01 / OUTLOOK / NEXT FOUR QUARTERS

Ignore the Headline, the Trend Has Turned

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

WHAT'S NEXT

The 12-month numbers make Fort Myers office look weaker than it is. Vacancy is 6.2%, but most of last year's loss came in a single quarter, and absorption has been positive for three straight quarters since. No speculative office is being built. The 75,000 SF under construction is 95% preleased, led by a 64,000 SF government building due in November. I expect vacancy to tighten to 5.7%–6.1% over the next four quarters, with rents rising 1.5%–2.5%.

The opportunity is in Class A. Top-tier buildings are 11.1% vacant and ask about $4.70 a foot more than 3 star space, which is 6.1% vacant. Tenants can move up to better space on better terms, especially in Bonita Springs and South Fort Myers. Owners who meet the market with term and improvement packages will fill their space. Small users in Cape Coral, at 1.5% vacancy, should plan early.

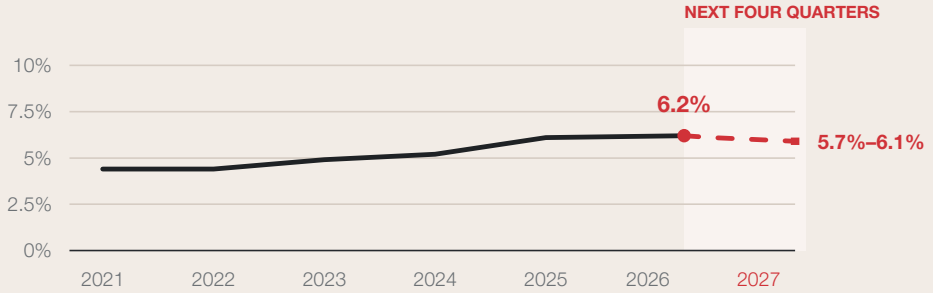
TASMAN'S CALLS FOR THE NEXT FOUR QUARTERS

	TODAY	CALL, Q4 2026	CALL, Q3 2027
Asking rent	$28.61/SF +1.9%	+1.5%–2.0%	+1.5%–2.5%
Market cap rate	8.0%	8.0%–8.1%	8.0%–8.25%

VACANCY RATE, 2021 TO Q3 2027

Tasman's Call for Q3 2027

CALL, Q4 2026 6.0%–6.2% CALL, Q3 2027 5.7%–6.1%



Class A landlords in Bonita Springs and South Fort Myers will compete hardest on concessions. Older 3 star buildings in Cape Coral and Fort Myers stay near full.

> "Anyone telling you Fort Myers office is in trouble is reading one quarter from last year. Absorption has been positive three quarters straight, and nobody is building speculative office. Demand is there.

GARY TASMAN
Executive Vice President
NAI Burns Scalo

The forecasts on this page are Gary Tasman's views, based on NAI Burns Scalo Research.

02 / MARKET CONDITIONS

Vacancy Is Up to 6.2%, Still Well Below Its Long-Term Average

INVENTORY	VACANCY	MARKET ASKING RENT	NET ABSORPTION	UNDER CONSTRUCTION
22.14M SF	6.2%	$28.61	-94.7K SF	75K SF
2,073 buildings	Up 0.9 points in 12 months | Availability 7.1%	$/SF/yr | Up 1.9% in 12 months	Past 12 months | 104K SF delivered	95% preleased

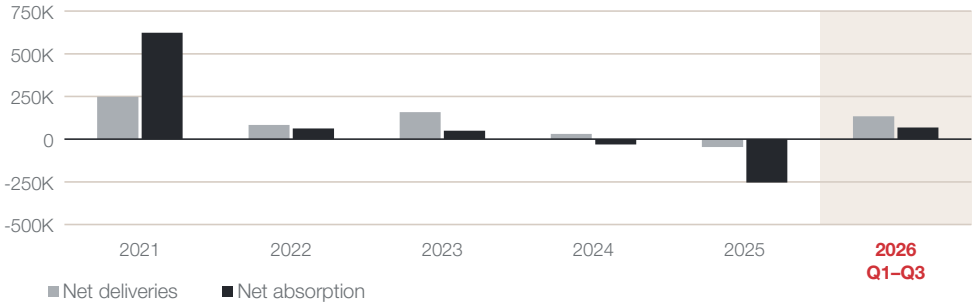
Occupancy & Demand

The market lost 94.7K SF of occupancy over the past 12 months, after a 254K SF loss in 2025. Through Q3 2026, absorption is positive at 68K SF. Vacancy is 6.2%, up 0.9 points in a year, against a long-term average of 9.0%. 4 & 5 Star space is 11.1% vacant, 3 Star 6.1% and 1 & 2 Star 4.7%. 75K SF is under construction, 95% preleased.

