

Broward County

Office Q2 2021

YoY Chg 12-Mo. Forecast

16.9%

Vacancy Rate



-487K

YTD Net Absorption, SF



\$36.52

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

820K

Broward County Employment



5.2%

Broward County Unemployment Rate



5.9%

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. Office-using employment including Professional & Business Services, Financial Activities and Information, had a combined increase of 8,300 jobs in the last 12 months.

SUPPLY

Overall vacancy was 16.9% at the end of the first half of 2021, up 420 bps year-over-year (YOY). Class A overall vacancy had the largest YOY jump of 640 bps to 18.7%. Class B availabilities rose by 250 bps to 15.0% compared to 12 months prior but down 40 bps since first quarter of this year. The West Broward major market was a significant factor in the increase in vacancy, as its vacancy increased by 590 bps YOY to 16.6% driven by two large move outs. Sublease vacancy increased by 50 bps since last quarter to 2.0%, in part, due to the Carnival Cruise Lines sublease space added to the Miramar submarket.

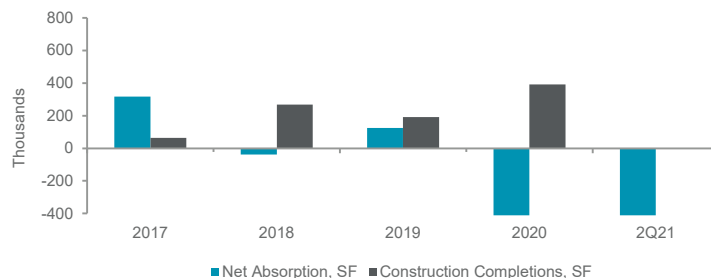
DEMAND

New leasing activity in the second quarter was nearly 687,000 sf, the most leasing activity in a quarter in over ten years which shows solid recovery in office demand from the pandemic. Class A assets recorded the highest amount of new lease transactions with over 427,000 sf signed, over twice as much as Class B assets with nearly 205,000 sf signed. Plantation had the most leasing activity in the second quarter with over 295,000 sf leased, bolstered by a 221,000-sf deal signed by Chewy. Second quarter absorption continued to trend downward with -36,000 sf but was a major improvement from -449,000 in the first quarter. Total absorption year-to-date was -487,000 sf.

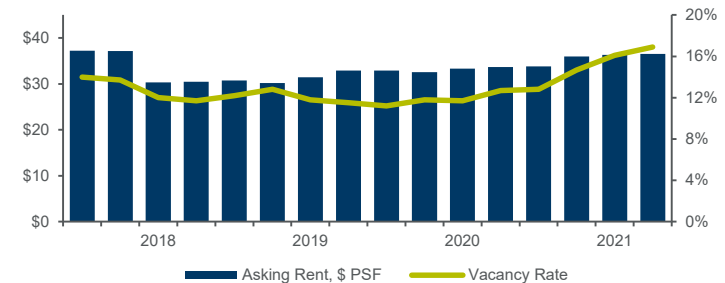
MARKET PRICING

Broward's overall asking rents rose 8.4% over the year to \$36.52 per square foot (psf) full service. New inventory in the CBD contributed to push asking rents higher over the past 12 months. Most deliveries occurred towards the end of 2020. Landlords continued to hold or increase asking rates while offering more abatements and tenant improvements. West Broward and Northeast Broward major markets contributed to the increase in asking rents with a 6.4% and 7.8% jump respectively, in part, due to newly marketed, higher quality, vacant space with average asking rents at the top end of the markets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Broward County

Office Q2 2021

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	5,615,534	56,452	1,261,820	23.5%	31,439	10,360	128,229	0	\$47.63	\$49.15
Suburban Broward County	22,863,716	504,093	2,985,025	15.3%	-68,311	-497,230	873,529	530,377	\$31.66	\$35.19
Cypress Creek/Commercial	6,247,621	121,123	701,404	13.2%	33,862	11,634	172,321	0	\$29.54	\$32.96
Hollywood/Hallandale	2,880,980	13,071	427,654	15.3%	-480	-16,397	49,291	380,377	\$31.90	\$37.68
WEST BROWARD	7,660,206	193,601	1,075,905	16.6%	31,248	-204,648	486,028	0	\$33.65	\$36.48
Sunrise	3,161,135	166,477	436,092	19.1%	24,366	-56,911	152,838	0	\$33.39	\$35.08
Plantation	3,662,598	27,124	547,477	15.7%	4,178	-152,752	319,313	0	\$33.55	\$38.12
Weston	836,473	0	92,336	11.0%	2,704	5,015	13,877	0	\$35.47	\$44.36
NORTHEAST BROWARD	1,768,367	37,322	212,628	14.1%	-34,052	-51,649	83,699	150,000	\$27.83	\$30.47
Pompano Beach	683,266	2,000	52,968	8.0%	-3,620	-7,386	1,465	150,000	\$19.84	N/A
Deerfield Beach	1,085,101	35,322	159,660	18.0%	-30,432	-44,263	82,234	0	\$31.10	\$30.47
SOUTHWEST BROWARD	2,851,339	118,175	314,836	15.2%	-81,462	-112,088	50,357	0	\$35.54	\$37.51
Pembroke Pines/Cooper City	803,735	0	128,809	16.0%	4,762	2,040	21,202	0	\$33.29	\$36.38
Miramar	2,047,604	118,175	186,027	14.9%	-86,224	-114,128	29,155	0	\$37.02	\$38.22
NORTHWEST BROWARD	1,455,203	20,801	252,598	18.8%	-17,427	-124,082	31,833	0	\$28.62	\$31.47
Coral Springs	1,119,027	20,801	131,386	13.6%	-12,104	-19,848	30,744	0	\$29.13	\$31.47
Tamarac/Margate	336,176	0	121,212	36.1%	-5,323	-104,234	1,089	0	\$28.05	N/A
BROWARD TOTALS	28,479,250	560,545	4,246,845	16.9%	-36,872	-486,870	1,001,758	530,377	\$36.52	\$41.53

