

BROWARD COUNTY

Industrial Q2 2020

YoY Chg

6.2%
Vacancy Rate



229K
YTD Net Absorption, SF



\$9.91
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2020

YoY Chg

767K
Broward County Employment



16.0%
Broward County Unemployment Rate



13.0%
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 16.0% in May 2020, up 110 basis points (bps) from the previous month and 1,300 bps higher than one year ago. Nonagricultural employment was 767,000, a decrease of 97,700 jobs, or 11.3%, over the year. Every major employment sector forfeited jobs over the year with just under half of the losses coming from the Leisure & Hospitality sector, at 45,500 jobs gone. Construction lost 2,200 jobs over the year.

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

SUPPLY

The first half of 2020 ended with an overall vacancy of 6.2%, a 270-bps increase over the year. Warehouse/distribution jumped 340 bps from twelve months prior to 7.3%. Office Service/Flex vacancy increased by 1.9% bps to 4.0% year-over-year (YOY). Over 687,000 square feet of speculative space delivered YTD, of which approximately 9% was preleased. All deliveries added to warehouse/distribution inventory. Over 3.3 million square feet (msf) remained under construction with many deliveries set for the second half of 2020.

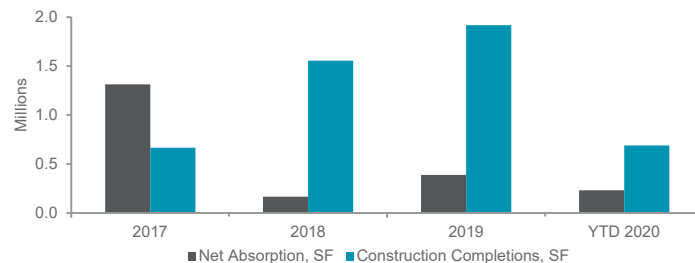
DEMAND

Broward recorded over 1.5 msf of new leasing activity YTD, with nearly half of it occurring in the second quarter. The five-year average for new leasing activity in the first six months was nearly 1.9 msf showing a 19.4% decrease in 2020. Warehouse/distribution space recorded the bulk of the activity accounting for 85% of the total in the second quarter. The North Broward market recorded the most leasing activity in the quarter with almost 450,000 square feet (sf). Amazon continued to expand its footprint in South Florida as it signed for the largest second quarter lease at over 250,000 sf in the Pompano Beach submarket.

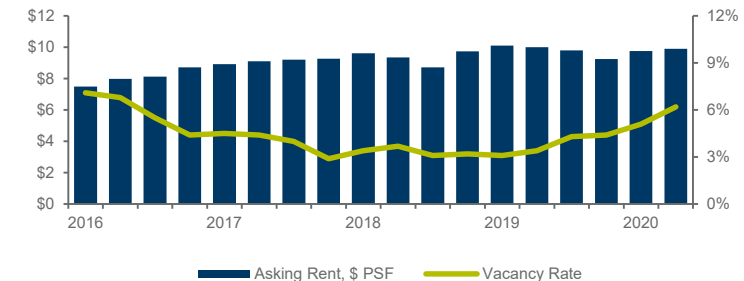
MARKET PRICING

As space options increased due to deliveries, triple net asking rates dropped minimally over the year by 1.0% to \$9.91 per square foot (psf). Warehouse/distribution product contributed to the fall in rents with a 2.8% decrease YOY to \$9.35 psf. Increased vacancy in warehouse/distribution due to project completions was the main reason for limited rent adjustments in the second quarter as new availabilities were priced at market. The Pembroke Pines/Miramar/Weston submarket did show a substantial rise in asking rents to \$13.06 psf, a 25.8% increase YOY.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT 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)
Central Broward	19,319,538	623,740	3.2%	-44,228	-44,292	339,139	0	\$15.00	\$13.44	\$9.67
Ft. Lauderdale- Central	7,764,681	306,352	3.9%	-61,964	-37,265	0	0	N/A	\$13.07	\$9.63
Ft. Lauderdale- E. Central	4,698,207	88,320	1.9%	6,365	5,817	339,139	0	N/A	N/A	\$10.05
Ft. Lauderdale- Airport/Dania	6,856,650	229,068	3.3%	11,371	-12,844	0	0	\$15.00	\$13.90	\$9.55
North Broward	37,839,533	2,576,987	6.8%	252,455	153,419	1,534,993	536,139	\$10.16	\$14.54	\$8.65
Pompano Beach	21,712,174	1,280,398	5.9%	245,920	176,306	741,092	355,845	\$9.27	\$13.51	\$8.56
Deerfield Beach	8,570,377	567,530	6.6%	-2,925	-115,336	144,161	0	N/A	\$17.03	\$9.55
Coral Springs / Margate	7,556,982	729,059	9.6%	9,460	92,449	649,740	180,294	\$11.75	N/A	\$7.80
Southwest Broward	23,546,012	1,464,370	6.2%	3,705	86,100	1,062,855	0	\$11.32	\$15.18	\$11.13
Davie/Plantation/Sunrise	9,512,393	512,200	5.4%	4,897	-151,589	792,088	0	\$11.32	\$15.51	\$9.78
Pembroke Pines/Miramar/Weston	14,033,619	952,170	6.8%	-1,192	237,689	270,767	0	N/A	\$14.77	\$12.68
Southeast Broward	7,641,844	789,001	10.3%	39,945	34,051	365,633	151,200	\$15.27	N/A	\$8.99
BROWARD TOTALS	88,346,927	5,454,098	6.2%	251,877	229,278	3,302,620	687,339	\$12.76	\$14.55	\$9.35

