MAYHUGH
COMMERCIAL ADVISORS

SOUTHWEST FLORIDA INDUSTRIAL

AFTER THE BUILDING BOOM, THE LEASE-UP BEGINS

Southwest Florida spent the past three years building for its growth, Now it is about absorbing it.

The defining story this quarter is supply digestion. Over the trailing twelve months the tri-county region delivered roughly 1.6 million SF of new industrial space while net absorption totaled just over 120,000 SF, pushing vacancy higher in all three markets — but for very different reasons. Fort Myers is working through a wave of speculative product concentrated in large blocks, where lease-up timelines are longest. Punta Gorda absorbed a record 433,000 SF of deliveries against a small 6.7 million SF base, driving vacancy to an all-time high of 13.4%. Naples, by contrast, saw vacancy tick up on negative absorption rather than new supply — only 22,000 SF delivered all year in the region's most land-constrained market.

Importantly, this is a supply story, not a demand collapse. Rents are still growing in every county — up 1.4% to 1.8% year over year — a clear moderation from the 6% to 7% annual pace of the past five years, but growth nonetheless. Tenant behavior is shifting rather than retreating: occupiers are favoring modern, highly functional space and smaller footprints, putting the most pressure on older buildings that lack current features. And capital hasn't blinked. Investors placed $665.9 million across 300 transactions in the past twelve months, with market pricing up 3% to 5% year over year and cap rates settling in the 7.7% to 8.4% range — a sign buyers are underwriting the region's long-term fundamentals, not this quarter's vacancy print.

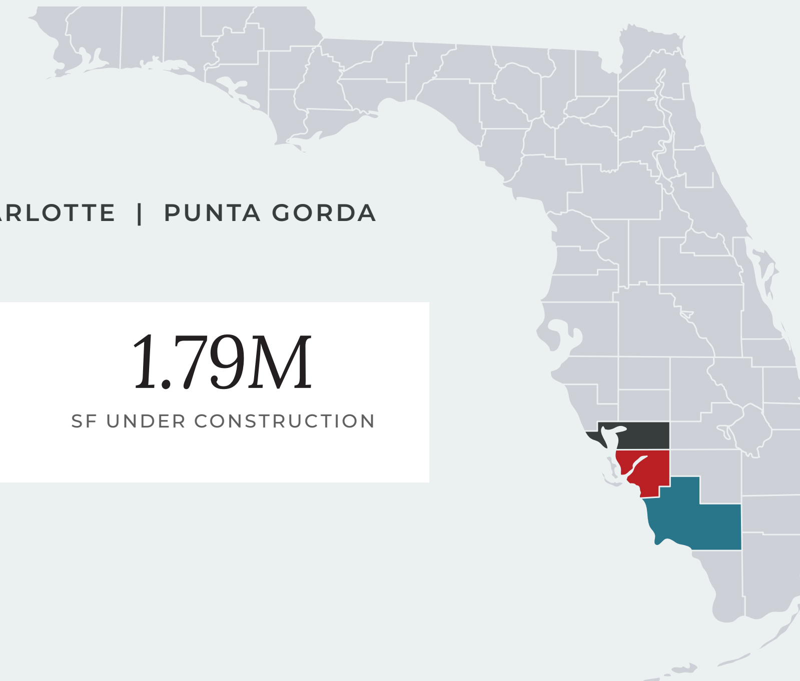
Our Outlook

FORT MYERS
Vacancy is likely near its peak. With deliveries slowing and the pipeline (1.49M SF) increasingly pre-committed, expect gradual normalization through 2027, continued flight-to-quality, and growing pressure on functionally older product.

NAPLES
Should remain the region's tightest and priciest market. With just 34K SF underway, even a modest demand rebound converts quickly to rent growth; expect Naples to keep commanding a $4–5/SF premium over its neighbors.

PUNTA GORDA
Elevated vacancy will linger as the market leases up new space, keeping near-term rent growth muted. Positive absorption and I-75 logistics demand point to recovery, but expect a multi-quarter lease-up runway.

