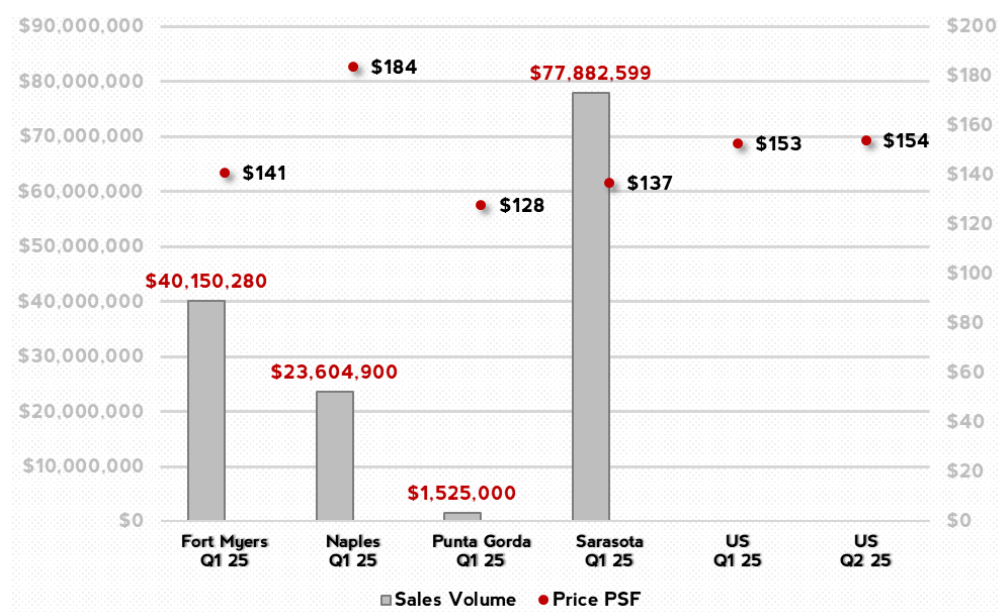
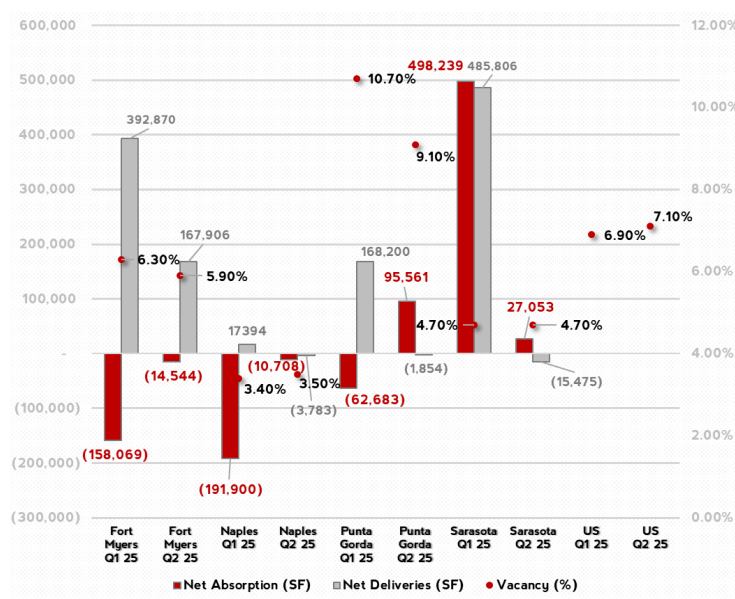




Q1 | 2025 MARKET SNAPSHOT

SOUTHWEST, FL INDUSTRIAL

THE INDUSTRIAL MARKET REMAINS ROBUST



Sarasota's industrial market has seen a surge in construction and a corresponding rise in vacancy. The vacancy rate climbed to 4.9% following 1.6 million SF in new deliveries and limited net absorption beyond United National Foods' 1 million SF cold storage facility. Leasing volume totaled 1.4 million SF in 2024, though most large deals were renewals. Asking rents grew 3.6% YoY to \$13.20/SF, but rent growth has cooled from previous years. Investment activity is strong, totaling \$301 million in the past year—triple the pre-pandemic average. Institutional capital made its mark in Q1 with major transactions such as AEW's \$45 million acquisition of the vacant Palmetto Industrial Park. Owner-users like Jarlin Cabinetry and Furniture Warehouse targeted newer industrial inventory, acquiring assets at approximately \$150 PSF. ERES also contributed to first-quarter activity with the sale of an 11,632 SF industrial flex property at **6289 Tower Lane**, which sold to a user for \$3.5 million (~300/SF) in March.

