



David Stevens, CCIM



William Gonnering, CCIM, SIOR



Craig Timmins, CCIM

a regular communication to our clients and our friends

NAPLES RESTAURANT INDUSTRY GROWS WITH POPULATION

It wasn't that long ago that "dining out" in Naples meant choosing from just a handful of options: St. George and the Dragon, Piccadilly Pub, Pippins, Chef's Garden, or the Pewter Mug. Today, there are many more choices, and several additional national chains have Naples on their "radar screen" for further expansion.

The first wave of chain restaurants arrived in Naples in the 1980s and early 1990s, among them Ruby Tuesdays, Chili's, TGI Friday's, Red Lobster, Outback Steakhouse and Olive Garden.

Naples has clearly established itself as a desirable location for a new level of cuisine, based on the more recent arrival of Cheesecake Factory, Flemings, Brio's and Bricktops. Ruth's Chris Steakhouse, Capital Grille, Kona Grill and others have also been announced.

In addition to rapid population growth, the robust performance of a few particular chains is largely responsible for the latest rush of demand.

P.F. Chang's, Flemings and Cheesecake Factory have all reported sales levels equal to or greater than larger markets. Word spreads rapidly within the industry, and restaurant site selectors are quick to descend on the area looking for opportunities.

The recent development of Coconut Point and Gulfcoast Towne Center, and the redevelopment of Waterside Shops and Coastland Center, have provided very attractive environments to accommodate a variety of restaurant concepts.

RESTAURANTS RECENTLY OPENED OR COMING SOON TO THE NAPLES/BONITA SPRINGS AREA

Ale House

The Promenade at Naples Center

Benihanas

Vanderbilt Galleria

Blu Sushi

Gulf Coast Town Center

BrickTop's Restaurant

Waterside Shops

Brio Tuscan Grille

Waterside Shops

California Pizza Kitchen

Coconut Point Mall

Carrabba's Italian Grill

East Naples

Charlie Chiangs

North Naples

Encore Café

Naples Walk

Ernest Hemingway's Island Grill

Coconut Point Mall

Fitzgerald's Pub

East Naples

Five Guys Famous Burgers and Fries

Goodlette Corners

Handsome Harry's

Third Street Bistro

Naples

Islamorada Fish Company

Gulf Coast Town Center

Kona Grill

Coastland Mall

Pizzeria Uno

Vanderbilt

Red Brick Pizza

Boulevard Shoppes

Roy's

Bayfront Shoppes

Ruth's Chris Steakhouse

Coastland Center and

Coconut Point Mall

Sonic Drive-In

East Naples

Ted's Montana Grill

Coconut Point Mall

The Grape

Coconut Point Mall and 5th Avenue

Tijuana Flats

Riverchase Shopping Center

CLOSED RESTAURANTS

HOPS

Vacant

Old Heidelberg

Now Mr. G's

Vanderbilt Inn on the Gulf

Vacant (to be cleared for condos)

Chardonnay

Vacant

Jimmy's Roadhouse

Vacant

B.T. Boomers

Vacant

The only visible threat to the industry's success is the significant undersupply of available labor. Though the population projections indicate solid potential for patronage of Naples' expanding restaurant industry, it will continue to be extremely difficult to keep the

restaurants consistently staffed.

Notwithstanding the potential sacrifice in service, the Naples consumer may wish to continue to extend all gym memberships. One is not likely to run out of great choices to eat well and often.

COLLIER COUNTY	2005	CHANGE	2004	CHANGE	2003	CHANGE	2002	CHANGE	2001	CHANGE	2000
Sales (Millions)	\$577	9.9%	\$525	14.6%	\$458	11.2%	\$412	5.6%	\$390	9.9%	\$355
No. of Restaurants	776	3.9%	747	3.3%	723	4.2%	694	7.6%	645	1.6%	635
No. of Restaurant Seats	87,424	3.0%	84,867	2.8%	82,573	3.3%	79,960	5.9%	75,493	3.7%	72,797
Sales Per Seat	\$6,600	6.7%	\$6,186	11.5%	\$5,547	7.6%	\$5,153	-0.3%	\$5,166	5.9%	\$4,877
Population Per Seat	3.51	0.5%	3.50	0.9%	3.46	0.5%	3.45	-1.5%	3.50	0.3%	3.49

