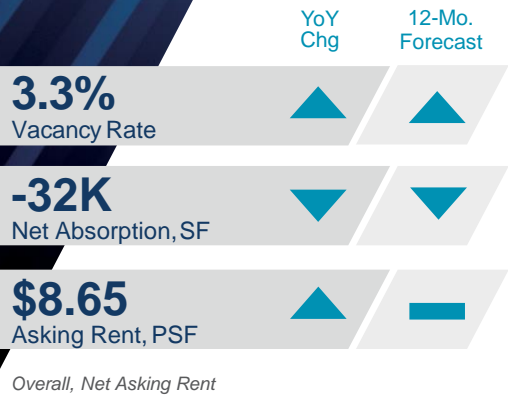
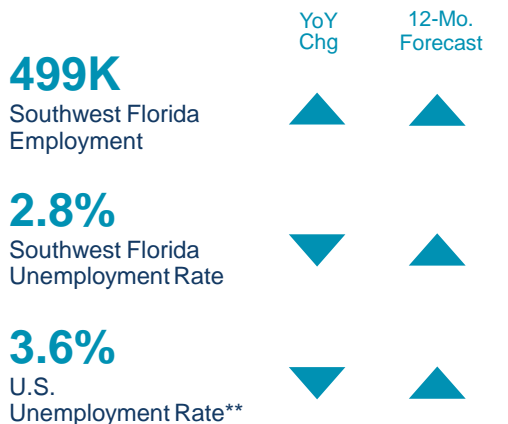


Industrial Q4 2019



ECONOMIC INDICATORS* Q4 2019



*Numbers above are monthly figures, FL Dept. Economic OPP
**Source: BLS

ECONOMIC OVERVIEW: Job Growth Supports Industrial Demand

The Southwest Florida MSA, which includes Charlotte, Lee and Collier counties, had an unemployment rate of 2.8%, down -100 basis points (bps) year-over-year. Job growth was prevalent across three major industrial sectors. Construction added 3,000 jobs over the year, giving it a 5.5% increase. The Trade, Transportation & Utilities sector increased by 3,000 jobs over the past 12 months for a 3.1% increase. The Manufacturing labor market, though historically not a large industry in the Southwest Florida region, improved with 300 new jobs.

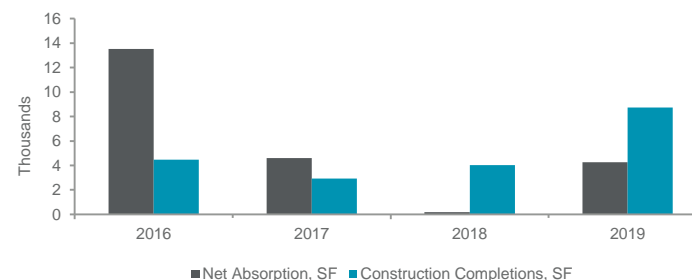
SUPPLY AND DEMAND: Speculative New Construction Pipeline Remains Dominant

The vacancy rate at the close of 2019 was up 60 bps from this time last year to 3.3%. The slight increase in the rate was due to the rise in overall vacant available warehouse space and a slowdown of pre-leasing activity at year-end. Nearly 70% of new product under construction was speculative projects totaling 334,723 square feet (sf). One of the largest projects for the year was Premier Airport Park developed under the management of Principal Real Estate Investors out of Des Moines, IA. Leasing activity remained strong in the historically dominant industrial submarkets of City of Fort Myers and S. Fort Myers/San Carlos in Lee County. Although overall absorption was negative at the end of fourth quarter, the market ended 2019 with 425,428 sf absorbed year-to-date.