Fort Myers remains a regional powerhouse, with 42 million SF of inventory and 940,000 SF delivered in the past year. The vacancy rate sits at 6.4%, up from 0.9% in early 2023, but a decline from its mid-2024 peak. Demand is catching up to supply, with 600,000 SF absorbed in 2024, narrowing the supply-demand gap from over 1 million SF in 2023 to just 500,000 SF. With only 1.6 million SF under construction—mostly sub-100,000 SF buildings—the market is entering a more stabilized phase. Rents are up 3.6% YoY to \$13.40/SF, beating the national average. Fort Myers also led the region in industrial investment activity, racking up over \$400 million in volume in 2024 alone. Three standout trades included the \$155M sale of Tri-County Commerce Center (818,000 SF), EQT Exeter's \$92.5M acquisition of Centerlinks Business Park (455,000 SF), and GTJ REIT's \$35M purchase of the fully leased Frito-Lay facility.

With just 14.5 million SF of inventory and a 3.5% vacancy rate, **Naples** remains tight, though relatively quiet. The only major move was Uline's 940,000 SF build-to-suit completion in 2023. New construction is nearly nonexistent, with less than 20,000 SF in the pipeline. The average asking rent is \$17.80/SF—among the highest in Florida—and up 3.7% YoY. Sales volume stayed steady at \$84.2 million, consistent with Naples' five-year average. Institutional players remain rare, with private buyers leading most trades, like Venture One Real Estate's \$17M purchase on Enterprise Avenue.

Punta Gorda's industrial market, at 6.1 million SF, is experiencing elevated vacancy at 9.3%, well above its 10-year average of 2.4%. This is due to 210,000 SF of new deliveries and -14,000 SF of net absorption. About 220,000 SF is under construction. Average asking rents sit at \$12.50/SF, up 3.8% YoY and outperforming the national average. However, sales volume dropped to just \$6.4 million over the past year—far below the five-year average of \$30.9 million. Cap rates are estimated at 8.4%, indicating potential opportunity for yield-seeking investors.

*All data points sourced from CoStar 2025



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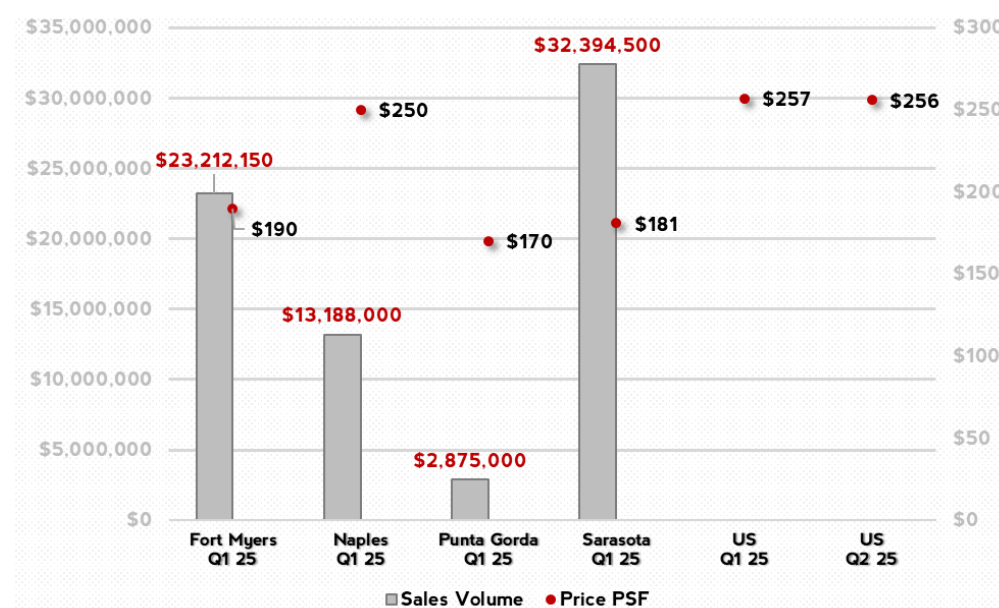
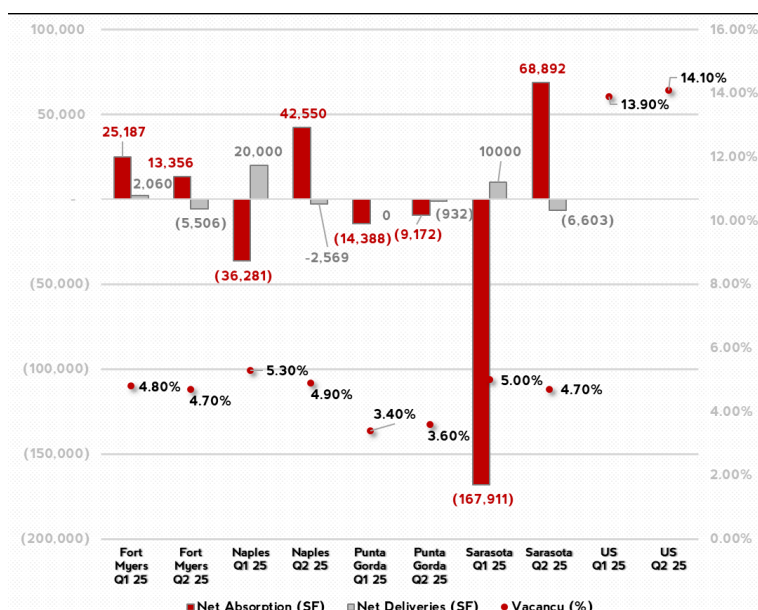
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Q1 | 2025 MARKET SNAPSHOT

