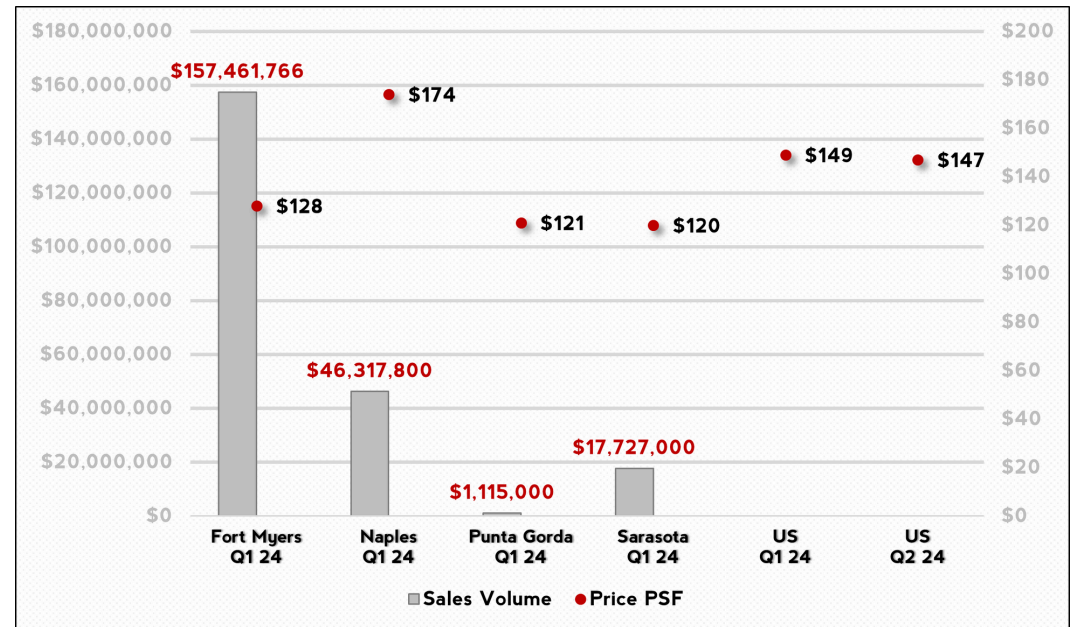
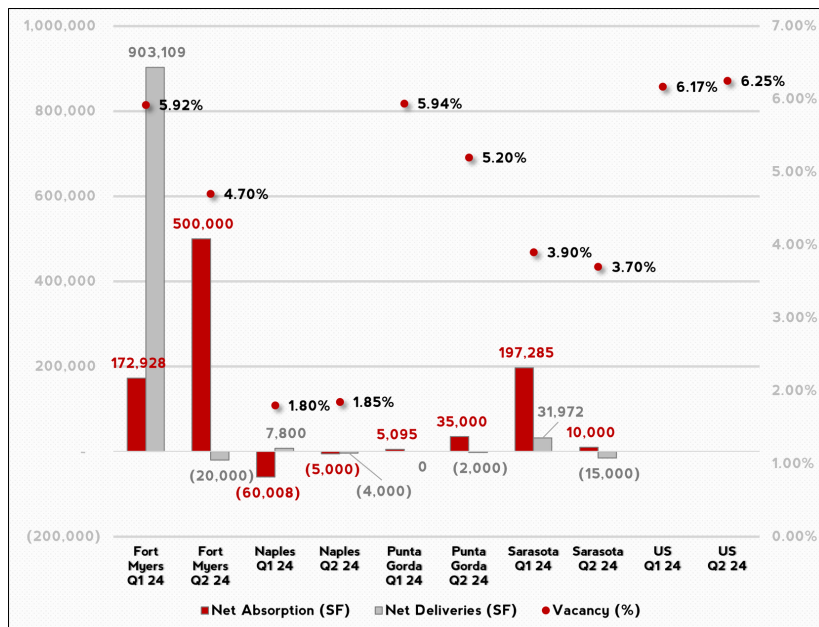


# SOUTHWEST, FL INDUSTRIAL

## PIPELINE IS CATCHING UP TO DEMAND - VACANCY RATE STILL WELL BELOW THE NATIONAL AVERAGE



There's a notable gap between supply and demand in Sarasota's industrial real estate market. With 1.6 million square feet delivered in the past year and only 470,000 SF absorbed, the vacancy rate in the region sits at 3.7%, its highest in 8 years (Q1 2023 sat at 1.8%). While leasing activity has slowed there has still been a 6.5% year-over-year increase in average asking rents. This is, however, significantly lower than the peak of 12% the market experienced at this time last year.