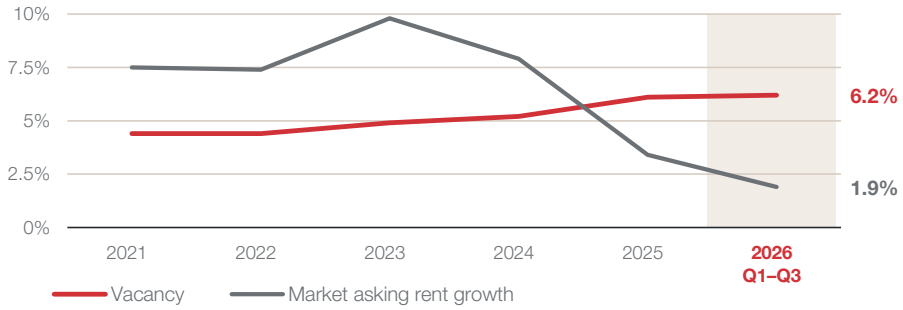
Pricing

Market asking rent is $28.61/SF, up 1.9% over 12 months. Growth has slowed each year since 2023 (9.8%, 7.9%, 3.4%). Bonita Springs and Estero are the most expensive submarkets, above $30/SF. 4 & 5 Star space asks $33.25/SF, 3 Star $28.54/SF and 1 & 2 Star $27.17/SF. The market price is $214/SF and the market cap rate 8.0%.

Demand Turned Negative in 2024 and 2025



Rent Growth Has Slowed as Vacancy Rose



SUBMARKETS

Submarket	Inventory, SF	Vacancy	Absorption, 12 mo	Delivered, 12 mo	Under construction	Asking rent (12-mo growth)
S Ft Myers/San Carlos	**9,337,000**	**8.2%**	**-57,054**	**64,000**	**64,000**	**$28.61 (+2.0%)**
City of Ft Myers	5,252,000	5.2%	-27,970	2,000	0	$27.91 (+1.9%)
Cape Coral	2,953,000	1.5%	+9,874	3,000	0	$27.62 (+1.5%)
Bonita Springs	**2,460,000**	**9.5%**	**-15,107**	**34,000**	**6,000**	**$30.47 (+2.1%)**
Estero	1,068,000	3.1%	-5,839	0	0	$30.49 (+2.6%)
Lehigh	555,000	0.6%	-2,853	0	5,000	$29.46 (+1.2%)
North Ft Myers	308,000	4.6%	+3,803	0	0	$26.96 (+1.5%)
The Islands	210,000	4.3%	+489	0	0	$29.37 (+1.7%)

Source: CoStar

03 / TRANSACTIONS

Where Capital and Occupiers Committed

$21.2M	10	$15.3M
SALES VOLUME, Q3 2026	SALES, Q3 2026	LARGEST SALE

61	84.6K SF	6,000 SF
LEASES SIGNED, Q3 2026	LEASED, Q3 2026	LARGEST LEASE

Largest Sales, Q3 2026

FEATURED

Walden Center (2 buildings), 24301 & 24311 Walden Center Dr

$15.3M | 94,776 SF | $162/SF

Sold Sep 24 | Bonita Springs | Investment
Buyer: Bluestone Terra Partners, LLC

9351 Corkscrew Rd

$3.75M | 10,251 SF | $366/SF

Sold Jul 20 | Estero | Owner-user
Buyer: private investor

13421 Rickenbacker Pky

$0.85M | 3,024 SF | $282/SF

Sold Jul 8 | Fort Myers | Investment
Buyer: Alterra IOS | part of a portfolio

World Plaza Building 23, 12573 New Brittany Blvd

$0.70M | 3,264 SF | $214/SF

Sold Aug 24 | Fort Myers | Owner-user

Offices at Vanderbilt, 28089 Vanderbilt Dr

$0.29M | 1,413 SF | $209/SF

Sold Sep 14 | Bonita Springs | Owner-user

Largest Leases, Q3 2026

FEATURED

Riverfront Center, 2075 W 1st St

6,000 SF | New lease

Signed Sep 16 | Starts Nov 15, 2026
Fort Myers

Library Plaza Annex, 1610 Royal Palm Ave

5,000 SF | New lease

Signed Sep 3 | Starts Jan 31, 2027
Fort Myers

1315 SE 8th Ter

4,660 SF | Sublease

Signed Aug 17 | Starts Sep 16, 2026
Cape Coral

Valley National Bank Plaza, 5220 Summerlin Commons Blvd

4,375 SF | New lease

Signed Jul 30 | Starts Nov 1, 2026
Fort Myers

Riverview I, 27200 Riverview Center Blvd

4,269 SF | New lease

Signed Aug 5 | Starts Sep 4, 2026
Bonita Springs | Tenant: Sandcastle Management LLC

Source: CoStar

04 / OUR TEAM

Our Southwest Florida Brokerage Team

Brokerage | NAI Burns Scalo

Gary Tasman

Executive Vice President

239.470.9646
gtasman@naiburnsscalo.com

Shawn Stoneburner

Senior Vice President

239.898.9119
sstoneburner@naiburnsscalo.com

Lane Boy, CCIM

First Vice President

863.517.1658
lboy@naiburnsscalo.com

Gretchen W. Smith

First Vice President

239.464.5976
gsmith@naiburnsscalo.com

Tim Frederic

Vice President

239.822.2728
tfrederic@naiburnsscalo.com

Michael F. Curran

Vice President

239.288.9754
mcurran@naiburnsscalo.com

Vanessa Tyler

Senior Associate

239.220.9683
vtyler@naiburnsscalo.com

Hanna Ray-Johnson

Associate

239.675.3230
hray@naiburnsscalo.com