

SOUTHWEST FLORIDA INDUSTRIAL

DEMAND RETURNS WHILE THE PIPELINE EMPTIES OUT

Vacancy hit a decade high in Fort Myers this quarter — and absorption nearly doubled at the same time. Both facts matter.

The headline numbers still read as a soft market: Fort Myers vacancy rose 2.1 points to 10.3%, a decade high, and Punta Gorda reached 12.4% against a 10-year average of 3.6%. Underneath, though, demand strengthened materially. The region absorbed roughly 383,000 SF over the trailing twelve months — Fort Myers alone recorded 288,000 SF, nearly double the prior reading, and Punta Gorda added 168,000 SF, the strongest absorption relative to inventory in the region at 2.5%. Only Naples posted occupancy losses, giving back 72,600 SF in a market with almost nothing new to lease.

The demand that exists is highly selective. In Fort Myers, buildings completed since 2020 absorbed about 805,000 SF this year while pre-2000 inventory gave back 255,000 SF — a flight to quality reshaping which assets lease and which sit. Large-block activity thinned to three leases above 50,000 SF, but smaller-bay demand held steady at roughly 1.2 million SF. Meanwhile the pipeline is working itself down: 1.60 million SF remains under construction region-wide, and more than half of Fort Myers' share is Amazon's 750,000-SF build-to-suit robotics center — space already spoken for. Rent growth moderated to 1.6%–2.2%, and capital stayed active, with \$731 million trading across 329 transactions at pricing up 2.6% to 4.2%.

Our Outlook

FORT MYERS

Vacancy looks at or near its peak. Nothing delivered this quarter, absorption nearly doubled, and excluding Amazon's build-to-suit the speculative pipeline is modest. Watch S Ft Myers/San Carlos at 14.0% — that is where the remaining lease-up sits.

NAPLES

Negative absorption here is a demand pause, not a supply problem — nothing delivered and only 58K SF is underway. Scarcity should keep Naples at a roughly \$5/SF rent premium and the region's lowest cap rate.

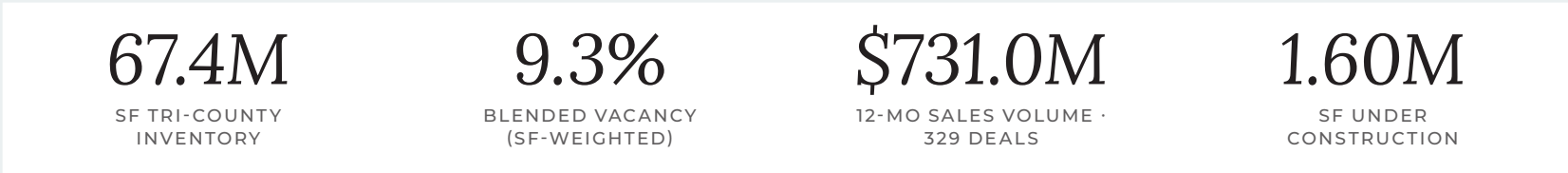
PUNTA GORDA

The region's best demand story — 168K SF absorbed, 2.5% of inventory. But 296K SF is still underway against a 6.7M SF base, so expect vacancy to stay in double digits well into 2027 even as leasing holds up.