SOUTHWEST, FL OFFICE

VACANCY AMONG THE LOWEST IN THE US & STRONG INVESTOR INTEREST IN MEDICAL ASSETS



Sarasota, the region's largest office market with 28 million SF, maintains a solid 5.2% vacancy rate despite recording -93,000 SF of absorption over the past year. Leasing demand is steady, especially in smaller spaces, though supply for high-quality suites under 7,500 SF is limited. Average rents stand at \$30.00/SF, with growth easing to 2.6%. Medical office continues to drive investment, with \$202 million in sales over the past year. Sarasota's size, stability, and medical office focus keep it attractive despite cooling rent growth. Included in the current office inventory is a 30,000 SF premier corporate headquarters campus for sale at **4081 Lakewood Ranch Blvd** (listed with ERES). Lakewood Ranch continues to be a sought after submarket for office tenants, while vacancy remains low.

Southwest Florida's second-largest office market, **Fort Myers**, remains stable with a low 5.0% vacancy rate, slightly down from last year. While demand has cooled since the 2021 surge, limited new construction (just 15,000 SF delivered) and affordable rents—averaging \$27.00/SF—help maintain balance. Annual rent growth slowed to 2.8%. Sales volume reached \$186 million over the past year, with notable interest in medical office assets. Despite muted activity, Fort Myers offers solid fundamentals and affordability for tenants and investors alike.

Naples boasts one of Florida's lowest vacancy rates at 5.5% and remains the most expensive office market in the region, with average rents of \$35.00/SF and \$42.00/SF for top-tier space. Though absorption was negative (-57,000 SF), leasing has remained strong with consistent quarterly volume. Limited new supply and demand for medical office space continue to support asking rent growth, now at 2.2%. A standout \$21.5 million sale highlighted renewed investor confidence. While growth is slowing, Naples' high-quality market fundamentals remain intact.

Punta Gorda's small but steady office market holds a tight 3.6% vacancy rate and has seen slight negative absorption (-37,000 SF) over the past year. Rents rose 1.7% year over year to \$24.00/SF, with pricing still well below national averages. No new construction is underway, and sales activity totaled \$11.6 million—mostly smaller deals. With limited inventory and consistent demand, Punta Gorda remains a low-risk, value-focused market for investors and tenants.

