

BROWARD COUNTY

Industrial Q4 2021

	YoY Chg	12-Mo. Forecast
5.9% Vacancy Rate	▼	▼
2.4M YTD Net Absorption, SF	▲	▲
\$10.27 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
849K Broward County Employment	▲	▲
3.8% Broward County Unemployment Rate	▼	▼
4.2% U.S. Unemployment Rate	▼	▼

Source: BLS

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

ECONOMY

Broward County had an unemployment rate of 3.8% in November 2021, down 140 basis points (bps) over the year. Nonagricultural employment was 849,000, an increase of 34,900 jobs, or 4.3%, in the last twelve months. Leisure & Hospitality led the county all year with job gains of 8,900 added. All industrial-using employment sectors, which included Construction, Manufacturing, and Trade, Transportation & Utilities, gained jobs year-over-year (YOY) for a combined total of 14,100 jobs added. New jobs in Construction led all sectors in terms of percentage change, up 12.1% in 12-months.

SUPPLY

Fourth quarter overall vacancy ended at 4.7%, a decrease of 200 bps from this period last year and on par with what the vacancy rate was at the end of the first quarter of 2020 at the start of the pandemic. Overall vacancy in warehouse/distribution assets fell significantly to 4.9% a decrease of 290 bps in the last 12-months. Approximately 2.4 million square feet (msf) of new inventory was added since the start of 2021 with over half of all projects completed in the North Broward major market. There was 1.0 msf under construction at the end of the year with most projects slated for delivery by the middle of 2022. An additional 2.3 msf was in the proposed pipeline for Broward County with some projects expected to start construction in the fourth quarter.

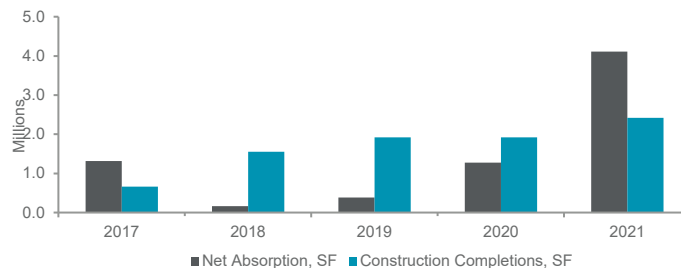
DEMAND

New leasing activity reached over 6.8 msf, a 54% rise compared to deals completed in 2020. Warehouse/distribution space accounted for over 87% of all new leasing activity this year with over 5.9 msf signed, 56% higher than the same period one year ago. The North Broward major market led the county in activity with 3.0 msf new or expansion leases signed in 2021. Overall net absorption remained robust with approximately 4.1 msf year-to-date (YTD) and the highest annual amount recorded ever.

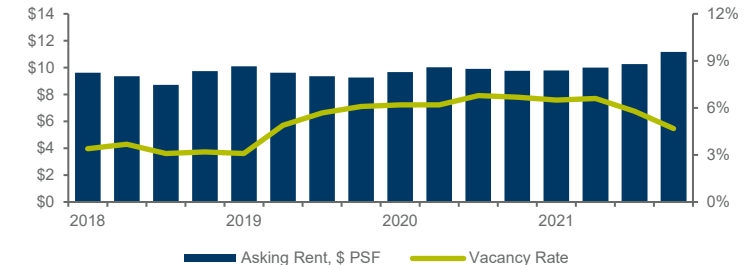
MARKET PRICING

Overall asking rates reached historic highs at \$11.18 per square foot (psf) triple net in the fourth quarter, an increase of 15.5% YOY. New deliveries with higher than average asking rates and increased demand were the primary drivers for soaring rental rates. Warehouse/distribution space increased by 12.5% in the last 12-month to \$10.36 psf, the first time the asking rental rate closed above \$10.00 psf at year-end. Heightened demand from e-commerce companies, construction firms and logistics operators as well as new inventory priced at the top end of the market all contributed to help push rents up in 2021.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 2021

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	6,599,616	204,203	3.1%	-16,542	44,805	0	0	\$12.20	\$15.16	\$9.78
FTL - Central	7,042,883	438,165	6.2%	-73,837	113,446	0	0	N/A	\$15.45	\$11.86
FTL - East/Central	5,051,010	169,138	3.4%	45,831	100,811	0	153,866	N/A	N/A	\$11.05
CENTRAL BROWARD	18,693,509	811,506	4.3%	-44,548	259,062	0	153,866	\$12.20	\$15.34	\$11.33
Coral Springs/Margate	8,237,761	377,876	4.6%	350,232	703,529	0	464,098	N/A	\$13.90	\$8.01
Deerfield Beach	8,586,135	245,708	2.9%	28,539	178,478	296,901	0	N/A	\$14.04	\$11.93
Pompano Beach	22,660,072	1,258,066	5.6%	363,988	1,225,900	159,812	821,778	N/A	\$14.19	\$10.05
NORTH BROWARD	39,483,968	1,881,650	4.8%	742,759	2,107,907	456,713	1,285,876	N/A	\$14.09	\$9.97
Hollywood/Hallandale	7,751,944	149,516	1.9%	90,626	170,982	272,691	0	N/A	\$13.58	\$13.64
SOUTHEAST BROWARD	7,751,944	149,516	1.9%	90,626	170,982	272,691	0	N/A	\$13.58	\$13.64
Davie/Plantation/Sunrise	10,414,980	651,580	6.3%	492,197	624,159	225,580	709,893	\$10.27	\$15.73	\$10.37
Pembroke/Miramar/Weston	13,855,690	717,027	5.2%	137,965	951,472	0	270,767	N/A	\$13.69	\$9.69
SOUTHWEST BROWARD	24,270,670	1,368,607	5.6%	630,162	1,575,631	225,580	980,660	\$10.27	\$14.41	\$10.00
FTL/BROWARD TOTALS	90,200,091	4,211,279	4.7%	1,418,999	4,113,582	954,984	2,420,402	\$11.66	\$14.44	\$10.36

