

FIGURES | SOUTHWEST FLORIDA INDUSTRIAL | Q4 2025

Easing pace of new construction to help stabilize vacancy in the new year



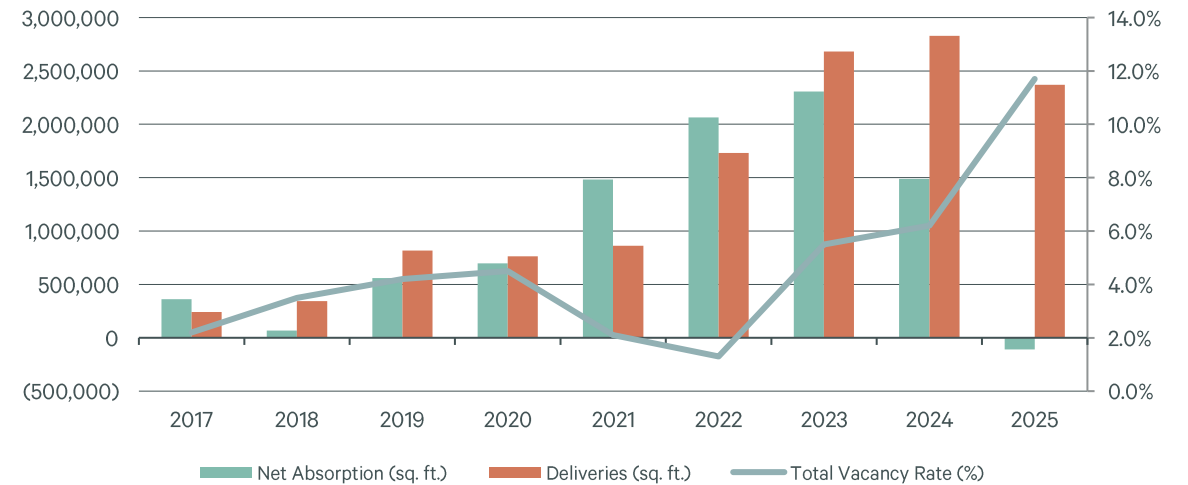
Note: Arrows indicate change from previous year.

OVERVIEW

- The market recorded -110,000 square feet of net absorption for the year due to a handful of consolidations, while demand remains focused on modern industrial opportunities
- Headline vacancy rose 70 basis points during the quarter, but a moderating construction pipeline will help alleviate pressure
- Investor appetite remains, with transaction volume exceeding \$250 million in 2025 and a couple of key projects potentially coming to market that would set the stage for 2026

The Southwest Florida industrial market is on a path toward stabilization as a slowing development pipeline allows demand to catch up with the record deliveries of recent years. Vacancy for projects delivered prior to 2024 remains in the mid-single digits, underscoring the impact of very recent completions. Currently, the 1.9 million square feet under construction represents a 53% decline from the early 2023 peak, with more than half of that space tied to a 750,000-square-foot build-to-suit facility and smaller flex parks featuring buildings under 50,000 square feet. Oriole Logistics Center and Treeline Trade Center—both located in the Airport Corridor—remain the largest distribution projects underway, with delivery anticipated in the first half of 2026.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



Source: CBRE Research

DEMAND

Although the market posted positive net absorption in the previous two quarters, the year ultimately closed in negative territory as holiday seasonality tempered demand, resulting in an annual total of -110,000 square feet. This was largely driven by Suncoast Beverage Sales vacating and, in many cases, listing former locations for sale across the tri-county area after they consolidated operations into a new Fort Myers facility last year. On the other hand, most leasing activity and positive absorption continues to originate from the construction pipeline as new projects lease up—highlighting strong occupier demand for modern, functional industrial space. For the year, the average deal size hovered around 25,000 square feet, signaling concentrated demand within the market’s core user size segments.

VACANCY

An active development pipeline over the past 18 months has placed upward pressure on vacancy, which rose 70 basis points to 11.7%. The Airport Corridor—a key growth submarket—has been a major contributor, with 53% of its total inventory built within the past five years. Sustained demand in this area promises additional absorption in coming quarters.

No new groundbreaking occurred during the quarter, signaling a moderating construction pipeline and providing runway for recently delivered projects to secure tenants. Since 2020, tenants have committed to more than 6.8 million square feet of newly built industrial space—a trend that will need to persist to bring vacancy rates down in the year ahead.