Fort Myers has also seen an increase in industrial vacancy (6.1%), largely due to new construction outpacing leasing activity. With 2.9 million SF delivered over the past year and 1.2 million SF still underway, competition for industrial users is intensifying (which will likely lead to a further decrease in asking rental rates). Leasing volume has decreased, with over 80% of the active pipeline still available for lease.

In Naples, however, industrial vacancies remain at a low 1.6% with 880,000 SF delivered and 790,000 SF absorbed over the past 12 months. Rents have risen here 6.4% during that time, now averaging \$17/SF (significantly higher than the national average). Despite its smaller market size, Naples has seen consistent sales activity, particularly in logistics space.

Similarly, Punta Gorda has seen a greater demand for logistics space. It has also, however, seen a spike in overall vacancy (a 5.6% increase over the past year). Despite the growing vacancy, rents have increased 6.5% in that same time period.

\*All data points sourced from CoStar 2024



**CHRIS DIBITTO**  
MANAGING BROKER

✉ [chris.dibitto@erescompanies.com](mailto:chris.dibitto@erescompanies.com)

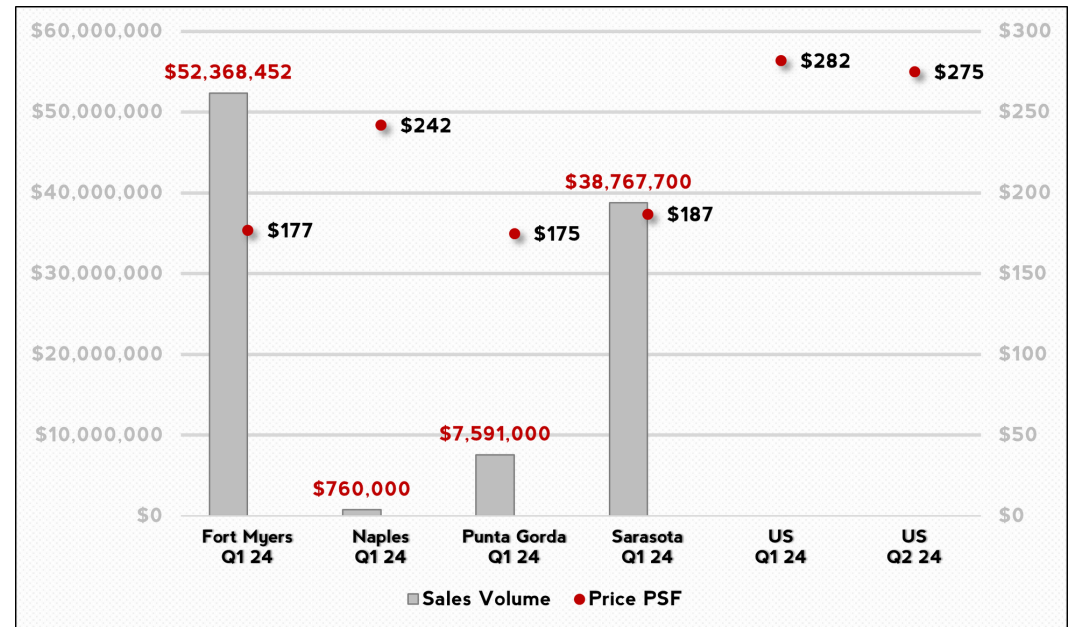
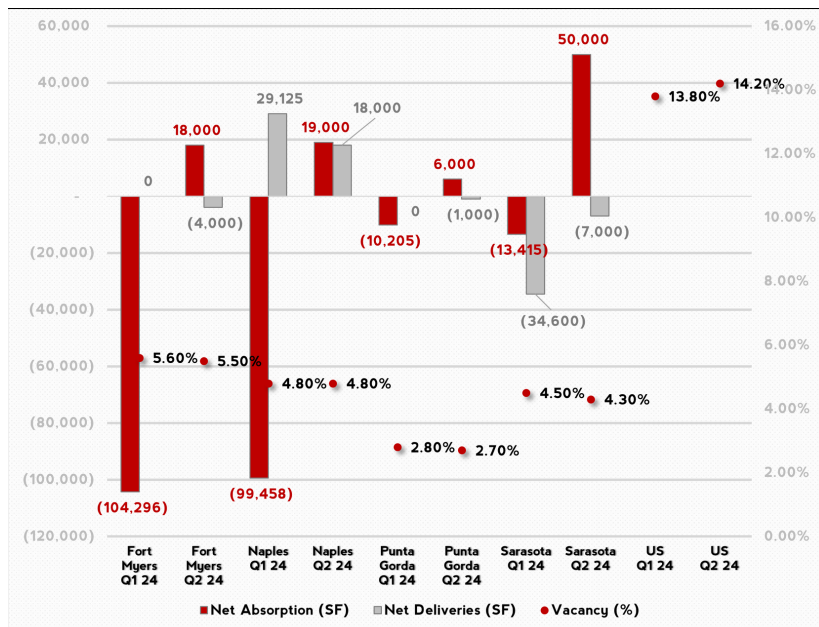
☎ +1 941.724.7416