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

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

KEY LEASE TRANSACTIONS YTD 2020

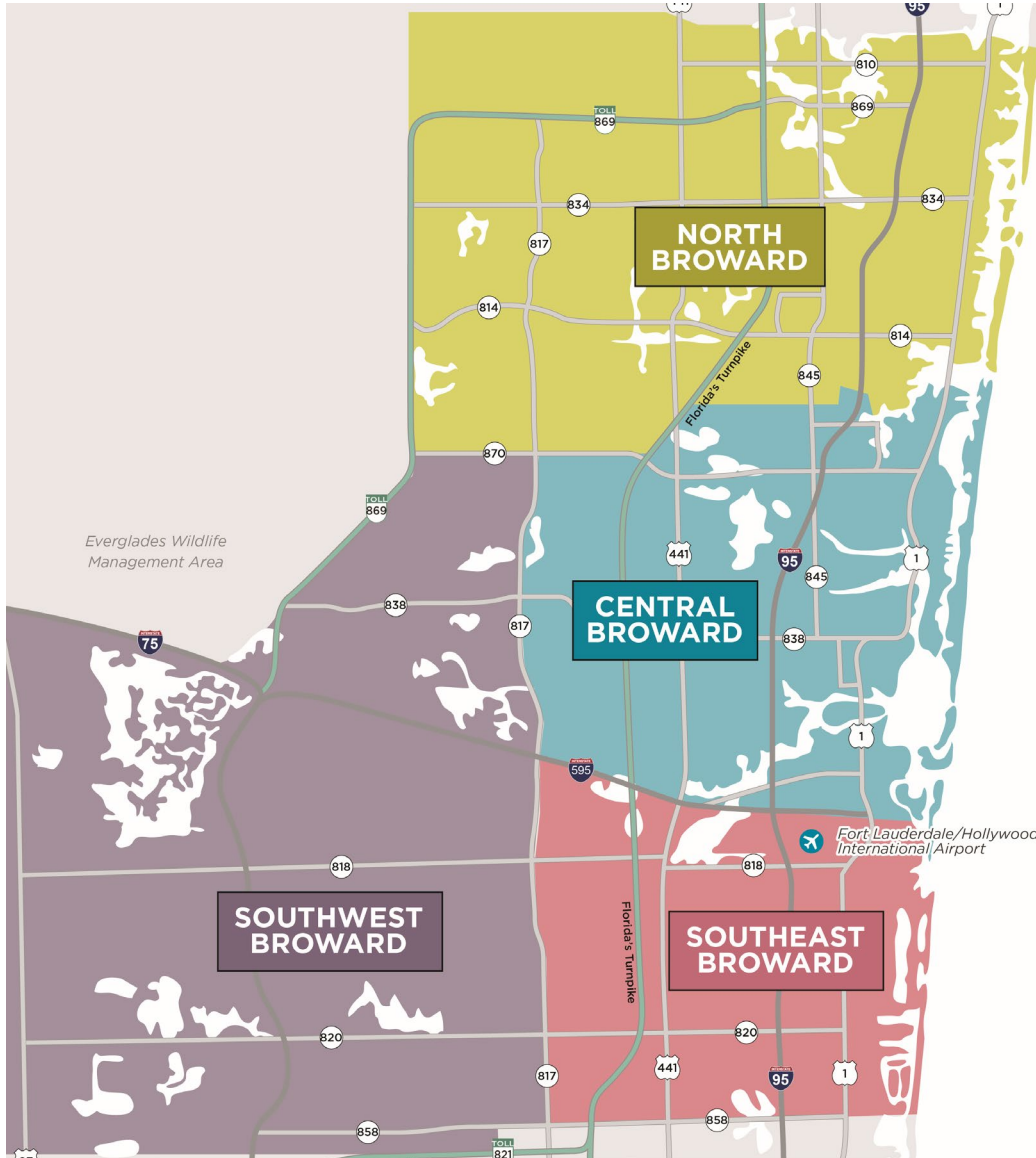
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2800 N Andrews Avenue Ext	Pompano Beach	Amazon	250,441	New Lease
3225 Meridian Parkway	Southwest Broward	KeHe Distributors	201,849	Renewal*
3035-3043 N Andrews Avenue Ext	Pompano Beach	Beltmann Relocation Group	113,718	Renewal*
9801 Premier Parkway	Miramar	Brandy Melville	112,318	New Lease

*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 30th Avenue	North Broward	Rexall Sundown, Inc./ Elion Partners	158,000	\$22.0M/\$139

INDUSTRIAL SUBMARKETS



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