

BROWARD COUNTY

Industrial Q2 2024

	YoY Chg	12-Mo. Forecast
3.2% Vacancy Rate	▼	▬
443K YTD Net Absorption, SF	▲	▲
\$15.61 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
934K Broward County Employment	▲	▲
3.2% Broward County Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY

The Broward County unemployment rate for Q2 averaged 3.2%, up 50 basis points (bps) from one year ago, but well below the national rate of 4.1%. Nonfarm employment increased by 23,700 jobs, up 2.6% year-over-year (YOY). Annual job growth in the trade, transportation, and utilities sector grew faster in the county than any other metro market in the state, up 6,500 jobs YOY.

SUPPLY

Broward County's overall vacancy rate was 3.2% at the close of Q2, down 10 bps from one year ago. Broward County boasted the lowest vacancy rate in the state and was the only market to register a vacancy decrease over the past 12 months, bucking a widespread national trend in that time. This can be attributed to a lack of construction completions during Q2 which will likely persist throughout 2024 as just one project is currently under construction in the market. Bridge Point Everglades, slated for delivery in the third quarter, will add 171,983 sf of supply adjacent to the Port and bring year-to-date (YTD) completions to almost 900,000 sf. While the injection of new supply caused vacancy to trend upward modestly over the past three quarters, the scarcity of developable land and a limited pipeline should keep vacancy from rising.

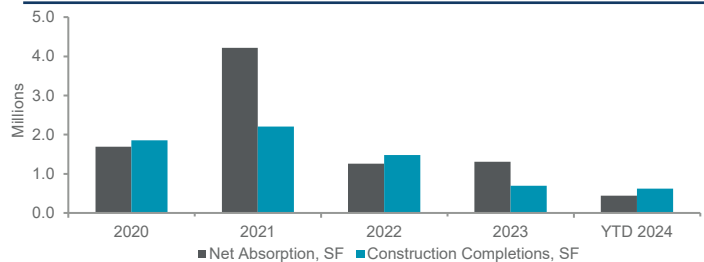
DEMAND

New leasing activity totaled almost 1.2 million square feet (msf), down 14.4% from one year ago. Deal activity remained sluggish, as economic headwinds and limited supply factored into the softer demand. The market recorded 442,687 sf of net occupancy gains YTD despite the negative 121,750 sf of quarterly absorption in Q2. The relocation of CHEP USA from Atlantic Business Center to Palm Beach County caused 80,162 sf of negative absorption in Q2 and contributed to the slight quarterly setback. The largest tenant move-ins included AMJ Campbell occupying 38,280 sf and Redbull District for 25,280 sf, both in the Pompano Beach submarket.

MARKET PRICING

The overall average asking rate of \$15.61 per square foot (psf) was up 4.8% YOY to another new market high. After rates appeared to stagnate over the past two quarters, rents in the market increased 4.0% quarter-over-quarter. The W/D asking rate rose 4.0% YOY, finishing the quarter at \$15.48 psf. Broward County continued to boast the second highest overall rate in the state.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2024

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	2,600,136	206,665	8.0%	0	-7,050	171,983	0	N/A	\$20.00	N/A
FTL – Central	10,258,082	366,366	3.6%	-8,984	-9,894	0	0	\$18.75	\$18.40	\$16.49
FTL - East/Central	4,051,742	78,870	2.0%	-14,607	-25,766	0	0	N/A	N/A	\$18.56
CENTRAL BROWARD	16,909,960	651,901	3.9%	-23,591	-42,710	171,983	0	\$18.75	\$18.85	\$17.20
Coral Springs/Margate	9,144,740	291,467	3.2%	-5,892	247,333	0	427,515	N/A	\$15.20	\$18.02
Deerfield Beach	8,821,805	64,750	0.7%	11,002	47,479	0	0	N/A	\$11.00	\$20.53
Pompano Beach	22,157,631	1,035,511	4.7%	-72,362	-36,652	0	0	\$12.00	\$14.00	\$14.75
NORTH BROWARD	40,124,176	1,391,728	3.5%	-67,252	258,160	0	427,515	\$12.00	\$14.40	\$14.90
SOUTHEAST BROWARD	17,561,414	594,515	3.4%	7,443	54,433	0	190,508	\$18.41	\$15.43	\$16.17
Davie/Plantation/Sunrise	4,968,077	177,859	3.6%	-14,105	-11,101	0	0	\$18.76	\$18.29	\$20.45
Pembroke/Miramar/Weston	13,045,560	104,707	0.8%	-24,245	183,905	0	0	N/A	\$17.22	N/A
SOUTHWEST BROWARD	18,013,637	282,566	1.6%	-38,350	172,804	0	0	\$18.76	\$17.64	\$20.45
FTL/BROWARD TOTALS	92,609,187	2,920,710	3.2%	-121,750	442,687	171,983	618,023	\$16.02	\$16.78	\$15.48

An exercise was executed at the beginning of 2024 to realign inventory and submarkets. Historical data has been revised to reflect updates.

