

MARKETBEAT

Retail Snapshot Q2 2017

Fort Myers / Naples



ECONOMIC INDICATORS

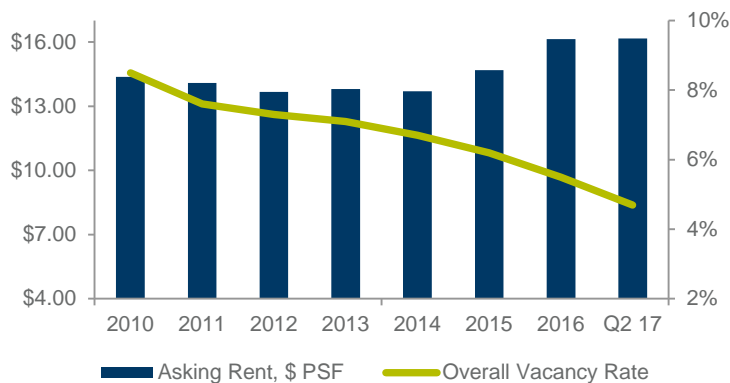
National	Q2 16	Q2 17	12-Month Forecast
GDP Growth	1.3%	2.3%	▲
CPI Growth	1.1%	1.9%	▲
Consumer Spending Growth	2.7%	2.7%	▼
Retail Sales Growth	2.2%	4.0%	■

*Forecast by Cushman & Wakefield. Values represent Yr/Yr % change.

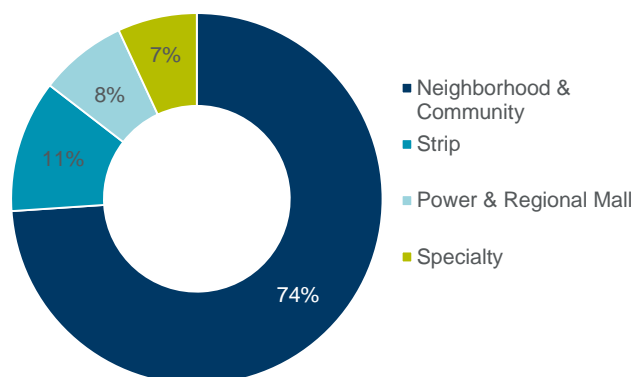
Regional	Q2 16	Q2 17	12-Month Forecast
Household Income	\$52,238	\$54,076	▲
Population Growth	3.1%	3.6%	▲
Unemployment	4.6%	4.3%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Availability by Type



Economy

Southwest Florida's regional economy exhibited strong growth in the second quarter 2017. Positive trends include an increase in tourist tax revenues, an 18.0% increase in single-family building permits, and a 5.0% increase in single family home sales. Median home prices also increased.

Traffic at the Southwest Florida International Airport (RSW) increased 15.0% in the beginning of the second quarter 2017 when compared to 2016. This is the highest recorded increase in RSW airport traffic to date. Passenger activity at the Punta Gorda Airport continues to grow with the developing air services of Allegiant and Frontier airlines adding to the health of the region's economy.

The Retail Market Continues to Change

Southwest Florida has an abundance of strip centers and retail shops. However, the retail sector is changing as e-commerce continues to grow. National chains such as The Limited, Sears, Macy's, and Walgreens experienced substantial store closures. The Whole Foods anchored site-Daniels Marketplace-in Fort Myers broke ground and is expected to be a nearly 140,000-square-foot (sf) neighborhood center, delivering in 2018. The Amazon-Whole Foods acquisition may bring Amazon's presence to Southwest Florida. In spite of the Amazon takeover, residents maintain a desire for the in-person, bricks and mortar, shopping experience. The University Village Shops is under construction with an expected delivery in the third quarter 2017. The new shops will total approximately 70,000 sf of restaurants, boutiques, and other retailers. The new shopping center, just south of Florida Gulf Coast University, will service students, local, and seasonal residents.

Outlook

The future of the retail sector is changing as more retail chain store closures are expected this year. The Internet continues to be a major player in the health and direction of the retail sector.

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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	984	16,216,761	4.5%	174,719	160,045	178,045	\$15.63
North Naples	544	10,927,785	3.2%	49,268	62,855	0	\$22.49
Cape Coral	784	9,184,241	6.0%	112,866	162,749	52,000	\$13.62
City of Fort Myers	789	7,909,182	4.0%	49,974	100,424	0	\$11.92
East Naples	389	4,188,994	6.0%	17,603	25,135	28,500	\$16.78
TOTAL MARKET**	5,127	69,673,584	4.7%	497,328	747,213	579,376	\$16.16

**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	86	5,944,248	0.4%	69,568	77,597	0	N/A
Neighborhood Center	441	14,431,898	7.6%	57,208	114,079	10,000	\$14.41
Power Center	64	3,307,149	5.6%	69,071	69,776	0	\$21.70
Community Center	224	10,019,660	9.4%	37,123	62,233	0	\$15.20
Strip Center	578	6,078,359	5.2%	55,002	64,658	33,523	\$14.09
Lifestyle Center	32	1,291,556	4.3%	4,600	1,508	114,918	\$29.73
Specialty (Airport, Outlet, Themed)	10	639,817	29.8%	-14,011	-29,836	65,650	\$23.78

Key Lease Transactions Q2 2017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
950 Immokalee Rd.	14,490	Withheld	New Direct	North Naples
12655-12695 Tamiami Trl. E.	10,000	Pet Super Market	New Direct	Lely
1803-1851 NE Pine Island Rd.	8,630	Five Below	New Direct	Cape Coral
4170 Evans Ave.	8,500	Withheld	New Direct	City of Fort Myers
4351-4383 Tamiami Trl. N.	7,861	Kirkland's	New Direct	North Naples

Key Sales Transactions Q2 2017

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
7950 Dani Dr.	78,533	Kite Realty Group / Publix Super Markets, Inc.	\$18,197,000 / \$232	S. Fort Myers/San Carlos
9955 Triangle Blvd.	55,000	Stock Development / E5 Ventures LLC	\$9,350,000 / \$170	Lely
4681 Waycross Rd.	44,800	Riverview Homes LLC / Cole Credit Property Trust V, Inc.	\$15,171,000 / \$339	City of Fort Myers
3790 Tamiami Trl. N.	33,951	Oppidan Investment Company / C & A Associates, LLC	\$16,857,000 / \$497	North Naples
2261-2283 Main St.	28,723	Greg Donovan Investment / Jackson & Main, LLC	\$4,400,000 / \$153	City of Fort Myers

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