

BROWARD COUNTY

Industrial Q3 2021

	YoY Chg	12-Mo. Forecast
5.9% Vacancy Rate	▼	▼
2.4M YTD Net Absorption, SF	▲	▲
\$10.27 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
823K Broward County Employment	▲	▲
4.9% Broward County Unemployment Rate	▼	▼
5.2% U.S. Unemployment Rate	▼	▼

Source: BLS

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

ECONOMY

Broward County had an unemployment rate of 4.9% in August 2021, down 460 basis points (bps) over the year. Nonagricultural employment was 823,100, an increase of 29,800 jobs, or 3.8%, in the last twelve months. Leisure & Hospitality led the county for the third quarter in a row with job gains of 16,200 added. All industrial-using employment sectors, which included Construction, Manufacturing, and Trade, Transportation & Utilities, gained jobs year-over-year (YOY) for a combined total of 6,100 jobs added.

SUPPLY

Third quarter overall vacancy ended at 5.9%, a decrease of 170 bps from this period last year. Overall vacancy in warehouse/distribution assets fell significantly to 6.7%, a decrease of 250 bps. Approximately 1.7 million square feet (msf) of new inventory was added since the start of 2021 with several larger new projects completed in the North Broward major market. There was over 1.1 msf under construction at the end of the third quarter with the majority slated for delivery by the end of the year. An additional 3.4 msf was in the proposed pipeline for Broward County with some projects expected to start construction in the fourth quarter.

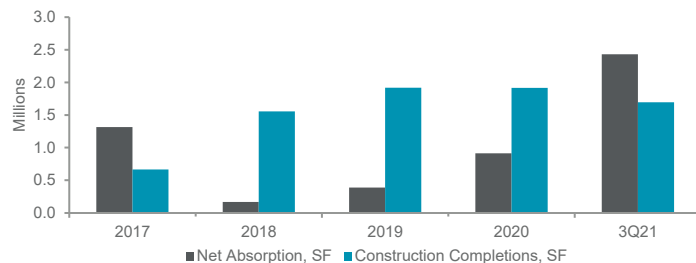
DEMAND

New leasing activity reached over 3.6 msf year-to-date (YTD), a 36.1% rise compared to deals completed in the first nine months of 2020. Warehouse/distribution space accounted for over 87.5% of all new leasing activity this year with over 3.2 msf signed, 44.6% higher than the same period one year ago. The North Broward major market led the county in activity for the sixth consecutive quarter with 636,000 sf of newly signed leases. Ferguson Enterprises signed the largest lease in the quarter for over 194,000 square feet (sf) in the Coral Springs/Margate submarket. Overall net absorption remained robust with approximately 2.4 msf YTD.

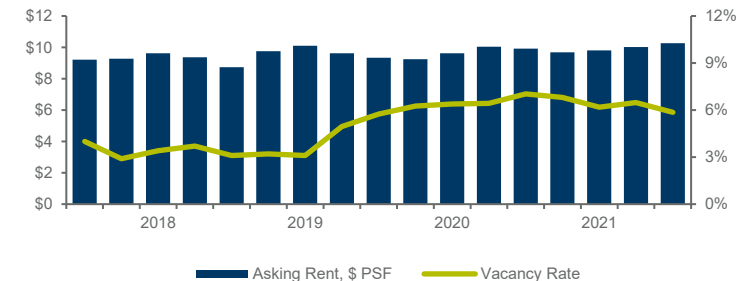
MARKET PRICING

Overall asking rates reached an all-time high at \$10.27 per square foot (psf) triple net in the third quarter, an increase of 5.6% YOY. New deliveries with higher than average asking rates and increased demand have been the primary driver for the increase in asking rates. Warehouse/distribution space increased by 4.4% over the year to \$9.69 psf, an all-time high. Most new inventory delivered this year were in warehouse/distribution assets priced at the high end of the market and led to the jump in rates. The Fort Lauderdale Central submarket recorded the highest leap in rents with a 19.1% increase YOY to \$11.89 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 2021

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)
Central Broward	18,484,926	618,619	3.3%	320,473	545,624	153,866	0	\$12.20	\$14.14	\$11.02
Ft. Lauderdale- Central	7,019,621	363,470	5.2%	193,266	280,115	0	0	N/A	\$12.74	\$11.80
Ft. Lauderdale- E. Central	4,868,084	56,513	1.2%	59,570	117,328	153,866	0	N/A	N/A	\$10.75
Ft. Lauderdale- Airport/Dania	6,597,221	198,636	3.0%	67,637	148,181	0	0	\$12.20	\$15.00	\$8.90
North Broward	39,232,078	2,449,302	6.2%	1,290,471	1,989,382	751,277	985,200	\$9.50	\$13.48	\$9.64
Pompano Beach	22,354,482	1,454,328	6.5%	785,712	1,112,420	454,376	521,102	N/A	\$13.66	\$9.71
Deerfield Beach	8,586,135	274,331	3.2%	144,889	218,408	296,901	0	\$9.50	\$13.54	\$10.86
Coral Springs/Tamarac/Margate	8,291,461	720,643	8.7%	359,870	658,554	0	464,098	N/A	\$11.86	\$8.96
Southwest Broward	24,020,407	1,816,066	7.6%	830,514	899,729	227,625	709,893	\$10.09	\$14.42	\$9.34
Davie/Plantation/Sunrise	10,367,529	1,027,711	9.9%	212,936	498,135	227,625	709,893	\$10.09	\$16.99	\$9.41
Pembroke Pines/Miramar/Weston	13,652,878	788,355	5.8%	617,578	401,594	0	0	N/A	\$13.57	\$9.25
Southeast Broward	7,792,084	359,677	4.6%	-11,679	233,134	0	0	\$14.55	\$17.00	\$9.78
BROWARD TOTALS	89,529,495	5,243,664	5.9%	2,429,779	3,667,869	1,132,768	1,695,093	\$11.51	\$14.17	\$9.69