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

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

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	82,477	0.8%	-10,543	13,538	66,210	0	0	\$16.02
Office Services/Flex	11,942,034	198,403	1.7%	1,551	-10,650	103,045	0	0	\$16.78
Warehouse/Distribution	70,673,365	2,639,830	3.7%	-112,758	439,799	1,003,088	171,983	618,023	\$15.48
FTL/BROWARD TOTALS	92,609,187	2,920,710	3.2%	-121,750	442,687	1,172,343	171,983	618,023	\$15.61

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7601 Riviera Boulevard	Hollywood/Hallandale	Compass Group USA, Inc.	69,679	New Lease
2500 Commerce Center Way #800	Hollywood/Hallandale	A.P.P Group	53,116	Renewal
450 E Copans Road	Pompano Beach	Adhesives Technology	52,000	Renewal

*Renewals not included in leasing statistics

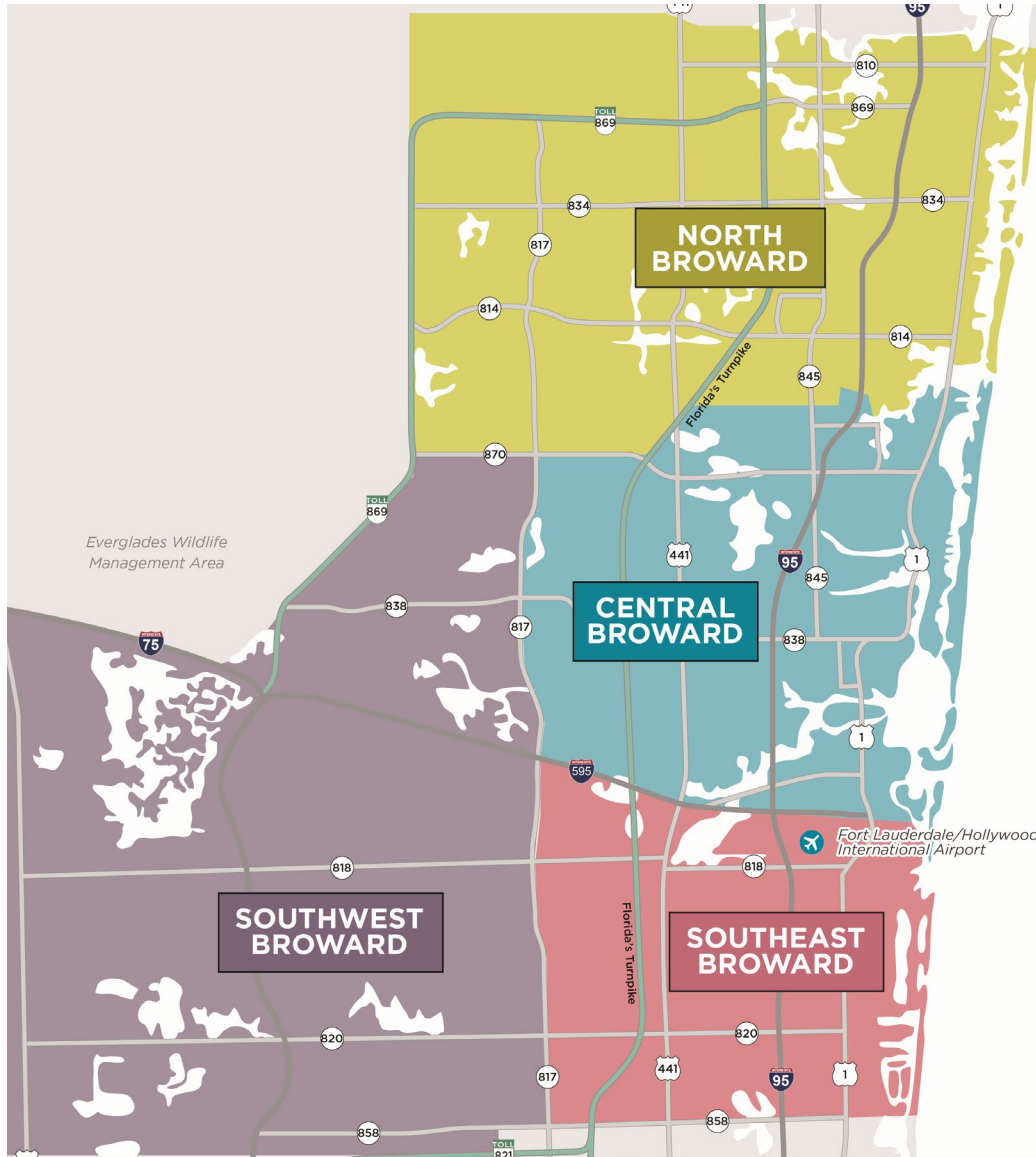
KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	RSF	PRICE/\$ PSF
Rock Lake Business Center Portfolio Sale	Pompano Beach	IDI Logistics Tishman Speyer	256,000	\$100.2M \$391
3141 Southwest 10th Street	Pompano Beach	Elion Partners Link Logistics Real Estate	129,000	\$20.7M \$160
Pompano Industrial Center Portfolio Sale	Pompano Beach	Ares Industrial Real Estate Income Trust Inc. Invesco Real Estate	94,106	\$23.9M \$253

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INDUSTRIAL SUBMARKETS



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