

# BROWARD COUNTY

Industrial Q3 2020

YoY Chg

**7.6%**  
Vacancy Rate



**-5,240**  
YTD Net Absorption, SF



**\$9.72**  
Asking Rent, PSF



Overall, Net Asking Rent

## ECONOMIC INDICATORS Q3 2020

YoY Chg

**789K**  
Broward County Employment



**9.2%**  
Broward County Unemployment Rate



**8.8%**  
U.S. Unemployment Rate



Source: BLS

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

## ECONOMY

Broward County, including Ft. Lauderdale, had an unemployment rate of 9.2% in August 2020, down 410 basis points (bps) from the previous month and 600 bps higher than one year ago. Nonagricultural employment was 789,400, a decrease of 75,200 jobs, or 8.7%, over the year. Every major employment sector forfeited jobs over the year with over a third of losses coming from the Leisure & Hospitality sector, at 28,900 jobs gone, followed by Professional & Business Services with another 12,600 jobs lost. Office-using employment in Broward County remained influenced by the decrease in economic and tourist activity, including the no sale order for cruise ships. Several cruise lines have a major office presence in the county.

## SUPPLY

At the end of the third quarter, overall vacancy rose by 330 bps year-over-year (YOY) to 7.6%. Vacancy in warehouse/distribution buildings lowered by 420 bps over the past twelve months to 9.2%. Vacant space in warehouse/distribution accounted for 91.0% of all vacancies in the county with over 6.0 million square feet (msf). New construction contributed to the increased vacancy across the county with over 540,000 square feet (sf) delivered, of which only 42.0% was preleased. There was nearly 3.0 msf under construction with projects slated for delivery in the fourth quarter of 2020 and throughout the first half of 2021. The Pompano Beach submarket recorded the highest increase in vacancy over the year, largely caused by deliveries, with a 690-bps jump to 10.6%.

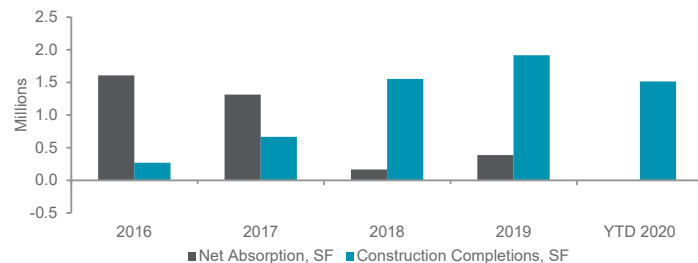
## DEMAND

New leasing activity year-to-date (YTD) was over 2.4 msf with 766,000 sf, or 32%, signed in the third quarter. The bulk of the third quarter leasing activity was in warehouse/distribution which comprised of 83% of the total. The North Broward major market led the county for the most activity with 570,000 sf of new leases signed. The largest lease signed in the quarter was a 158,000-sf deal by an e-commerce company in the Deerfield Beach submarket. Absorption flattened in the third quarter with only 1,000 sf of positive absorption. However, over 690,000 sf over space was expected to be occupied in the fourth quarter.

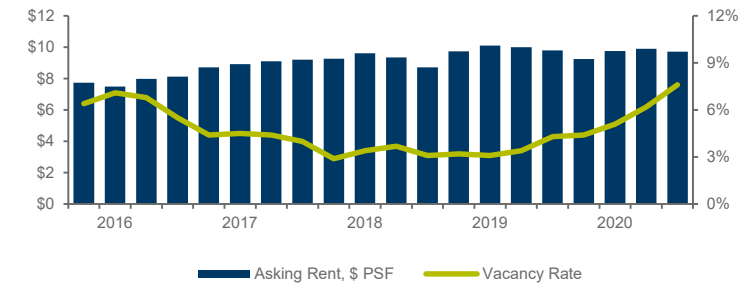
## MARKET PRICING

Overall asking rates experienced a slight decrease from twelve months prior dropping 0.8% or 8 cents to \$9.72 per square foot (psf) triple net. The Davie/Plantation/Sunrise submarket experienced a significant decrease over the year falling 26.8% YOY to \$9.64 psf. The drop in rental rates was attributed to newly available space with lower asking rents in older buildings. Conversely, the Pompano Beach submarket had the largest increase in the county at 3.8% YOY to \$9.47 psf, caused by the delivery of 215,000 sf of which was 100% available.

