



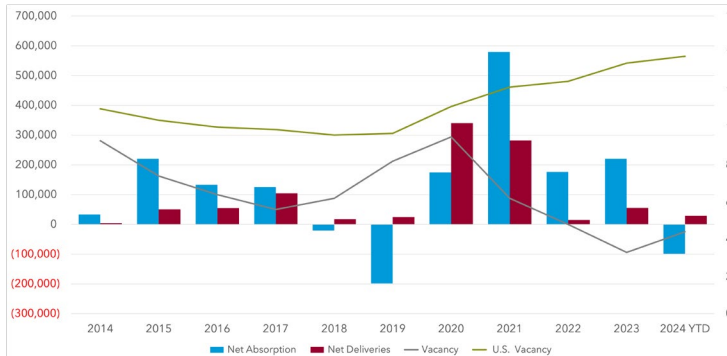
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

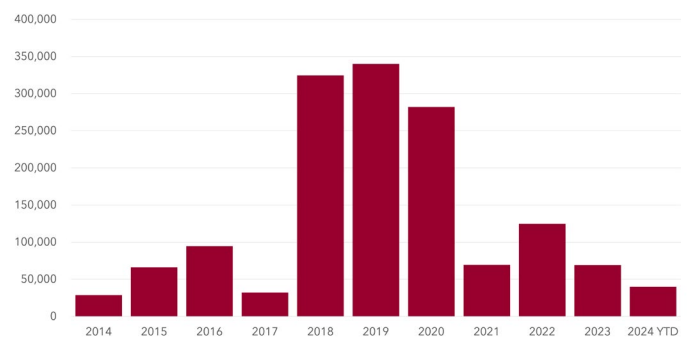
Market fundamentals softened at the close of the first quarter. Developers and investors have tapped the brakes on new office construction. The construction pipeline is the smallest it has been in seven years. The Naples office market saw the first quarter of negative absorption posted since third quarter 2020. New leasing activity decreased year-over-year (YOY), closing the quarter at under 90,000 SF. The average base rent for office space averaged \$26.63 PSF, a 5.0% annual increase. Office employment improved 7.7% YOY in the Information industry and 1.0% in the Financial Activities sector. The 13 office transactions closed in the first quarter consisted of office or medical office condominiums.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ Qtrly Net Absorption SF	(99,458)	62,186	51,676	68,362	38,173
▲ Vacancy Rate	4.6%	3.3%	3.7%	4.3%	4.7%
▲ Avg NNN Asking Rate PSF	\$26.63	\$25.70	\$25.66	\$25.73	\$25.37
▼ SF Under Construction	39,986	69,111	92,936	92,936	98,792
▲ Inventory SF	10,574,378	10,545,253	10,521,428	10,521,428	10,515,572

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1040 Goodlette Road N. Naples, FL	1,848 SF	\$760,000 \$411.26 PSF	Philip Wong Kendall Wise	Class B
866 97th Avenue N. Naples, FL	1,332 SF	\$675,000 \$506.76 PSF	RothCoast Properties Joe Epifanio	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
708 Goodlette-Frank Road. N. Naples, FL	11,239 SF	Frank Stier & Associates LLC	American Oncology Management Company	Health Care
4501 Tamiami Trail N. Naples, FL	10,020 SF	Gregory Winter	Commerce Trust Company	Finance, Commercial Banking
8625 Tamiami Trail N. Naples, FL	4,499 SF	The Adam Corporation/Group	Intellus Advisors LLC	Wealth Management

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