2021. Leasing activity was mixed as contracts jumped 30% while SF leased fell slightly. Net absorption rebounded sharply from Q3 with nearly ¾-million SF absorbed, bringing the annual total to almost 1.5-million SF. Furthermore, rents continued to trend upward rising 1.4% from Q3 and bringing YOY gains to over 19%. Notably, all of these metrics were achieved even as the sector delivered >1.5-million SF of new product in the quarter, bringing the annual total to >2.6-million SF.

Sales activity was also mixed as # of deals and SF rose nicely, by 32% & 137%, respectively while \$ volume fell by 12.5%. Annually, sales activity trailed the furious pace of the past 2-years with deals declining 37% and SF down 41% from their 2021 highs and dollar volume falling 19% from 2022's high-water mark.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	142	1,962,759	2.2%
Cape Coral	400	3,899,162	1.6%
City of Fort Myers	721	11,961,111	5.1%
Lehigh Acres	92	1,329,188	4.7%
North Fort Myers	86	1,354,956	2.5%
South Fort Myers	962	19,500,913	4.5%
TOTAL	2,403	40,008,089	4.2%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	6	11,719	8,326
Cape Coral	9	25,797	-4,506
City of Fort Myers	10	130,039	282,263
Lehigh Acres	2	8,200	-48,541
North Fort Myers	0	0	1,000
South Fort Myers	40	244,656	503,987
TOTAL	67	420,411	742,529

NEW & UNDER CONSTRUCTION



2,627,054

SF Delivered YTD

1,953,878

SF Under Construction



TOP LEASES

	DESCRIPTION	ADDRESS	BUILT	SF LEASED	TENANT
1	Class A Warehouse	Tri-County 75 6135 Tri County Commerce Way, Fort Myers	2023	56,707	American Bottling Company
2	Class A Flex	Meridian Business Campus 16101 Parallel Dr, Fort Myers	2023	28,450	Frigid-Rigid
3	Class B Manufacturing	2443 Rockfill Rd, Fort Myers	1984	25,400	JR & Co Inc.

* Excludes Renewals

TOP SALES

	DESCRIPTION	ADDRESS	BUILT	ASSET SF	SALE \$ PSF	SALE TYPE
1	Class B Industrial Showroom	General RV Center 15485 S Tamiami Trl, Fort Myers	1986	97,518	\$12,881,153 \$132.09 PSF	User Sale
2	Class A Warehouse	84 Lumber 710-730 NE 19th Pl, Cape Coral	2001	59,479	\$9,000,000 \$151.31 PSF	User Sale
3	Class C Industrial Service	6570 Corporate Park Cir, Fort Myers	2006	9,197	\$3,100,000 \$337.07 PSF	User Sale

* Includes User and Investment Sales

INDUSTRIAL

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	4	5,419	1,355	\$18.86
Cape Coral	6	8,930	1,488	\$17.99
City of Fort Myers	3	3,791	1,264	\$15.00
Lehigh Acres	0	0	n/a	\$16.00
North Fort Myers	0	0	n/a	n/a
South Fort Myers	14	28,108	2,008	\$14.58
TOTAL	27	46,248	1,713	\$16.62
SPACES FROM 2,500 - 4,999 SF				BASE RENT
Bonita Springs/Estero	2	6,300	3,150	n/a
Cape Coral	2	7,417	3,709	\$15.20
City of Fort Myers	1	4,560	4,560	\$14.57
Lehigh Acres	2	8,200	4,100	\$14.00
North Fort Myers	0	0	n/a	\$11.00
South Fort Myers	12	38,220	3,185	\$16.32
TOTAL	19	64,697	3,405	\$15.22
SPACES FROM 5,000 - 9,999 SF				BASE RENT
Bonita Springs/Estero	0	0	n/a	\$17.08
Cape Coral	1	9,450	n/a	n/a
City of Fort Myers	3	19,427	6,476	\$13.52
Lehigh Acres	0	0	n/a	\$12.00
North Fort Myers	0	0	n/a	\$11.00
South Fort Myers	7	52,020	7,431	\$14.97
TOTAL	11	80,897	7,354	\$14.45
SPACES FROM 10,000 - 24,999 SF				BASE RENT
Bonita Springs/Estero	0	0	n/a	n/a
Cape Coral	0	0	n/a	\$15.23
City of Fort Myers	1	20,154	20,154	\$13.10
Lehigh Acres	0	0	n/a	n/a
North Fort Myers	0	0	n/a	n/a
South Fort Myers	5	72,858	14,572	\$13.65
TOTAL	6	93,012	15,502	\$13.54
SPACES FROM 25,000 SF+				BASE RENT
Bonita Springs/Estero	0	0	n/a	n/a
Cape Coral	0	0	n/a	n/a
City of Fort Myers	2	82,107	41,054	\$11.64
Lehigh Acres	0	0	n/a	\$10.50
North Fort Myers	0	0	n/a	n/a
South Fort Myers	2	53,450	26,725	\$12.93
TOTAL	4	135,557	33,889	\$11.99

SALES ACTIVITY

# Sold	Median Sold PSF	# Sold	Median Sold PSF
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
0	n/a	0	n/a
2	\$205	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
2	\$450	0	n/a
4	\$271	0	n/a
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	1	\$250
1	\$263	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
1	\$263	1	\$250
USER SALES		INVESTMENT SALES	
1	\$222	0	n/a
0	n/a	1	\$198
1	\$71	1	\$180
0	n/a	0	n/a
0	n/a	0	n/a
2	\$256	1	\$104
4	\$199	3	\$180
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
1	\$187	1	\$156
0	n/a	1	\$96
0	n/a	0	n/a
0	n/a	0	n/a
2	\$187	3	\$133
3	\$187	5	\$133
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
1	\$151	0	n/a
0	n/a	2	\$43
0	n/a	0	n/a
0	n/a	0	n/a
1	\$132	0	n/a
2	\$142	2	\$43

7.4%
Bonita Springs/
Estero

7.4%
Cape Coral

6.4%
City of
Fort Myers

CAP RATES

Reflect the average of advertised rates as reported to Costar over past 4-quarters (24 Sales)

6.4%
South Fort
Myers

8.0%
Lehigh Acres

6.6%
Lee
County

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