

BROWARD COUNTY

Industrial Q3 2023

3.1%
Vacancy Rate



576K
YTD Net Absorption, SF



\$14.96
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2023

907K
Broward County
Employment



2.6%
Broward County
Unemployment Rate



3.7%
U.S.
Unemployment Rate



Source: BLS

ECONOMY

The Broward County unemployment rate was 2.6% in Q3 2023, on par with unemployment from this time last year and 110 basis points (bps) below the national rate. Nonagricultural employment increased by 10,900 jobs or 1.2%. Industrial-using employment sectors of manufacturing and trade, transportation & utilities gained a net 3,500 jobs year-over-year (YOY), but the construction sector recorded a 1,300 job decrease.

SUPPLY

Broward County overall vacancy ended the quarter at 3.1%, down 60 bps YOY despite an uptick nationally. Warehouse/distribution (W/D) was 3.6% at quarter end, 40 bps lower than the prior quarter and a 70 bps decrease YOY. No new construction projects completed in the market so far in 2023. With persistent demand and no new supply in the market, overall vacancy for all product types recorded a five-year low. Expected deliveries in Q4 and early next year will help alleviate supply constraints in Broward County.

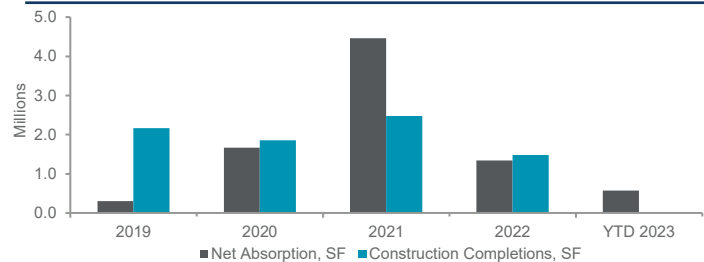
DEMAND

Broward County new deal activity finished the third quarter just over 2.0 million square feet (msf) year-to-date (YTD), down significantly from the previous year. While Broward has recorded a decrease in deal activity in 2023, low vacancy in the market factored into slowing demand as viable space options remained extremely limited. Absorption remained positive in the market despite a slower year for leasing activity, finishing the quarter at 575,583 square feet (sf) YTD. The largest tenant occupancies for the quarter included the Armstrong relocation for 130,000 sf, Diamond Cosmetics for 36,904 sf, and SVP occupying 32,827 sf.

MARKET PRICING

Overall asking rates for Broward County ended the quarter at \$14.96 per square foot (psf) triple net (NNN), up 17.0% YOY but nearly unchanged since midyear. W/D asking rents began to level off, stabilizing from a quarter ago but still up 18.5% YOY. Rental rates in the market were down several cents for the first time since Q1 2021, a possible sign of slowing rates after a historic post-pandemic climb. However, record low vacancy in the market paired with strong overall South Florida demand, should help rates hold fast despite economic headwinds.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 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	97,879	1.4%	29,329	209,274	0	0	N/A	\$15.69	\$16.57
FTL – Central	7,090,719	396,737	5.6%	-5,136	-115,612	200,147	0	N/A	\$20.79	\$16.51
FTL - East/Central	5,052,378	36,420	0.7%	19,144	123,756	0	0	N/A	N/A	\$18.21
CENTRAL BROWARD	19,074,190	531,036	2.8%	43,337	217,418	200,147	0	N/A	\$16.93	\$16.73
Coral Springs/Margate	8,250,601	506,327	6.1%	49,803	37,698	427,515	0	N/A	\$21.87	\$16.91
Deerfield Beach	8,886,805	191,769	2.2%	-10,179	6,695	0	0	N/A	\$20.00	\$17.72
Pompano Beach	23,074,356	999,139	4.3%	105,589	-55,771	0	0	N/A	\$15.00	\$13.85
NORTH BROWARD	40,211,762	1,697,235	4.2%	145,213	-11,378	427,515	0	N/A	\$18.71	\$13.99
SOUTHEAST BROWARD	7,709,476	84,481	1.1%	32,427	144,530	580,603	0	\$20.30	N/A	\$18.63
Davie/Plantation/Sunrise	10,646,233	393,702	3.7%	8,353	-60,630	103,000	0	N/A	\$11.60	\$18.00
Pembroke/Miramar/Weston	13,926,090	172,302	1.2%	24,962	285,643	0	0	N/A	\$15.14	\$12.90
SOUTHWEST BROWARD	24,572,323	566,004	2.3%	33,315	225,013	103,000	0	N/A	\$12.92	\$15.98
FTL/BROWARD TOTALS	91,567,751	2,878,756	3.1%	254,292	575,583	1,311,265	0	\$20.30	\$14.67	\$14.98

*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	5,600	0.1%	-3,600	-2,915	25,685	0	0	\$20.30
Office Services/Flex	11,942,034	336,038	2.8%	41,909	123,574	320,274	0	0	\$14.67
Warehouse/Distribution	69,631,929	2,537,118	3.6%	215,983	454,924	1,680,276	1,311,265	0	\$14.98
FTL/BROWARD TOTALS	91,567,751	2,878,756	3.1%	254,292	575,583	2,026,235	1,311,265	0	\$14.96

