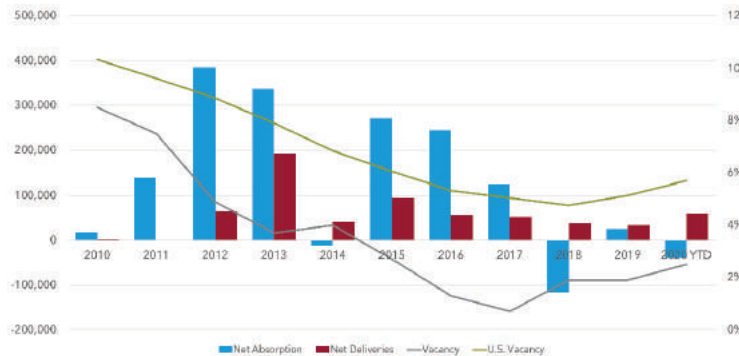**LEE & ASSOCIATES**
COMMERCIAL REAL ESTATE SERVICES

INDUSTRIAL MARKET OVERVIEW

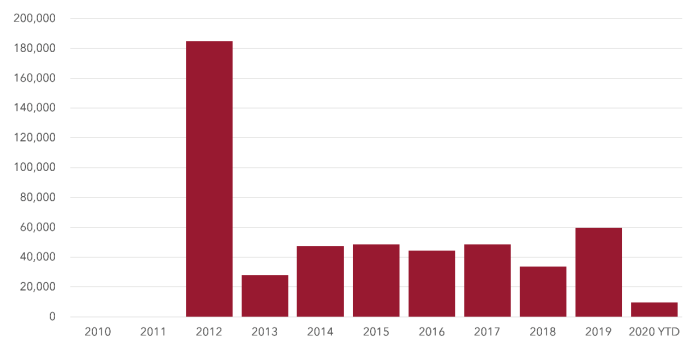CLAIRE SEARLS, *Director of Research*

Rates remained historically high in the Naples MSA as vacancy ended third quarter 2020 at 2.5%, an increase of 10 basis points. Tenant move outs specifically in warehouse/distribution buildings in the North Naples submarket added to the overall negative absorption levels of more than 13,000 sf. The bulk of new tenant leasing activity was generated in the East Naples submarket where overall asking NNN rents reached approximately $11.36. New construction activity remained unchanged as owners and developers look to move farther north up I-75. Only five projects were completed in 2020 totaling 59,750 square feet.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(13,661) SF	22,523 SF	(42,270) SF	16,220 SF	39,825 SF
▲ Vacancy Rate	2.5%	2.4%	2.5%	1.9%	1.6%
▲ Avg NNN Asking Rate	$11.56 PSF	$11.50 PSF	$11.55 PSF	$11.17 PSF	$11.31 PSF
◀▶ Under Construction	9,625 SF	9,625 SF	28,075 SF	59,750 SF	59,750 SF
◀▶ Inventory	13,093,281 SF	13,093,281 SF	13,074,831 SF	13,033,531 SF	13,033,531 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY

UNDER CONSTRUCTION

TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4747 Progress Ave & 68 Industrial Blv Naples, FL	125,929 SF	$14,570,000.00 $116.00 PSF	SunCoast Beverage Sales, LLP Coastal Beverage, Ltd.	Class B
3600 Westview Drive Naples, FL	18,645 SF	$3,020,000.00 $162.00 PSF	Naples Motorsports, Inc. Ricden, LLC	Class B
2055 Global Drive Naples, FL	16,031 SF	$1,750,000.00 $109.00 PSF	Estrada & Sons, Inc. Tomato Life, LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3506-3390 Mercantile Avenue Naples, FL	15,000	Arnold & Arnold, LLC	Galexa Homes, Inc.	General Contractor
3384 Progress Avenue Naples, FL	10,000	Lighthouse Group Realty, LLC	CS Craft Sports, Inc.	Sporting and Recreational Goods
2975 Horseshoe Drive South Naples, FL	7,200	Lighthouse Group Realty, LLC	The Athens Group	Real Estate Developer