



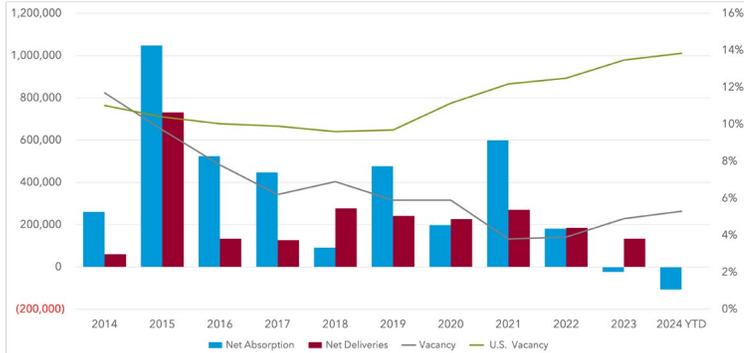
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

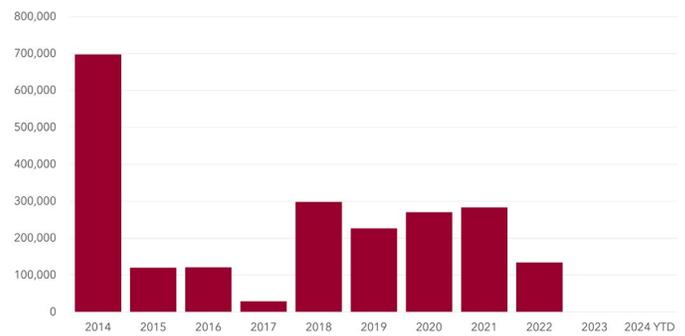
Office demand softened in Q1 2024 as large blocks of space were placed on the market in a cooling office environment. Absorption was negative for the third consecutive quarter. The vacancy rate increased 130 basis points to 5.3%. Sublease volume is the highest ever recorded for the market with the total amount of vacant sublease space registering nearly 417,000 square feet. One of the largest leases in the first quarter was a renewal of 76,581 square feet to Herc Rentals at Riverview Corporate Center in Bonita Springs. Office-using employment industries- Information, Financial Activities, and Professional and Business Services-grew faster YOY in the Cape Coral/Fort Myers metro than statewide.

| MARKET INDICATORS | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|---------------------------|------------|------------|------------|------------|------------|
| ▲ Qtrly Net Absorption SF | (104,617) | (190,128) | (6,786) | 119,161 | 53,810 |
| ▲ Vacancy Rate | 5.3% | 4.9% | 4.0% | 3.9% | 4.0% |
| ▲ Avg NNN Asking Rate PSF | \$18.55 | \$17.87 | \$18.18 | \$18.30 | \$17.81 |
| ◀ ▶ SF Under Construction | 0 | 0 | 0 | 0 | 118,820 |
| ◀ ▶ Inventory SF | 21,947,066 | 21,947,066 | 21,947,066 | 21,947,066 | 21,828,246 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|----------|-----------------------------|--|----------------|
| 3714 Evans Avenue Fort Myers, FL | 9,270 SF | \$1,414,000 \$152.54 PSF | Thomas List Kenneth A. Berdick, MD | Class B |
| 3840 Colonial Boulevard Fort Myers, FL | 6,000 SF | \$1,750,000 \$291.67 PSF | Fetch Specialty & Cancer Veterinary Gault, Leigh, Ellen, NP | Class B |
| 28 Barkley Circle Fort Myers, FL | 5,204 SF | \$1,560,000 \$299.77 PSF | Levine Orthodontics Mega Ventures LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|-----------|-------------------------------------|--------------------|------------------|
| 27500 Riverview Center Boulevard Bonita Springs, FL | 76,581 SF | Brookwood Financial Partners LLC | Herc Rentals | Equipment Rental |
| 27599 Riverview Center Boulevard Bonita Springs, FL | 11,639 SF | Brookwood Financial Partners LLC | Providia Home Care | Health Care |
| 2830 Winkler Avenue Fort Myers, FL | 7,012 SF | C-III Capital Partners | Centerstone | Health Care |

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com