KEY LEASE TRANSACTIONS Q3 2023

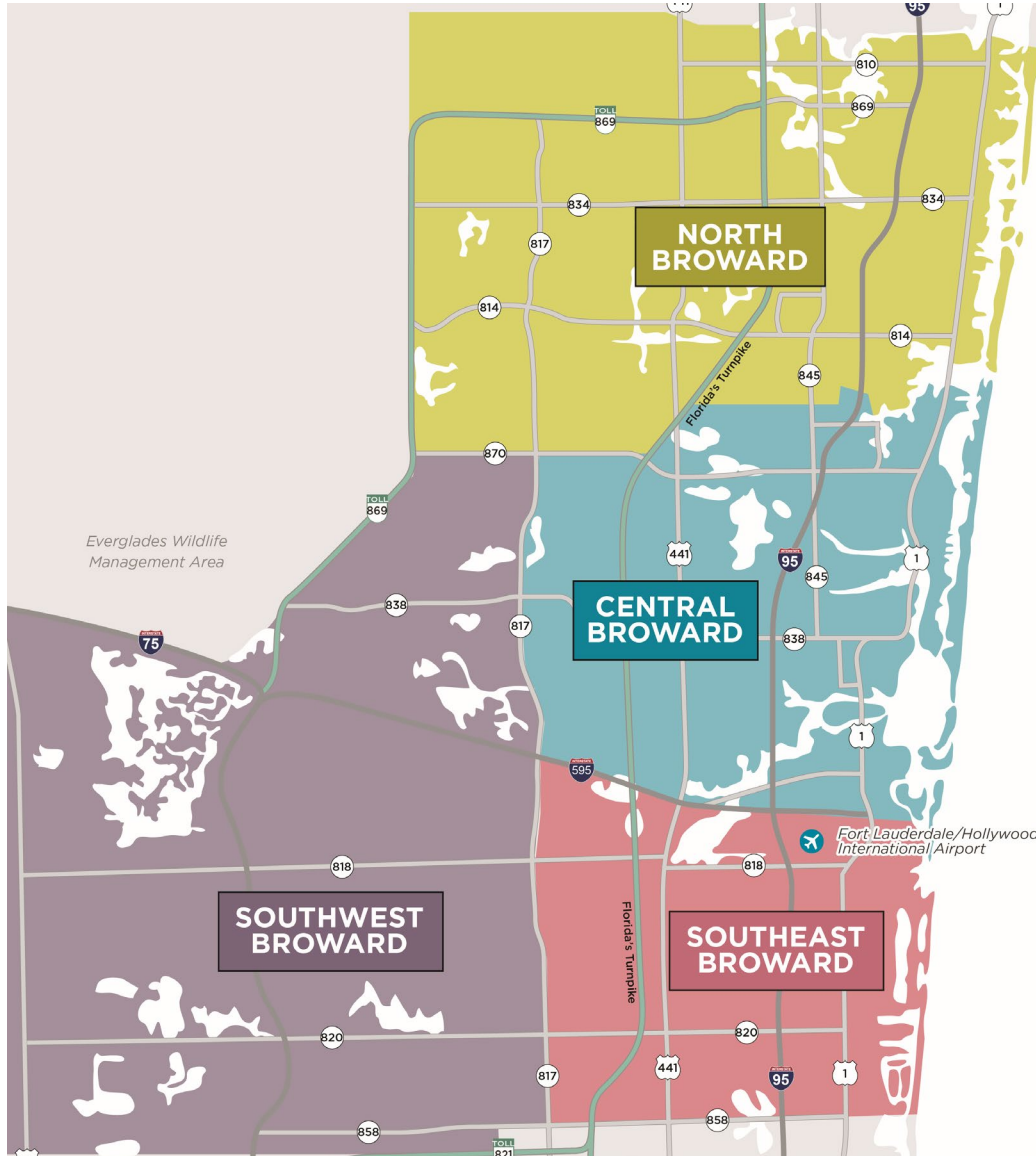
PROPERTY	SUBMARKET	TENANT	SF	TYPE
12000 NW 39th St	Coral Springs/Margate	CTS Engines, LLC	216,317	New Lease
9850 Premier Parkway	Pembroke/Miramar/Weston	Stanley Black & Decker, Inc.	150,000	Renewal
5301 W Copans Rd	Coral Springs/Margate	ATI	131,683	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	RSF	PRICE/\$ PSF
Quiet Waters Business Park	Deerfield Beach	Prudential Financial, Inc. Link Logistics	677,789	\$162M \$239
20311 Sheridan St	Pembroke/Miramar/Weston	Vital Pharmaceuticals, Inc. Summit Real Estate Group	224,572	\$59.7M N/A
4000 N Dixie Hwy	Pompano Beach	Zurich Alternative Asset Management Sterling Investors	128,342	\$24.3M \$189

INDUSTRIAL SUBMARKETS



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