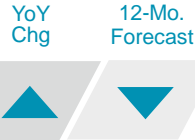


Broward County

Office Q1 2022

16.9%

Vacancy Rate



-30K

YTD Net Absorption, SF



\$36.14

Asking Rent, PSF

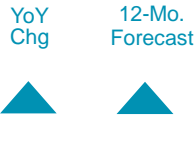


(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

868K

Broward County Employment



3.2%

Broward County Unemployment Rate



3.6%

U.S. Unemployment Rate



Source: BLS

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

ECONOMY

Broward County had an unemployment rate of 3.2% in February 2022, down 40 basis points (bps) from the previous month and 290 bps lower than one year ago. Nonagricultural employment was 868,100, an increase of 40,600 jobs, or 4.9%, over the year. Every major employment sector gained jobs over the year with Leisure & Hospitality leading the way with 12,600 jobs added. Office-using employment including Professional & Business Services, Financial Activities, and Information had a combined increase of 13,500 jobs in the last 12 months.

SUPPLY

Broward County's overall vacancy was 16.9% at the end of the year, down 10 bps from the fourth quarter and up 80 bps year-over-year (YOY). Class A vacancy was at 17.1% down 20 bps YOY and a significant 150 bps from last quarter. On the contrary, Class B vacancy rate reached a 4-year high of 16.5%, rising by 110 bps YOY. Substantial vacancy from Plantation Corporate Center II and negative absorption were the main drivers for the increase in Class B vacancy this quarter. There were over 277,000 square feet (sf) under construction at quarter-end in the Hollywood/Hallandale submarket. The Class A Optima Onyx Tower is expected to deliver in December 2022.

DEMAND

New leasing activity in the first quarter was nearly 543,000 sf, a 150,000 sf increase from a year ago. The Hollywood/Hallandale submarket recorded the highest single-quarter leasing activity in history. Tenant move-outs accelerated over the last three months and accounted for 29,743 sf of negative absorption in the first quarter. West Broward had two large tenants move out, AETNA and Cross Country Home Services, creating negative absorption of 154,487 sf for the quarter. Strong positive absorption in Ft. Lauderdale Central Business District (CBD), Hollywood/Hallandale, and Southwest Broward helped offset additions to available space.

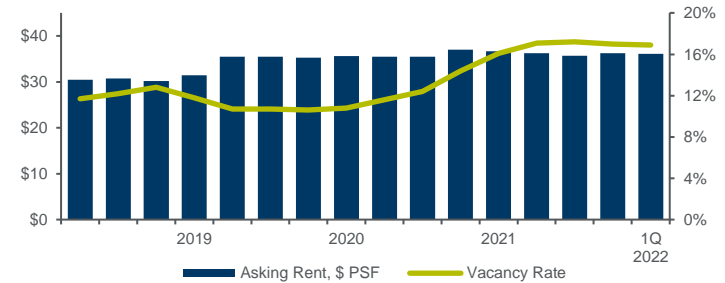
MARKET PRICING

Overall asking rents decreased slightly YOY by 3.1% to \$36.14 per square foot (psf) full service. Landlords in both Class A and Class B assets were more aggressive with pricing while offering more concessions as well as higher tenant improvement allowances to lock tenants into deals. For the third quarter in a row, asking rates in the CBD were down, falling to \$45.87 psf, down 4.6% from the first quarter of 2021 but still up 6% from the start of 2020. Suburban submarkets reported a slight increase in asking rents over the year to \$32.86 psf. Northeast Broward, which includes Pompano and the Deerfield Beach submarkets, had the highest jump in asking rents, rising 11% YOY to \$31.47 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Broward County

Office Q1 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET 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	5,938,973	1,083,996	71,160	19.5%	46,196	46,196	138,233	0	\$45.87	\$47.01
Suburban Broward County	20,277,496	2,934,231	331,851	16.1%	-75,939	-75,939	404,424	277,000	\$32.86	\$36.00
Cypress Creek/Commercial	5,092,826	620,081	22,671	12.6%	-4,896	-4,896	89,926	0	\$30.36	\$33.93
Hollywood/Hallandale	2,475,789	310,484	17,334	13.2%	47,068	47,068	126,899	277,000	\$33.33	\$39.70
WEST BROWARD	7,392,950	1,298,369	157,817	19.7%	-154,487	-154,487	65,197	0	\$33.86	\$36.21
Sunrise	3,072,045	662,979	140,504	26.2%	-43,132	-43,132	24,641	0	\$33.09	\$34.51
Plantation	3,431,472	544,598	17,313	16.4%	-112,313	-112,313	36,850	0	\$34.13	\$39.02
Weston	889,433	90,792	0	10.2%	958	958	3,706	0	\$37.95	\$44.79
NORTHEAST BROWARD	1,353,082	130,830	23,086	11.4%	-20,298	-20,298	27,051	0	\$31.50	\$31.16
Pompano Beach	354,508	22,828	5,155	7.9%	-2,475	-2,475	2,139	0	\$33.37	N/A
Deerfield Beach	998,574	108,002	17,931	12.6%	-17,823	-17,823	24,912	0	\$31.09	\$31.16
SOUTHWEST BROWARD	2,823,684	314,054	90,262	14.3%	46,238	46,238	55,768	0	\$35.45	\$39.08
Pembroke Pines/Cooper City	803,735	128,601	0	16.0%	16,615	16,615	49,954	0	\$34.18	\$37.38
Miramar	2,019,949	185,453	90,262	13.7%	29,623	29,623	5,814	0	\$36.19	\$40.29
NORTHWEST BROWARD	1,139,165	260,413	20,681	24.7%	10,436	10,436	39,583	0	\$30.17	\$31.97
Coral Springs	1,008,909	160,413	20,681	18.0%	10,436	10,436	39,583	0	\$29.96	\$31.97
Tamarac/Margate	130,256	100,000	0	76.8%	0	0	0	0	\$30.50	N/A
BROWARD TOTALS	26,216,469	4,018,227	403,011	16.9%	-29,743	-29,743	542,657	277,000	\$36.14	\$40.27

