

FIGURES | SOUTHWEST FLORIDA INDUSTRIAL | Q3 2026

Momentum builds toward meaningful improvements to market vacancy



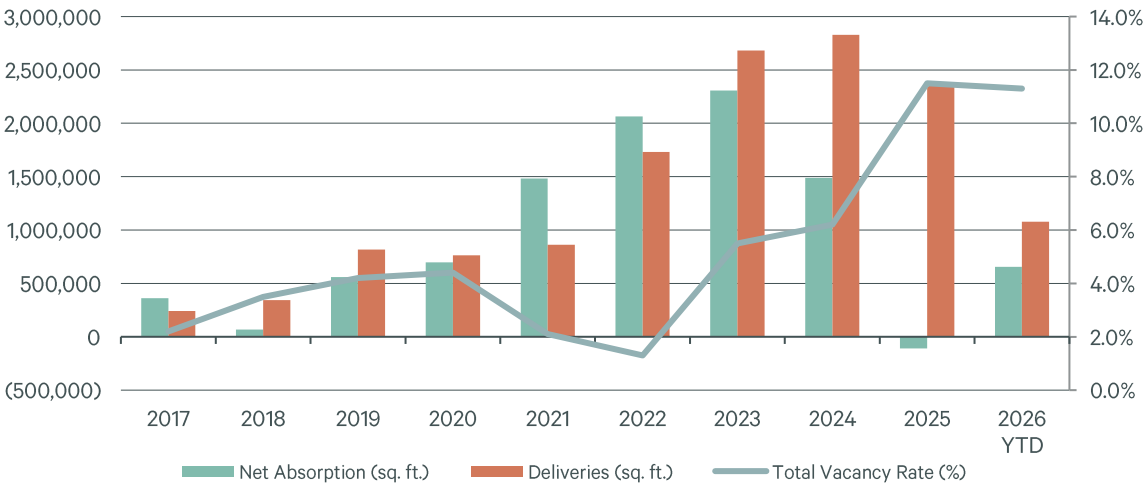
Note: Arrows indicate change from previous quarter.

OVERVIEW

The market continued to move toward a healthier balance in Q3 as tenant demand gained momentum and began to catch up with the wave of new supply that defined much of the past two years. Occupancy growth remained strong across the region, supported by a mix of leasing activity, owner-user expansion, and continued interest in modern industrial product. The Airport Corridor remains a focal point for growth, while improving activity among larger users suggests the market is gradually working through the excess availability that emerged during the most active period of development.

Although new deliveries kept vacancy from moving meaningfully lower during the quarter, conditions increasingly favor further tightening. The construction pipeline has slowed considerably, speculative development has become more limited, and several large transactions are positioned to remove additional space from the market in the near term. At the same time, rents continue to trend upward as occupiers target high-quality options. Together, these trends point to a market that is transitioning from a period of rapid supply growth toward one where demand is again becoming the primary driver of performance.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



Source: CBRE Research

DEMAND

Positive net absorption exceeded 300,000 sq. ft. in Q3, marking a second consecutive quarter of healthy occupancy growth. Together, those gains have helped bring supply and demand into better balance, particularly compared with 2025 when a wave of new deliveries outpaced tenant demand. Year-to-date net absorption has now surpassed 650,000 sq. ft. and is expected to receive an additional boost from several pending move-ins tied to both recent leasing activity and owner-user acquisitions. The Airport Corridor remains the market's primary engine for absorption, supported by a concentration of recently delivered industrial space that continues to attract strong interest from occupiers.

VACANCY

Much like last quarter, positive absorption was largely offset by another round of new deliveries, most notably the three-building, 350,000+ sq. ft. Treeline Trade Center project. As a result, overall vacancy held relatively steady at 11.3%. That figure is expected to move lower over the next several months, however, as multiple pending lease and sale transactions are poised to remove some of the market's largest available blocks from inventory. Barring any unexpected large move-outs, vacancy should fall back into the single digits and could trend closer to the 7% range. At the same time, the development pipeline continues to thin considerably. Just 1.1 million sq. ft. remains under construction, with approximately 850,000 sq. ft. committed to build-to-suit users, although several additional sites are moving closer to groundbreaking.