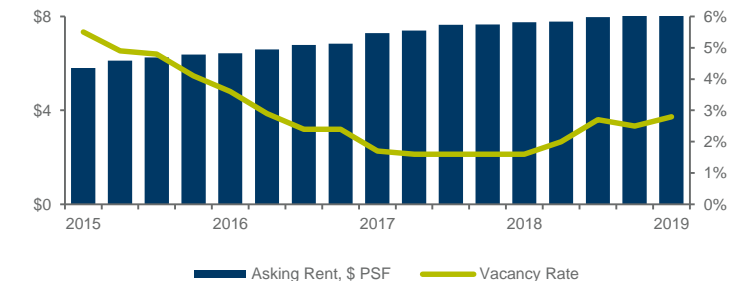
PRICING: Asking Rents at Historic Highs

Although asking rents stabilized with the short-term increase in vacancy, overall averages were still high at year-end. There was a marginal \$0.39 increase from fourth quarter 2018, however overall average asking rates for industrial space have increased year-over-year. Demand for industrial space elevated average market rates to the highest overall since before the recession in 2008. Tight market conditions in Southwest Florida pushed overall industrial rents to \$8.65 per square foot (psf) at the close of the year. Flex space in the Bonita Springs and North Naples submarkets achieved record high rates of \$12.50 psf and \$14.33 psf, respectively. Flex rents rose 15% in Bonita Springs over the past 12 months. One of the most notable projects in the submarket was Southlinks Commons from McGarvey Development Company out of Bonita Springs, FL.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 2019

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (FX)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	4,588,704	50,923	1.1%	1,293	-12,295	10,000	0	\$10.00	\$11.00	\$10.10
CHARLOTTE COUNTY SUBTOTAL	4,588,704	50,923	1.1%	1,293	-12,295	10,000	0	\$10.00	\$11.00	\$10.10
Bonita Springs	1,399,628	148,059	10.6%	-7,092	-6,427	119,700	14,300	\$13.21	\$12.50	\$9.11
Cape Coral	3,643,324	169,715	4.7%	-21,078	13,295	0	9,984	\$8.98	\$0.00	\$7.87
City of Fort Myers	10,282,876	160,359	1.6%	-10,308	129,503	0	93,001	\$6.56	\$8.00	\$7.36
Estero	17,292	0	0.0%	0	0	0	0	\$0.00	\$0.00	\$0.00
Lehigh Acres	1,306,335	140,779	10.8%	-42,136	-119,034	0	0	\$7.10	\$9.50	\$8.55
North Fort Myers	1,276,586	4,706	0.4%	4,600	21,756	0	0	\$0.00	\$0.00	\$0.00
S. Fort Myers/San Carlos	14,741,850	655,253	4.4%	25,347	392,848	241,554	44,800	\$8.61	\$8.79	\$8.00
LEE COUNTY SUBTOTAL	32,667,891	1,278,871	3.9%	-50,667	431,941	361,254	162,085	\$8.27	\$9.02	\$8.02
East Naples	5,330,708	171,894	3.2%	16,756	-19,820	39,500	0	\$11.48	\$11.39	\$10.63
Naples	52,926	0	0.0%	0	0	0	0	\$0.00	\$0.00	\$0.00
North Naples	4,815,749	71,166	1.5%	801	25,602	0	10,111	\$11.42	\$14.33	\$11.97
COLLIER COUNTY SUBTOTAL	10,199,383	243,060	2.4%	17,557	5,782	39,500	10,111	\$11.47	\$12.13	\$11.03
TOTALS	47,455,978	1,572,854	3.3%	-31,817	425,428	410,754	172,196	\$9.46	\$9.66	\$8.19

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing FX=Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6251 Los Rios Way	S. Fort Myers/San Carlos	Goodman Distribution	41,600	New Lease
3580-3588 Work Drive	City of Fort Myers	G&G Delivery Services	30,500	New Lease
2487 N. Airport Road	S. Fort Myers/San Carlos	Eidolon Analytic, Inc.	16,030	New Lease

