

BROWARD COUNTY

Industrial Q1 2022

	YoY Chg	12-Mo. Forecast
4.4% Vacancy Rate	▼	▼
104K YTD Net Absorption, SF	▲	▲
\$11.76 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
864K Broward County Employment	▲	▲
2.8% Broward County Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

Numbers above are monthly figures., FL Dept. Economic OPP.

ECONOMY

Broward County had an unemployment rate of 2.8% in March 2022, down 280 basis points (bps) over the year. Nonagricultural employment was 864,000, an increase of 33,900 jobs, or 4.1%, in the last twelve months. Leisure & Hospitality led the county all year with job gains of 9,800 added. All industrial-using employment sectors, which included Construction, Manufacturing, Trade, Transportation & Utilities, gained jobs year-over-year (YOY) for a combined total of 14,100 jobs added. New jobs in Trade, Transportation, and Utilities led all industrial sectors in terms of jobs added, up 9,100 in 12-months.

SUPPLY

First-quarter overall vacancy ended at 4.4%, a decrease of 140 bps from this period last year and on par with what the vacancy rate was at year-end 2019, before the start of the pandemic. Overall vacancy in warehouse/distribution assets fell significantly to 4.8% a decrease of 170 bps in the last 12-months. The completion of two buildings in the Hillsboro Technology Center saw 300,000 sf of new inventory added to the Deerfield Beach submarket. There were 1.27 million square feet (msf) under construction at the start of the year with most projects slated for delivery by the middle of 2022. An additional 4.7 msf was in the proposed pipeline for Broward County with some projects expected to start construction in the next few quarters.

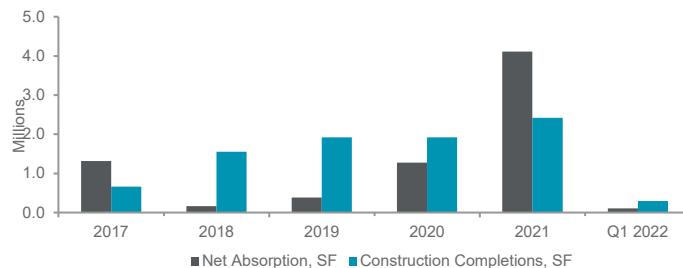
DEMAND

New leasing activity reached over 1.3 msf, a 15.2% rise compared to the first quarter of 2021. Warehouse/distribution space accounted for over 82% of all new leasing activity this quarter with over 1.1 msf signed, 17.3% higher than the same period one year ago. The Southwest Broward major market led the county in activity with close to 582,400 sf of new or expansion leases signed in the first quarter of 2022. Overall net absorption remained positive with approximately 104,000 sf YTD.

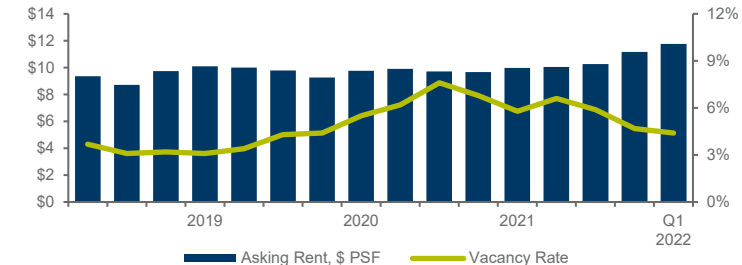
MARKET PRICING

Overall asking rates reached historic highs at \$11.76 per square foot (psf) triple net in the first quarter, an increase of 17.8% YOY. New deliveries with higher than average asking rates and increased demand were the primary drivers for increases in asking rates. Warehouse/distribution space increased by 20% in the last 12-month to \$11.32 psf, a full dollar increase from last quarter's historic high. Increased demand from eCommerce companies, construction firms, and logistics operators as well as new inventory priced at the top end of the market were the main drivers for increased asking rents in the last 12 months.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (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	6,599,973	177,062	2.7%	14,201	87,808	321,120	0	\$12.20	\$15.25	\$11.15
FTL - Central	7,091,655	494,809	7.0%	-95,826	62,849	0	0	N/A	\$16.32	\$11.38
FTL - East/Central	5,052,378	217,656	4.3%	-26,434	57,857	0	0	N/A	N/A	\$11.78
CENTRAL BROWARD	18,744,006	889,527	4.8%	-108,059	208,514	321,120	0	\$12.20	\$15.79	\$11.47
Coral Springs/Margate	8,237,611	76,190	0.9%	258,986	23,888	75,000	0	N/A	\$13.90	\$15.40
Deerfield Beach	8,875,583	344,758	3.9%	102,278	108,274	0	296,901	N/A	\$16.48	\$11.86
Pompano Beach	22,652,024	1,209,408	5.3%	-89,918	354,486	440,812	0	N/A	\$14.55	\$10.82
NORTH BROWARD	39,765,218	1,630,356	4.1%	271,346	486,648	515,812	296,901	N/A	\$15.05	\$11.04
Hollywood/Hallandale	7,779,400	296,823	3.8%	-120,410	75,315	272,691	0	\$8.03	\$14.00	\$14.70
SOUTHEAST BROWARD	7,779,400	296,823	3.8%	-120,410	75,315	272,691	0	\$8.03	\$14.00	\$14.70
Davie/Plantation/Sunrise	10,390,667	535,902	5.2%	31,246	308,718	225,580	0	N/A	\$10.24	\$11.64
Pembroke/Miramar/Weston	13,925,849	643,401	4.6%	29,836	273,649	0	0	N/A	\$13.96	\$10.65
SOUTHWEST BROWARD	24,316,516	1,179,303	4.9%	61,082	582,367	225,580	0	N/A	\$12.71	\$10.76
FTL/BROWARD TOTALS	90,605,140	3,996,009	4.4%	103,959	1,352,844	1,335,203	296,901	\$11.21	\$13.96	\$11.32