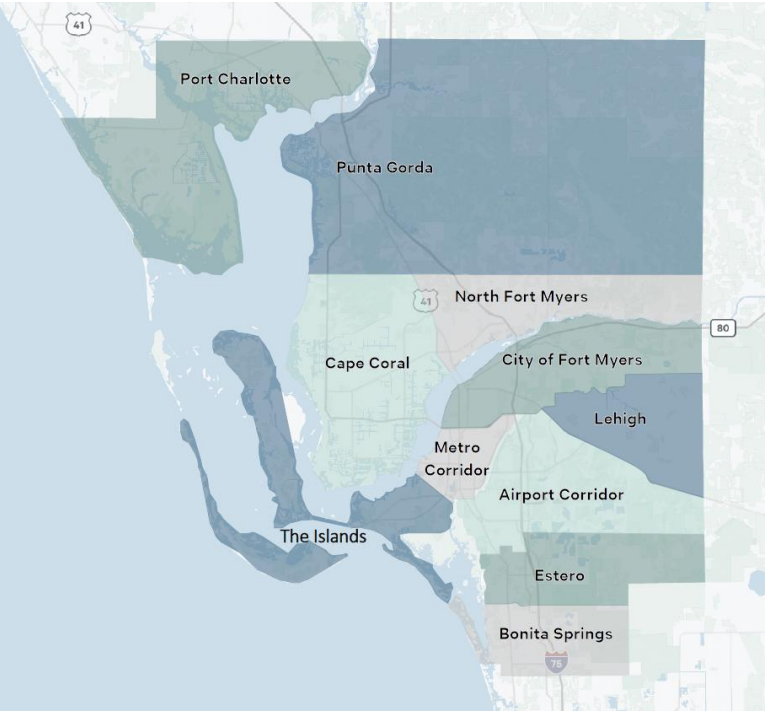
PRICING

The quarter's most notable investment sale was Highland Commerce Center, a 482,000 sq. ft. cross-dock facility that traded for \$65 million with a full-building tenant in tow. Asking rents continued to move higher, increasing 2.6% quarter-over-quarter and 5.1% year-over-year to reach \$15.60 per sq. ft. NNN. With vacancy expected to trend lower, limited speculative supply in the pipeline, and continued demand for modern industrial product, pricing fundamentals remain supportive heading into 2027.

FIGURE 2: Statistical Snapshot Q3 2026

Submarket	Total Inventory (Sq. Ft.)	Direct Vacancy (%)	Total Vacancy (%)	Q3 2026 Net Absorption (Sq. Ft.)	2026 Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Avg. Asking Lease Rate (\$/SF/NNN)
Port Charlotte	499,944	1.0%	1.0%	0	5,000	0	\$15.00
Punta Gorda	2,571,627	27.3%	27.3%	58,150	183,446	0	\$15.00
Charlotte County	3,071,571	23.0%	23.0%	58,150	188,446	0	\$15.00
Cape Coral	1,447,685	6.0%	6.0%	(10,176)	(33,874)	100,000	\$16.62
North Fort Myers	852,224	0.0%	0.0%	0	0	0	\$13.50
City of Fort Myers	7,903,397	7.8%	7.8%	56,503	68,798	994,111	\$14.01
Lehigh	648,139	1.4%	1.4%	(5,805)	3,465	0	\$13.89
Metro Corridor	4,074,697	3.2%	3.7%	(17,783)	(72,124)	0	\$12.84
Airport Corridor	11,468,133	19.5%	20.3%	227,436	483,378	0	\$16.03
The Islands	304,925	25.3%	25.3%	0	0	0	\$21.00
Bonita Springs	1,032,517	4.5%	4.5%	(13,391)	(12,355)	0	\$18.87
Lee County	27,731,717	11.5%	12.0%	236,784	437,288	1,094,111	\$15.19
North Naples	1,488,133	3.1%	3.1%	-356	50,915	0	\$17.33
Golden Gate	1,719,074	0.0%	0.1%	0	3,000	0	N/A
Naples	2,389,516	8.5%	8.5%	24,617	(25,677)	0	\$18.21
Outlying Collier	1,320,799	0.6%	0.6%	0	0	0	\$11.50
Collier County	6,917,522	3.7%	3.7%	24,261	28,238	0	\$17.82
Southwest Florida Total	37,720,810	11.0%	11.3%	319,195	653,972	1,094,111	\$15.60
Manufacturing	3,723,381	2.4%	2.4%	13,253	23,995	0	\$17.74
R&D/Flex	6,472,836	11.1%	12.0%	2,925	76,286	0	\$18.01
Warehouse/Distribution	27,524,593	12.2%	12.4%	303,017	553,691	1,094,111	\$14.58

Market Area Overview



ECONOMIC OUTLOOK

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Survey Criteria: Includes all competitive industrial buildings 20,000 sq. ft. and greater in size in Charlotte, Lee and Collier counties.

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