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

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

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4000 Coral Ridge Drive	Coral Springs/Tamarac/Margate	Ferguson Enterprises	194,441	New Lease
5605 Hiatus Road	Coral Springs/Tamarac/Margate	Sonny's Enterprises	135,000	Renewal
2945 W Corporate Lakes Boulevard	Pembroke/Miramar/Weston	Andrx	128,840	Renewal
2700 Bridge Way	Davie/Plantation/Sunrise	ShipMonk	113,360	New Lease

*Renewals not included in leasing statistics

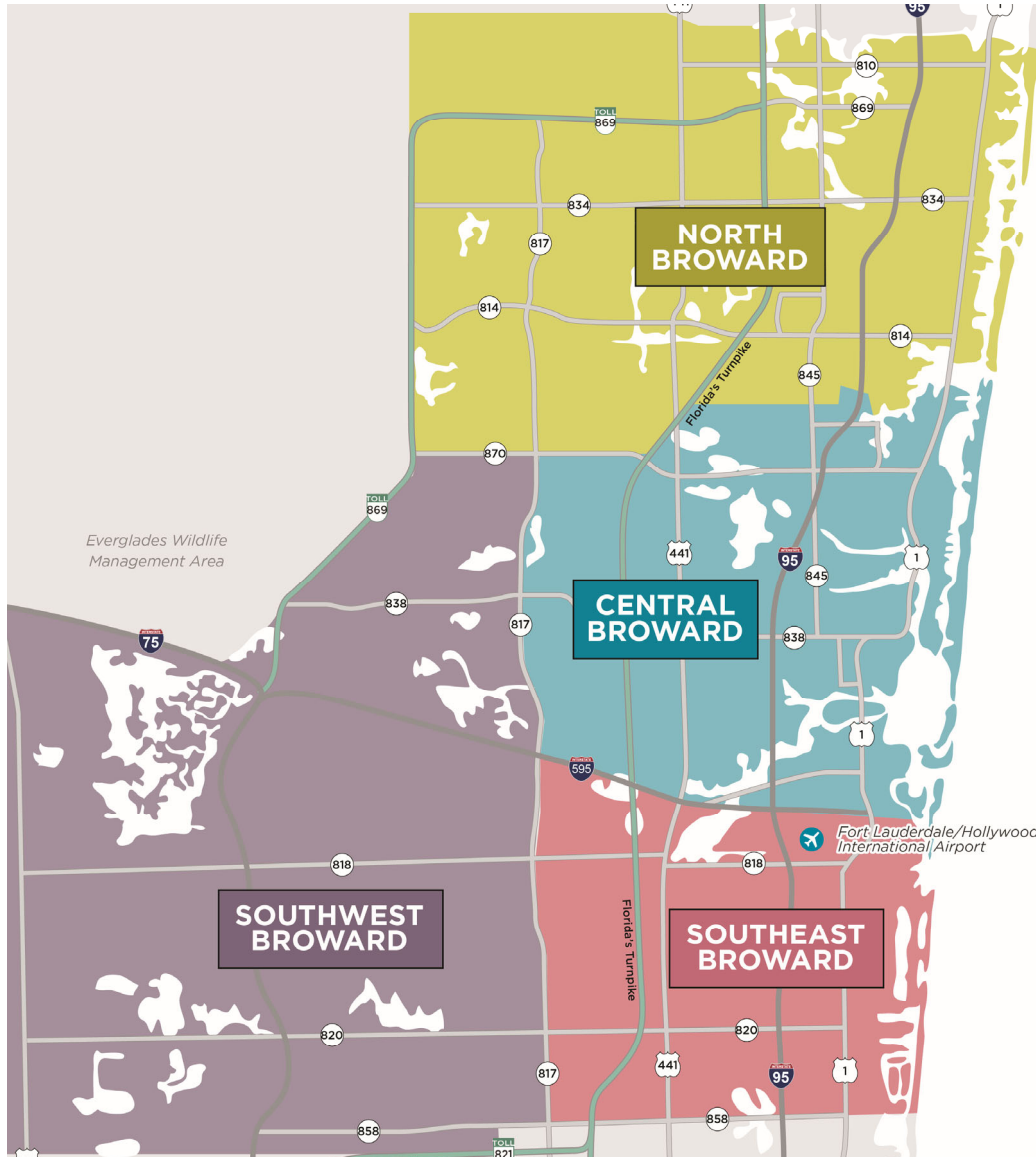
KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
15501 SW 29th Street	Pembroke/Miramar/Weston	Bridge Dev Partners / Cabot Properties	304,428	\$71.5M/\$235
7601 Riviera Boulevard	Pembroke/Miramar/Weston	IHeart Media / LBA Realty	87,350	\$9.7M/\$111

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INDUSTRIAL 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

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