

BROWARD COUNTY

Industrial Q1 2021

5.9%
Vacancy Rate



1.1M
YTD Net Absorption, SF



\$9.98
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2021

817K
Broward County Employment



5.6%
Broward County Unemployment Rate



6.0%
U.S. Unemployment Rate



Source: BLS

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

ECONOMY

Broward County had an unemployment rate of 5.6% in February 2021, down 20 basis points (bps) from the previous month and 230 bps higher than one year ago. Nonagricultural employment was 816,500, a decrease of 58,400 jobs, or 6.7%, over the year. Every major industrial related sector forfeited jobs over the year with Leisure & Hospitality leading with the most losses at 18,200 jobs gone, followed by Trade, Transportation, and Utilities with another 9,600 jobs lost. Industrial-using employment in Broward County was expected to improve as activity in the tourism sector picks up throughout the rest of 2021.

SUPPLY

First quarter overall vacancy ended at 5.9%, a minor increase of 80 bps year-over-year (YOY) but a decrease of 90 bps compared to the previous quarter. Warehouse/distribution buildings had an annual bump in overall vacancy of 40 bps to 6.5%. Nearly 2.1 million square feet (msf) of new inventory was added to the market over the past twelve months which contributed to Broward's vacancy increase in the same time period. Approximately 888,000 square feet (sf), or 38.4%, of the newly delivered space was available at the end of the first quarter. There was over 1.8 msf under construction across the county, 64.2% which is slated for delivery in the second half of 2021. All the projects that were underway were speculative.

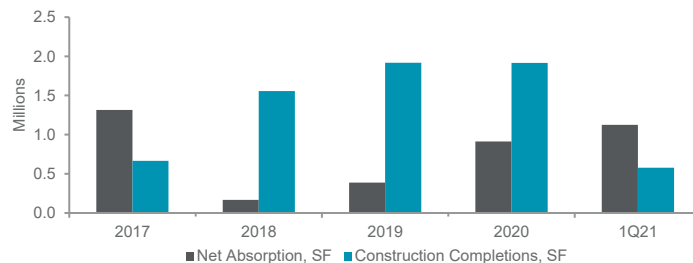
DEMAND

New leasing activity in the first three months of 2021 reached over 1.0 msf. The bulk of the new leasing activity was signed in warehouse/distribution space which accounted for 84.4% of the total, or 901,000 sf. The North Broward major market led the county for the fourth consecutive quarter with 709,000 sf of newly signed leases, the highest quarterly amount in over 15 years. The North Broward major market also recorded the largest lease signed which spanned across two buildings at Rock Lake Business Center in Pompano Beach for 256,000 sf. Absorption continued to climb positive with 1.1 msf recorded in the first quarter. Nearly 50.0% of the absorption was due to an e-commerce tenant which occupied at 3701 Flamingo Road.

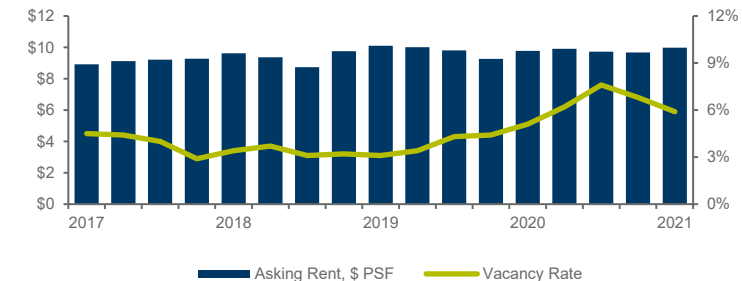
MARKET PRICING

As new completions took place, overall asking rates rose by 2.2% over the year to \$9.98 per square foot (psf) triple net. Southeast Broward recorded the largest jump at the end of the first quarter with a 9.6% YOY increase to \$10.41 psf. Steady leasing activity and continued move-ins contributed to Southwest Broward's rise in rates. The Davie/Plantation/Sunrise submarket had a substantial decrease in rents over the year falling by 15.4% YOY to \$10.59 psf. The drop-in rental rates were caused by available space added in older existing buildings in the submarket with lower rents as well as downward rental adjustments in several buildings.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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)
Central Broward	18,418,449	881,736	4.8%	82,502	123,181	165,010	0	\$12.45	\$12.58	\$9.89
Ft. Lauderdale- Central	6,973,892	551,990	7.9%	18,163	105,481	0	0	N/A	\$12.27	\$10.31
Ft. Lauderdale- E. Central	4,847,336	95,522	2.0%	26,512	16,700	165,010	0	N/A	N/A	\$9.78
Ft. Lauderdale- Airport/Dania	6,597,221	234,224	3.6%	37,827	1,000	0	0	\$12.45	\$18.00	\$9.10
North Broward	38,785,603	2,713,268	7.0%	433,007	708,566	1,023,571	543,186	\$9.76	\$12.59	\$9.24
Pompano Beach	22,273,210	2,125,264	9.5%	171,738	591,268	368,018	439,830	\$14.78	\$12.94	\$9.22
Deerfield Beach	8,586,135	310,265	3.6%	59,243	92,251	296,901	0	\$9.50	\$12.36	\$11.18
Coral Springs /Tamarac/Margate	7,926,258	277,739	3.5%	202,026	25,047	358,652	103,356	N/A	\$11.25	\$8.74
Southwest Broward	23,353,638	1,281,746	5.5%	585,533	159,444	677,314	32,579	\$8.39	\$14.49	\$9.07
Davie/Plantation/Sunrise	9,733,215	504,380	5.2%	68,746	117,883	677,314	32,579	\$8.95	\$15.29	\$9.29
Pembroke Pines/Miramar/Weston	13,620,423	777,366	5.7%	516,787	41,561	0	0	\$6.50	\$14.27	\$8.97
Southeast Broward	7,730,991	325,418	4.2%	22,580	76,814	0	0	\$8.75	N/A	\$10.51
BROWARD TOTALS	88,288,681	5,202,168	5.9%	1,123,622	1,068,005	1,865,895	575,765	\$9.91	\$13.70	\$9.44

