



MAYHUGH
COMMERCIAL ADVISORS

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2026 SOUTHWEST FLORIDA INVESTOR OUTLOOK: BACK TO REALITY

After several years of aggressive growth and speculative underwriting, commercial real estate investors in Southwest Florida are entering 2026 with a very different mindset.

BACK TO REALITY.

Over the past 12 months, we've seen a clear shift in investor behavior. Capital is still active—but it's more disciplined, more selective, and far more focused on fundamentals. Investors are retreating from speculation and returning to the underlying principles that drive long-term value.

A FLIGHT TO QUALITY

Across all asset classes, there is a pronounced flight to quality. Buyers are prioritizing well-located assets with stable, creditworthy tenants and predictable cash flow. Stretch underwriting and "growth-at-all-costs" strategies have largely disappeared.

SECTOR TRENDS

Industrial and Retail continue to see the strongest demand, driven by durable fundamentals and necessity-based users.

Medical Office and Class A Office are seeing selective interest, particularly for well-leased, institutional-quality assets.

Multifamily and Land/Development have cooled, as investors question near-term demand, construction costs, and exit assumptions.

In Lee County alone, many land projects are fully entitled and shovel-ready. Yet developers have pulled back meaningfully over the last year, choosing caution over risk amid economic uncertainty.

UNDERWRITING IS BACK

The post-COVID era saw deals underwritten on pure speculation—no vacancy, no credit loss, no TI or leasing costs, and aggressive rent growth assumptions. That environment has ended.

Today's investors are once again underwriting:

- Realistic vacancy and rollover risk
- Tenant credit
- Capital expenditures
- Leasing costs and incentives

This return to fundamentals is healthy and necessary.

WHAT TO EXPECT IN 2026

We expect global economic uncertainty to persist into 2026. However, opportunity remains for disciplined investors who focus on quality, price risk appropriately, and maintain conservative assumptions.

Southwest Florida's long-term fundamentals are still intact—but the market has matured.

Back to Reality isn't a retreat. It's a reset.