



Welcome, April

Always believe something amazing is about to happen.

COMMERCIAL REAL ESTATE: TRENDS AND PREDICTIONS

Commercial real estate experienced another year of impressive growth in 2022, and despite cyclical headwinds, including increased interest rates, inflationary pressures, and a recession, the outlook for 2023 is cautiously optimistic. Although it is likely that the US economy will experience a recession in 2023, forecasts suggest that any recession will not be deep.

Similar to many other industries, the commercial real estate market often experiences contradictory influences, and the past year was no different. Many aspects of the industry have returned to pre-pandemic, or close to pre-pandemic, norms (the hospitality sector being one example), while others (such as hybrid working and shifted retail needs) seem to have reached a new normal and permanently changed post-pandemic.

Following unprecedented deal flow at the beginning of 2022, commercial real estate investment was already slowing toward the end of 2022 and continues to be tempered in the first quarter of 2023. However, real estate experts predict that this slowdown will be short and will position commercial real estate investors for a new growth cycle that could last many years. Courtesy Multiple Contributors to Reuters Practical Law

THE BUILDUP AND OUTLOOK FOR FLORIDA'S INDUSTRIAL MARKET IN 2023

Industrial assets built throughout Florida between 2015 and 2022 have led to record-setting development totals never before seen in the state's history. One key measurement of the success of new supply is property stabilization rates. (Assets are considered stabilized once 90 percent of the building is leased.)

Florida began preparing for the industrial boom over a decade ago, adding infrastructure growth projects at the ports and rail transportation in preparation for the expansion of the Panama Canal. That, coupled with the unforeseen and expedited rise of e-commerce as a result of the global pandemic starting in 2020, pushed industrial into the spotlight of the commercial real estate industry. Since then, Florida's robust population growth, coupled with its pro-business and low tax policies, have catapulted record demand, booming development, and limited supply of available industrial space in key markets.

Finally, in the South Florida metro area, scarcity of well-located developable industrial land, strong lease absorption and rent growth statistics, as well as the continued influx of new residents to the state and region, will help ensure the further stabilization and healthy growth of the industrial market. Courtesy Eric Messer and Connor Steele/*Commercial Observer*

Thought For The Day: "We cannot solve our problems with the same level of thinking that created them." – Albert Einstein

[Subscribe](#) to our monthly newsletter.



Howard J. Corr CCIM [D] 941-815-2129
Managing Broker [O] 941-740-1215
H.Corr@CorrAdvisors.com





FDOT UPDATE:

March 20, 2023

SR 777 River Road from US 41 to I-75: Construction project: Motorists can expect pond excavation near Venice Avenue on the northbound roadway. **Embankment activities continue on the southbound roadway from Center Road to US 41;** trucks will be crossing the road at various locations using intermittent flagging operations. Drainage installation will resume at various project locations and tree mulching operations are taking place along the southbound roadway from Observation Boulevard to US 41 and just north of Rambler's Rest RV Park on northbound roadway. **A new traffic shift is in place between Center Road and just south of Venice Avenue so please use caution in the area.** TECO Gas crews will also be installing gas main (brown pipe) along the entire corridor. Overall completion expected mid-2025. Courtesy FDOT

PREDICTIONS FOR SMALL-SCALE COMMERCIAL REAL ESTATE IN 2023—AND HOW INVESTORS CAN PREPARE

Despite economic uncertainty and growing interest rates, the U.S. commercial real estate market experienced successes in 2022. As one example, Atlanta saw \$30.7 billion in direct commercial real estate investments between the fourth quarter of 2021 and the third quarter of 2022. That's as much as Beijing, Tokyo and Singapore combined, according to data from [JLL](#).

However, a lot has changed in the past few months. I've observed that as a result of higher borrowing costs and wide bid-ask spreads, a lot of commercial real estate investment activity seems to have [ground to a halt](#). This is leaving many institutional investors, who have raised money over the past few years, on the sidelines. But the fundamentals around the strongest-performing asset classes haven't changed (e.g., the housing shortage still persists, which provides a strong tailwind for residential), so I believe institutions are simply waiting for the right moment to jump back in.

Small-scale commercial real estate encompasses many different verticals, and each will perform differently depending on market conditions and the macroeconomy. It's important to understand each, as this can inform how investors build their portfolios. Courtesy Matias Recchia/Forbes Councils Member

FEATURED LISTING

21175 OLEAN BOULEVARD
PORT CHARLOTTE, FLORIDA 33952
CG-ZONED BUILDING IN THE HEART OF
THE PORT CHARLOTTE MEDICAL DISTRICT
SALE PRICE: \$3,250,000



This property is in the heart of the Medical District in Port Charlotte. This was a former location of Bank of America and is situated near the intersection of Tamiami Trail and Olean Boulevard. The land area is 2.28 acres which would provide enough property to expand the current building or to construct a separate CG-zoned compatible structure. The building is currently being renovated after Hurricane Ian. This property is being offered for sale at \$3,250,000. The separate portion of the building in the rear (3,259 SF) is leased through April 2024 to a construction company at \$16.00/sf modified gross.

Please contact Howard Corr, Managing Broker, for more information: 941-815-2129.

CHARLOTTE COUNTY-PUNTA GORDA METROPOLITAN PLANNING ORGANIZATION

The Florida Department of Transportation (FDOT), District One, draft Tentative Five-Year Work Program. The draft Tentative Work Program lists transportation system improvements scheduled for fiscal years 2023/24 through 2027/28.

[Click here to view the Charlotte County Draft Tentative Five-Year Work Program for Fiscal Years 2024 through 2028](#)

Courtesy [CCMPO](#)



Howard J. Corr CCIM
Managing Broker
H.Corr@CorrAdvisors.com

[D] 941-815-2129
[O] 941-740-1215

18501 Murdock Circle, Suite 300 | Port Charlotte FL, 33948



CORR
COMMERCIAL ADVISORS
REAL ESTATE SERVICES

