

Industrial Q1 2023

YoY
Chg12-Mo.
Forecast

3.3%

Vacancy Rate



290K

YTD Net Absorption, SF



\$14.16

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q1 2023YoY
Chg12-Mo.
Forecast

896K

Broward County
Employment

2.5%

Broward County
Unemployment Rate

3.5%

U.S.
Unemployment Rate

Source: BLS, FL Dept. Economic OPP

ECONOMY

The Broward County unemployment rate was 2.5% in February 2023, down 80 basis points (bps) from the same time last year. Nonagricultural employment increased by 1.8% or 15,500 jobs, and Broward County recorded employment growth in all private sectors. All industrial-using employment sectors, which included construction, manufacturing, and trade, transportation & utilities, gained a combined 7,300 jobs year-over-year (YOY).

SUPPLY

Broward County's overall vacancy rate reached a post-pandemic low, decreasing 60 bps from the previous quarter to 3.3%, on par with rates seen in late 2018. Warehouse/distribution (W/D) vacancy has steadily declined over the last twelve months, ending the quarter at 3.6%. There were concerns large tenant vacancies in the second half of 2022 would have a lasting effect on rates but a strong start to the year has negated any worry in the market. The Broward County construction pipeline remained robust, with 1.3 million square feet (msf) under construction. Expected completions heading into the rest of 2023 will offer new high-quality space in a market running out of developable land.

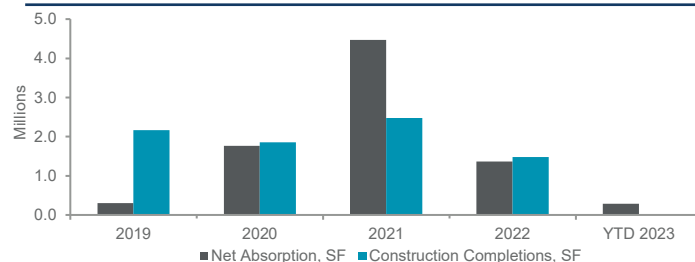
DEMAND

Leasing activity in Broward County slowed in the first quarter, the lowest recorded since the pandemic began as available space options dwindled. However, absorption remained healthy through Q1, finishing at positive 290,494 square feet (sf) as the Airport/Dania, Southeast Broward, and Pembroke/Miramar/Weston submarkets recorded strong occupancy gains. William Sonoma, Nations Benefits, and Amerant Bank were the largest tenants to move into space, occupying a combined 336,155 sf.

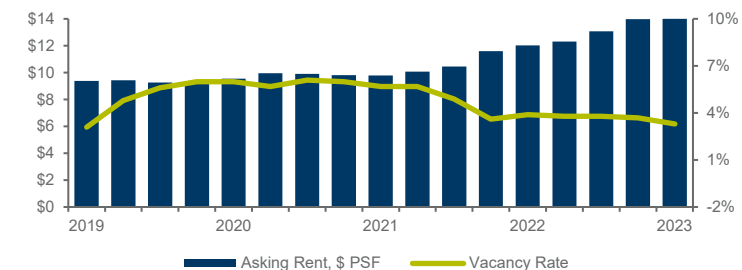
MARKET PRICING

South Florida has yielded unprecedented rent growth in all three counties since the pandemic began. Within Broward County, overall asking rates ended the quarter at \$14.16 per square foot (psf) triple net (NNN), up 17.6% from the same time last year. W/D space increased by \$2.16 psf YOY to \$13.72 psf NNN. Broward County has recorded market high rents in five straight quarters and topped the \$14.00 psf NNN mark for two consecutive quarters. While new deal activity slowed in Q1 2023, land constraints and low vacancy rates should keep rental rates hovering near historic highs for the foreseeable future.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2023

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
FTL - Airport/Dania	6,931,093	92,628	1.3%	229,958	229,958	0	0	N/A	\$15.67	\$12.29
FTL - Central	7,091,655	292,997	4.1%	-11,059	-11,059	200,147	0	N/A	\$26.84	\$15.42
FTL - East/Central	5,052,378	207,421	4.1%	-19,080	-19,080	50,000	0	N/A	\$25.00	\$18.75
CENTRAL BROWARD	19,075,126	593,046	3.1%	199,819	199,819	250,147	0	N/A	\$20.10	\$15.74
Coral Springs/Margate	8,250,601	538,813	6.5%	6,230	6,230	400,000	0	N/A	\$14.33	\$9.66
Deerfield Beach	8,886,805	233,976	2.6%	-16,138	-16,138	0	0	N/A	\$19.27	\$14.23
Pompano Beach	23,074,356	876,651	3.8%	-37,854	-37,854	0	0	N/A	\$15.15	\$14.09
NORTH BROWARD	40,211,762	1,649,440	4.1%	-47,762	-47,762	400,000	0	N/A	\$16.20	\$12.86
SOUTHEAST BROWARD	7,709,476	174,366	2.3%	58,934	58,934	580,603	0	\$20.72	\$14.00	\$17.00
Davie/Plantation/Sunrise	10,646,233	409,500	3.9%	-8,176	-8,176	103,000	0	N/A	\$13.08	\$12.20
Pembroke/Miramar/Weston	13,926,090	235,866	1.7%	87,679	87,679	0	0	N/A	\$14.58	\$12.12
SOUTHWEST BROWARD	24,572,323	645,366	2.6%	79,503	79,503	103,000	0	N/A	\$13.65	\$12.17
FTL/BROWARD TOTALS	91,568,687	3,062,218	3.3%	290,494	290,494	1,333,750	0	\$20.72	\$15.68	\$13.72

