

Market View

Lee County
1st Quarter 2024



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SECTOR OVERVIEW

The Lee County office sector began the year with mixed results in 1Q2024 that showed continued strength in the face of continued economic stresses. While not immune from the forces influencing the national office sector, the market has once again demonstrated resilience.

Vacancy rates ticked up for the 5th consecutive quarter, edging up 50-bps to 5.6%, up 1.2% from 1Q23. Disappointing perhaps but stellar compared to other areas; nearby Miami at 8.4% or the Atlanta and New York MSAs at 15.7% and 14.1%, respectively, to name a few. Also, while net absorption was again negative by just over 100k-sf, that is a marked improvement from last quarter; nearly 50% less. Leasing activity fell from the prior period by 20% by number of deals but climbed by almost as much (17%) in square footage contracted. Most notably, average asking rents more than recouped last quarter's losses, climbing 4% from Q4 and regaining YOY gains of 4.2%.

Somewhat typically for Q1 results, sales activity was down significantly from Q4 by number of deals which dropped 43%. However, much less common, dollar volume jumped by 56% from the prior quarter finishing 17% above the average of the past five 1st quarters. Square footage conveyed also climbed by 15% over Q4 as resulting average PSF pricing jumped by >\$85 (43%) from last quarter, finishing just shy of \$300 PSF.

SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	238	3,437,345	5.7%
Cape Coral	416	2,843,037	2.1%
City of Fort Myers	435	5,346,279	2.3%
Lehigh Acres	80	557,772	2.4%
North Fort Myers	36	295,776	0.0%
South Fort Myers	772	9,254,166	8.9%
TOTAL	1,977	21,734,375	5.6%

DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	29	134,398	-24,491
Cape Coral	10	10,726	-32,333
City of Fort Myers	17	26,597	11,534
Lehigh Acres	0	0	-2,460
North Fort Myers	2	2,258	1,200
South Fort Myers	32	54,296	-55,394
TOTAL	90	228,275	-101,944

NEW & UNDER CONSTRUCTION



0

SF Delivered YTD

0

SF Under Construction



TOP LEASES

	Description	Address	Built	SF Leased	Tenant
1	Class A Office	Riverview Corporate Center 27599 Riverview Center Blvd, Bonita Springs	2004	11,639	Provident Home Care
2	Class B Office	2830 Winkler Rd, Fort Myers	1985	7,012	Centerstone
3	Class B Office	Crossings Plaza 28410 Bonita Crossings Blvd, Bonita Springs	1992	5,400	Stepping Stone Kids Therapy

* Excludes Renewals

TOP SALES

	Description	Address	Built	Asset SF	Sales \$ PSF	Sale Type
1	Class A Office	11100 Plantation Rd, Fort Myers	2013	145,850	\$43,023,283 \$294.98	Investment
2	Class C Office	3840 Colonial Blvd, Fort Myers	1995	6,000	\$1,750,000 \$291.67	Owner User
3	Class B Office	11235 Metro Pky, Fort Myers	1985	8,828	\$1,696,169 \$192.14	Investment

* Includes User and Investment Sales

OFFICE

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	22	27,750	1,261	\$16.27	0	n/a	0	n/a
Cape Coral	9	7,606	845	\$22.99	1	\$211	0	n/a
City of Fort Myers	14	13,721	980	\$19.38	2	\$161	0	n/a
Lehigh Acres	0	0	n/a	\$25.00	0	n/a	0	n/a
North Fort Myers	2	2,258	1,129	n/a	0	n/a	0	n/a
South Fort Myers	26	27,699	1,065	\$18.97	1	\$158	2	\$457
TOTAL	73	79,034	1,083	\$18.72	4	\$167	2	\$457
SPACES FROM 2,500 - 4,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	4	13,028	3,257	\$16.52	0	n/a	0	n/a
Cape Coral	1	3,120	3,120	\$22.99	1	\$264	0	n/a
City of Fort Myers	2	5,864	2,932	\$20.33	0	n/a	0	n/a
Lehigh Acres	0	0	n/a	\$25.00	0	n/a	0	n/a
North Fort Myers	0	0	n/a	n/a	0	n/a	0	n/a
South Fort Myers	5	14,110	2,822	\$19.95	0	n/a	0	n/a
TOTAL	12	36,122	3,010	\$19.70	1	\$264	0	n/a
SPACES FROM 5,000 - 9,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	1	5,400	5,400	\$16.34	0	n/a	0	n/a
Cape Coral	0	0	n/a	n/a	0	n/a	0	n/a
City of Fort Myers	1	7,012	n/a	\$21.36	0	n/a	1	\$153
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	0	0	n/a	\$20.57	1	\$300	2	\$242
TOTAL	2	12,412	6,206	\$19.39	1	\$300	3	\$192
SPACES FROM 10,000 - 24,999 SF				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	1	11,639	n/a	\$16.11	0	n/a	0	n/a
Cape Coral	0	0	n/a	n/a	0	n/a	0	n/a
City of Fort Myers	0	0	n/a	\$17.79	0	n/a	0	n/a
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	1	12,487	12,487	\$19.81	0	n/a	0	n/a
TOTAL	2	24,126	12,063	\$18.61	0	n/a	0	n/a
SPACES FROM 25,000 SF+				BASE RENT	USER SALES		INVESTMENT SALES	
Bonita Springs/Estero	1	76,581	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	0	0	n/a	\$23.00	0	n/a	0	n/a
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	0	0	n/a	\$13.00	0	n/a	1	\$295
TOTAL	1	76,581	n/a	\$17.59	0	n/a	1	\$295

6.3%
Bonita Springs/Estero

5.8%
Lehigh Acres

7.0%
City of Fort Myers

CAP RATES

Reflect the average of advertised rates as reported to Costar over past 4-quarters (12 Sales Total)

8.5%
South Fort Myers

8.0%
Cape Coral

8.0%
Lee County

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