

Market View

Lee County 1st Quarter 2024



INDUSTRIAL

SECTOR OVERVIEW

The Lee County industrial sector began the year with 1Q2024 results that largely improved upon the strength of the prior quarter and year.

While vacancies were up markedly from the YE2023, rising 1.7% to 5.9%, a level not seen since 3Q2015, one must not overlook the 900k-sf in supply delivered in Q1. For those keeping score at home, that is nearly 2.2-M sf delivered in the past 2 quarters. Additionally, while down dramatically from 4Q23, net absorption remained strongly positive for the quarter as the development pipeline seems to have begun to thin, somewhat. Leasing activity was extremely robust rising 46% by contracts and 84% by square footage leased. Rents ticked up again, by 1%, extending the gains to 11 consecutive quarters with YOY gains reaching a stunning 19%.

Sales activity remained equally robust. While number of transactions were effectively flat, 2 fewer sales on 17% less SF generated a whopping 242% increase in dollar volume. Resulting average PSF pricing jumped to ≈\$195 PSF, a figure not seen before.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	143	1,964,352	4.6%
Cape Coral	402	3,934,176	1.4%
City of Fort Myers	725	12,061,410	4.2%
Lehigh Acres	92	1,333,838	4.8%
North Fort Myers	86	1,354,827	3.6%
South Fort Myers	970	20,251,607	8.2%
TOTAL	2,418	40,900,210	5.9%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	13	35,282	-48,867
Cape Coral	21	36,479	6,308
City of Fort Myers	18	287,561	214,653
Lehigh Acres	2	6,350	-2,590
North Fort Myers	2	12,262	-14,662
South Fort Myers	42	398,938	170,728
TOTAL	98	776,872	325,570

NEW & UNDER CONSTRUCTION



903,109

SF Delivered YTD

1,324,026

SF Under Construction



TOP LEASES

	DESCRIPTION	ADDRESS	BUILT	SF LEASED	TENANT
1	Class A Warehouse	Legacy at Oriole 16670 Oriole Rd, Fort Myers	2023	75,461	Undisclosed
2	Class A Warehouse	Tri-County 75 6135 Tri County Commerce Way, Fort Myers	2023	68,665	NB Handy
3	Class A Warehouse	Tri-County 75 6165 Tri County Commerce Way, Fort Myers	2023	67,620	Mechanical One

* Excludes Renewals

TOP SALES

	DESCRIPTION	ADDRESS	BUILT	ASSET SF	SALE \$ PSF	SALE TYPE
1	Class B Warehouse	Centerlinks Business Park 9125 Links Commons Dr, Fort Myers	2024	63,000	\$13,876,582 \$220.26 PSF	Investment
2	Class B Warehouse	Centerlinks Business Park 9121 Centerlinks Commerce Dr, Fort Myers	2022	63,215	\$13,554,999 \$214.43 PSF	Investment
3	Class B Warehouse	Centerlinks Business Park 9120 Centerlinks Commerce Dr, Fort Myers	2022	63,195	\$12,783,318 \$202.28 PSF	Investment

* Includes User and Investment Sales

INDUSTRIAL

Market Statistics

LEASE ACTIVITY

SALES ACTIVITY

	# Executed Leases	Total SF Leased	Avg Deal Size	Current Avg. Asking Rate	# Sold	Median Sold PSF	# Sold	Median Sold PSF
SPACES UNDER 2,500 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	9	12,182	1,354	\$17.72	2	\$350	4	\$350
Cape Coral	19	31,479	1,657	\$17.64	0	n/a	1	\$188
City of Fort Myers	5	8,499	1,700	\$12.28	0	n/a	0	n/a
Lehigh Acres	1	1,850	1,850	n/a	0	n/a	0	n/a
North Fort Myers	0	0	n/a	\$15.72	0	n/a	0	n/a
South Fort Myers	15	27,533	1,836	\$17.57	1	\$283	2	\$355
TOTAL	49	81,543	1,664	\$16.99	3	\$350	7	\$350
SPACES FROM 2,500 - 4,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	2	5,900	2,950	\$18.00	3	\$296	0	n/a
Cape Coral	2	5,000	2,500	\$19.19	0	n/a	2	\$152
City of Fort Myers	3	10,236	3,412	\$13.30	0	n/a	0	n/a
Lehigh Acres	1	4,500	4,500	n/a	0	n/a	0	n/a
North Fort Myers	1	4,800	4,800	\$12.40	0	n/a	0	n/a
South Fort Myers	8	24,627	3,078	\$15.91	0	n/a	0	n/a
TOTAL	17	55,063	3,239	\$15.56	3	\$296	2	\$152
SPACES FROM 5,000 - 9,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	1	7,200	7,200	\$18.00	1	\$251	0	n/a
Cape Coral	0	0	n/a	\$15.71	0	n/a	0	n/a
City of Fort Myers	2	10,758	5,379	\$13.32	1	\$233	1	\$133
Lehigh Acres	0	0	n/a	\$12.00	0	n/a	0	n/a
North Fort Myers	1	7,462	7,462	\$12.50	0	n/a	1	\$215
South Fort Myers	7	44,491	6,356	\$14.50	0	n/a	2	\$498
TOTAL	11	69,911	6,356	\$14.28	2	\$242	4	\$283
SPACES FROM 10,000 - 24,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	1	10,000	10,000	n/a	0	n/a	0	n/a
Cape Coral	0	0	n/a	\$16.00	0	n/a	1	\$151
City of Fort Myers	5	91,146	18,229	\$13.38	1	\$107	1	\$140
Lehigh Acres	0	0	n/a	n/a	0	n/a	0	n/a
North Fort Myers	0	0	n/a	n/a	0	n/a	0	n/a
South Fort Myers	8	115,180	14,398	\$15.00	2	\$182	5	\$208
TOTAL	14	216,326	15,452	\$14.41	3	\$107	7	\$166
SPACES FROM 25,000 SF+				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	0	0	n/a	n/a	0	n/a	0	n/a
Cape Coral	0	0	n/a	n/a	0	n/a	0	n/a
City of Fort Myers	3	166,922	55,641	\$11.86	0	n/a	1	\$118
Lehigh Acres	0	0	n/a	\$10.50	0	n/a	0	n/a
North Fort Myers	0	0	n/a	n/a	0	n/a	0	n/a
South Fort Myers	4	187,107	46,777	\$12.41	0	n/a	12	\$205
TOTAL	7	354,029	50,576	\$12.09	0	n/a	13	\$202

6.8%
Bonita Springs/Estero

7.5%
Cape Coral

6.3%
City of Fort Myers

CAP RATES

Reflect the average of advertised rates as reported to Costar over past 4-quarters (21 Sales)

6.3%
South Fort Myers

8.0%
Lehigh Acres

6.3%
Lee County

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