



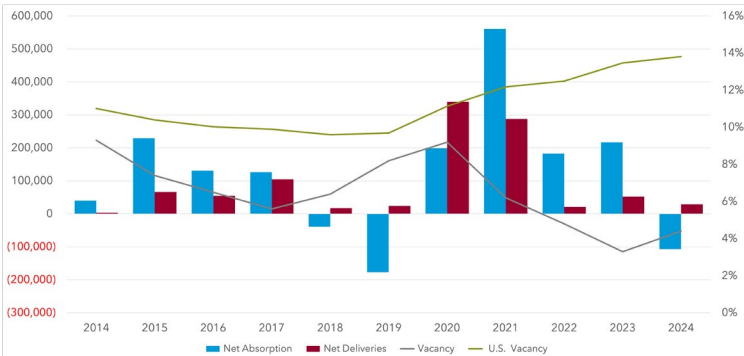
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

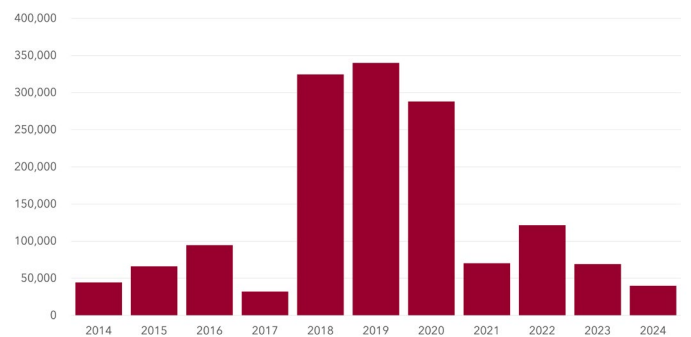
Overall, market fundamentals softened, and demand cooled with both net absorption and leasing activity down. Annual net absorption was the lowest it has been since 2019. Office-using employment declined in both Information (-7.1%) and Financial Activities (-0.9%) sectors. There was no YOY change in employment in the Professional and Business Services sector. Despite the impact on the labor market and leasing environment, the average asking rent increased 5.7% YOY to \$27.19 psf NNN in fourth quarter 2024. This marked a record high rental rate for the Naples office market. Vacancy increased 110 basis points to 4.4% at the end of the year. New construction slowed with a total of 29,125 square feet delivered in 2024.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ Qtrly Net Absorption SF	(71,726)	48,138	16,544	(99,658)	65,161
▲ Vacancy Rate	4.4%	3.9%	4.4%	4.6%	3.3%
▲ Avg NNN Asking Rent PSF	\$27.19	\$26.14	\$25.99	\$26.63	\$25.72
▼ Sale Price PSF	\$277	\$339	\$320	\$276	\$415
▼ Cap Rate	-	6.70%	5.30%	5.50%	7.00%
◀ ▶ Under Construction	40,000	40,000	40,000	40,000	69,125
◀ ▶ Inventory	10,595,098	10,595,098	10,595,098	10,595,098	10,565,973

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3447 Pine Ridge Road Naples, FL	3,788 SF	\$937,093 \$247.00 PSF	Cambridge Square LLC Parrimoor Development LLC	Class C
2950 Immokalee Road Naples, FL	844 SF	\$270,000 \$320.00 PSF	2950 Immokalee LLC ZEH Holdings LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
999 Vanderbilt Beach Road Naples, FL	6,372 SF	Olympus Ventures LLC	Undisclosed by Broker	N/A
5100 Tamiami Trail N Naples, FL	4,148 SF	Tamiami Newgate LLC	Owen-Ames-Kimball Co.	Commercial Contractor
3431 Pine Ridge Road Naples, FL	4,136 SF	Kab Real Property Holdings, LLC	Yarnell & Peterson, P.A.	Law Firm

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