LEE | FORT MYERS   COLLIER | NAPLES   CHARLOTTE | PUNTA GORDA



66.8M	9.1%	$665.9M	1.79M
SF TRI-COUNTY INVENTORY	BLENDED VACANCY (SF-WEIGHTED)	12-MO SALES VOLUME · 300 DEALS	SF UNDER CONSTRUCTION

MARKET FUNDAMENTALS

THREE COUNTIES AT A GLANCE

FORT MYERS
Lee County · 45.4M SF

9.9%	$13.63
VACANCY	ASKING RENT / SF
153K	1.49M
12-MO NET ABSORPTION SF	SF UNDER CONSTRUCTION

Working through a wave of speculative deliveries (1.1M SF in 12 months). Lease-up is slowest in large blocks; smaller tenants and flight-to-quality demand are stabilizing the market.

NAPLES
Collier County · 14.7M SF

4.7%	$18.32
VACANCY	ASKING RENT / SF
(131K)	34K
12-MO NET ABSORPTION SF	SF UNDER CONSTRUCTION

The region's tightest and priciest market. Land constraints keep supply minimal — just 22K SF delivered in 12 months — supporting the highest rents in Southwest Florida despite negative absorption.

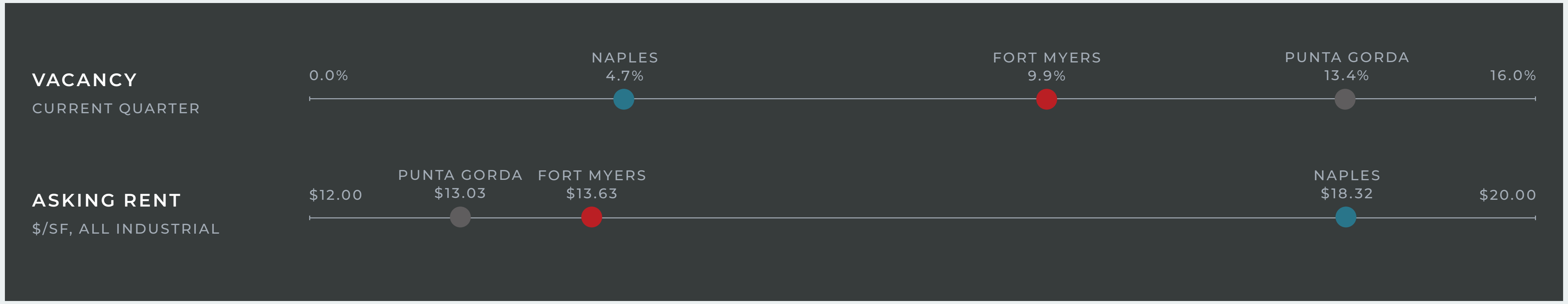
PUNTA GORDA
Charlotte County · 6.7M SF

13.4%	$13.03
VACANCY	ASKING RENT / SF
100K	267K
12-MO NET ABSORPTION SF	SF UNDER CONSTRUCTION

A small market absorbing a big supply wave — 433K SF delivered against 100K SF absorbed pushed vacancy to a record 13.4%, well above the 5-year average of 5.6%. Positive demand, but lease-up will take time.

