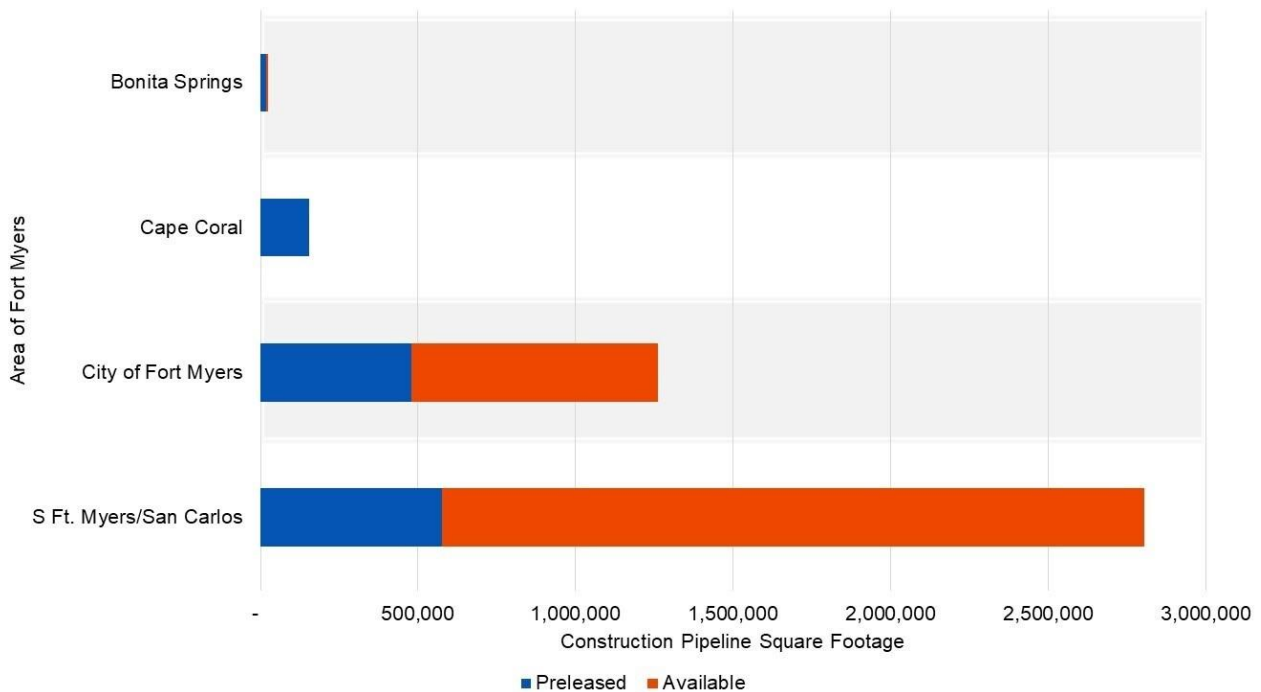


# Fort Myers Tops Florida's West Coast for Industrial Construction Projects

Developers Look To Tap into Population Growth, Hurricane Rebuild Efforts

## Fort Myers' Construction Pipeline Is Most Active Among West Coast Florida Markets



Source: CoStar, May 2023

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Fort Myer's industrial construction pipeline has reached a record high in the second quarter, with roughly 4.3 million square feet of active projects.

If delivered, the total would expand the market by nearly 12%, a rate that is four times the national average. Typically, that level of construction would cause trepidation that

the market might be on the verge of over building. However, greater Fort Myers boasts one of the lowest vacancy rates in Florida at just 0.9%.

Construction starts have picked up over the past year, with 1.3 million square feet breaking ground so far this year. Two factors are likely influencing developer decisions to be so bullish: population growth and rebuilding efforts following Hurricane Ian.

Take Lee County, where Fort Myers is located. It has been among the top 10 counties in the U.S. for population growth for the past two years, with nearly 62,000 new residents. Also driving construction are recovery efforts after Hurricane Ian hit the Fort Myers market in early October 2022, becoming the third-costliest natural disaster in American history. Thousands of homes and buildings were damaged or destroyed and sections of Fort Myer's Beach were inaccessible for months. In the months since then the market has shown great resiliency. Tourism, a key driver of the local economy has already started to bounce back as the local airport, Southwest Florida International Airport, known as RSW, recorded nearly 1.2 million passengers in March 2023, the highest number since April 2022.

The region recorded solid occupancy gains over the past year on the backdrop of 1.2 million square feet in construction completions. Tenant demand for new product was tremendous and 100% of it is currently leased.

Prospective tenants in the market are often left with only two options: lease what could be a functionally obsolete older building or build new construction. Pre-leasing on the active pipeline has been strong, with 30% already accounted for. The largest lease was plumbing company Ferguson's 252,860-square-foot lease at Columnar Development's [Tri County Commerce Center](#) in October 2022. In addition, home furnishings firm Clive Daniel Homes leased 175,000 square feet at Stonemont's [Legacy @ Orioles Road](#).

The bulk of the region's construction pipeline is taking place in the central portion of Fort Myers area, with nearly 3 million square feet and 1.3 million square feet, respectively. A growing industrial corridor in the metropolitan area is along Oriole Road near San Carlos Park. Seven buildings are under construction, accounting for 1.5 million

square feet of the market's pipeline. The largest active project along Oriole Road is Chicago-based HSA Commercial Real Estate's 481,933-square-foot cross-dock, [Highland Commerce Center](#).

In addition, developers have been active along Ben Hill Griffin Parkway, just southwest of RSW. South Florida-based Butters Realty & Management has several buildings under construction at [Gulf Landing Logistics Center](#). Upon completion, the multi-phased project will add 2.2 million square feet in buildings ranging from roughly 90,000 square feet to nearly 450,000 square feet.

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