

Market View

Collier County
4th Quarter 2023



OFFICE

SECTOR OVERVIEW

As the rest of the nation continues to struggle with troubled office sectors, the 4Q2023 Collier County office sector continued to distance itself from the trough seen in Q1.

Vacancy fell once again as the streak of quarterly reduction extended to 13 quarters as net absorption was positive for the 12th straight quarter. While leasing activity was down just shy of 30% by both # & SF, rents regained the ground lost in Q3. On a YOY basis, vacancy fell 1.6% while 27% more SF were absorbed than 2023 and YOY rents increased nicely by 6%.

Sales activity continued to demonstrate the friction of national economic forces but continued to deliver enviable results. Number of deals fell by 19% but SF exchanged was flat from Q2 on 46% more dollar volume leading to average PSF pricing exceeding \$500 for the first time. Annually, contracts were up by 12% from the prior year with dollar volume remaining flat & SF falling by 11%. Average & median PSF pricing hit new highs rising 6% & 15%, respectively, from 2022.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
North Naples	380	6,229,172	4.1%
Naples	91	1,132,375	3.3%
East Naples	148	1,923,190	3.6%
Golden Gate	34	251,391	0.4%
Lely	17	129,294	1.0%
Marco Island	33	323,762	3.1%
Outlying Collier Co.	44	521,700	0.0%
TOTAL	747	10,510,884	3.6%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
North Naples	33	81,879	49,194
Naples	4	4,377	-10,040
East Naples	6	16,154	29,795
Golden Gate	0	0	-963
Lely	0	0	0
Marco Island	1	1,586	-1,600
Outlying Collier Co.	0	0	0
TOTAL	44	103,996	66,386

NEW & UNDER CONSTRUCTION

 **55,537**
SF Delivered YTD

59,111
SF Under Construction 

TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class B Medical Office	Southbrooke Medical Office Complex 6750 Immokalee Rd, Naples	2023	10,949	Continuum Surgery Center
2	Class A Office	Vinyards Building 75 Vinyards Blvd, Naples	2002	8,000	Brown & Brown
3	Class B Office	Quail Creek Plaza 4522 Executive Dr, Naples	2004	5,500	DeHope Daycare

* Excludes Renewals

TOP SALES

	Description	Address	Built	Asset SF	Sales \$ PSF	Sale Type
1	Class B Office (Part of a Portfolio)	The 500 Building 500 5th Ave, Naples	1972	8,883	\$7,829,000 \$881.35 PSF	Investment
2	Class C Office (Part of a Portfolio)	Four Corners Building 898 5th Ave S, Naples	1997	10,048	\$5,421,000 \$539.51 PSF	Investment
3	Class B Medical Office (Part of a Portfolio)	Dagi Place 363 12th Ave S, Naples	1977	7,289	\$4,493,000 \$616.41 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	23	32,277	1,403	\$28.35
Naples	4	4,377	1,094	\$31.39
East Naples	3	4,452	1,484	\$23.74
Golden Gate	0	0	n/a	n/a
Lely	0	0	n/a	\$25.00
Marco Island	1	1,586	1,586	\$22.45
Outlying Collier Co.	0	0	n/a	n/a
TOTAL	31	42,692	1,377	\$27.51
SPACES FROM 2,500 - 4,999 SF				BASE RENT
North Naples	7	25,153	3,593	\$27.51
Naples	0	0	n/a	\$26.98
East Naples	3	11,702	3,901	\$23.33
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.	0	0	n/a	n/a
TOTAL	10	36,855	3,686	\$26.22
SPACES FROM 5,000 - 9,999 SF				BASE RENT
North Naples	2	13,500	6,750	\$28.74
Naples	0	0	n/a	\$30.00
East Naples	0	0	n/a	\$22.77
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	2	13,500	6,750	\$27.76
SPACES FROM 10,000 - 24,999 SF				BASE RENT
North Naples	1	10,949	10,949	\$29.06
Naples	0	0	n/a	\$19.00
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	1	10,949	n/a	\$25.72
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	
0	n/a	2	\$420
1	\$313	3	\$599
4	\$249	1	\$163
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
5	\$283	6	\$498
USER SALES		INVESTMENT SALES	
0	n/a	2	\$811
0	n/a	1	\$665
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	3	\$665
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
0	n/a	2	\$749
0	n/a	1	\$264
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	3	\$616
USER SALES		INVESTMENT SALES	
0	n/a	0	n/a
0	n/a	1	\$540
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	\$540
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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