



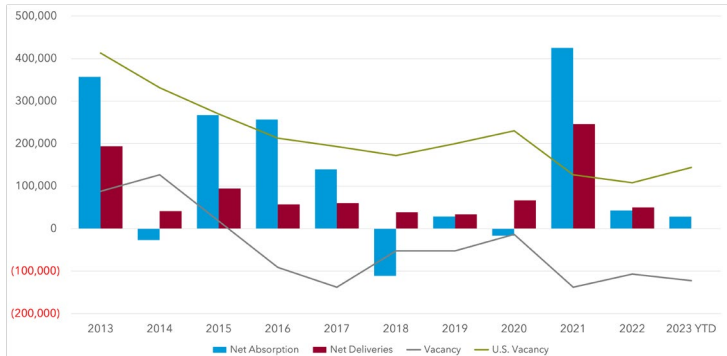
INDUSTRIAL MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

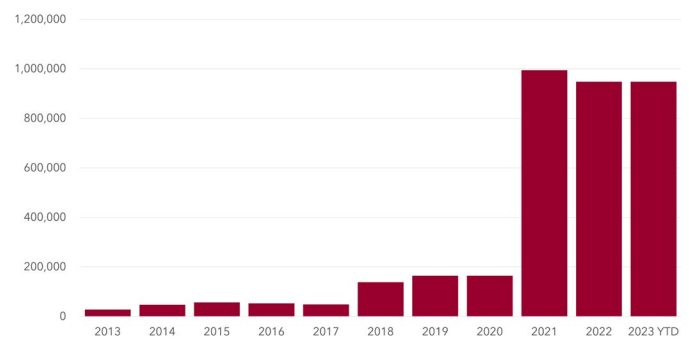
Competition for space in the Naples industrial market continued at the start of 2023, amid tight market conditions and record-high asking rates. Limited available inventory pushed the average NNN asking rate to \$18.50 per square foot in Collier County. Overall vacancy rates have been below 3% for the past eight consecutive years. There is little relief in sight with virtually no construction pipeline to alleviate supply constraints. Most of the activity in Q1 2023 occurred in the East Naples submarket where net absorption was positive and leasing activity totaled nearly 30,000 square feet. Industrial-related industries grew across the metro area, all with year-over-year gains in employment.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▲ Qtrly Net Absorption SF	16,886	(15,351)	31,801	45,930	(19,665)
▼ Vacancy Rate	1.1%	1.2%	1.2%	1.3%	1.2%
▲ Avg NNN Asking Rate PSF	\$18.50	\$15.03	\$14.42	\$14.30	\$13.84
◀ ▶ SF Under Construction	947,936	947,936	947,936	944,800	978,062
◀ ▶ Inventory SF	13,544,056	13,544,056	13,544,056	13,544,056	13,510,794

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3945 Tollhouse Drive Naples, FL	27,000 SF	\$5,800,000 \$214.81 PSF	Sugroup LLC Thouse 2 Realty LLC	Class B
3558 Plover Avenue Naples, FL	18,463 SF	\$4,999,000 \$270.76 PSF	Plover Realty II, LLC Zed Holdings II, LLC	Class B
4530 Arnold Avenue Naples, FL	16,408 SF	\$3,800,000 \$231.59 PSF	Liberty Group of Brainerd, LLC Gilray, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4785 Mercantile Avenue Naples, FL	8,000 SF	Forager Real Estate Partners	Screens Over Marco	Screen Repair Service
1501 Rail Head Boulevard Naples, FL	6,000 SF	Kylar, LLC	Matrix Basement Systems, Inc.	Home Improvement
4651 Mercantile Avenue Naples, FL	5,795 SF	Anna Louise Properties, LLC	International Hotel Renovations	Hospitality Renovation

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