📍 1819 Main Street | Suite 1000 | Sarasota, FL

🌐 [www.erescompanies.com](http://www.erescompanies.com)

# SOUTHWEST, FL OFFICE

## LOW VACANCY REMAINS - WITH STABLE RENTS AND A SHALLOW PIPELINE



In Sarasota, the office market, though still relatively strong with a vacancy rate of 4.5%, has experienced four consecutive quarters of negative absorption, resulting in a -130,000 SF net absorption rate for the trailing 12 months. Despite minimal new office construction (with only 120,000 SF delivered in the past year), asking rent growth has decelerated to 4.0% as of Q2 2024. Office leasing activity has slowed as well, with 730,000 SF leased in 2023 compared to 1.1 million SF in 2022.

The Fort Myers office market vacancy stands at 5.6%, with recent tenant move-outs contributing to a nearly 100 basis points increase in vacancy year-over-year. Limited new construction has helped maintain this low vacancy rate, with only 110,000 SF delivered in the past year. However, sublease space has increased significantly, with 440,000 SF available, primarily due to management consulting firm Gartner offering over half of this space for sublease.

The Naples office market boasts a lower vacancy rate of 4.7%, down from the previous year, with positive absorption and modest new deliveries contributing to this stability. Rents have increased by 3.6% year-over-year, reaching \$34.00/SF, and the market has seen consistent sales activity, totaling \$83.7 million in volume over the past year. Punta Gorda maintains an even lower vacancy rate of 2.6%, with rents increasing by 1.8% over the past year to \$22.00/SF. Limited construction activity and steady sales volume characterize this market, which has remained relatively stable over the past three years.

\*All data points sourced from CoStar 2024



**CHRIS DIBITTO**  
MANAGING BROKER

✉ [chris.dibitto@erescompanies.com](mailto:chris.dibitto@erescompanies.com)