REGIONAL COMPARISON

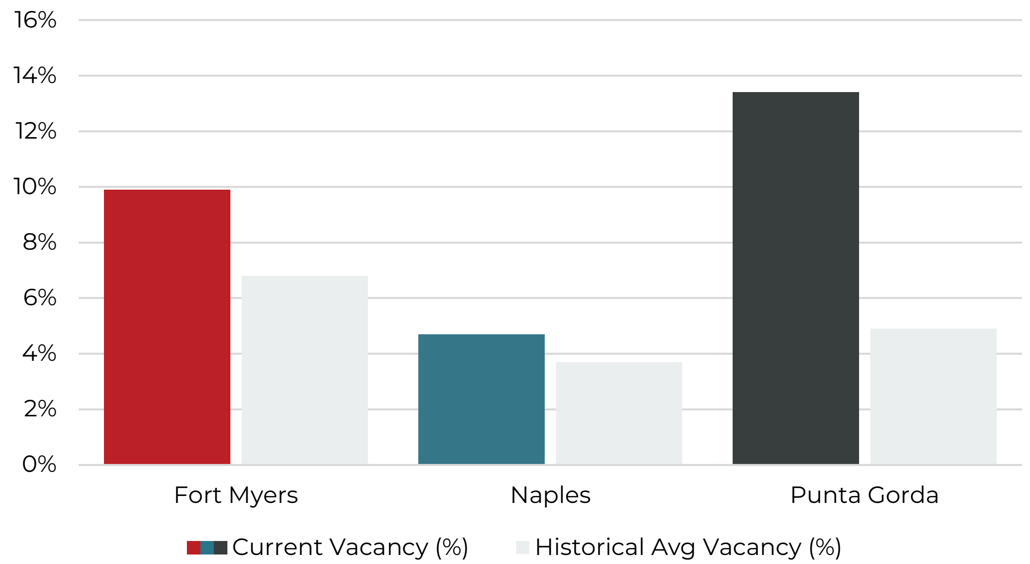
THREE MARKETS, ONE SCALE



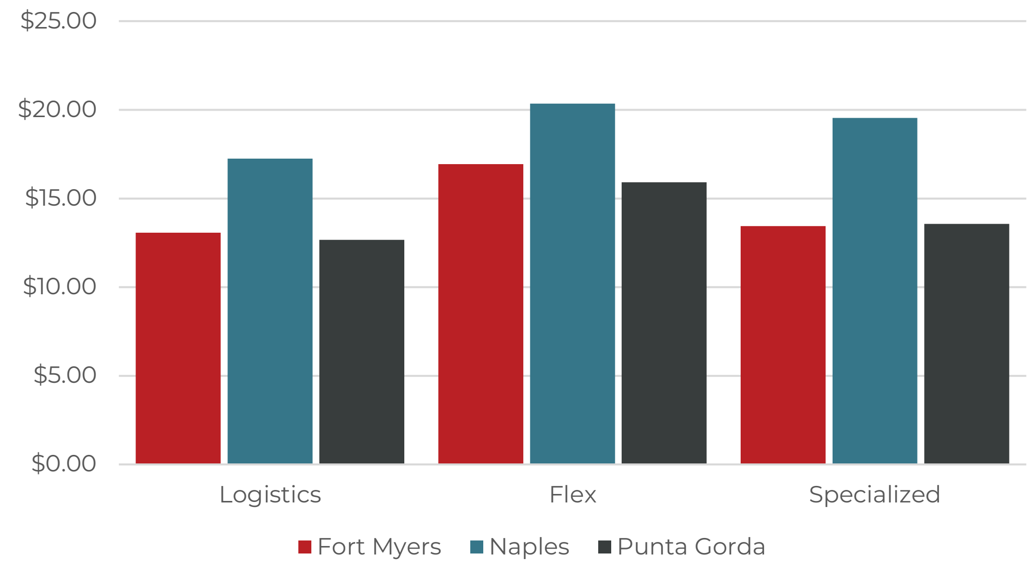
SUPPLY, DEMAND & PRICING

HOW THE MARKETS COMPARE

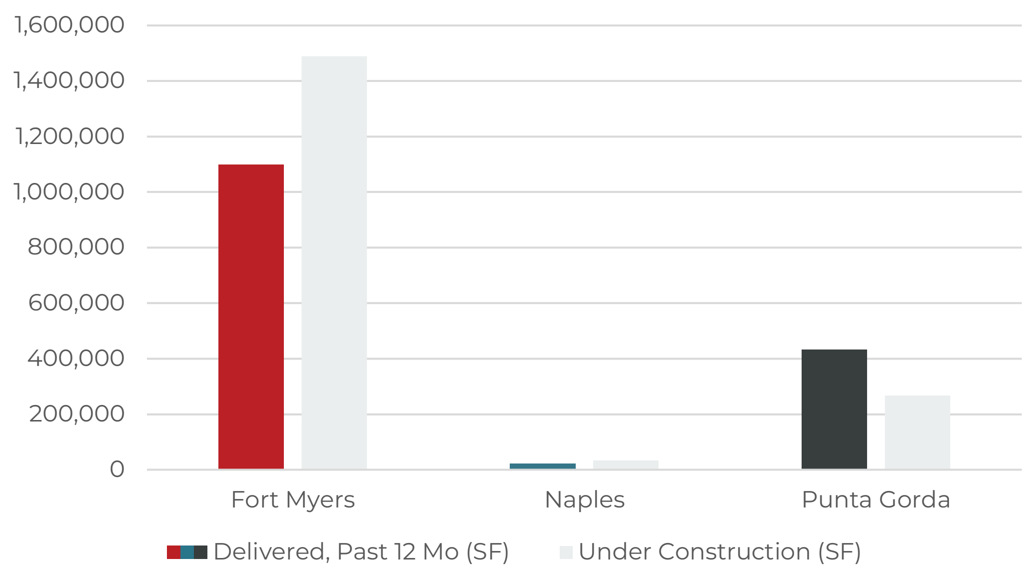
VACANCY VS. HISTORICAL AVERAGE



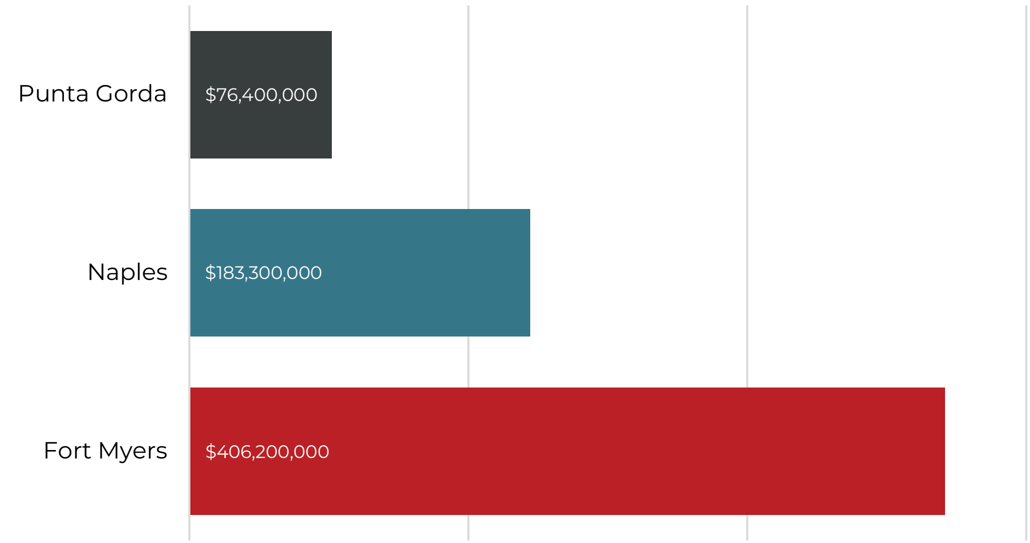
ASKING RENT BY PROPERTY TYPE



CONSTRUCTION PIPELINE



INVESTMENT SALES VOLUME



12-MONTH TRAILING SALES ACTIVITY

TRANSACTION DETAIL

LEE

SALES VOLUME	$406.2M
TRANSACTIONS	189
TRANSACTED SF	3.1M
MARKET PRICE / SF	$149
TOTAL ASSET VALUE	$7.0B

COLLIER

SALES VOLUME	$183.3M
TRANSACTIONS	76
TRANSACTED SF	955K
MARKET PRICE / SF	$197
TOTAL ASSET VALUE	$2.9B

CHARLOTTE

SALES VOLUME	$76.4M
TRANSACTIONS	35
TRANSACTED SF	478K
MARKET PRICE / SF	$135
TOTAL ASSET VALUE	$945M