

MARKETBEAT

Retail Snapshot Q4 2015

Fort Myers / Naples



CUSHMAN & WAKEFIELD

COMMERCIAL PROPERTY
SOUTHWEST FLORIDA

ECONOMIC INDICATORS

National

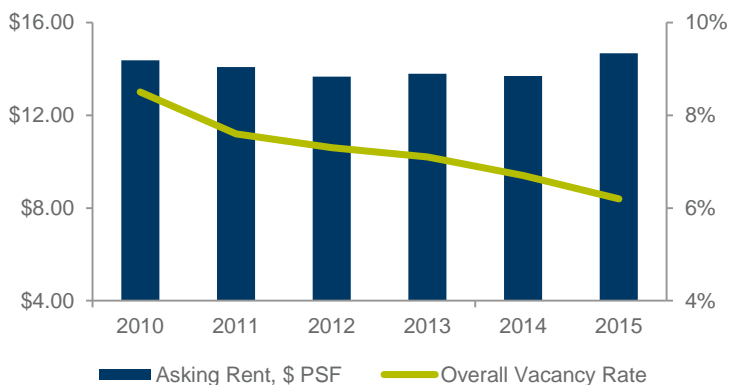
	2014	2015	12-Month Forecast
GDP Growth	2.4%	2.4%	▼
CPI Growth	1.6%	0.1%	▲
Consumer Spending Growth	2.7%	3.1%	▲
Retail Sales Growth	3.9%	2.2%	▲

Regional

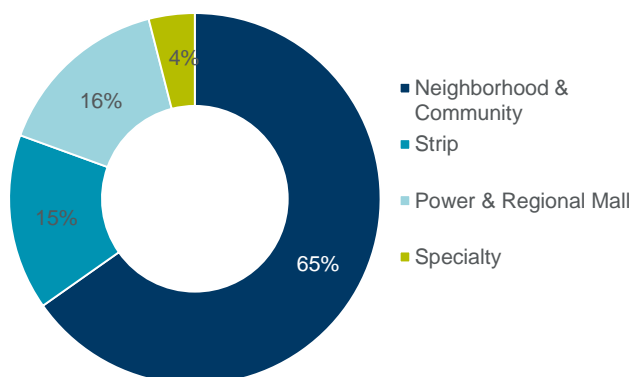
	2014	2015	12-Month Forecast
Household Income	\$50,014	\$52,235	▲
Population Growth	2.7%	2.4%	▲
Unemployment	5.6%	4.8%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Availability by Type



Economy

The Southwest Florida economy continued to exhibit strong growth, with seasonally-adjusted unemployment rate for the five-county region falling to 4.8% for December; over a full point improvement from a year ago. The area recorded a 1.5% increase (4,593) in new jobs added in Fort Myers/Cape Coral and a 0.7% increase (1,085 jobs) in the Naples/Marco Island area. Seasonally-adjusted regional tax sales were up 11% in September 2015 versus September 2014. Tourist Tax revenues for October 2015 climbed to 13% for the region encompassing Collier, Lee and Charlotte counties.

The demand for new construction residential and apartment living properties is expected to continue at least through the next few years. Rental rates have soared as landlords are taking advantage of the high demand and recoup losses from lower rents charged in the wake of the Recession. Salaries are constant, yet rent prices are increasing causing some renters to struggle with higher costs. On a positive note, some renters are considering buying instead.

Market Overview

Restaurants, mattress retailers and new car dealerships are dominating new construction. Cape Coral has over 105,000 square feet (sf) of new retail space. Tamiami Crossing in Naples totaling 122,383 sf delivery date expected early 2016 fully leased with discount stores. Twin Peaks restaurant entered into the SW FL market with more locations anticipated. Retail commercial lots are increasing in price as demand for land increases in some of the hot, growing areas.

Outlook

The regional economy continues to improve and all indicators remain positive going into the first quarter of 2016. Rental rates have continued to increase as occupancy increases. Wal-Mart delivered two stores with over 330,000 sf of retail space in the Q3 and Q4. Currently under construction, Lee County has over 176,000 sf while Collier County is doubled with over 356,000 sf of new product. With gas prices down, the savings is driving consumer spending mainly for the middle-income consumers, while the lower-income consumers are hit with higher costs of rental housing and medical care. The spending patterns in 2016 will not change much as consumers are keeping a close eye on the economy and Wall St. due to the huge decline in fuel prices.

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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
South Fort Myers/San Carlos	768	16,249,687	5.6%	218,348	363,653	79,569	\$14.83
North Naples	535	10,745,737	5.3%	47,782	36,790	179,458	\$19.61
Cape Coral	757	8,809,438	8.6%	35,484	134,895	38,480	\$11.98
City of Fort Myers	762	7,696,205	5.8%	(4,530)	12,442	12,802	\$10.36
East Naples	373	4,186,936	8.1%	14,532	52,125	6,708	\$15.40
TOTAL MARKET**	4,979	68,554,517	6.2%	393,201	985,647	532,967	\$14.68

*Rental rates reflect gross asking \$psf/year

**This table includes Southwest Florida's top five submarkets by inventory size. The total market line represents the overall market total and not just the total from the submarkets listed in the table.

FORT MYERS / NAPLES	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
Regional Mall	83	5,931,955	2.3%	(6,434)	(8,069)	0	\$21.36
Neighborhood Center	445	14,747,918	9.1%	109,730	248,374	12,506	\$13.89
Power Center	66	3,770,790	11.4%	9,476	75,043	10,078	\$15.91
Community Center	206	9,348,881	11.1%	(4,389)	(84,224)	0	\$13.59
Strip Center	587	6,200,750	9.0%	33,086	80,632	33,580	\$13.16
Lifestyle Center	28	1,174,420	5.2%	9,495	33,393	0	\$28.45

Key Lease Transactions Q4 2015

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
13370-13704 N Cleveland Ave	31,235	The Salvation Army	Lease	North Fort Myers
13741-13751 S Tamiami Trl	22,092	Michaels	Lease	S Fort Myers/San Carlos
18011 S Tamiami Trl	19,850	Planet Fitness	Lease	S Fort Myers/San Carlos
4901 Palm Beach Blvd	17,600	Big Lots	Lease	City of Fort Myers

Key Sales Transactions Q4 2015

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
15201 N Cleveland Ave (2 Bldgs.)	321,416	Noble Properties/RD Management, LLC	\$20,500,000 / \$64	North Fort Myers
1111-1177 Homestead Rd N	111,333	Forge Realty Services/Wheeler REIT	\$10,350,000 / \$93	Lehigh Acres
18990-19100 S Tamiami Trl	77,792	KB Investment Hld / Phillips Edison Grocery Center	\$10,800,000 / \$139	S Fort Myers/San Carlos
17940-17968 N Tamiami Trl	66,600	North American Development Gp/Publix	\$15,416,667 / \$231	North Fort Myers

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