

BROWARD COUNTY

Industrial Q1 2024

	YoY Chg	12-Mo. Forecast
3.1% Vacancy Rate	▼	▬
593K YTD Net Absorption, SF	▲	▲
\$15.11 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMY

The Broward County unemployment rate was 3.3% in Q1 2024, up 60 basis points (bps) from one year ago, while still below the national rate of 3.8%. Nonfarm employment increased by 20,700 jobs or 2.3% to 926,400. Annual job growth in the trade, transportation, and utilities sector was higher in Broward County than any other metro market in the state, up 6,200 jobs year-over-year (YOY).

SUPPLY

Broward County's overall vacancy rate was 3.1% at quarter end, down 10 bps from Q1 of 2023 and the lowest vacancy rate in the state. Warehouse/distribution (W/D) vacancy decreased 20 bps YOY to 3.7%. Despite construction completions over the previous two quarters injecting new supply into the market, the vacancy rate remained only 30 bps higher than its historically low rate of Q2 2023. Project completions during Q1 included the two building Osprey Logistics Park and the latest at Prologis Seneca Park, totaling 618,023 square feet (sf). Despite CTS Engine's occupancy of half the Osprey Logistics space, over 400,000 sf was still available for lease. Vacancy is expected to remain low through 2024, as a lack of developable land, a slowing construction pipeline, and the demand for top tier space will offset the recent influx of supply.

DEMAND

New deal activity during Q1 totaled 529,446 sf, down 22.4% YOY. Leasing activity continued to normalize, with economic headwinds and limited supply factoring into the decreased activity. Newly built space accounted for nearly 40% of leased sf in the quarter, with Informa signing for entirety of the 199,615 sf recently completed Seagis @ Port Everglades. Broward County's overall absorption was 593,294 sf at quarter end, the highest recorded over the past five quarters and 32.2% above the five-year average. Large tenant occupancies included CTS Engine, USPS, and Bubbles Miami, accounting for over 387,000 sf of positive absorption. Chick-fil-A's purchase and occupancy of 3225 Meridian Parkway took an additional 162,091 sf off the market.

MARKET PRICING

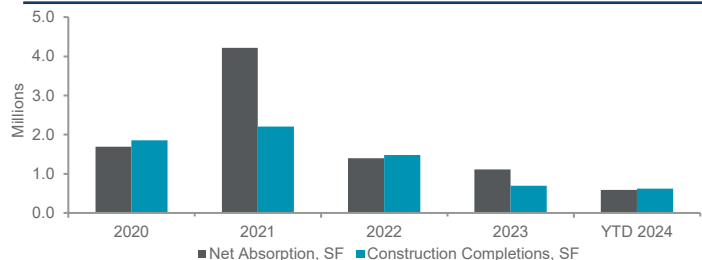
The overall average asking rate of \$15.11 per square foot (psf), was up 5.9% YOY. The W/D asking average rose to \$14.92 psf at the end of Q1, a 5.4% from the same period in 2023. Broward County boasted the second highest average rate in the state, trailing only Miami-Dade. Despite a YOY increase, overall asking rates have steadily decreased since Q2 2023, down for three consecutive quarters and 2.4% since midyear. While rental rates have decreased slightly for lower tier product in the market, limited supply and the leasing of new high priced construction account for rates beginning to dip.

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
926K Broward County Employment	▲	▲
3.3% Broward County Unemployment Rate	▲	▲
3.8% U.S. Unemployment Rate	▲	▲

Source: BLS

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (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	2,600,136	206,665	8.0%	-7,050	-7,050	171,983	0	N/A	\$20.00	N/A
FTL – Central	10,258,082	278,123	2.7%	-20,870	-20,870	0	0	\$18.86	\$18.16	\$16.12
FTL - East/Central	4,051,742	56,850	1.4%	3,054	3,054	0	0	N/A	N/A	\$18.58
CENTRAL BROWARD	16,909,960	541,638	3.2%	-24,866	-24,866	171,983	0	\$18.86	\$18.64	\$16.60
Coral Springs/Margate	9,144,740	440,234	4.8%	222,117	222,117	0	427,515	N/A	\$16.08	\$16.26
Deerfield Beach	8,821,805	69,429	0.8%	29,259	29,259	0	0	N/A	\$10.00	\$19.39
Pompano Beach	22,157,631	894,216	4.0%	146,549	146,549	0	0	\$12.00	\$18.58	\$14.10
NORTH BROWARD	40,124,176	1,403,879	3.5%	397,925	397,925	0	427,515	\$12.00	\$16.22	\$14.18
SOUTHEAST BROWARD	17,561,414	623,578	3.6%	46,990	46,990	0	190,508	\$17.46	\$15.78	\$15.81
Davie/Plantation/Sunrise	4,968,077	163,754	3.3%	3,004	3,004	0	0	\$17.75	\$17.75	\$19.61
Pembroke/Miramar/Weston	13,045,560	118,371	0.9%	170,241	170,241	0	0	N/A	\$19.11	N/A
SOUTHWEST BROWARD	18,013,637	282,125	1.6%	173,245	173,245	0	0	\$17.75	\$18.73	\$19.61
FTL/BROWARD TOTALS	92,609,187	2,851,220	3.1%	593,294	593,294	171,983	618,023	\$15.19	\$16.92	\$14.92

An exercise was executed at the beginning of 2024 to realign inventory and submarkets. Historical data has been revised to reflect updates.

