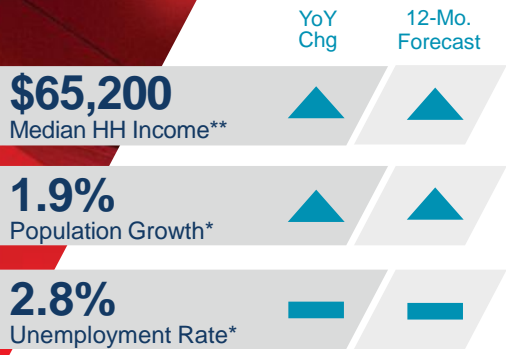


SOUTHWEST FLORIDA

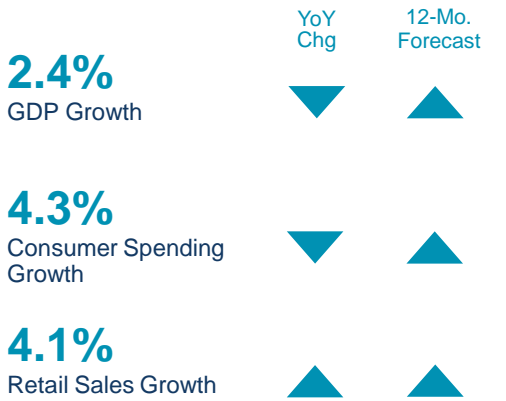


Retail Q4 2019



*Numbers above are monthly figures, FL Dept. Economic OPP
 **Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q4 2019



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Job Gains Support Healthy Retail Economy

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 (YOY). Retail trade added 2,400 jobs for a 3.2% increase in MSA employment over the past 12 months. Comparatively, the growth rate for the state was 0.6% within the same 12-month period. The Southwest Florida region had the highest YOY population increase when compared to all other metro areas in the state. Regional employment and population growth provided a strong base for retail market fundamentals despite national store closures.

SUPPLY AND DEMAND: Leasing Activity Softens But Demand Remains Strong

Population growth and seasonal tourism provided a strong pipeline for absorption at the close of 2019. The market overall experienced 218,564 square feet (sf) of positive absorption at the end of the quarter. Lee County ended the year in the black for its tenth consecutive year. One of the largest leases for the year was Big Lots taking over 76,000 sf at the McGregor Point Shopping Center in Lee County. Demand for strip center space remained high at year-end with nearly 72% of the projects underway being strip centers. Although leasing activity was down by approximately 28% for the year when compared to 2018, demand for retailers in the market was solid. Several national retailers expanded their brands in Southwest Florida locations in 2019 which included Wawa, Aldi and Harbor Freight Tools. Overall leasing activity for the market totaled approximately 225,000 sf at year-end.

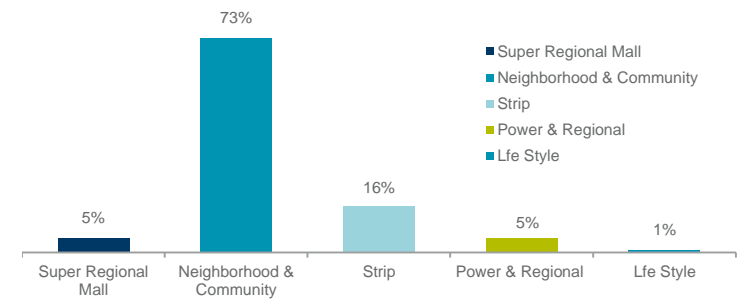
PRICING: Rent Growth in Strip Centers

Overall market rents softened over the past 12 months except in retail strip centers. Rents increased by nearly 6.9% YOY to \$16.82 per square foot (psf) on average by year-end. Vacancy remained historically low despite national retail closures. Occupancy remained high in Charlotte County, while vacancy rose 60 bps in Collier County to 5.7% YOY. Even with the slight increase in vacancy, Collier County's average asking rents remained the highest in the market, closing out the quarter at approximately \$22.00 psf overall.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



SOUTHWEST FLORIDA

Retail Q4 2019



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COMMERCIAL PROPERTY
SOUTHWEST FLORIDA

MARKET STATISTICS

COUNTY	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Charlotte	5,608,685	1,271	250,293	4.5%	31,305	123,722	5,400	\$13.22
Lee	27,968,727	9,703	1,657,477	6.0%	-24,242	120,547	96,505	\$14.09
Collier	13,501,987	45,344	719,743	5.7%	7,463	-25,705	213,577	\$21.95
TOTALS	47,079,399	56,318	2,627,513	5.7%	14,526	218,564	315,482	\$15.98

*Source: CoStar Group. Rental rates reflect NNN asking \$psf/yr.

SHOPPING CENTER TYPE	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Super Regional Mall	6,436,476	0	115,993	1.8%	16,908	-29,715	0	\$21.65
Community & Neighborhood	27,871,782	4,638	1,923,133	6.9%	-18,968	149,068	89,072	\$15.38
Power & Regional	4,132,135	42,244	130,674	4.2%	-19,684	-28,863	0	\$21.28
Strip	7,500,947	7,836	428,289	5.8%	24,874	131,399	226,410	\$16.82
Lifestyle	1,138,059	1,600	29,424	2.7%	11,396	-3,325	0	\$19.17

**The above chart excludes Airport Retail, Outlet Centers and Theme/Festival Centers. Super Regional Malls are included for inventory purposes only.