*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	146,121	1.5%	8,778	120,316	206,449	0	0	\$11.66
Office Services/Flex	11,850,292	703,820	5.9%	-92,913	-10,435	676,704	0	32,579	\$14.44
Warehouse/Distribution	68,404,628	3,361,338	4.9%	1,503,134	4,003,701	5,876,463	954,984	2,387,823	\$10.36
FTL/BROWARD TOTALS	90,200,091	4,211,279	4.7%	1,418,999	4,113,582	6,759,616	954,984	2,420,402	\$11.18

KEY LEASE TRANSACTIONS 2021

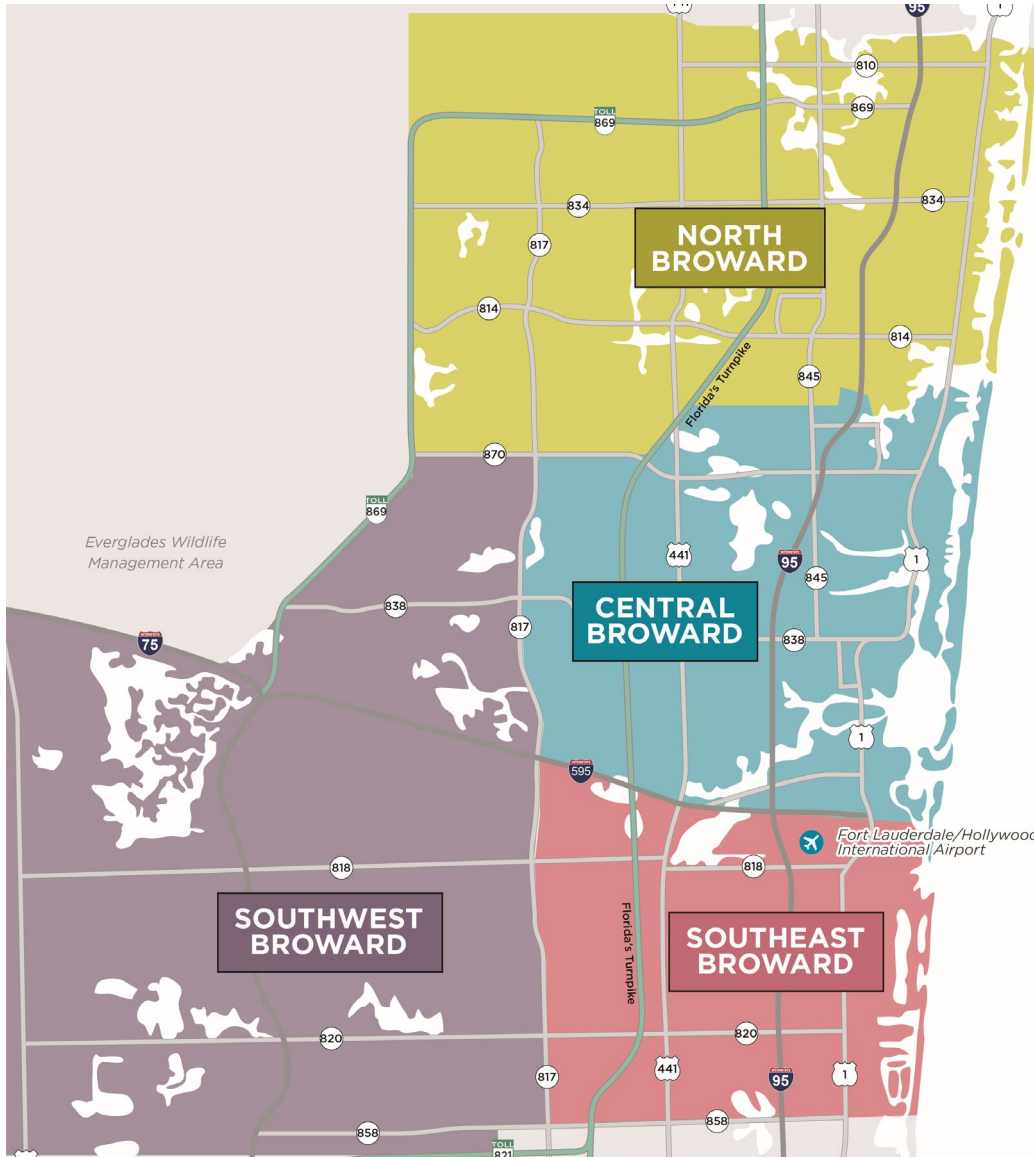
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
20311 Sheridan Drive	Pembroke/Miramar/Weston	Vital Pharmaceuticals	270,800	New Lease
4000 NW 126 th Avenue	Coral Springs/Tamarac/Margate	Amazon	215,500	New Lease
4000 Coral Ridge Drive	Coral Springs/Tamarac/Margate	Ferguson Enterprises	194,440	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Portfolio Sale	Pembroke/Miramar/Weston	Nuveen / Prologis	396,000	\$110M/\$278
15501 SW 29 th Street	Pembroke/Miramar/Weston	Bridge Dev Partners / Cabot Properties	304,400	\$71.5M/\$235

INDUSTRIAL SUBMARKETS



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