LEE COUNTY	2005	CHANGE	2004	CHANGE	2003	CHANGE	2002	CHANGE	2001	CHANGE	2000
Sales (Millions)	\$806	10.3%	\$731	9.9%	\$665	5.4%	\$631	3.6%	\$609	9.9%	\$554
No. of Restaurants	1,218	3.7%	1,174	3.8%	1,131	8.2%	1,045	5.8%	988	1.5%	973
No. of Restaurant Seats	129,279	1.1%	127,894	2.8%	124,458	5.9%	117,558	6.5%	110,345	0.7%	109,602
Sales Per Seat	\$6,235	9.1%	\$5,716	7.0%	\$5,343	-0.5%	\$5,368	-2.7%	\$5,519	9.2%	\$5,055
Population Per Seat	4.21	4.7%	4.03	0.7%	4.00	-1.1%	4.04	-2.8%	4.16	2.7%	4.05

FLORIDA	2005	CHANGE	2004	CHANGE	2003	CHANGE	2002	CHANGE	2001	CHANGE	2000
Sales (Millions)	\$23,689	5.3%	\$22,504	9.4%	\$20,578	3.8%	\$19,822	3.1%	\$19,223	5.3%	\$18,253
No. of Restaurants	34,637	1.5%	34,134	2.6%	33,266	5.7%	31,472	3.1%	30,533	2.7%	29,723
No. of Restaurant Seats	3,516,458	-0.2%	3,525,089	1.1%	3,486,027	4.1%	3,349,806	2.6%	3,265,168	2.4%	3,187,167
Sales Per Seat	\$6,737	5.5%	\$6,384	8.1%	\$5,903	-0.2%	\$5,917	0.5%	\$5,887	2.8%	\$5,727
Population Per Seat	5.06	2.6%	4.93	1.2%	4.87	-2.1%	4.98	-0.6%	5.01	-0.6%	5.04

NOTE:

1. Sales figures and the number of restaurant seats are based upon a FYE June 30th
2. Number of Restaurants refer to restaurants with seats only (excluding food carts, catering, etc.)
3. Population figures are as of July 1st each year per U.S. Census Bureau Population estimates

SOURCES:

- Florida Department of Revenue
- Florida Division of Hotels and Restaurants
- U.S. Census Bureau

INFORMATION COMPILED BY:

- Investment Properties Corporation of Naples
- 3838 Tamiami Trail North, Suite 402
- Naples, FL 34103 239-261-3400

INFORMATION CONTAINED HEREIN DEEMED RELIABLE, HOWEVER, NOT GUARANTEED

RECENT IPC TRANSACTIONS

Here are just a few of the real estate transactions brokered by the IPC team.

Leases: Retail, Office & Land

- **Slam Dunk, LLC:** 1,400 SF at Pebblebrooke Center, Unit 307, 15205-15215 Collier Blvd. from DAD Development Corp. (Greenblatt)
- **Opus 63 Design Lab, Inc.:** 2,600 SF at 1244 Airport Pulling Rd. from CRF River Reach Limited Partnership. (Sherwood)
- **Butterfly Ventures, LLC d/b/a Gymboree Play and Music:** 3,950 SF at Pelican Place, 1050 Pine Ridge Rd. from Meyers Realty Corp. (Greenblatt)
- **Winfield & Associates:** 0.35-acres at 180 9th St. S. from Interbeaute, LLC. (Stevens)
- **54FL, LLC d/b/a Five Guys Burgers and Fries:** 3,003 SF at 1410 Pine Ridge Rd., Suite 23 from Goodlette Corners, LLC. (Greenblatt)
- **Gym Source Florida, LLC:** 2,885 SF at Pine Ridge Rd. & Goodlette Frank Rd. from Goodlette Corners, LLC. (Sherwood)
- **TruGreen LandCare, LLC:** 6,000 SF at 3800 Prospect Ave. from Smarge Family, LLC. (Gonnering)
- **Fort Pitt Capital Group, Inc.:** 1,370 SF at 801 Laurel Oak Dr. from Gulf Shore Associates Limited Partnership. (Sherwood)
- **Triton Shutter Company, LLC:** 6,400 SF at 4344 Arnold Ave. from Russell J. Grant, Jr. and Mary K. Grant. (Gonnering)
- **The Ginn Development Company, LLC:** 5,934 SF at 23471 Walden Center Dr., Bonita Springs from Brooks Landing, LLC. (Sherwood)
- **Hillcrest Properties, Inc:** 2,009 SF at 3033 Riviera Dr. #105 from Beasley Broadcasting Management Corp. (Greenblatt)
- **Tami's Trendy with a Twist Boutique, Inc.:** 1,453 SF at The Colonnade, 600 5th Ave. S. #104 from CRF Building 600 Ltd. Prtnrs. (Greenblatt)

