

# BROWARD COUNTY

## Industrial Q2 2021

	YoY Chg	12-Mo. Forecast
<b>6.6%</b> Vacancy Rate	▲	▼
<b>1.6M</b> YTD Net Absorption, SF	▲	▲
<b>\$10.05</b> Asking Rent, PSF	▲	▬

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
<b>820K</b> Broward County Employment	▲	▲
<b>5.2%</b> Broward County Unemployment Rate	▼	▼
<b>5.9%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

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

### ECONOMY

Broward County had an unemployment rate of 5.2% in May 2021, down 1,220 basis points (bps) from twelve months prior and 20 bps lower than one month ago. Nonagricultural employment was 820,100, an increase of 62,100 jobs, or 8.2%, over the year. Every major employment sector gained jobs over the year with Leisure & Hospitality leading the way with 26,600 jobs added. Industrial-using employment including Trade, Transportation & Utilities, Construction, and Manufacturing had a combined increase of 16,700 jobs in the last 12 months.

### SUPPLY

Overall vacancy at the end of the second quarter increased by 40 bps YOY to 6.6%. Warehouse/distribution buildings recorded a minor bump of 20 bps over the year to 7.5%. The main driver for the slight increases in vacancy was due to nearly 2.3 million square feet (msf) of new industrial space delivered over the past twelve months. Over 758,000 square feet (sf) was added in the second quarter of 2021. Most second quarter deliveries occurred in the Davie/Plantation/Sunrise submarket with 677,000 sf added to inventory. There was 1.1 msf that remained under construction, all speculative with 16.3% preleased. All projects were slated for delivery in the second half of the year.

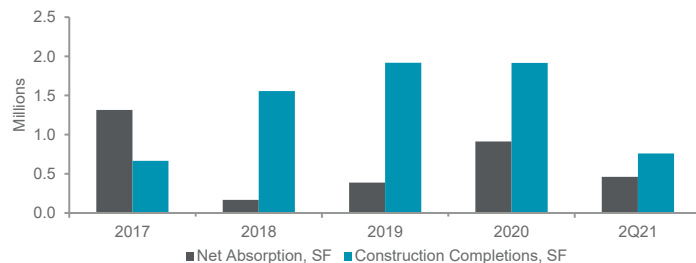
### DEMAND

Broward's Industrial market recorded nearly 2.5 msf of new leasing activity year-to-date (YTD), with the second quarter reaching nearly 1.4 msf, a 19.9% increase compared to one year ago. Warehouse/distribution accounted for 94.9% of the new leases signed, or nearly 1.3 msf. The North Broward major market led the county for the fifth consecutive quarter with 877,000 sf of newly signed leases, the highest quarterly amount on record for the major market. The Coral Springs/Margate submarket recorded the largest lease for the quarter at over 215,000 sf. Overall net absorption was approximately 1.6 msf YTD as the second quarter added over 460,000 sf of positive absorption.

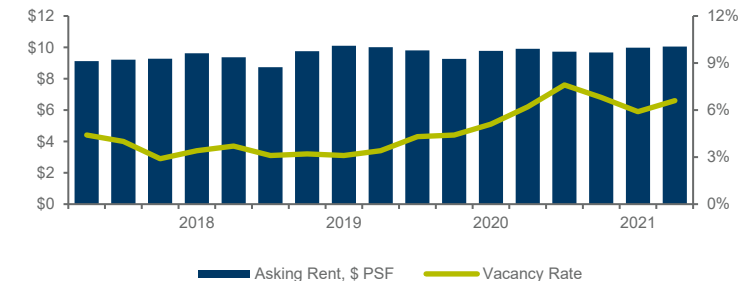
### MARKET PRICING

Overall asking rates increased by 1.4% over the year to \$10.05 per square foot (psf) triple net. New construction contributed to the increase, primarily in warehouse/distribution, which jumped 1.6% YOY to \$9.50 psf triple net. Strong demand in conjunction with Broward's steady pipeline has positioned the county for healthy rent growth. The North Broward major market recorded the largest increase in rents with an 8.5% jump to \$9.72 psf triple net. The increase in rental rates were caused by newly marketed high-quality industrial space that delivered in the Pompano Beach and Coral Springs/Margate submarkets.