## 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>18,571,152</b>	<b>851,428</b>	<b>4.6%</b>	<b>-223,762</b>	<b>261,829</b>	<b>165,010</b>	<b>81,964</b>	<b>\$15.00</b>	<b>\$13.64</b>	<b>\$9.42</b>
Ft. Lauderdale- Central	7,002,864	419,239	6.0%	-214,118	82,465	0	0	N/A	\$13.04	\$9.49
Ft. Lauderdale- E. Central	4,872,336	158,710	3.3%	17,391	84,715	165,010	81,964	N/A	N/A	\$9.58
Ft. Lauderdale- Airport/Dania	6,695,952	273,479	4.1%	-27,035	94,649	0	0	\$15.00	\$14.43	\$9.23
<b>North Broward</b>	<b>38,252,190</b>	<b>3,226,434</b>	<b>8.4%</b>	<b>158,830</b>	<b>1,392,990</b>	<b>1,473,307</b>	<b>1,103,827</b>	<b>\$10.12</b>	<b>\$14.17</b>	<b>\$8.97</b>
Pompano Beach	21,788,534	1,990,199	9.1%	85,291	645,882	749,406	853,533	\$9.15	\$13.54	\$9.34
Deerfield Beach	8,567,486	511,716	6.0%	-93,450	391,545	144,161	0	N/A	\$14.83	\$9.47
Coral Springs / Margate	7,896,170	724,519	9.2%	166,989	355,563	579,740	250,294	\$11.75	N/A	\$7.44
<b>Southwest Broward</b>	<b>23,139,867</b>	<b>1,749,563</b>	<b>7.6%</b>	<b>-109,577</b>	<b>549,286</b>	<b>1,326,400</b>	<b>0</b>	<b>\$7.64</b>	<b>\$15.32</b>	<b>\$9.79</b>
Davie/Plantation/Sunrise	9,414,444	739,580	7.9%	-382,919	201,268	995,633	0	\$8.75	\$15.12	\$9.07
Pembroke Pines/Miramar/Weston	13,725,423	1,009,983	7.4%	273,342	348,018	330,767	0	\$7.50	\$15.43	\$10.57
<b>Southeast Broward</b>	<b>7,575,334</b>	<b>830,735</b>	<b>11.0%</b>	<b>169,269</b>	<b>210,058</b>	<b>0</b>	<b>326,339</b>	<b>N/A</b>	<b>N/A</b>	<b>\$9.05</b>
<b>BROWARD TOTALS</b>	<b>87,538,543</b>	<b>6,658,160</b>	<b>7.6%</b>	<b>-5,240</b>	<b>2,414,163</b>	<b>2,964,717</b>	<b>1,512,130</b>	<b>\$10.63</b>	<b>\$14.65</b>	<b>\$9.29</b>

