

BROWARD COUNTY

Industrial Q2 2022

	YoY Chg	12-Mo. Forecast
3.7% Vacancy Rate	▼	▼
418K YTD Net Absorption, SF	▲	▲
\$13.02 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
872K Broward County Employment	▲	▲
2.5% 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 2.5% in May 2022, down 260 basis points (bps) over the year. Nonagricultural employment was 871,700, an increase of 33,400 jobs, or 4.0%, in the last twelve months. Leisure & Hospitality led the county all year with job gains of 9,500 added. All industrial-using employment sectors, which included Construction, Manufacturing, Trade, Transportation & Utilities, gained jobs year-over-year (YOY) for a combined total of 11,000 jobs added. New jobs in Trade, Transportation, and Utilities led all industrial sectors in terms of jobs added, up 8,800 in 12 months.

SUPPLY

Second-quarter overall vacancy ended at 3.7%, a decrease of 210 bps from this period last year and on par with Q2 2019 vacancy rates. Overall vacancy in warehouse/distribution continued to fall, ending the quarter at 3.9%, reaching pre-pandemic levels and a 350 bps decrease YOY. The completion of the Port Everglades Distribution Center saw 82,000 square feet of new inventory added to the Southeast submarket, pushing the year-to-date (YTD) total to 380,000 sf. There were 1.3 million square feet (msf) under construction at the end of the quarter with a handful of projects scheduled to complete by year-end. The North Broward market, which included Pompano Beach, Deerfield Beach, and Coral Springs/Margate, contained nearly 44% of the total square footage under construction.

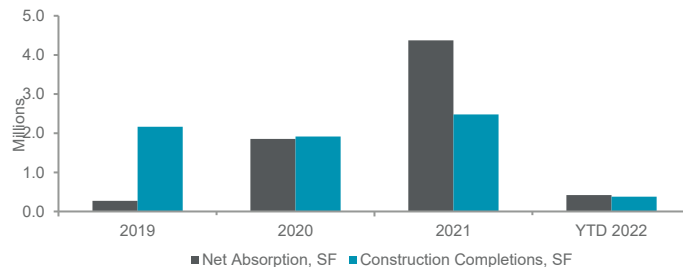
DEMAND

New leasing activity reached almost 2.5 msf, a 19.0% YOY fall compared to 2021's historic activity. Warehouse/distribution leasing activity continued to be the driving force, accounting for nearly 81% of all new leasing activity this year, with over 2.0 msf. The Southwest Broward major market continued to lead the county in activity with close to 920,525 sf of new leases signed in 2022. Overall net absorption continued to trend positive. Large move-ins in Southwest and Southeast Broward help push YTD absorption to 418,474 sf.

MARKET PRICING

Overall asking rates continued to rise, passing the first quarter's historic high by a full dollar, ending the quarter at \$13.02 per square foot (psf) triple net. Warehouse/distribution space increased by 32.5% in the last 12 months to \$12.59 psf, the first recorded quarter above \$12 psf for the product type. Increased demand from e-commerce companies, construction firms, and logistics operators as well as new inventory priced at the top end of the market continued to be the main drivers for 2022's historic asking rents.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 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	6,609,973	150,912	2.3%	15,215	246,083	321,120	0	\$15.00	\$15.42	\$13.79
FTL - Central	7,091,655	457,081	6.5%	-98,935	179,554	0	0	N/A	\$14.13	\$12.96
FTL - East/Central	5,052,378	169,155	3.4%	14,507	106,514	0	0	N/A	N/A	\$11.84
CENTRAL BROWARD	18,754,006	777,148	4.1%	-69,213	532,151	321,120	0	\$15.00	\$15.05	\$12.63
Coral Springs/Margate	8,176,757	153,014	1.9%	175,222	145,873	131,683	0	N/A	\$14.44	\$17.81
Deerfield Beach	8,886,805	283,660	3.2%	133,186	157,081	0	296,901	\$8.50	\$15.78	\$12.69
Pompano Beach	22,652,024	835,987	3.7%	9,541	574,855	440,812	0	\$13.00	\$15.51	\$11.37
NORTH BROWARD	39,715,586	1,272,661	3.2%	317,949	877,809	572,495	296,901	\$11.86	\$15.38	\$11.88
SOUTHEAST BROWARD	7,709,476	145,901	1.9%	46,402	156,340	190,494	82,197	\$16.94	\$14.00	\$15.18
Davie/Plantation/Sunrise	10,420,653	652,749	6.3%	-80,751	369,592	225,580	0	\$14.75	\$12.97	\$12.89
Pembroke/Miramar/Weston	13,926,544	455,173	3.3%	204,087	550,933	0	0	N/A	\$14.46	\$13.54
SOUTHWEST BROWARD	24,347,197	1,107,922	4.6%	123,336	920,525	225,580	0	\$14.75	\$13.71	\$13.28
FTL/BROWARD TOTALS	90,526,265	3,303,632	3.7%	418,474	2,486,825	1,309,689	379,098	\$14.19	\$14.42	\$12.59