### 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)
<b>Central Broward</b>	<b>18,478,926</b>	<b>808,968</b>	<b>4.4%</b>	<b>130,259</b>	<b>317,186</b>	<b>153,866</b>	<b>0</b>	<b>\$11.96</b>	<b>\$13.46</b>	<b>\$10.39</b>
Ft. Lauderdale- Central	7,013,621	457,775	6.5%	110,428	198,127	0	0	N/A	\$12.40	\$11.34
Ft. Lauderdale- E. Central	4,868,084	73,903	1.5%	40,180	41,425	153,866	0	N/A	N/A	\$9.72
Ft. Lauderdale- Airport/Dania	6,597,221	277,290	4.2%	-20,349	77,634	0	0	\$11.96	\$15.26	\$8.94
<b>North Broward</b>	<b>38,871,335</b>	<b>2,546,270</b>	<b>6.6%</b>	<b>939,791</b>	<b>1,609,729</b>	<b>952,529</b>	<b>624,458</b>	<b>\$9.50</b>	<b>\$13.08</b>	<b>\$9.52</b>
Pompano Beach	22,354,482	1,770,757	7.9%	635,178	845,966	294,886	521,102	N/A	\$13.75	\$9.59
Deerfield Beach	8,586,135	286,400	3.3%	95,475	122,872	296,901	0	\$9.50	\$12.57	\$10.57
Coral Springs /Tamarac/Margate	7,930,718	489,113	6.2%	209,138	640,891	360,742	103,356	N/A	\$11.86	\$8.76
<b>Southwest Broward</b>	<b>23,987,952</b>	<b>2,035,358</b>	<b>8.5%</b>	<b>614,355</b>	<b>388,613</b>	<b>0</b>	<b>709,893</b>	<b>\$8.39</b>	<b>\$14.43</b>	<b>\$9.04</b>
Davie/Plantation/Sunrise	10,367,529	1,188,293	11.5%	57,854	174,122	0	709,893	\$8.95	\$16.50	\$9.06
Pembroke Pines/Miramar/Weston	13,620,423	847,065	6.2%	556,501	214,491	0	0	\$6.50	\$13.94	\$9.00
<b>Southeast Broward</b>	<b>7,732,884</b>	<b>450,373</b>	<b>5.8%</b>	<b>-102,375</b>	<b>185,372</b>	<b>0</b>	<b>0</b>	<b>\$14.55</b>	<b>\$17.00</b>	<b>\$9.93</b>
<b>BROWARD TOTALS</b>	<b>89,071,097</b>	<b>5,840,969</b>	<b>6.6%</b>	<b>1,582,030</b>	<b>2,500,900</b>	<b>1,106,395</b>	<b>1,334,351</b>	<b>\$10.73</b>	<b>\$13.97</b>	<b>\$9.50</b>

