



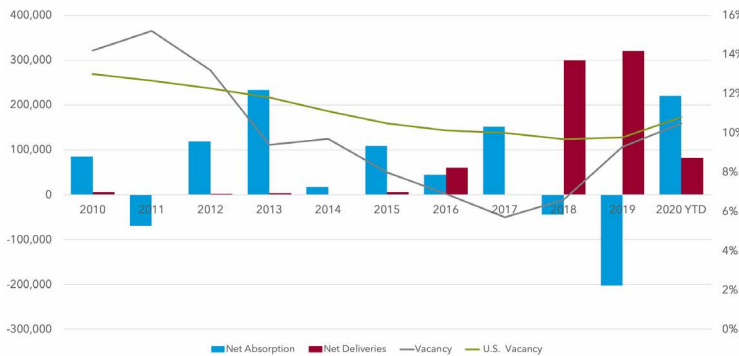
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

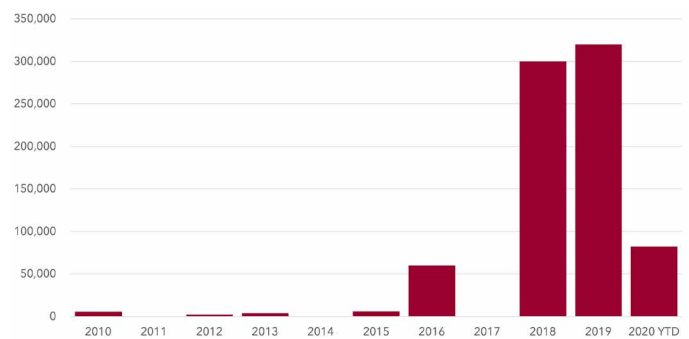
Tenants looking for space have delayed their search until the first of the year or post pandemic. Vacancy in Class A space put downward pressure on rents as the third quarter closed with a 20.0% vacancy rate, an increase in vacancy of 280 bps since last quarter. Overall renewals were down significantly YOY, however the number of new leasing deals declined only by two transactions. New leasing activity was the strongest in the North Naples submarket where square footage totaled nearly 22,000 SF. The volume of sales declined by half when compared to last year with most of the deals in third quarter being office condominiums. The silver lining may be an increase of office tenants relocating in the coming quarters.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(91,353) SF	(7,206) SF	295,562	(22,376) SF	(71,956) SF
▲ Vacancy Rate	10.5%	9.1%	9.2%	9.3%	9.1%
▲ Avg NNN Asking Rate	\$21.70 PSF	\$21.63 PSF	\$21.44 PSF	\$20.63 PSF	\$20.57 PSF
◀▶ Under Construction	82,132 SF	82,132 SF	97,132 SF	320,000 SF	320,000 SF
◀▶ Inventory	6,739,700 SF	6,739,700 SF	6,724,700 SF	6,419,700 SF	6,419,700 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1152-1172 Goodlette Rd North (Six Condos), Naples, FL	9,317 SF	\$2,150,000.00 \$231.00 PSF	JCPR Naples, LLC Advanced Horizons VIII, LLC	Class B
3080 Tamiami Trail East Naples, FL	8,133 SF	\$1,350,000.00 \$166.00 PSF	East Trail Office, LLC TC&V Holdings, LLC	Class B
9045 Strada Stell Court Naples, FL	3,238 SF	\$1,535,000.00 \$474.00 PSF	NTV RE, LLC E-Ventures, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5078 Pope John Paul II Boulevard Ave Maria, FL	10,094 SF	Barron Collier Commercial	Undisclosed	N/A
5551 Ridgewood Drive Naples, FL	6,256 SF	Baker Museum	Undisclosed	N/A
2640 Golden Gate Parkway Naples, FL	5,640 SF	Halstatt, LLC	Undisclosed	N/A

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 Proprietary Data. ©

© Copyright 2020 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com