*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	9,993,788	49,450	0.5%	52,689	90,321	103,701	0	0	\$14.19
Office Services/Flex	11,942,034	559,621	4.7%	-3,390	10,247	375,535	0	0	\$14.42
Warehouse/Distribution	68,590,443	2,694,561	3.9%	448,686	317,906	2,007,589	1,118,006	379,098	\$12.59
FTL/BROWARD TOTALS	90,526,265	3,303,632	3.7%	497,985	418,474	2,486,825	1,309,689	379,098	\$13.02

KEY LEASE TRANSACTIONS Q2 2022

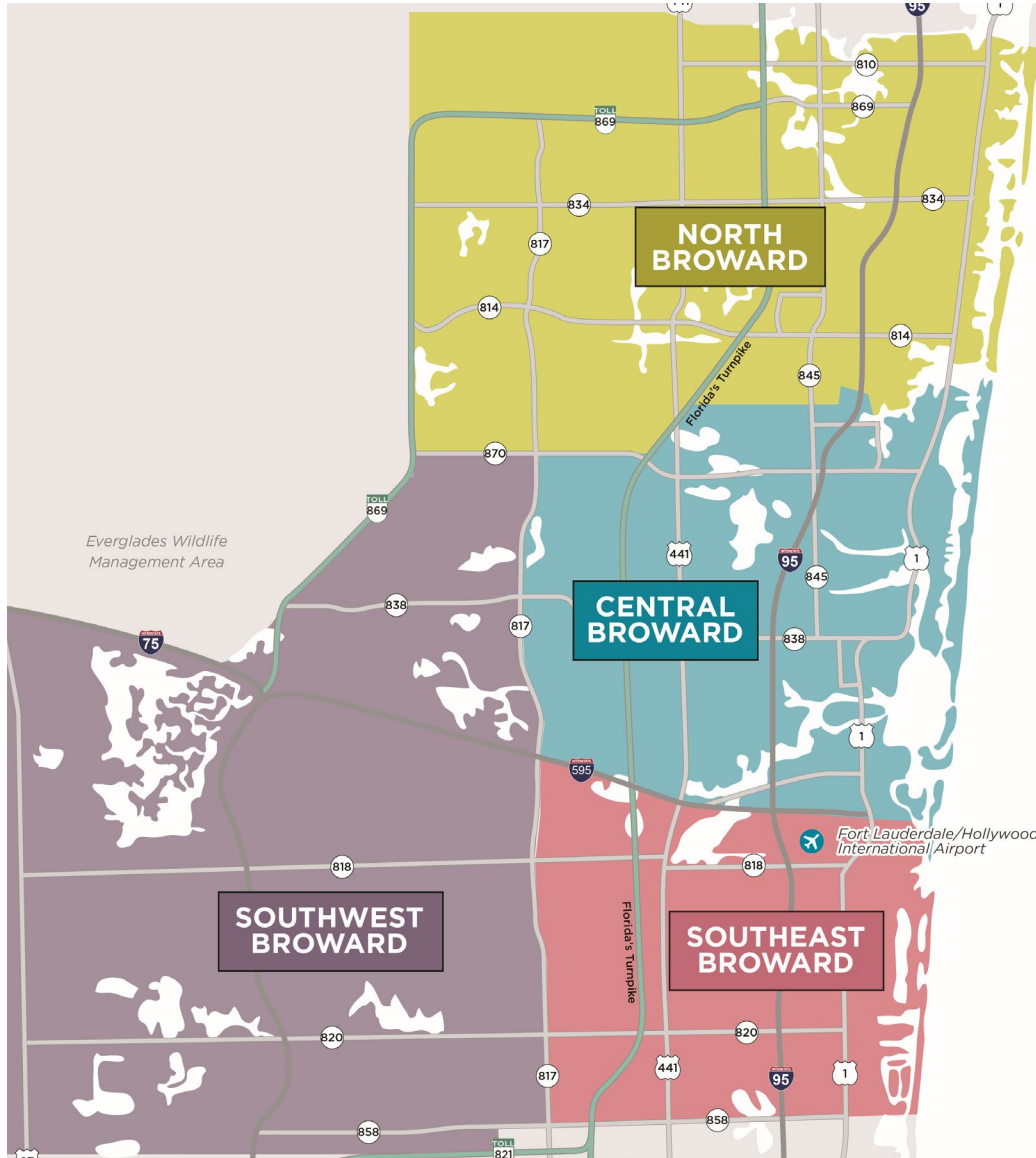
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
15501 SW 29th St - Bldg B	Pembroke/Miramar/Weston	RYDER LAST MILE, INC.	152,573	New Lease
11711 W Sample Road	Coral Springs/Margate	Floor & Decor	106,600	New Lease
2650 Bridge Way - Building 2	Davie/Plantation/Sunrise	Original Impressions	98,102	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3701 Flamingo Road	Pembroke/Miramar/Weston	Blackstone CenterPoint Properties	500,000	\$134.0M \$243
3850 NW 126th Avenue	Coral Springs/Margate	Exclusive Trim, Inc BCPF Coral Springs Property Owner LLC	117,732	\$31M \$239
1801 N Andrews Ave	Pompano Beach	Little Bear 2 LLC First Industrial Realty Trust, Inc.	112,000	\$25.0M \$223

INDUSTRIAL SUBMARKETS



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