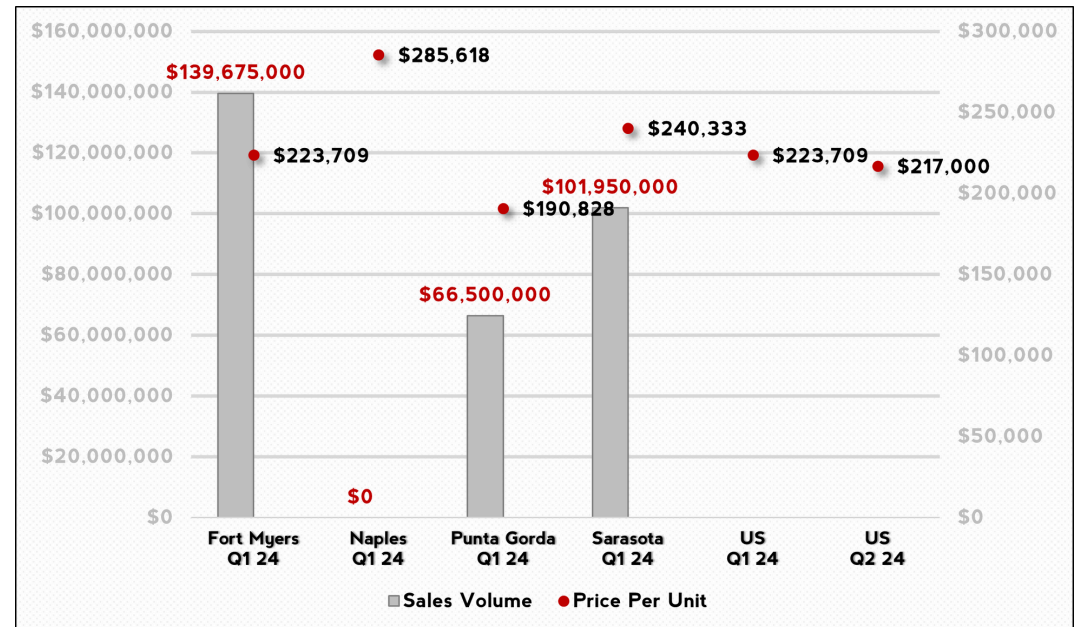
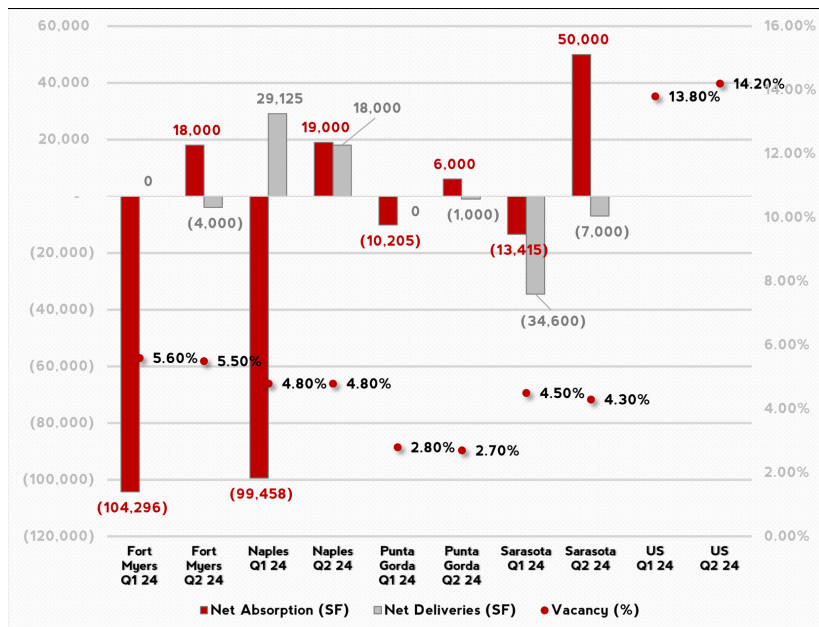
☎ +1 941.724.7416

📍 1819 Main Street | Suite 1000 | Sarasota, FL

🌐 [www.erescompanies.com](http://www.erescompanies.com)

# SOUTHWEST, FL MULTIFAMILY

## VACANCY RATES & NEW CONSTRUCTION JUMP - RENTERS ARE STILL BEING DRAWN TO THE REGION



Despite some challenges in the Sarasota multifamily market due to significant new construction outpacing renter demand, the region continues to attract attention with its expanding inventory and evolving rental landscape. Vacancy rates have seen a jump to 10.8% as of the close of Q1 2024 and rent growth has decelerated to -2.1% annually. As rents adjust in response to market dynamics, savvy investors have the chance to capitalize on emerging opportunities and contribute to the city's ongoing transformation. However, as condo sales plateau, we predict an uptick in multifamily leasing activity.

Fort Myers faces similar realities, with a current vacancy rate of 13.4%. Though this number is a marked increase from the same time last year, current levels remain well below the previous peak of 25% vacancy in early 2020. Asking rents in this market have contracted by -5.7% year over year, boding well for renters.

Naples actually saw a boost in renter demand in Q1 2024, leading to a decline in vacancy to 8.7%, but this is expected to rise again with upcoming deliveries. Rent growth has slowed to -3.7%, reflecting the same theme of oversupply on the Gulf Coast. Punta Gorda faces the highest vacancy rate at 27.5%, also driven by significant new deliveries exceeding demand. On the positive side for residents, rents have decreased by -9.1% year over year across all property types. Future outlooks for the multifamily market in SW Florida is largely dependent on balancing supply with demand to stabilize vacancies and rents.

