

Broward County

Office Q2 2020

CUSHMAN &
WAKEFIELDYoY
Chg

12.7%

Vacancy Rate



-298K

YTD Net Absorption, SF



\$33.68

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q2 2020YoY
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 from the previous month and 1,300 basis points 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.

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

At the end of the second quarter, overall vacancy was 12.7%, a 120 basis-point (bps) increase over the year. Class A vacancy increased by 90 bps to 12.3% while Class B vacancy increased 110 bps to 12.6%. The non-CBD submarkets had vacancy increases while the CBD remained in-line from 12 months prior. There was over 1.1 million square feet (msf) of office space underway with 22.1% pre-leased. Over 73% of the office space under construction was in suburban submarkets with only one project underway in the CBD. There were no new deliveries year-to-date (YTD).

DEMAND

New leasing activity YTD was 536,000 sf, a -55.0% decrease compared to the first two quarters in 2019. Only 20% of the new leasing activity occurred in the second quarter with 86,700 sf signed, a substantial decrease in demand in the last three months. Class B assets accounted for the bulk of the leasing in the second quarter with 59% of the total activity. Most activity in the second quarter was in the Cypress Creek/Commercial submarket with over 40,000 sf leased. The largest lease in the second quarter was a 23,700-square foot transaction signed by a technology firm.

MARKET PRICING

Broward County's overall rental rates increased by 2.3% year-over-year (YOY) to \$33.68 per square foot (psf) full service. Rents in the CBD fell 1.9% YOY to \$42.76 while the non-CBD submarkets increased by 5.1% to \$30.59. Class A rents fell to \$38.61 psf full service, a -1.5% decrease YOY. Class B rents increased by 3.6% to \$30.47 psf, largely due to increases in the CBD. Northwest Broward recorded the largest increase in rents over the year for any submarket with an 11.5% increase over twelve months to \$30.04 psf full service.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Ft. Lauderdale CBD	5,328,112	76,141	762,862	15.7%	-37,753	-35,240	64,364	312,338	\$42.76	\$46.49
Suburban Broward County	22,891,868	256,757	2,476,346	11.9%	-171,015	-263,107	471,585	800,210	\$30.59	\$35.19
Cypress Creek/Commercial	6,221,734	126,384	785,476	14.7%	-114,216	-62,244	141,898	0	\$28.85	\$33.06
Hollywood/Hallandale	3,048,882	10,687	355,175	12.0%	-10,439	-51,753	51,398	334,227	\$31.25	\$40.68
WEST BROWARD	7,344,380	79,539	701,883	10.6%	714	-201,666	117,572	315,983	\$31.62	\$36.05
Sunrise	3,156,267	20,765	195,832	6.9%	23,313	-34,716	43,412	170,000	\$31.16	\$33.57
Plantation	3,350,650	56,947	389,226	13.3%	-4,327	-118,972	66,656	145,983	\$30.56	\$38.46
Weston	837,463	1,827	116,825	14.2%	-18,272	-47,978	7,504	0	\$34.62	\$41.74
NORTHEAST BROWARD	1,766,644	13,033	179,542	10.9%	-6,626	211	28,830	150,000	\$25.82	\$30.47
Pompano Beach	665,953	9,700	107,135	17.5%	-2,783	-784	17,370	150,000	\$23.82	N/A
Deerfield Beach	1,100,691	3,333	72,407	6.9%	-3,843	995	11,460	0	\$28.83	\$30.47
SOUTHWEST BROWARD	3,011,322	600	348,850	11.6%	-7,629	87,117	118,222	0	\$35.60	\$37.72
Pembroke Pines/Cooper City	963,718	600	146,208	15.2%	4,486	80,692	84,716	0	\$32.97	\$36.38
Miramar	2,047,604	0	202,642	9.9%	-12,115	6,425	33,506	0	\$37.51	\$38.36
NORTHWEST BROWARD	1,498,906	26,514	105,420	8.8%	-32,819	-34,772	13,665	0	\$30.04	\$33.77
Coral Springs	1,170,339	26,514	102,726	11.0%	-37,545	-36,804	8,939	0	\$30.34	\$33.77
Tamarac/Margate	328,567	0	2,694	0.8%	4,726	2,032	4,726	0	\$18.23	N/A
BROWARD TOTALS	28,219,980	332,898	3,239,208	12.7%	-208,768	-298,347	535,949	1,112,548	\$33.68	\$38.61