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
7600-7700 West Sunrise Boulevard	Plantation	Chewy	221,597	New Lease
2250 N Commerce Parkway	Weston	UKG	97,178	Renewal
1550 Sawgrass Corporate Parkway	Sunrise	Connexion Point	61,717	New Lease

*Renewals not included in leasing statistics

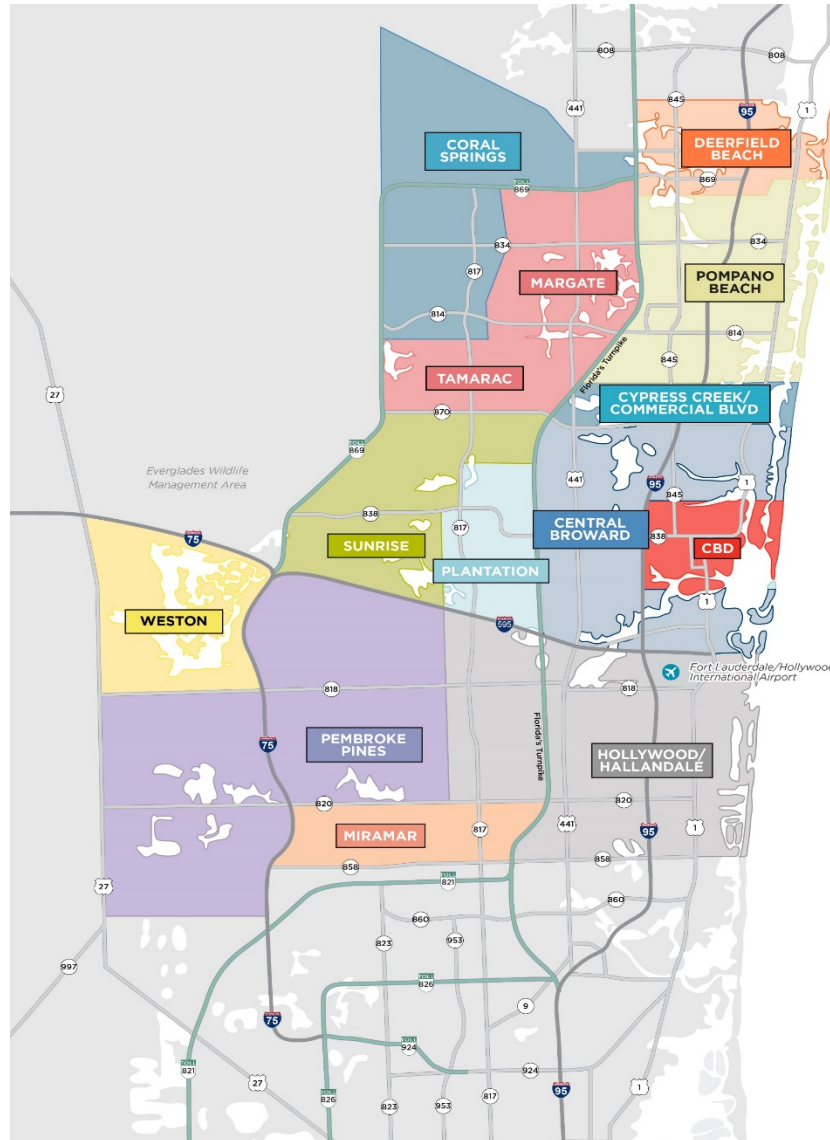
KEY SALES TRANSACTIONS YTD 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
500-550 W Cypress Creek Rd (Building 1 & 2)	Cypress Creek/Commercial	Banyan Street Capital / Feldman Equities	262,434	\$58.9M/\$224
5900 N Andrews Avenue	Cypress Creek/Commercial	Steelbridge Capital / Vision Propoerties	206,773	\$44.2M/\$214
1500 Concord Terrace	Sunrise	MEDNAX Services / Chetu	173,154	\$25.0M/\$137

Broward County

Office Q2 2021

OFFICE SUBMARKETS



Matt Ballard

Research Analyst

Tel: +1 954 377 0493

Matthew.Ballard@cushwake.com

Trey Davis

Associate Director

Tel: +1 305 533 2846

Trey.Davis@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.