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

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

MARKET STATISTICS BY ASSET TYPE

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	75,120	0.8%	20,895	20,895	63,210	0	0	\$15.19
Office Services/Flex	11,942,034	189,332	1.6%	-15,031	-15,031	25,554	0	0	\$16.92
Warehouse/Distribution	70,673,365	2,586,768	3.7%	587,430	587,430	440,682	171,983	618,023	\$14.92
FTL/BROWARD TOTALS	92,609,187	2,851,220	3.1%	593,294	593,294	529,446	171,983	618,023	\$15.11

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1700 Eller Drive	FTL - Airport/Dania	Informa	199,615	New Lease
15301 SW 29 St	Pembroke/Miramar/Weston	Propulsion Technologies International	124,280	Renewal
740 South Powerline Road	Deerfield Beach	SCIENS LOGISTICS LLC	55,770	New Lease

*Renewals not included in leasing statistics

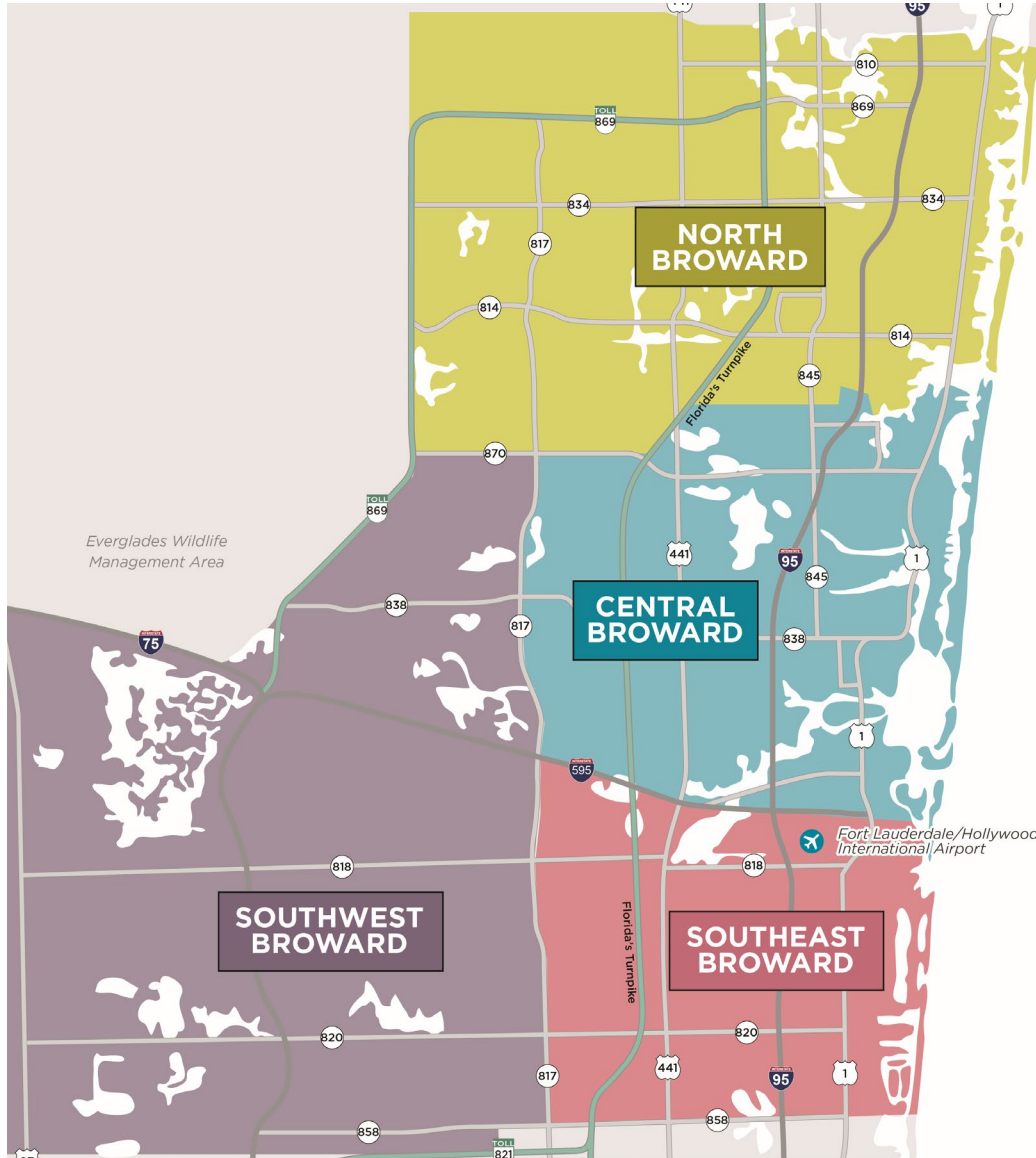
KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	RSF	PRICE/\$ PSF
Investcorp Portfolio Sale(Broward Portion)	Pompano Beach	Stockbridge Capital Group, LLC Investcorp	416,936	\$72.3M \$173
3225 Meridian Parkway	Pembroke/Miramar/Weston	Cabot Properties Inc Chick-Fil-A, Inc.	200,000	\$50.5M \$253
11711-11713 NW 39th St	Coral Springs/Margate	Elion Mars Real Estate LLC	80,718	\$12.5M \$155

BROWARD COUNTY

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INDUSTRIAL SUBMARKETS



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