- **Naples United Church of Christ, Inc. d/b/a Bargain Box Retail Shop:** 5,006 SF at 331 8th St. S. from Fort Myers Broadcasting Company. (Sherwood)
- **Eagle Windows & Sliding Glass Doors, Inc.:** 10,000 SF at 3811 Enterprise Ave. from David S. Rogers. (Gonnering)

Sales: Retail, Office, Industrial & Land

- **Pine Ridge Crossings Shopping Center:** at 2334 Pine Ridge Rd. to KRG Development, LLC for \$22,500,000. (Stevens)
- **Sonoma Oaks:** 37.56-acres at the northwest corner of CR-951 and Vanderbilt, to Vernon O. Ray for \$21,500,000. (Stevens)
- **Courthouse Shadows Shopping Center:** at 3360 Tamiami Trail E. to KRG Development, LLC for \$20,000,000. (Stevens)
- **Riverchase Shopping Center:** at 11180 Tamiami Trail N. to KRG Development, LLC for \$15,500,000. (Stevens)
- **Fortune 2000 Properties, Inc.:** 1.915-acres at 24201-211 Walden Center Dr., Bonita Springs to The Park Apartments, Inc. for \$5,750,000. (Stevens)
- **Orange Pine Limited Partnership:** 24,230 SF retail strip center at 2055-2099 Pine Ridge Rd. to PRY of Naples, LLC for \$4,525,000. (Stevens)
- **Mortgage Max, Inc.:** (2) 4,000 SF buildings with fully improved pad for additional 4,000 SF building at 1750 SW Health Parkway to Rubell, LLC for \$3,600,000. (Timmins)
- **Meyers Realty Corp.:** 13,080 SF office building at 9180 Galleria Ct. to Nancy Mattis for \$3,300,000. (Stevens)
- **Charles T. Jackson, Co-Trustee & Mary Kirk Lucas Biehl, Co-Trustee:** 5.43-acres at 3790 E. Tamiami Trail to James O. Stevens, Jr. for \$3,100,000. (Stevens)
- **Tee Pee, LLC:** 10,032 SF industrial building at 4431 Corporate Square to Lawson Properties, LLC for \$1,775,000. (Gonnering)

- **SH & MA, LLC:** 4,700 and 4,500 SF industrial buildings on 1.04-acres at 2255-2275 J&C Blvd. to 2255 J&C Blvd., LLC for \$1,675,000. (Gonnering)
- **Henthorne – Taylor Rd., LLC:** 10,680 SF industrial building at 6266 Taylor Rd. to Furniture Imports, Inc. for \$1,450,000. (Gonnering)
- **Coconut Properties, LTD:** 1.4-acres at 23401 Walden Center Dr., Bonita Springs to Naples Diagnostic Imaging Center for \$1,210,000. (Stevens)
- **Edward D. Boston & Frankie H. Boston:** 1.84-acres at 11840 Tamiami Trail E. to John T. Magocs & Christopher L. Gehring for \$1,000,000. (Timmins)
- **The Centre at Veterans Park, LLC:** 4,457 SF office condo at 1855 Veterans Park Dr. to Michael L. Adams & Thomas F. O'Reilly for \$925,000. (Timmins)
- **W. & S. Hennells:** 6,256 SF industrial building at 1855 J & C Boulevard to Naples Custom Realty, LLC for \$925,000. (Gonnering)
- **Kevin J. Thomas:** 7,000 SF industrial building at 4327 Arnold Ave. to 4327 Arnold, LLC for \$850,000. (Gonnering)
- **Brighton Lane Office Venture, Co.:** 3,000 SF office condo at 8951 Brighton Lane, Unit 4, Bonita Springs to Bercat of Southwest Florida for \$675,000. (Gonnering)
- **Country Pine Classics, Inc.:** 2,710 SF at 1786 Trade Center Way #3 to EJO, LLC for \$610,000. (Gonnering)
- **Brighton Lane Office Venture, Co.:** 3,000 SF office condo at 26741 Dublin Woods Circle, Bonita Springs to Domi Capital, LC for \$534,000. (Gonnering)
- **Douglas Lee & Gordon L. Avery:** 1.69-acre residential development at Bayshore/Colonial Drive to Dennis Claussen for \$465,000. (Gonnering)
- **Brighton Lane Office Venture Co., LLC:** 1,611 SF office condo at 26721 Dublin Woods Circle, Suite 2, Bonita Springs to Lapsed Synapse, LLC for \$288,508. (Gonnering)

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Investment Properties Corporation
3838 Tamiami Trail North, Suite 402
Naples, Florida, 34103-3586
Licensed Real Estate Broker

