



Q1 | 2023

# MARKET SNAPSHOT

## SOUTHWEST & CENTRAL FLORIDA



**22,364,763**

TOTAL INVENTORY (SF)



**6.02%**

AVERAGE VACANCY RATE



**507,275**

NET ABSORPTION (SF | 12 MONTHS)



**390,000**

UNDER CONSTRUCTION (SF)



**\$27.13**

AVERAGE RENTAL RATE



**7.38%**

AVERAGE CAP RATE

## OFFICE IN FLORIDA - A STABLE, LONG-TERM ASSET

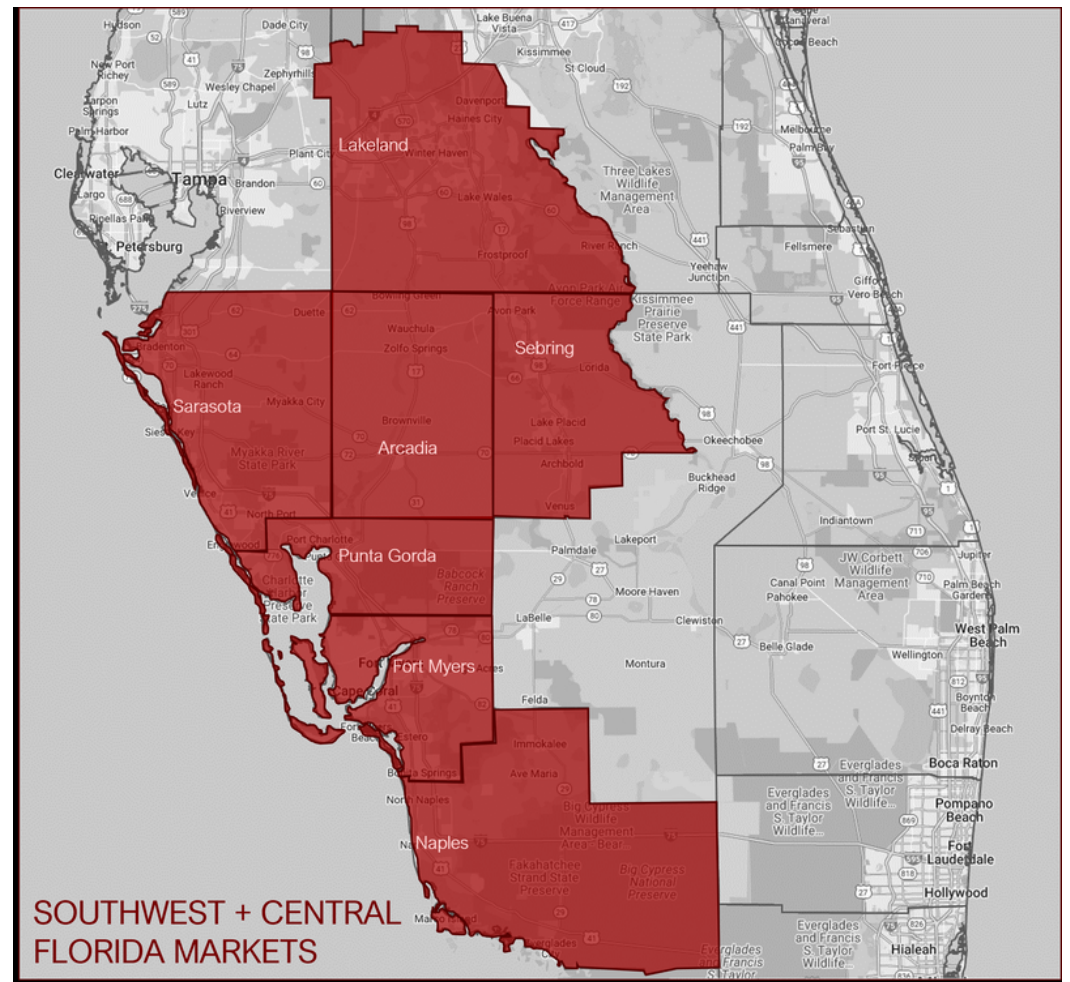
The post-pandemic world created a multitude of question marks surrounding the future of traditional office space. However, new studies report that 66% of employers are currently requiring employees to come back to the office, with that number expected to rise to 90% by the end of 2023. (*ResumeBuilder.com*)

While many larger markets are still experiencing high vacancy rates, the Southwest and Central Florida markets are showcasing the back-to-office trend, with vacancy rates well below the national average of 16.5% (*CommercialEdge | March 2023*). In fact, in a recent article, CoStar states, "The Southwest Florida markets have some of the lowest office and industrial vacancy rates in Florida." From Q4 2022 to date, nearly 90 leases have been signed in the region for office spaces over 50,000 SF.

The biggest challenges tenants are facing in the region are the lack of new office space under construction and the age of the existing on-market buildings in need of renovations. The shortage of turn-key office space, influx of businesses to the area, and rising costs of materials are contributing to higher tenant improvement costs across the state.

While many landlords may not be willing to absorb these extra expenses, the ERES team has proven strategies to help reduce overhead and provide our clients with exactly what they need to make the most out of any office space.

*To learn more, contact Chris DiBitto in our Sarasota office.*



*\*All Data Points Sourced from CoStar 2023 | Reflective of 50,000 SF + Properties*



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