LEE | FORT MYERS

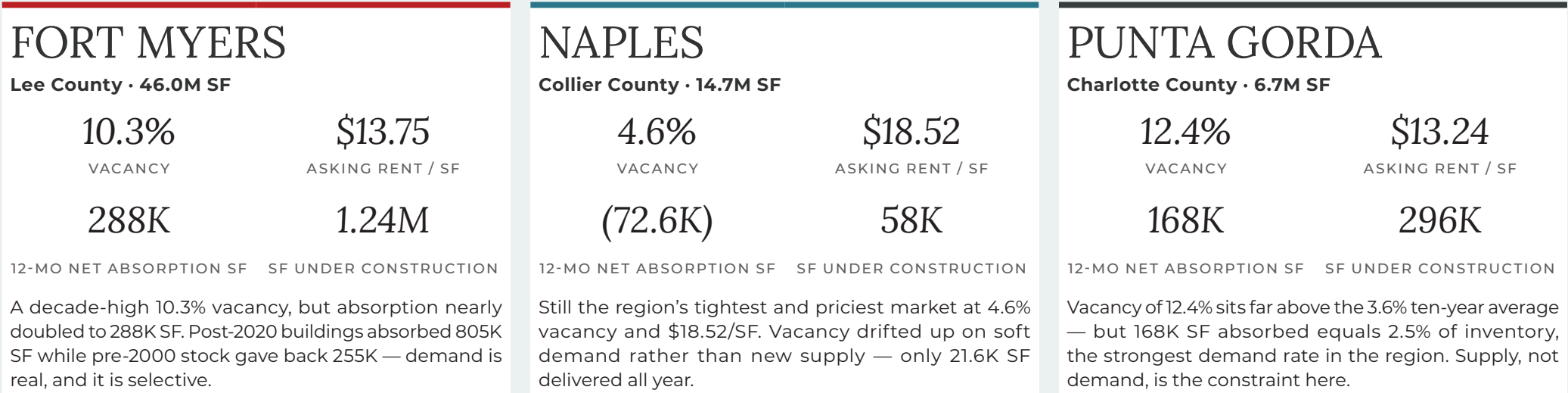
COLLIER | NAPLES

CHARLOTTE | PUNTA GORDA



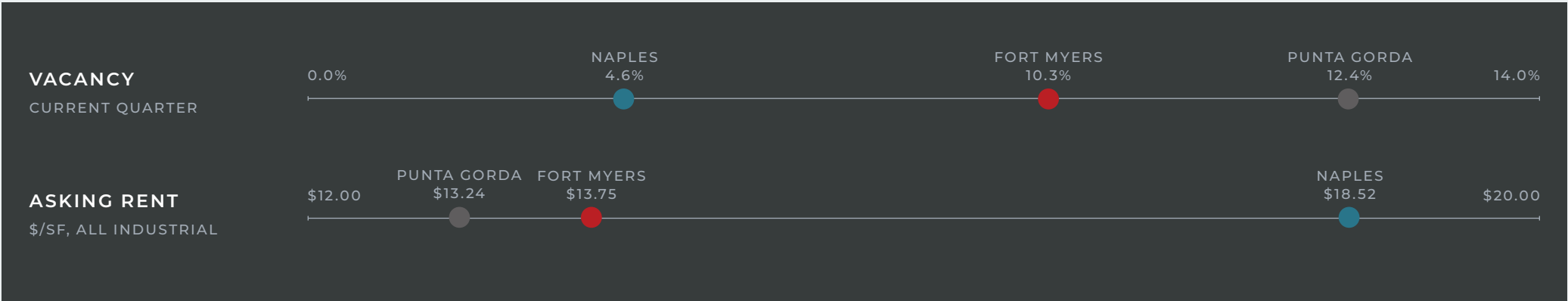
MARKET FUNDAMENTALS

THREE COUNTIES AT A GLANCE



REGIONAL COMPARISON

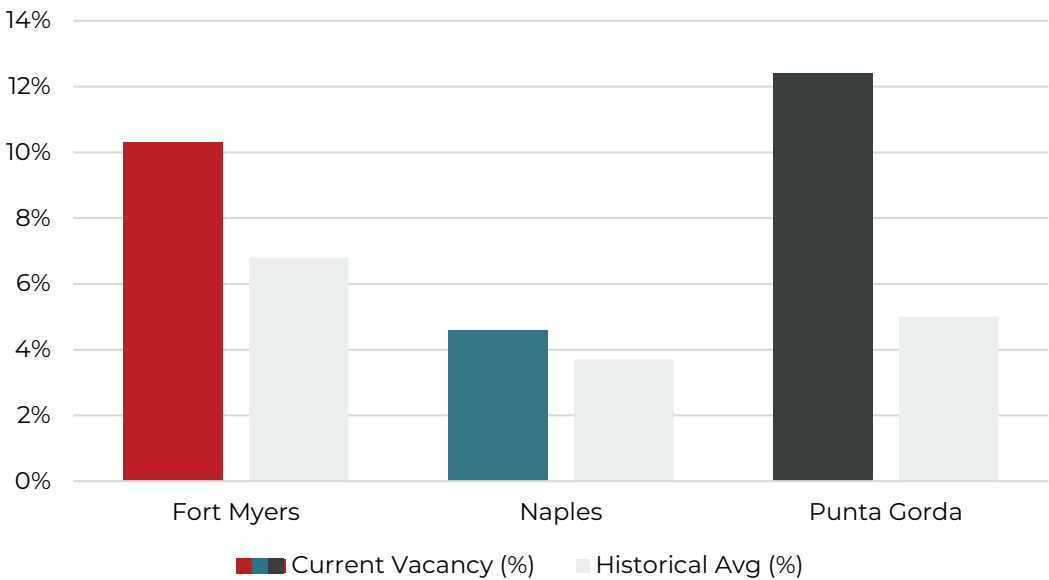
THREE MARKETS, ONE SCALE



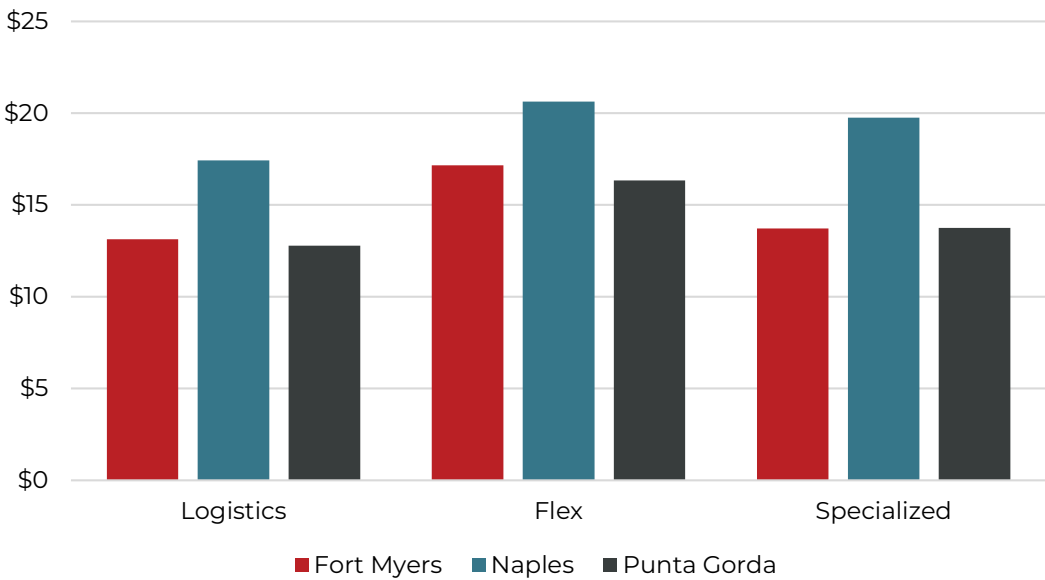
SUPPLY, DEMAND & PRICING