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

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

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	9,945,171	119,255	1.20%	26,866	26,866	62,251	0	0	\$11.21
Office Services/Flex	11,912,048	546,084	4.60%	20,170	20,170	180,199	0	0	\$13.96
Warehouse/Distribution	68,747,921	3,330,670	4.80%	56,923	56,923	1,110,394	1,275,203	296,901	\$11.32
FTL/BROWARD TOTALS	90,605,140	3,996,009	4.40%	103,959	103,959	1,352,844	1,335,203	296,901	\$11.76

KEY LEASE TRANSACTIONS Q1 2022

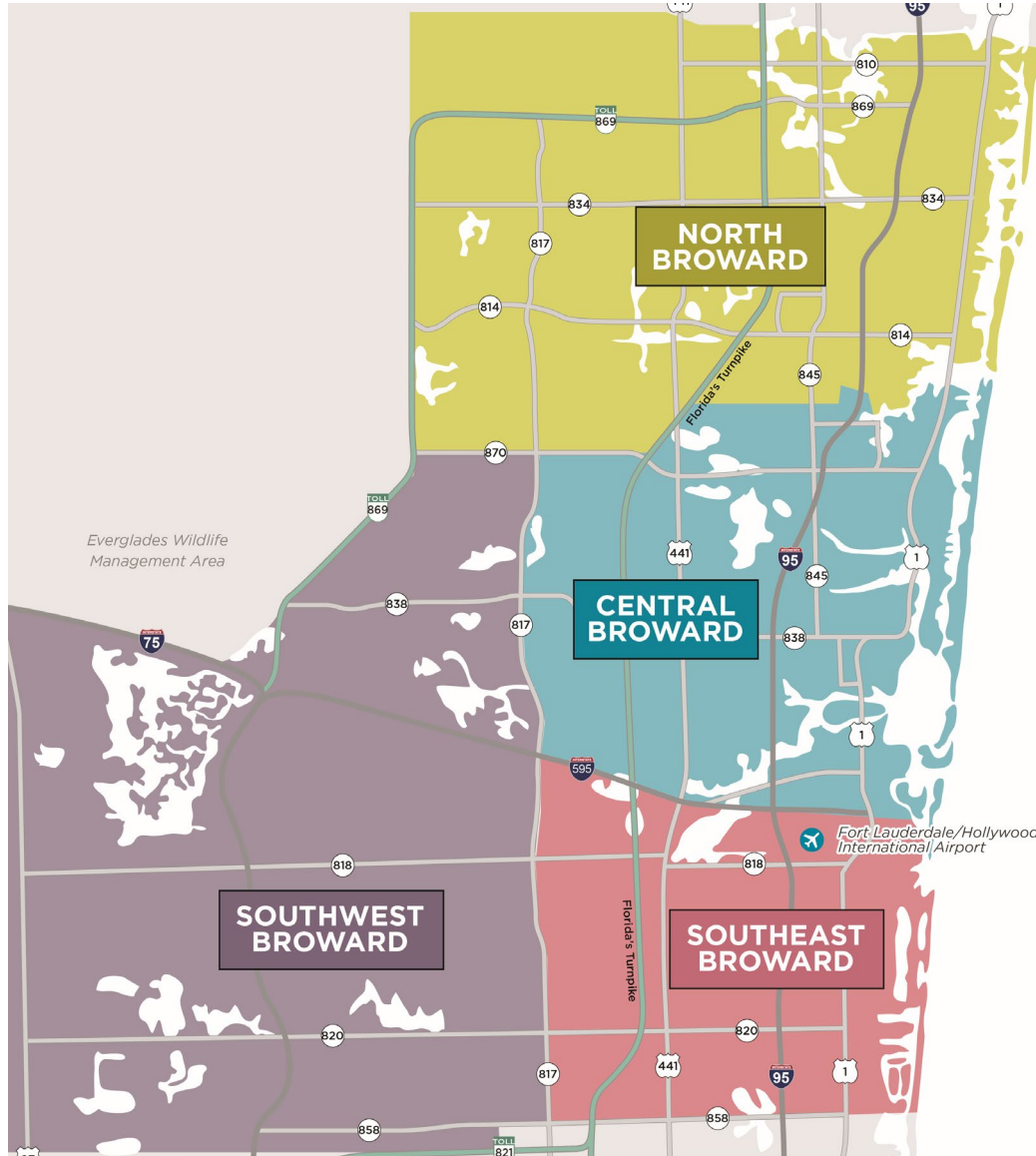
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2650 Bridge Way - Building 2	Davie/Plantation/Sunrise	ShipMonk	208,091	New Lease
3245 Meridian Pky	Pembroke/Miramar/Weston	International Distribution Group	116,000	New Lease
650 Hillsboro Technology Drive	Deerfield Beach	Fuse Specialty Appliances	51,837	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
601 SW 13th Terrace	Pompano Beach	Prologis Equus Capital Partners	550,456	\$134.3M \$244
20351 Sheridan St. - Bldg. B	Pembroke/Miramar/Weston	Vital Pharmaceuticals EverWest Real Estate Investors	249,005	\$58.3M \$234
1400 SW 6th Court	Pompano Beach	Prologis Equus Capital Partners	143,459	\$30.4M \$212

INDUSTRIAL SUBMARKETS



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