Starting in Q1 2022, office statistics for Miami-Dade, Broward and Palm Beach counties no longer include Class C assets.

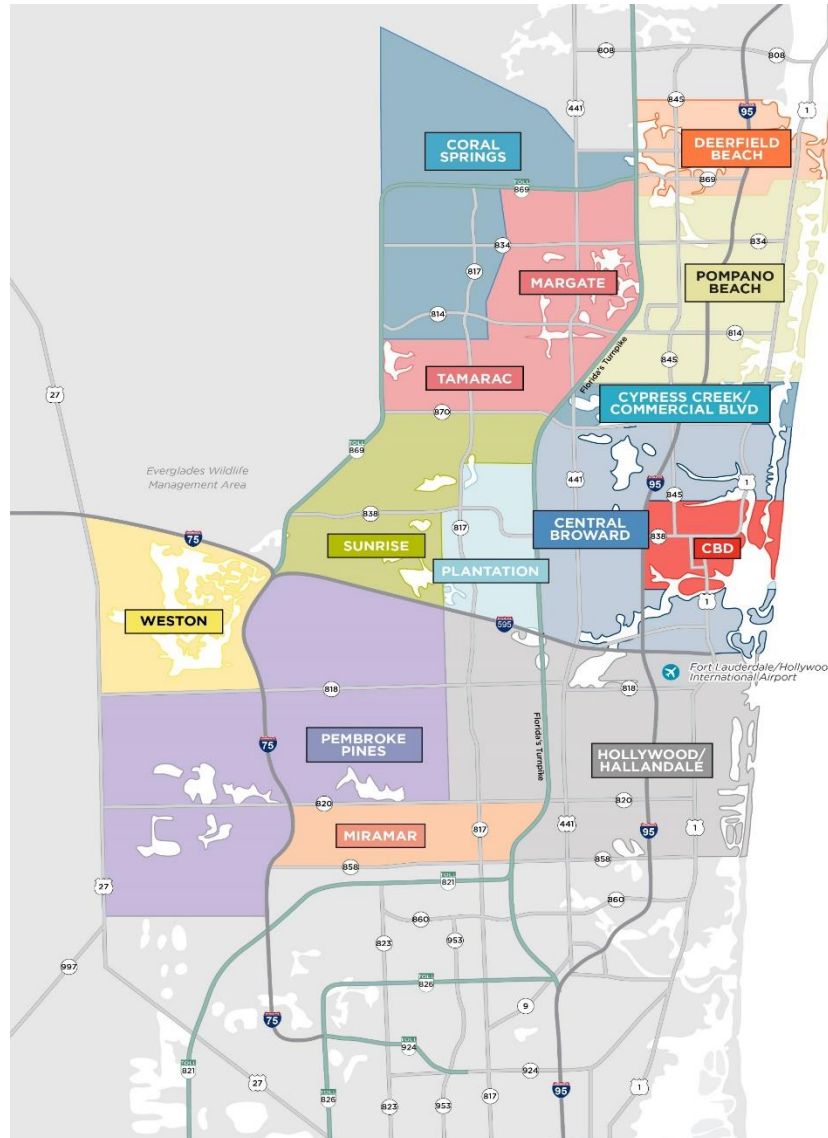
*Rental rates reflect full service asking

CLASS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	DIRECT AVG ASKING RENT	OVERALL AVG ASKING RENT
CLASS A	15,117,914	2,398,169	186,833	17.1%	69,628	69,628	275,707	277,000	\$40.49	\$40.27
CLASS B	11,098,555	1,620,058	216,178	16.5%	-99,371	-99,371	266,950	0	\$30.19	\$30.20
BROWARD TOTALS	26,216,469	4,018,227	403,011	16.9%	-29,743	-29,743	542,657	277,000	\$36.26	\$36.14

Broward County

Office Q1 2022

OFFICE SUBMARKETS



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