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

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

KEY LEASE TRANSACTIONS Q1 2021

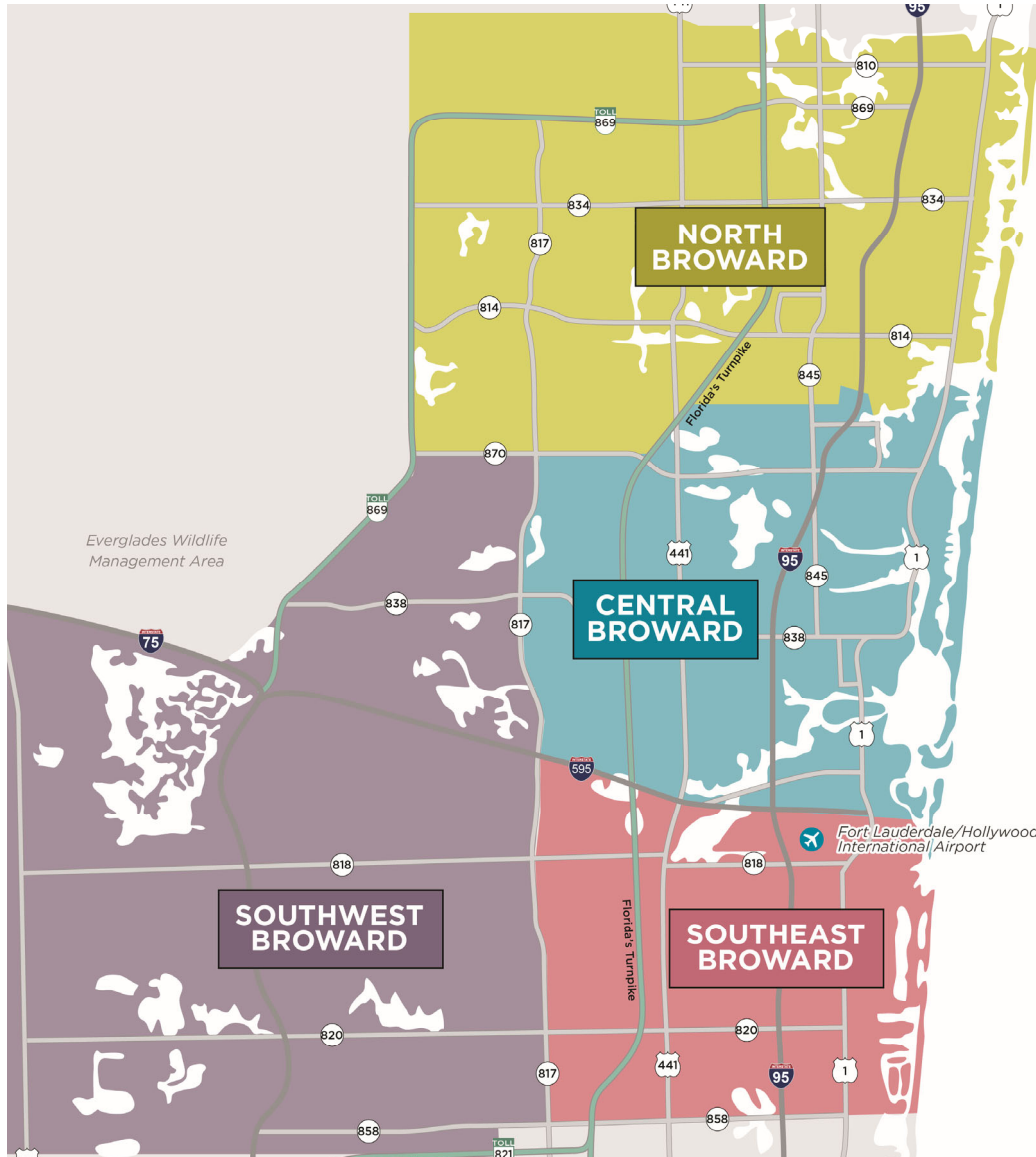
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Rock Lake Business Center (Bldg B & D)	Pompano Beach	e-commerce	256,436	New Lease
3141 SW 10th Street	Pompano Beach	The Shade Store	93,873	New Lease
1981 N Powerline Road	Pompano Beach	PLTV Alliance LLC	38,615	New Lease
1250 S Powerline Road	Deerfield Beach	PrimeStones	24,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
10200 NW 67th St	Davie/Plantation/Sunrise	Unipharma / Morgan Stanley	135,000	\$26.0M/\$193
1700 NW 33 rd Street	Pompano Beach	Coastal Waste & Recycling / Storage FLL LLC	23,200	\$4.5M/\$194

INDUSTRIAL SUBMARKETS



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