*All data points sourced from CoStar 2025



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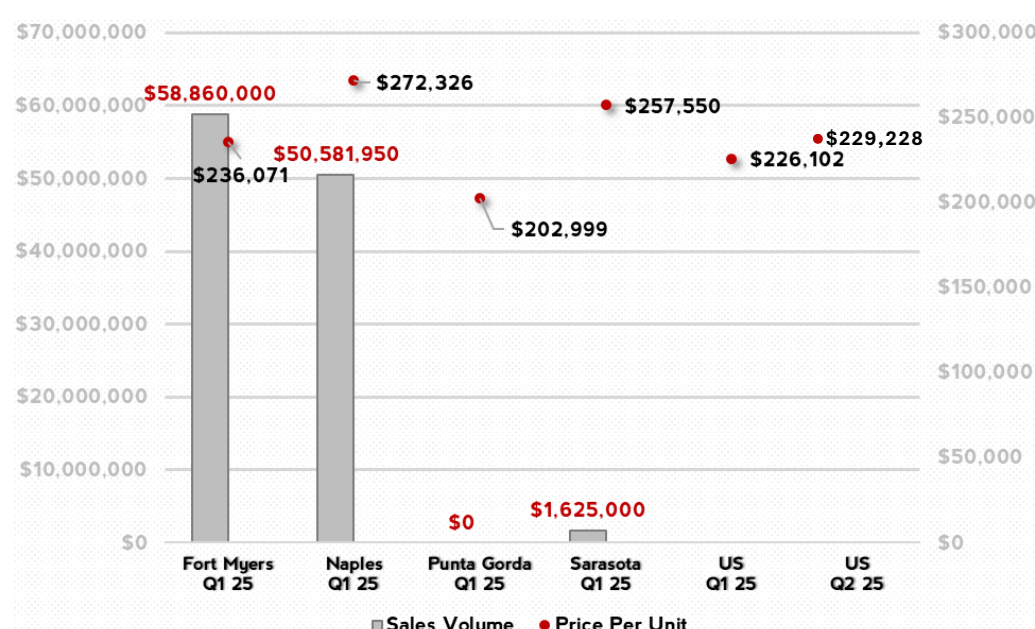
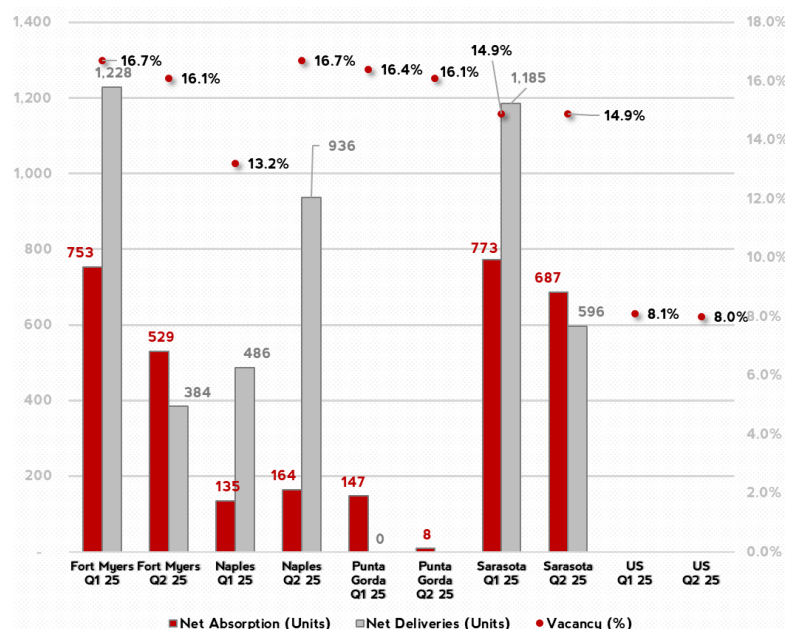
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Q1 | 2025 MARKET SNAPSHOT

SOUTHWEST, FL MULTIFAMILY

RENTER DEMAND REBOUNDS, BUT NEW SUPPLY TEMPERS MOMENTUM



Sarasota has seen rapid expansion, with 10% of its inventory delivered in the past year and nearly another 10% on the way. That surge has pushed vacancy to a near-decade high of 14.9%, with Venice/Englewood topping 30%. Rents have fallen 1.9% to \$2,140/month, with the hardest-hit submarkets seeing sharper declines. However, construction starts have slowed, and if completions stay on schedule, only 2,700 units will be delivered in 2025—down from 2024's total. With renter demand picking up, a return to modest rent growth of 2%–3% could be on the horizon.

Fort Myers' multifamily market is navigating a challenging, yet dynamic phase. While renter demand has rebounded strongly—absorbing 2,700 units in the past year—new construction has surged even faster, adding 4,500 units and driving the vacancy rate up to 16.6%. Developers remained especially active in 2024, though new starts slowed in early 2025, suggesting a potential cooldown ahead. Currently, 5,300 units are under construction, placing continued pressure on vacancies and rents. Asking rents are down -2.8% year-over-year, averaging \$1,860/month, with concessions now common. Still, Central Lee County offers a bright spot where demand is outpacing supply, hinting at eventual stabilization. Sales have cooled, totaling just \$137 million over the past 12 months—well below historic highs. However, if absorption stays steady and construction slows, Fort Myers may begin to rebalance.

Naples is experiencing rising vacancies—now at 13.2%—due to a wave of new deliveries that outpaced modest demand. Over the past year, 770 units came online while only 440 were absorbed. Higher-end 4 & 5 Star units have captured nearly all the demand, but even these properties face pricing pressure. Rents have declined by 3.7% to \$2,310/month, though they remain among Florida's highest. With construction starts slowing and just 1,300 units in the pipeline, vacancy is expected to stabilize in late 2025, creating a more balanced outlook going into 2026.

