

Market View

Lee County
4th Quarter 2023



RETAIL

SECTOR OVERVIEW

4Q2023 Lee County retail sector results were, again, mixed reflecting both the adversity in the national economic picture but also the steady demand and popularity of the area.

Vacancy fell by 10-bps to return to the 3.1% rate where the year began. Net absorption returned positive for the quarter thus ensuring the 15-year positive streak continued. Quarterly leasing was up slightly from Q3 by # of contracts but fell by 42% in SF. On an annual basis, leasing activity by number fell to the lowest point since 2009 but matched the SF contracted in 2022. Rents may be seeking equilibrium, dropping 1.9% for the quarter also return to exactly where the year began.

Sales activity was up noticeably for the quarter with closings up 21%, SF up by 58% and dollar volume jumping 138%. A valiant effort but insufficient to rescue annual results from the lowest points in the past decade. On a brighter note, annualized average & median PSF pricing rose to their highest figures in a decade.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	459	8,024,047	6.1%
Cape Coral	847	9,940,169	1.9%
City of Fort Myers	804	8,468,395	1.0%
Lehigh Acres	157	1,796,579	1.5%
North Fort Myers	181	2,003,137	7.8%
South Fort Myers	1,013	17,663,226	3.0%
TOTAL	3,461	47,895,553	3.1%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	16	51,894	-8,183
Cape Coral	18	26,200	-5,904
City of Fort Myers	9	15,377	-3,159
Lehigh Acres	2	6,900	-16,857
North Fort Myers	2	44,870	-4,698
South Fort Myers	41	112,827	104,566
TOTAL	88	258,068	65,765

NEW & UNDER CONSTRUCTION



140,991

SF Delivered YTD

255,127

SF Under Construction



TOP LEASES

	DESCRIPTION	ADDRESS	BUILT	SF LEASED	TENANT
1	Neighborhood Center	Bayshore Center 6351 Bayshore Rd, North Ft. Myers	1970 1993	43,370	O'Reilly Auto Parts
2	Lifestyle Center	Bell Tower Shops 13499 S Cleveland Ave, Fort Myers	1982 1997	30,658	Nordstrom Rack
3	Neighborhood Center	Bonita Commons 25987 S Tamiami Trl, Bonita Springs	2007	14,230	Goodwill

* Excludes Renewals

TOP SALES

	DESCRIPTION	ADDRESS	BUILT	ASSET SF	SALE \$ PSF	SALE TYPE
1	Strip Center	Estero Crossings 10131-10191 Esteero Town Commons, Estero	2023	31,598	\$17,122,400 \$541.88 PSF	Investment
2	Auto Dealership	General RV Center 15565 S Tamiami Trl, Fort Myers	1986	44,507	\$12,500,000 \$280.85 PSF	Owner User
3	Community Center	Barnes & Noble 13751 S Tamiami Trl, Fort Myers	1995	29,993	\$7,300,000 \$243.39 PSF	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	10	18,369	1,837	\$21.39
Cape Coral	15	16,608	1,107	\$23.16
City of Fort Myers	8	11,612	1,452	\$18.55
Lehigh Acres	1	2,000	n/a	\$18.00
North Fort Myers	1	1,500	1,500	\$10.33
South Fort Myers	28	34,855	1,245	\$24.25
TOTAL	63	84,944	1,348	\$20.04
SPACES FROM 2,500 - 4,999 SF				BASE RENT
Bonita Springs/Estero	5	19,295	3,859	\$22.37
Cape Coral	3	9,592	3,197	\$30.28
City of Fort Myers	1	3,765	3,765	\$21.26
Lehigh Acres	1	4,900	n/a	n/a
North Fort Myers	0	0	n/a	\$9.87
South Fort Myers	11	37,215	3,383	\$26.87
TOTAL	21	74,767	3,560	\$20.72
SPACES FROM 5,000 - 9,999 SF				BASE RENT
Bonita Springs/Estero	0	0	n/a	\$24.00
Cape Coral	0	0	n/a	\$11.96
City of Fort Myers	0	0	n/a	\$15.61
Lehigh Acres	0	0	n/a	n/a
North Fort Myers	0	0	n/a	\$11.42
South Fort Myers	0	0	n/a	\$27.71
TOTAL	0	0	n/a	\$19.01
SPACES FROM 10,000 - 24,999 SF				BASE RENT
Bonita Springs/Estero	1	14,230	14,230	\$17.24
Cape Coral	0	0	n/a	\$11.61
City of Fort Myers	0	0	n/a	n/a
Lehigh Acres	0	0	n/a	\$18.00
North Fort Myers	0	0	n/a	\$10.61
South Fort Myers	1	10,099	10,099	\$18.68
TOTAL	2	24,329	12,165	\$13.33
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	0	0	n/a	n/a
Lehigh Acres	0	0	n/a	n/a
North Fort Myers	1	43,370	43,370	\$9.22
South Fort Myers	1	30,658	30,658	\$19.50
TOTAL	2	74,028	n/a	\$10.45

SALES ACTIVITY

# Sold	Median Sold PSF	# Sold	Median Sold PSF
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
2	\$456	1	\$1,216
2	\$274	2	\$301
0	n/a	0	n/a
0	n/a	0	n/a
1	\$316	0	n/a
5	\$316	3	\$390
USER SALES		INVESTMENT SALES	
0	n/a	1	\$177
0	n/a	2	\$1,051
1	\$691	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
2	\$1,144	1	\$208
3	\$691	4	\$346
USER SALES		INVESTMENT SALES	
1	\$383	2	\$435
0	n/a	4	\$178
0	n/a	1	\$41
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	2	\$290
1	\$383	9	\$242
USER SALES		INVESTMENT SALES	
2	\$171	0	n/a
0	n/a	0	n/a
0	n/a	1	\$89
0	n/a	0	n/a
0	n/a	0	n/a
2	\$175	0	n/a
4	\$174	1	\$89
USER SALES		INVESTMENT SALES	
0	n/a	1	\$542
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	\$281	2	\$224
1	\$281	3	\$243

6.5%
Bonita Springs/Estero

6.6%
Cape Coral

5.5%
City of Fort Myers

CAP RATES

Reflect the average of advertised rates as reported to Costar over past 4-quarters (20 Total Sales)

6.3%
Lehigh Acres

7.8%
North Fort Myers

6.4%
South Fort Myers

6.3%
Lee County

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