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

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

### KEY LEASE TRANSACTIONS Q2 2021

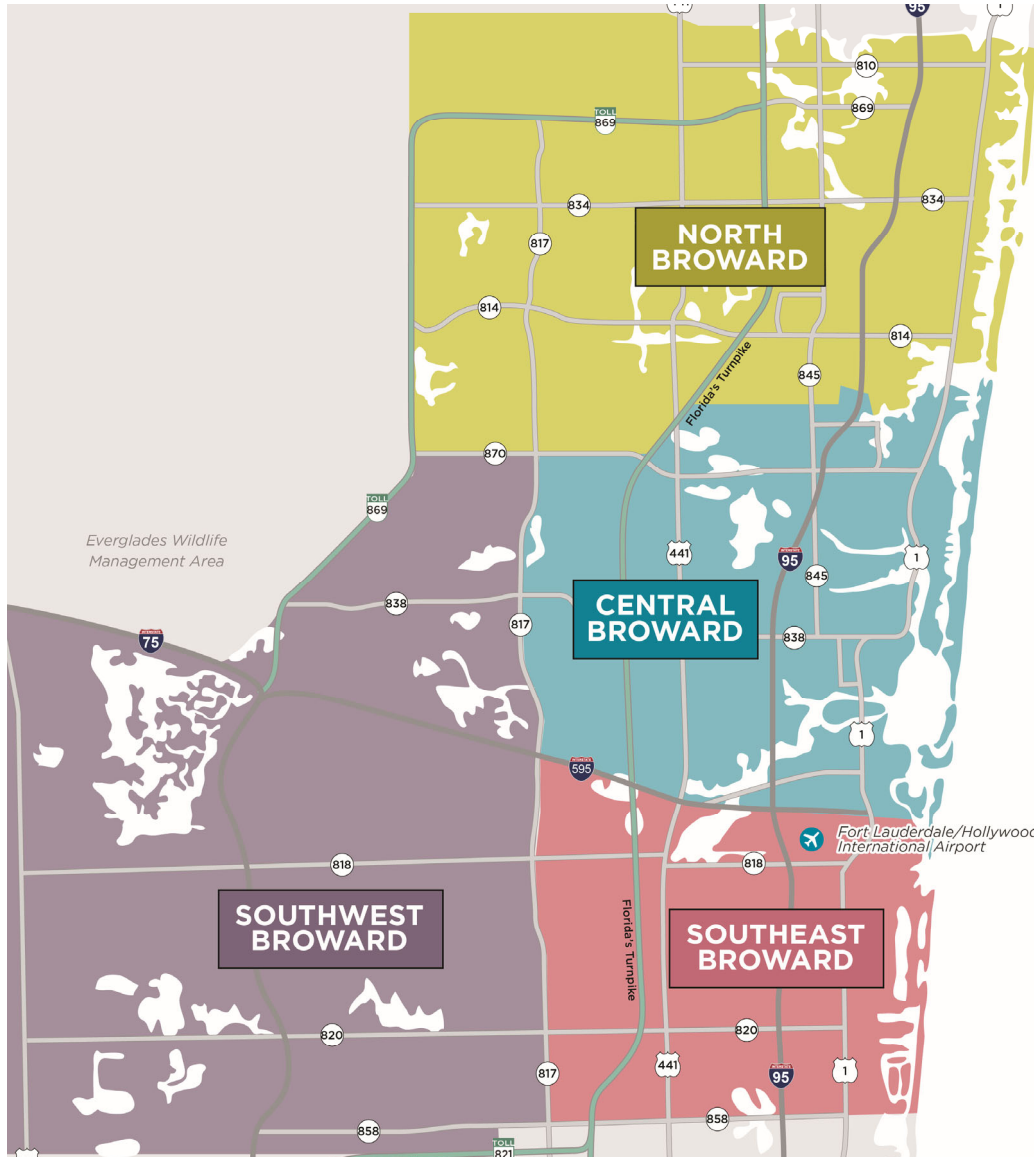
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4000 NW 126th Avenue	Coral Springs/Margate	e-commerce	215,486	New Lease
6901 N Hiatus Road	Coral Springs/Margate	e-commerce	178,322	New Lease
4000 N Dixie Highway	Pompano Beach	The Spice Lab	128,342	New Lease
1600 N Park Drive	Pembroke/Miramar/Weston	Vital Pharmaceuticals	104,392	Renewal

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6001 Powerline Road	FTL - Central	Charles Urso / West Coast Shipping	155,509	\$17.0M/\$109
15800 SW 25th Street	Pembroke/Miramar/Weston	15800 Building LLC / Brookfield	92,000	\$29.0M/\$315

## INDUSTRIAL SUBMARKETS



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