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

MARKET STATISTICS BY ASSET TYPE

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Manufacturing	9,993,788	5,000	0.1%	-2,315	-2,315	685	0	0	\$20.72
Office Services/Flex	11,942,034	448,212	3.8%	98,349	98,349	75,739	0	0	\$15.68
Warehouse/Distribution	69,632,865	2,609,006	3.7%	194,460	194,460	128,764	1,333,750	0	\$13.72
FTL/BROWARD TOTALS	91,568,687	3,062,218	3.3%	290,494	290,494	205,188	1,333,750	0	\$14.16

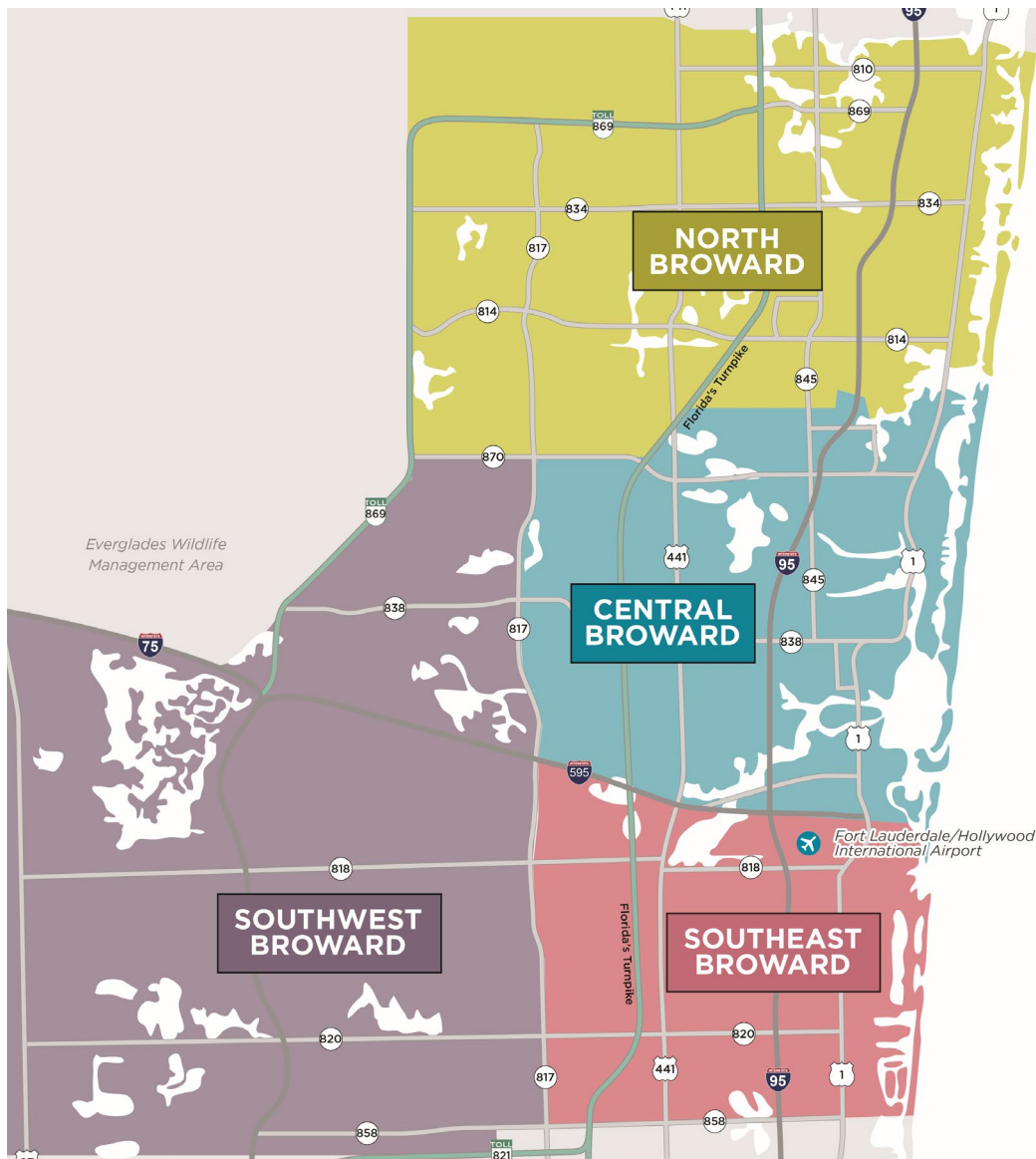
KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1471 West Hillsboro Boulevard	Deerfield Beach	ABC Supply Company	30,800	New Lease
1310 S Powerline Rd	Deerfield Beach	SOARING CHEFS, INC.	29,060	Renewal
1027 SW 30th Avenue	Deerfield Beach	Leaf Home Enhancements, LLC	21,815	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	RSF	PRICE/\$ PSF
4500 N Powerline Rd	Deerfield Beach	Crystal Pointe Commercial Properties LLC Miami City Self Storage	78,556	\$22M \$280
1751 W Copans Rd	Pompano Beach	DBG Properties LLC Blusv I FL 290 SW 14 th Ave LLC	40,315	\$9.4M \$233
290 SW 14 th Ave	Pompano Beach	Saul Silber Props LLC James M Robbins	31,834	\$5.8M \$182

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