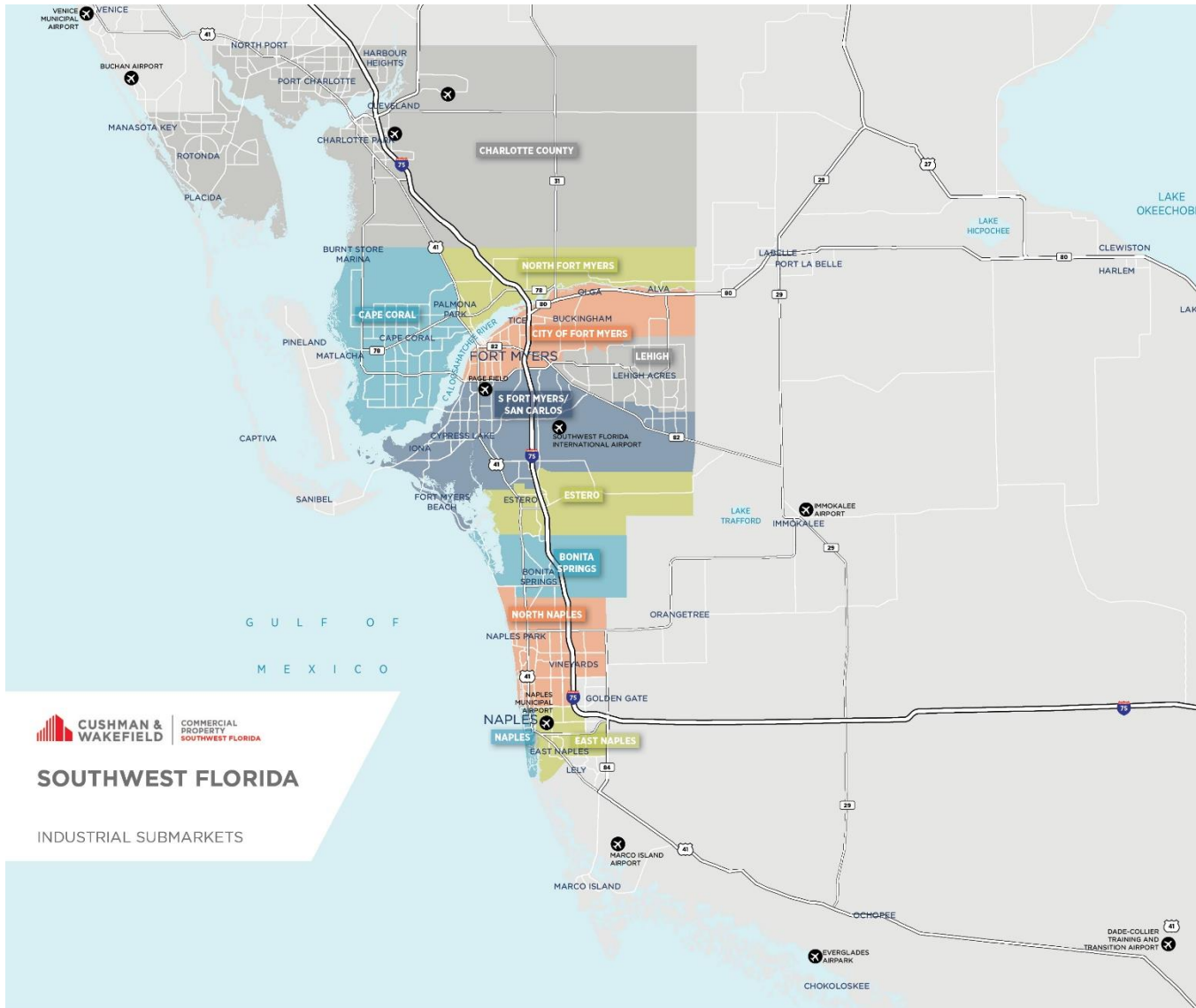
KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	BUYER/SELLER	SF	PRICE/\$ PSF
2947, 2953,2955 Hanson Street	City of Fort Myers	Mean Toucan, LLC / IMH Commercial Center, LLC	45,740	\$1.43M/\$31
13850 Treeline Avenue S.	S. Fort Myers/San Carlos	Advance Properties, Inc. / Lyndon Investments, U.S.A., Inc.	30,050	\$2.7M/\$90

KEY CONSTRUCTION COMPLETIONS YTD 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
16311 Lee Road	S. Fort Myers/San Carlos	Robb & Stucky	125,000	RSII Properties, Inc.
16240-16260 Airport Park Drive	S. Fort Myers/San Carlos	Klocke of America, Inc.	106,836	Principal Global Investors
9365 & 9373 Laredo Avenue	City of Fort Myers	TireHub	80,716	EastGroup Properties, Inc.

INDUSTRIAL SUBMARKETS



SOUTHWEST FLORIDA

INDUSTRIAL SUBMARKETS

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