HOW THE MARKETS COMPARE

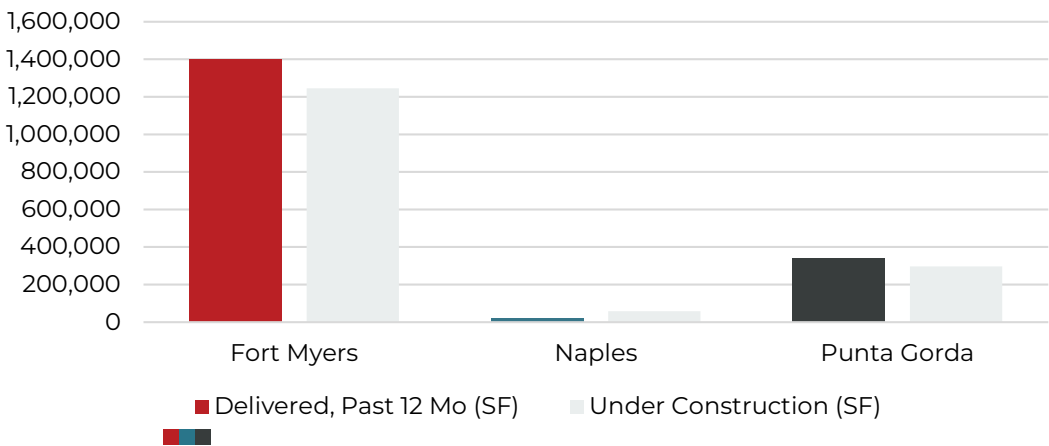
VACANCY VS. HISTORICAL AVERAGE



ASKING RENT BY PROPERTY TYPE

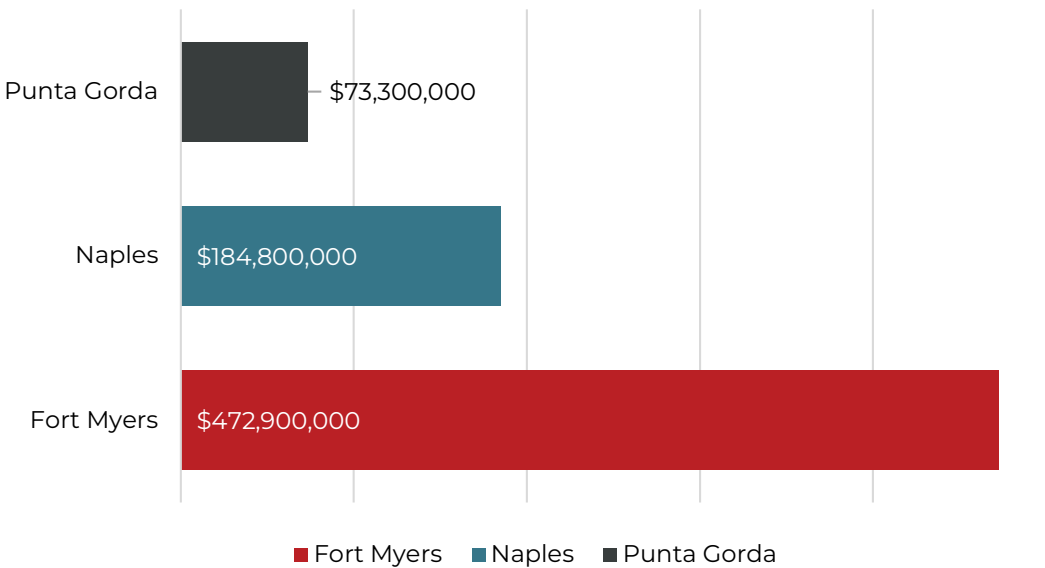


CONSTRUCTION PIPELINE



Note: Amazon's 750,000 SF build-to-suit accounts for more than half of the Fort Myers pipeline.

INVESTMENT SALES VOLUME



12-MONTH TRAILING SALES ACTIVITY

TRANSACTION DETAIL

LEE

SALES VOLUME	\$472.9M
TRANSACTIONS	191
TRANSACTIONED SF	2.8M
MARKET PRICE / SF	\$150
TOTAL ASSET VALUE	\$7.1B

COLLIER

SALES VOLUME	\$184.8M
TRANSACTIONS	94
TRANSACTIONED SF	1.0M
MARKET PRICE / SF	\$200
TOTAL ASSET VALUE	\$3.0B

CHARLOTTE

SALES VOLUME	\$73.3M
TRANSACTIONS	44
TRANSACTIONED SF	503K
MARKET PRICE / SF	\$138
TOTAL ASSET VALUE	\$959.5M