\*All data points sourced from CoStar 2024

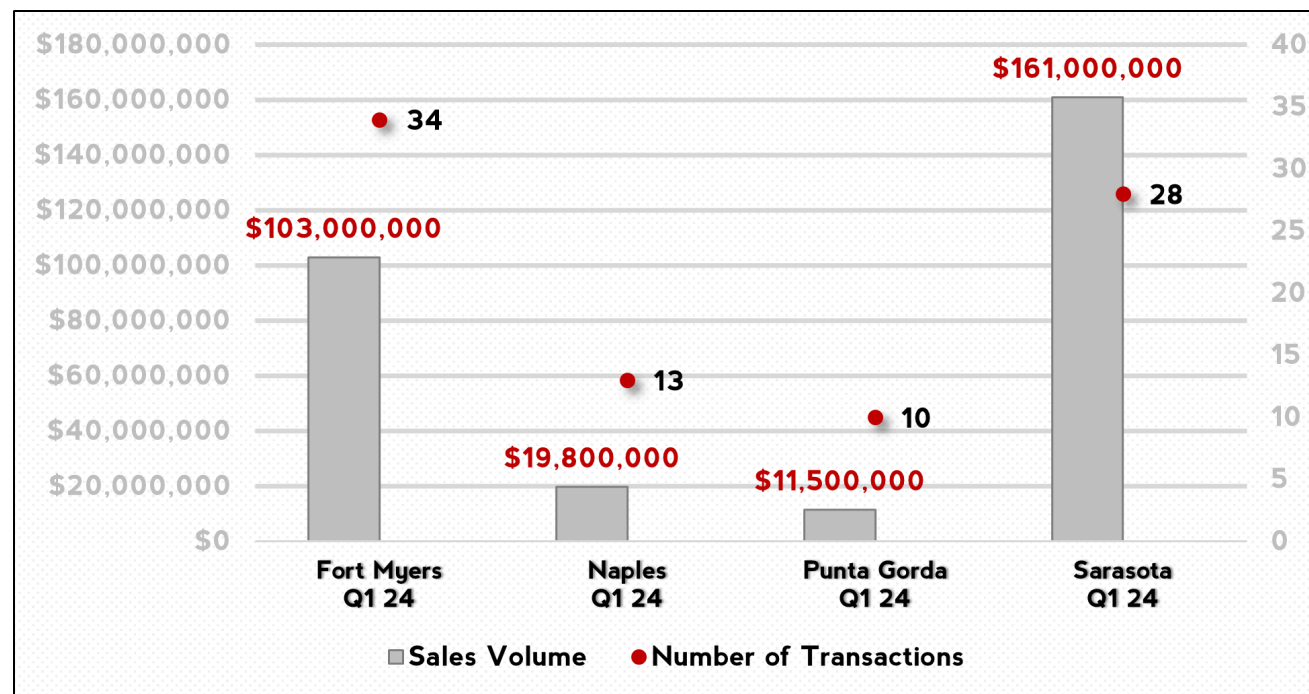


**CHRIS DIBITTO**  
MANAGING BROKER



# SOUTHWEST, FL LAND

**DEBT AND FINANCING SLOW SALES - WELL LOCATED/PRICED SITES ARE STILL IN DEMAND & CONTINUING TO TRADE**



As 2023 came to a close, land was in particularly high demand, as was reflected in strong sales activity locally through most of the year. The start of 2024 tells a slightly different story, with recorded transactions falling in considerably lower than Q4 of 2023. This is largely due to development slowing after a robust influx of new businesses and residents flocking to southwest Florida post-Covid. Also factored in is the difficulty to secure funds/debt for construction, leading many groups to turn toward existing structures over ground-up projects.

Multifamily land, however, is still trading at high prices when packaged with designs, permits, and other groundwork already completed (as this reduces time and efforts to get to occupancy).

As these market shifts continue, overall land values have begun to stabilize once again. This stabilization is likely to continue throughout the year, with the hope that sales activity will pick up again post-election.

\*All data points sourced from CoStar 2024



**CHRIS DIBITTO**  
MANAGING BROKER

 [chris.dibitto@erescompanies.com](mailto:chris.dibitto@erescompanies.com)

 +1 941.724.7416

 1819 Main Street | Suite 1000 | Sarasota, FL

 [www.erescompanies.com](http://www.erescompanies.com)