01 / OUTLOOK / NEXT FOUR QUARTERS

The Bottom Is Already Signed

By **Gary Tasman**, Executive Vice President, NAI Burns Scalo | Outlook for Q4 2026 to Q3 2027

WHAT'S NEXT

Industrial vacancy reached 10.0% this quarter, a decade high, after 1.4 million SF delivered against 434,000 SF absorbed. I believe that's the peak. About 917,000 SF of large leases were signed in Q3 but haven't moved in yet. As those tenants occupy their space, and Amazon's 750,000 SF build-to-suit opens fully leased in January, I expect vacancy to work back to 8.0%–8.75% by Q3 2027. Outside Amazon, only about 495,000 SF is under construction, and few new speculative projects are starting.

For the next few quarters, the advantage sits with large tenants. Owners of new big-box space will keep offering free rent and improvements, while smaller and older well-located buildings stay tight. Investors are still paying up for leased, newer product. With new starts this restrained, I expect a supply gap in late 2027 and 2028, and with it the next round of rent growth. Tenants should lock in terms now; developers should secure entitlements now.

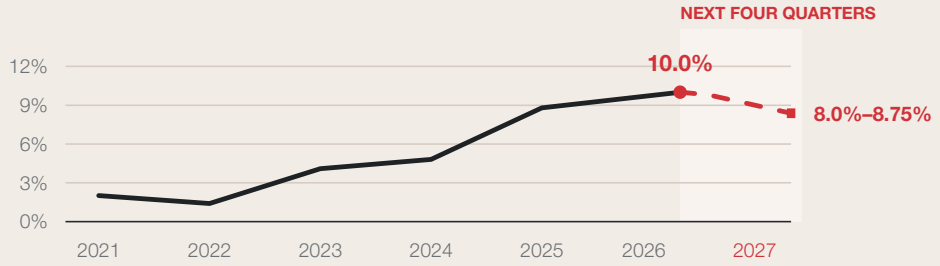
TASMAN'S CALLS FOR THE NEXT FOUR QUARTERS

	TODAY	CALL, Q4 2026	CALL, Q3 2027
Asking rent growth year over year	2.1%	1.5%–2.0%	1.5%–2.5%
Market cap rate	8.4%	8.4%–8.5%	8.4%–8.6%
Sales volume trailing 12 months	$474M	$425M–$475M	$325M–$400M

VACANCY RATE, 2021 TO Q3 2027

Tasman's Call for Q3 2027

CALL, Q4 2026 9.6%–10.0% CALL, Q3 2027 8.0%–8.75%



The usual pattern is reversed. Industrial buildings delivered since 2020 carry vacancy near 25%, while pre-2000 buildings sit near 4%. The rent premium for new product will narrow.

> "I expect 10% to be the top. Close to a million square feet of industrial leases signed in Q3 haven't moved in yet. When they do, vacancy falls fast. If you need more than 50,000 square feet, you have about two quarters before that leverage is gone.

GARY TASMAN
Executive Vice President
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The forecasts on this page are Gary Tasman's views, based on NAI Burns Scalo Research.

02 / MARKET CONDITIONS

Vacancy Is 10.0%, Its Highest Level in More Than Ten Years

INVENTORY	VACANCY	MARKET ASKING RENT	NET ABSORPTION	UNDER CONSTRUCTION
46.05M SF	**10.0%**	$13.75	434K SF	1.24M SF
2,562 buildings	Up 1.7 points in 12 months | Availability 10.3%	$/SF/yr | Up 2.1% in 12 months	Past 12 months | 1.4M SF delivered	73% preleased

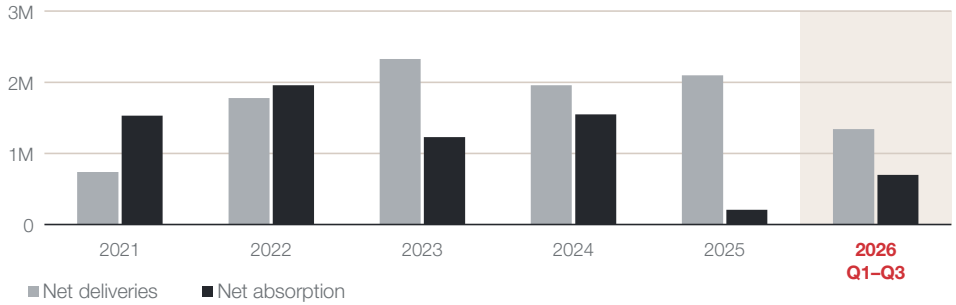
Occupancy & Demand

Developers delivered 1.4M SF over the past 12 months and tenants absorbed 434K SF. Vacancy is 10.0%, up 1.7 points in a year, against a long-term average of 6.8%. Absorption through Q3 2026 is 698K SF, after 207K SF in all of 2025. Logistics space is 10.9% vacant, flex 9.8% and specialized industrial 5.2%. Of the 1.24M SF under construction, 73% is preleased.

