



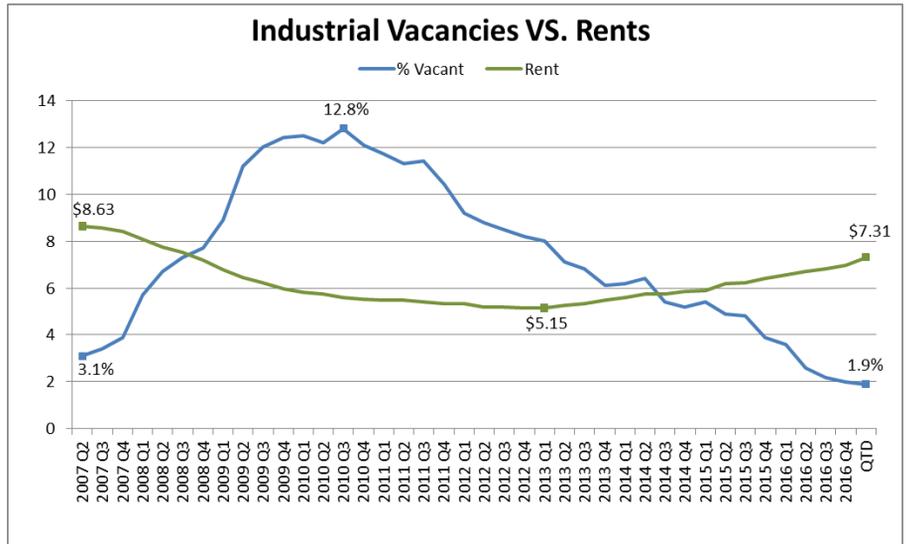
Industrial Vacancy

NOTABLE STATISTICS

Total SWFL Industrial (s.f.):	42,867,398
SWFL Vacancy (s.f.):	826,825
SWFL Vacancy Rate (%):	1.9%
Largest Lease (past 12 months):	213,672 sq.ft. (FedEx)
Net Absorption 2016 (s.f.):	1,180,143
Source: CoStar	

Remember Economics 101? If supply is low and demand is high, the price will also be high. Or maybe you didn't take Econ 101 but you wanted that new Apple iPhone and were willing to wait in line for hours and spend whatever it takes to get the latest and greatest phone which Apple strategically markets as being in limited supply. Either way, you know the concept. In our real estate community, this concept is ever present in the industrial market in SWFL which is the hottest of the big three (office, retail, industrial).

Step back to the third quarter of 2010. SWFL had an industrial vacancy of 12.8% (5.3 million sf) and asking rental rates on average were \$5.58 psf. Currently, the SWFL industrial market has a vacancy of a mere



1.9% (826,825sf) and average asking rates are \$7.31 psf. What is driving this improvement? We have a supply problem, and we are not talking iPhones. Several factors are contributing to this problem with the most notable being the virtually non-existent available space in Collier County and more frightening, the lack of available land for future industrial development in Collier County. Collier has a huge supply problem and no solution in sight. As Econ 101 taught us, when supply is low and demand is high, price will be high. Industrial land owners in Collier County, for the most part, can name their price. Conversely,

Lee and Charlotte Counties, although still at historically low vacancy rates, have no shortage of land designated for future industrial development. In turn, if we look at the major transportation/distribution network, Interstate 75, the obvious solution to the Collier supply problem initially falls in the South Lee County market around Bonita Beach Road or Alico Road. As time goes on, this demand will continue north into Charlotte County with the North Jones Loop Road/Interstate 75 interchange being the next push. So if you are in Collier and have to locate your business close to home, be prepared to pay the price. Or drive north into Lee County for less expensive property or Charlotte County for the least expensive prices.



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