

# Market View

## Lee County 1st Quarter 2024



# RETAIL

### SECTOR OVERVIEW

Lee County retail sector 1Q2024 results demonstrated the overall health and desirability of the sector, despite the drag of national economic concerns.

Vacancy ticked down by another 20-bps as net absorption was strongly positive for a second consecutive quarter, with over 40% more SF absorbed than 4Q23. Leasing activity was subdued as contracts fell by 20% and SF leased by 45% from Q4; it is fairly typical for Q1 to be somewhat quiet. Perhaps most importantly, average asking rents jumped by >7% completely erasing the ground lost last quarter and bringing YOY gains to 6%. New product is still being planned and constructed but at a reasonably measured pace, easing concerns that the long neglected sector risks becoming overbuilt.

Sales activity got off to the slowest start in the past decade as closings fell 42%, dollar volume dropped 55%, and SF transferred was down 36% from Q4. Average PSF pricing fell by nearly 1/3 but remained above \$200 PSF

### SUPPLY

SUBMARKET	# BLDGS	TOTAL SF	VACANCY RATE
Bonita Springs/Estero	458	8,036,259	6.2%
Cape Coral	850	9,948,405	1.9%
City of Fort Myers	803	8,457,857	1.3%
Lehigh Acres	157	1,800,892	2.1%
North Fort Myers	181	2,005,081	7.2%
South Fort Myers	1,016	17,721,470	2.6%
<b>TOTAL</b>	<b>3,465</b>	<b>47,969,964</b>	<b>2.9%</b>

### DEMAND

SUBMARKET	LEASES	LEASED SF	NET ABSORPTION
Bonita Springs/Estero	20	51,598	36,645
Cape Coral	16	22,509	-4,598
City of Fort Myers	8	16,572	-28,195
Lehigh Acres	1	1,500	-11,100
North Fort Myers	2	2,834	11,140
South Fort Myers	23	46,958	89,587
<b>TOTAL</b>	<b>70</b>	<b>141,971</b>	<b>93,479</b>

### NEW & UNDER CONSTRUCTION

 **30,763**  
SF Delivered YTD

**204,890**   
SF Under Construction

### TOP LEASES

	DESCRIPTION	ADDRESS	BUILT	SF LEASED	TENANT
1	Community Center	Springs Plaza 8951 Bonita Beach Rd SE, Bonita Springs	1974	12,661	Ross Dress for Less
2	Neighborhood Center	Kelly Crossing 16120 San Carlos Blvd, Fort Myers	2003	5,626	ASP Super Home
3	Community Center	Alico Business Center 9961 Interstate Commerce Dr, Fort Myers	2012 2017	4,814	Fight Club Fitness

\* Excludes Renewals

### TOP SALES

	DESCRIPTION	ADDRESS	BUILT	ASSET SF	SALE \$   PSF	SALE TYPE
1	Auto Dealership	Sutherlin Nissan of Cape Coral 2201 NE Pine Island Rd, Cape Coral	2019	32,838	\$17,000,000 \$517.69 PSF	Investment
2	Auto Dealership	Sutherlin Automotive 13921-13985 S Tamiami Trl, Fort Myers	1965-1970	31,945	\$13,000,00 \$406.95 PSF	Investment
3	Drug Store	Walgreens 17970 N Tamiami Trl, North Fort Myers	2013	14,910	\$4,373,200 \$293.31 PSF	Investment

\* Includes User and Investment Sales

# RETAIL

## Market Statistics

### LEASE ACTIVITY

	# Executed Leases	Total SF Leased	Avg Deal Size	Current Avg. Asking Rate
<b>SPACES UNDER 2,500 SF</b>				
Bonita Springs/Estero	14	21,068	1,505	\$21.17
Cape Coral	15	18,590	1,239	\$23.60
City of Fort Myers	5	7,242	1,448	\$19.48
Lehigh Acres	1	1,500	1,500	\$20.23
North Fort Myers	2	2,834	1,417	\$11.83
South Fort Myers	17	22,968	1,351	\$25.03
<b>TOTAL</b>	<b>54</b>	<b>74,202</b>	<b>1,374</b>	<b>\$21.73</b>
<b>SPACES FROM 2,500 - 4,999 SF</b>				
Bonita Springs/Estero	5	17,869	3,574	\$23.27
Cape Coral	1	3,919	3,919	\$22.89
City of Fort Myers	3	9,330	3,110	\$19.86
Lehigh Acres	0	0	n/a	\$21.33
North Fort Myers	0	0	n/a	\$11.27
South Fort Myers	5	18,364	3,673	\$27.52
<b>TOTAL</b>	<b>14</b>	<b>49,482</b>	<b>3,534</b>	<b>\$23.31</b>
<b>SPACES FROM 5,000 - 9,999 SF</b>				
Bonita Springs/Estero	0	0	n/a	\$24.00
Cape Coral	0	0	n/a	\$16.04
City of Fort Myers	0	0	n/a	\$14.14
Lehigh Acres	0	0	n/a	\$21.33
North Fort Myers	0	0	n/a	\$18.00
South Fort Myers	1	5,626	n/a	\$27.71
<b>TOTAL</b>	<b>1</b>	<b>5,626</b>	<b>n/a</b>	<b>\$22.25</b>
<b>SPACES FROM 10,000 - 24,999 SF</b>				
Bonita Springs/Estero	1	12,661	12,661	\$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	\$14.31
South Fort Myers	0	0	n/a	\$17.53
<b>TOTAL</b>	<b>1</b>	<b>12,661</b>	<b>12,661</b>	<b>\$15.89</b>
<b>SPACES FROM 25,000 SF+</b>				
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	0	0	n/a	n/a
South Fort Myers	0	0	n/a	\$19.50
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>\$19.50</b>

### SALES ACTIVITY

# Sold	Median Sold PSF	# Sold	Median Sold PSF
<b>USER SALES</b>		<b>INVESTMENT SALES</b>	
0	n/a	0	n/a
0	n/a	0	n/a
1	\$185	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
<b>1</b>	<b>\$185</b>	<b>0</b>	<b>n/a</b>
<b>USER SALES</b>		<b>INVESTMENT SALES</b>	
0	n/a	0	n/a
0	n/a	2	\$511
1	\$113	2	\$204
1	\$108	0	n/a
0	n/a	0	n/a
3	\$481	1	\$227
<b>5</b>	<b>\$260</b>	<b>5</b>	<b>\$260</b>
<b>USER SALES</b>		<b>INVESTMENT SALES</b>	
0	n/a	0	n/a
0	n/a	1	\$268
1	\$191	1	\$119
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
<b>1</b>	<b>\$191</b>	<b>2</b>	<b>\$193</b>
<b>USER SALES</b>		<b>INVESTMENT SALES</b>	
1	\$323	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	\$293
0	n/a	1	\$124
<b>1</b>	<b>\$323</b>	<b>2</b>	<b>\$208</b>
<b>USER SALES</b>		<b>INVESTMENT SALES</b>	
0	n/a	0	n/a
0	n/a	1	\$518
1	\$34	0	n/a
0	n/a	0	n/a
0	n/a	0	n/a
0	n/a	1	\$407
<b>1</b>	<b>\$34</b>	<b>2</b>	<b>\$462</b>

**6.5%**  
Bonita Springs/Estero

**5.7%**  
Cape Coral

**6.2%**  
City of Fort Myers

**CAP RATES**

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

**6.6%**  
Lehigh Acres

**6.2%**  
North Fort Myers

**6.6%**  
South Fort Myers

**6.3%**  
Lee County

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