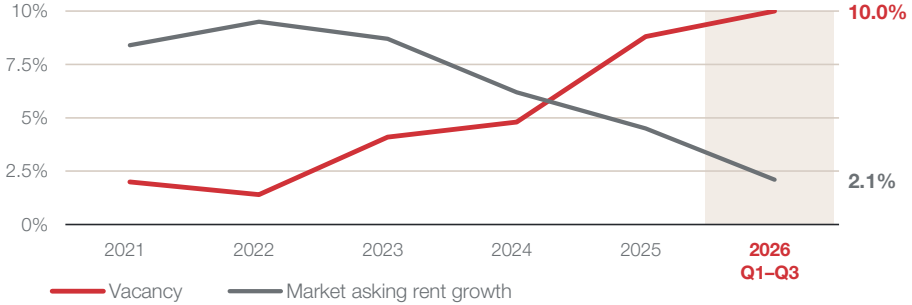
Pricing

Market asking rent is $13.75/SF, up 2.1% over 12 months. Growth has slowed every year since 2022 (9.5%, 8.7%, 6.2%, 4.5%). Bonita Springs is the most expensive submarket and the City of Fort Myers the cheapest. Logistics space asks $13.14/SF and flex $17.16/SF. The market price is $150/SF and the market cap rate 8.4%.

Deliveries Have Outrun Absorption Since 2023



Rent Growth Has Slowed as Vacancy Climbed



SUBMARKETS

Submarket	Inventory, SF	Vacancy	Absorption, 12 mo	Delivered, 12 mo	Under construction	Asking rent (12-mo growth)
S Ft Myers/San Carlos	**23,521,000**	**13.4%**	**+490,862**	**1,096,000**	**103,000**	**$14.08 (+2.1%)**
City of Ft Myers	**13,147,000**	**7.5%**	**-10,478**	**151,000**	**999,000**	**$12.33 (+2.2%)**
Cape Coral	4,207,000	5.2%	-8,662	97,000	135,000	$15.16 (+1.7%)
Bonita Springs	1,950,000	5.4%	-6,161	0	0	$17.76 (+2.1%)
North Ft Myers	1,667,000	5.1%	-23,291	0	0	$13.17 (+2.7%)
Lehigh	1,359,000	3.3%	-9,626	6,000	8,000	$13.17 (+1.7%)
The Islands	169,000	0.7%	+1,278	0	0	$14.56 (+1.5%)
Estero	28,000	–	+0	0	0	$14.03 (+1.9%)

Source: CoStar

03 / TRANSACTIONS

Where Capital and Occupiers Committed

$122M	34	$65.0M
SALES VOLUME, Q3 2026	SALES, Q3 2026	LARGEST SALE

80	1.22M SF	481,933 SF
LEASES SIGNED, Q3 2026	LEASED, Q3 2026	LARGEST LEASE

Largest Sales, Q3 2026

FEATURED

Highland Commerce Center, 16500 Oriole Rd

$65.0M | 481,933 SF | $135/SF

Sold Sep 17 | Fort Myers | Investment
Buyer: Cardinal System Holdings

Benchmark Corporate Park, 1901 Benchmark Ave

$6.50M | 10,621 SF | Warehouse

Sold Aug 19 | Fort Myers | Investment
Buyer: Alterra IOS

551 Owen Ave N

$6.30M | 33,725 SF | $187/SF

Sold Sep 17 | Lehigh Acres | Investment
Buyer: Fountain Real Estate Capital

12090 Metro Pky

$3.80M | 22,800 SF | $167/SF

Sold Jul 15 | Fort Myers | Investment
Buyer: Bay Street Capital

1056 NE Pine Island Rd

$3.60M | 20,000 SF | $180/SF

Sold Aug 11 | Cape Coral | Investment
Buyer: Sawgrass Holdings | part of a portfolio

Largest Leases, Q3 2026

FEATURED

Highland Commerce Center, 16500 Oriole Rd

481,933 SF | New lease

Signed Sep 22 | Starts Mar 21, 2027
Fort Myers

GLLC - Building 7, 16200 Ben Hill Griffin Pky

320,922 SF | New lease

Signed Sep 28 | Starts Mar 27, 2027
Fort Myers | Tenant: E2Companies, LLC

2501-2551 Alessio Dr

114,000 SF | New lease

Signed Sep 17 | Starts Mar 24, 2027
Fort Myers

16351 Lee Rd

36,000 SF | New lease

Signed Jul 6 | Starts Dec 3, 2026
Fort Myers | Tenant: Walter E. Smithe Furniture & Design

3520 Old Metro Pky

22,451 SF | New lease

Signed Sep 17 | Starts Oct 1, 2026
Fort Myers | Tenant: Lee Health System Inc

Source: CoStar

04 / OUR TEAM

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