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

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

### KEY LEASE TRANSACTIONS YTD 2020

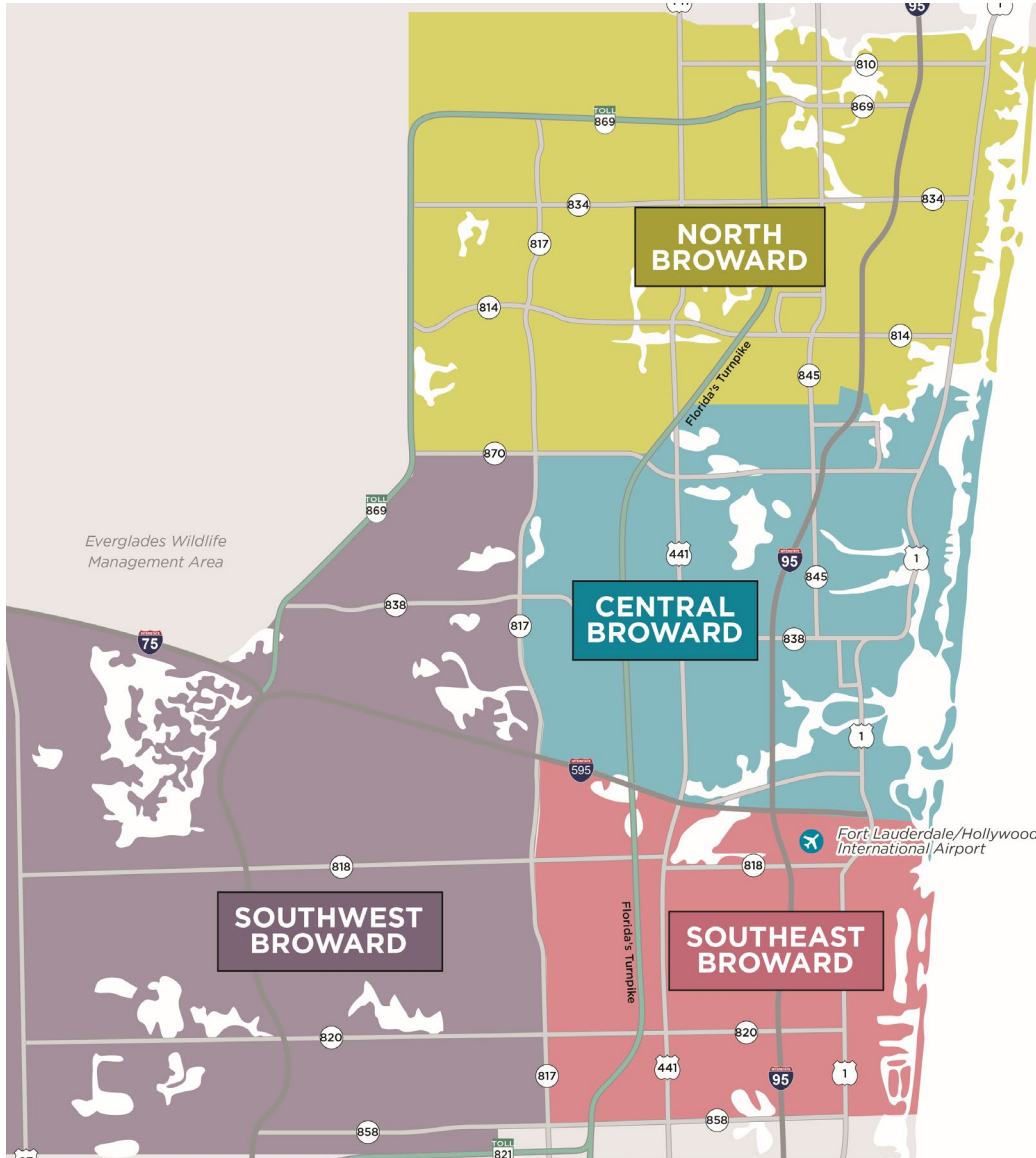
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2800 N Andrews Avenue Ext	Pompano Beach	Amazon	250,441	New Lease
3225 Meridian Parkway	Southwest Broward	KeHe Distributors	201,849	Renewal*
1111 SW 30 <sup>th</sup> Avenue	Deerfield Beach	e-commerce	158,000	New Lease
3035-3043 N Andrews Avenue Ext	Pompano Beach	Beltmann Relocation Group	113,718	Renewal*

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
20351 Sheridan St. - Bldg. B	Southwest Broward	Core5 / Vital Pharmaceuticals	249,005	\$40.3M/\$162
1111 SW 30 <sup>th</sup> Avenue	North Broward	Rexall Sundown, Inc./ Elion Partners	158,000	\$22.0M/\$139

## INDUSTRIAL SUBMARKETS



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