KEY LEASE TRANSACTIONS YTD 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
15271 McGregor Boulevard	S. Fort Myers/San Carlos	Big Lots	76,821	New Lease
4911 Rattlesnake Hammock Road	East Naples	Harbor Freight Tools	17,579	New Lease
5001 S. Cleveland Avenue	S. Fort Myers/San Carlos	Home Centric	15,247	New Lease
3300 Bonita Beach Road	Bonita Springs	NewSouth Window Solutions	11,140	New Lease

KEY SALES TRANSACTIONS YTD 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2336 Surfside Boulevard	Cape Coral	Globe Corporation / Tabani Group, Inc.	117,566	\$13.6M/\$116
1803-1851 NE Pine Island Road	Cape Coral	The Blackstone Group, L.P. / ALTO Real Estate Funds	111,967	\$17.1M/\$153
6891 Daniels Parkway	S. Fort Myers/San Carlos	S.J.Capital Enterprises / AEW Capital Management	111,226	\$36.8M/\$331
3941 Tamiami Trail	Charlotte County	KRG Burnt Store, LLC / Branch Burnt Store Associates, L.P.	95,625	\$17.0M/\$178

KEY CONSTRUCTION COMPLETIONS YTD 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SF	DEVELOPER
2220-2228 Logan Boulevard	North Naples	Sprouts Farmers Market	55,779	GL Commercial

SOUTHWEST FLORIDA

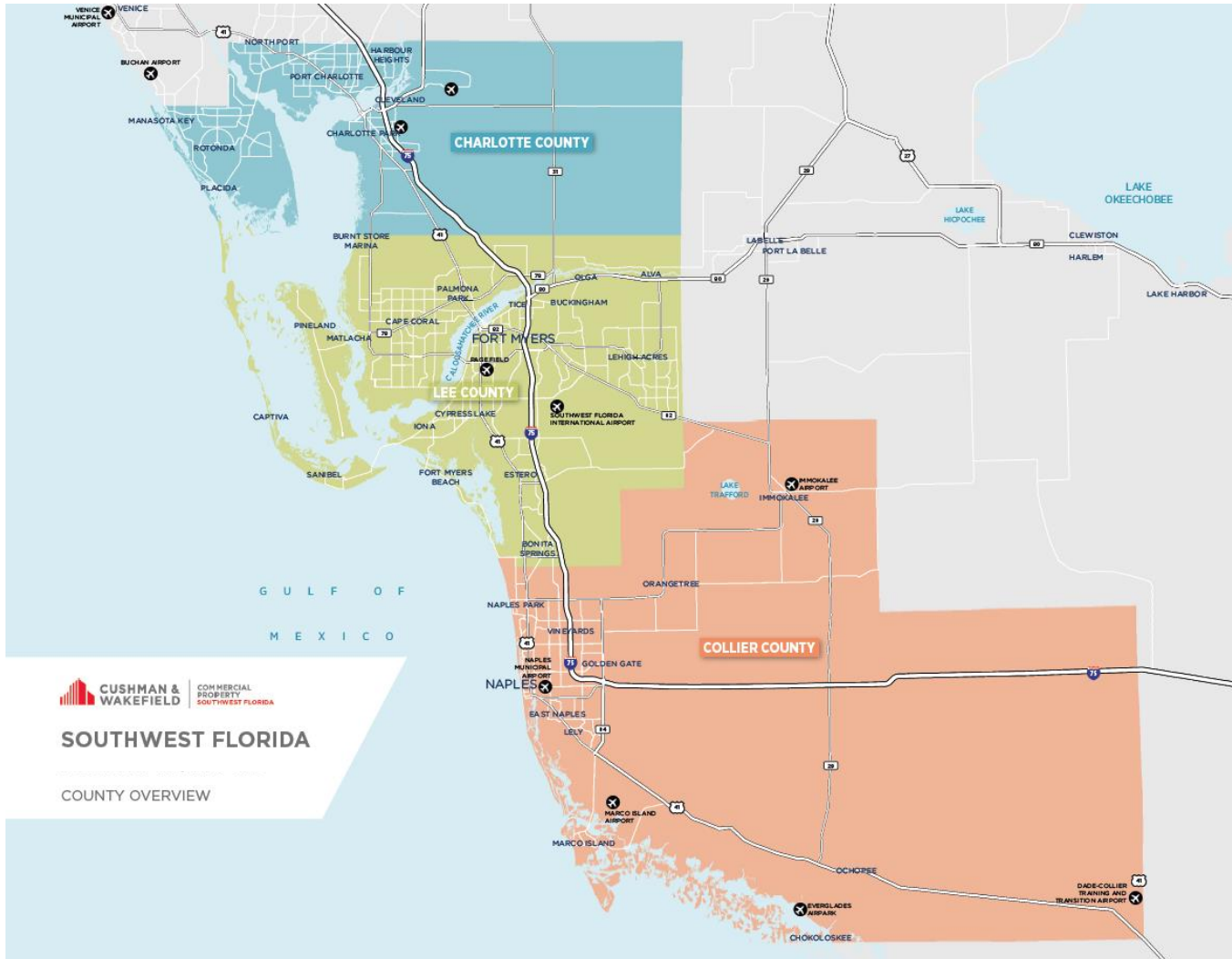
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**COMMERCIAL PROPERTY
SOUTHWEST FLORIDA**

RETAIL SUBMARKETS



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