Punta Gorda has made major strides in reducing its vacancy rate, which dropped from 33% in early 2024 to 16.1% today, thanks to strong demand and no new deliveries in three quarters. With 770 units absorbed in the past year and a modest 660-unit pipeline, landlords are seeing stabilization. While rents are still down 3.1% year over year to \$1,900/month, the pace of decline is slowing. If current trends hold, Punta Gorda could transition into a landlord-favorable market by year-end.

*All data points sourced from CoStar 2025



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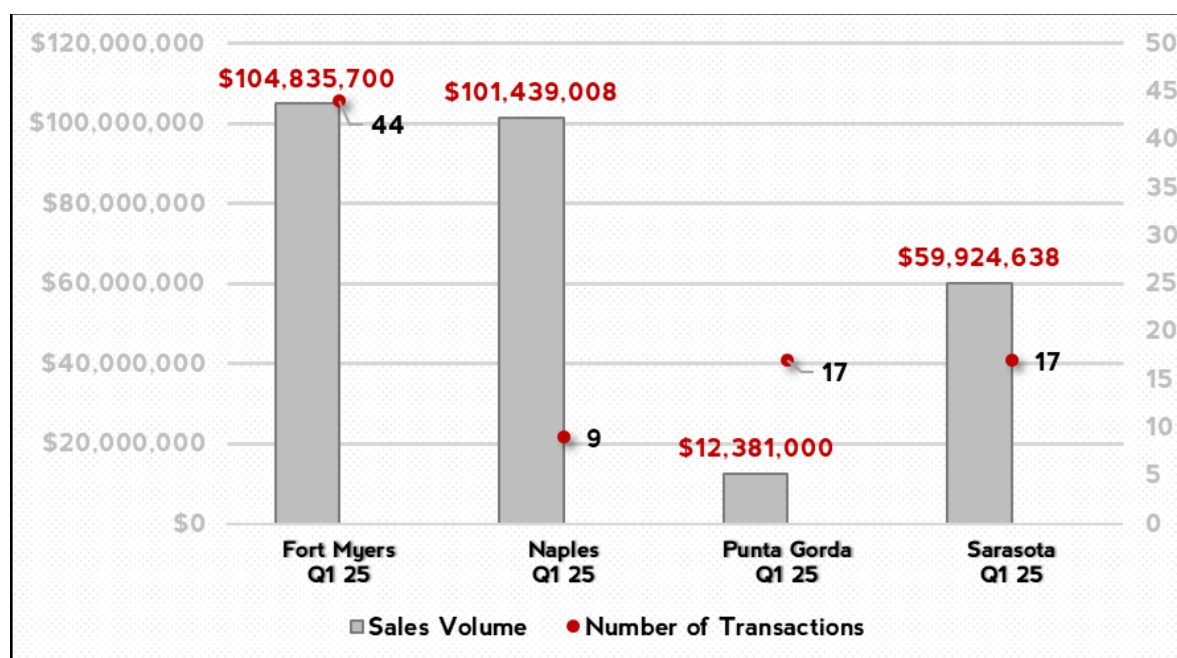
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Q1 | 2025 MARKET SNAPSHOT

SOUTHWEST, FL LAND

STRONG INVESTOR CONFIDENCE RETURNS AS MAJOR SALES LEAD THE WAY



Southwest Florida's land CRE market had a strong Q1 2025, with Fort Myers and Naples leading in sales volume, while Sarasota and Punta Gorda showed steady transactional activity—highlighting a region primed for continued development.

Sarasota recorded \$59.9M in 17 deals, bolstered by Greystar's \$12.9M purchase of 77 acres and Costco's \$10.5M acquisition of a 4.4-acre site—signaling growing interest in both multifamily and retail development.

Fort Myers posted the highest land sales volume at \$104.8M across 44 transactions, led by the \$18.56M sale of 28.4 acres on Three Oaks Pkwy to Capital Partners. This marks Fort Myers as a key focus for scalable development.

Naples followed with \$101.4M from just 9 transactions, anchored by a major \$92.5M sale of 3 acres on Gulf Shore Blvd to KT Gulf Shore LLC. The city remains a magnet for high-end, high-value investment.

With \$12.4M in 17 transactions, **Punta Gorda** saw steady deal flow despite lower volume. As demand for housing rises, the area may see more strategic land buys in coming months.

Overall, Q1 brought significant momentum to the land sector, driven by large-scale investments and regional confidence from national buyers.

*All data points sourced from CoStar 2025



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