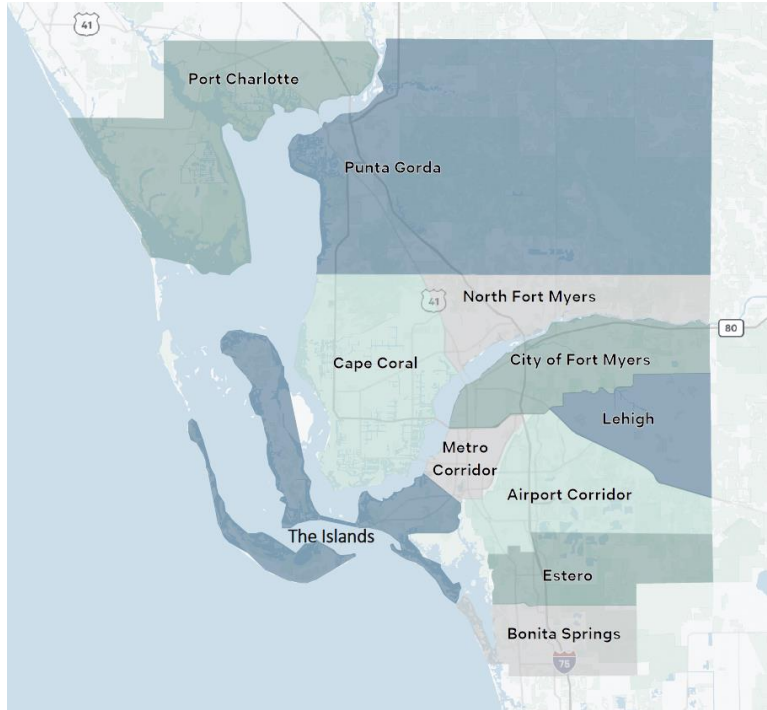
PRICING

Overall average asking rates are up 3% year-over-year, avoiding falling rents that have been recorded in some U.S. markets. The delta between average rates in submarkets within Lee and Charlotte counties remains minimal, with a premium often seen for Collier County projects.

FIGURE 2: Statistical Snapshot Q4 2025

Submarket	Total Inventory (Sq. Ft.)	Direct Vacancy (%)	Total Vacancy (%)	Q4 2025 Net Absorption (Sq. Ft.)	2025 Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Avg. Asking Lease Rate (\$/SF/NNN)
Port Charlotte	482,681	1.8%	1.8%	(6,000)	19,600	0	\$14.82
Punta Gorda	2,301,627	27.3%	27.3%	21,384	95,088	255,000	\$15.05
Charlotte County	2,784,308	22.9%	22.9%	15,384	114,688	255,000	\$15.03
Cape Coral	1,517,219	5.1%	5.1%	(28,628)	(5,843)	0	\$15.23
North Fort Myers	885,018	3.6%	3.6%	(18,000)	(22,000)	0	\$14.55
City of Fort Myers	7,704,530	7.4%	8.8%	(30,857)	(146,381)	750,000	\$12.84
Lehigh	648,139	1.1%	1.1%	(7,098)	37,316	0	\$13.11
Metro Corridor	4,103,024	3.9%	3.9%	(40,668)	(56,773)	93,042	\$13.98
Airport Corridor	10,729,031	20.5%	21.1%	(64,440)	183,872	833,218	\$15.53
The Islands	152,375	0.0%	0.0%	0	0	33,804	N/A
Bonita Springs	1,060,806	4.1%	4.3%	8,488	(5,437)	0	\$15.46
Lee County	26,800,142	11.5%	12.2%	(181,203)	(15,246)	1,710,064	\$14.72
North Naples	1,487,393	6.9%	6.9%	(7,171)	(68,441)	0	\$17.49
Golden Gate	1,717,658	2.3%	2.5%	(4,500)	(6,000)	0	\$21.23
Naples	2,422,135	8.3%	8.3%	12,285	(142,418)	0	\$19.49
Outlying Collier	1,320,799	0.6%	0.6%	(3,752)	7,698	0	N/A
Collier County	6,947,985	5.1%	5.1%	(3,138)	(209,161)	0	\$19.00
Southwest Florida Total	36,532,435	11.2%	11.7%	(168,957)	(109,719)	1,965,064	\$15.10
Manufacturing	3,776,319	1.1%	3.1%	4,001	(73,125)	0	\$22.73
R&D/Flex	6,120,449	10.8%	11.9%	(71,737)	(18,129)	416,016	\$18.37
Warehouse/Distribution	26,635,667	12.7%	12.8%	(101,221)	(18,465)	1,549,048	\$13.93

Market Area Overview



ECONOMIC OUTLOOK

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

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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