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1200 SW 145th Avenue	Pembroke Pines/Cooper City	Galen Health	45,466	New Lease
1801 NW 66th Avenue	Plantation	NationsBenefits	38,725	Sublease
1425 W Cypress Creek Road	Cypress Creek/Commercial	KCI Technologies	23,725	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD 2020

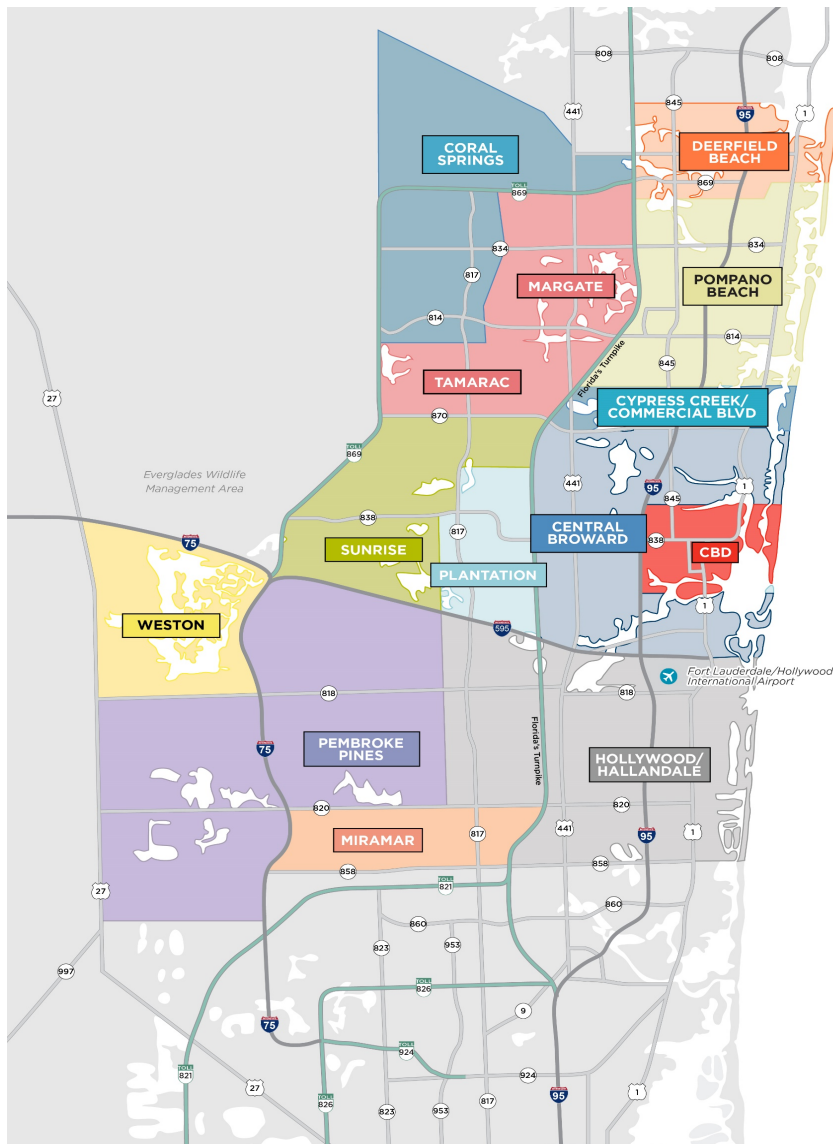
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3700 Lakeside Dr	Miramar	MFC 3700 Investors, LLC / 3700 Lakeside Drive, LLC	132,092	\$29M/\$219
12 SE 7th Street	Ft. Lauderdale CBD	HRE/Sefira Courthouse Place, LLC / ABCD Courthouse Place LLC	66,261	\$18.2M/\$274
2001 W Cypress Creek Road	Cypress Creek/Commercial	Bananco LLC / Capital Cypress LLC	50,138	\$7.2M/\$143

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