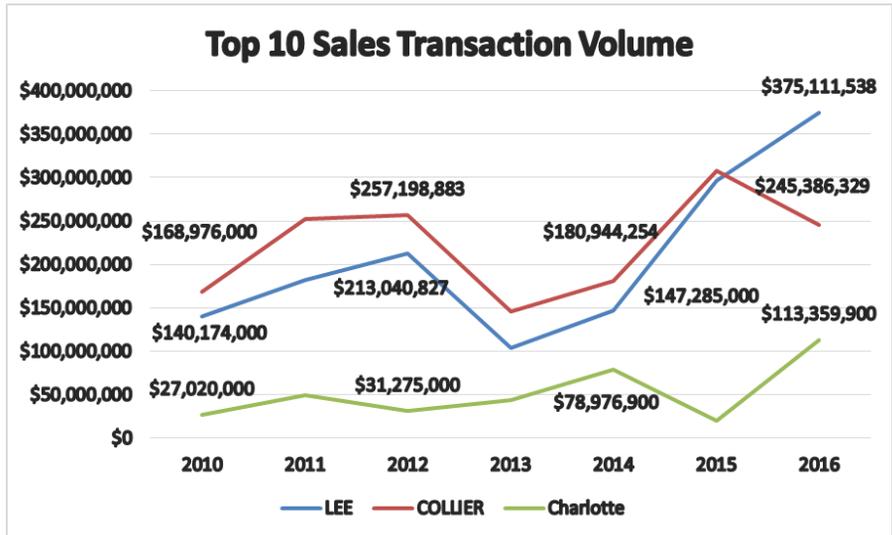




## Commercial Transactions

Let's take a look at the top sales commercial (improved) sales in 2016 to get insight on how the SWFL market is changing. The Top 10 sales in SWFL totaled \$734,000,000 which set a record over the past six years. Sounds like a lot of money, but doesn't that makes sense as our commercial market has been improving over this time period? Yes and no. Our takeaway from the data concurs with this thought, however, as we delve into the sales, something bigger and better appears to be occurring in the market...we are on the National and International radar.

In Lee County, we see a heavy influence of larger national investment groups and REITs. The names Starwood Capital Group and Monmouth (MNR) are two examples of the buyers that have moved into our area. Starwood is a global investment group with over \$52 billion in managed assets and Monmouth is one of the oldest public equity REITs in US. Lee County, in particular, experienced a significant influx of net leased investment buyers in 2016 with a mix of retail, office and industrial sales representing the Top 10. The largest acquisition was the \$95M acquisition of Gulfstream Isles Apartments by Starwood for \$101,763/unit. Other significant net



investments were the Gartner buildings for \$58.7M and the \$52M acquisition by AmCap of the 272,000 sf Center of Bonita Springs. Seven of the Top 10 Lee sales were net investments with the remaining three being multi-family.

Collier County's Top 10 sales had a slightly different makeup with a flurry of multi-family and senior housing sales represents 60% of the top sales. The remaining 40% were net leased retail and office as well as a hotel. Of the tri-county area, Collier was the only area which experienced a decline in the total sales volume of the Top 10 sales decreasing \$307M in 2015 to \$245M in 2016. For the first time, over the past six years, Lee (\$375M) surpassed Collier (\$245M)

in Top 10 sales volume in 2016. The top sale in Collier was a \$39M sale of portions of the Moorings senior housing.

Similar to Lee, Charlotte County experienced a surge in Top 10 sales volume increasing from \$20M in 2015 to \$113M in 2016. The Top 10 sales mirrored closer to Lee County with office and retail investment properties and only one multi-family sale. The largest sale was the \$21M acquisition of a marina/mixed use property near Gasparilla Island purchased for conservation purposes reportedly by a group of Boca Grande property owners.

So what can we take away from these Top 10 sales?

SWFL is has made it to the national dance. And with the influx of foreign capital saturating the major MSAs, other secondary or tertiary markets such as SWFL are being courted to the dance floor.

