



LOCAL FACTS

FORT LAUDERDALE, FLORIDA

Did you know?



"Broward County had a positive absorption of ±993,028 SF in 2014"

SUBMARKET SNAPSHOT

Quick Stats :: Broward County

|                           | Current  | Change from last |      |
|---------------------------|----------|------------------|------|
|                           |          | Yr.              | Qtr. |
| Total Vacancy             | 6.1%     | ↔                | ↓    |
| Avg Dir Asking Lease Rate | \$6.47   | ↑                | ↔    |
| Qtr Net Absorption        | 257,480K | ↑                | ↑    |
| Construction              | 542K     | ↔                | ↔    |
| Completions               | 229K     | ↔                | ↓    |

\* The arrows indicate a trend and do not represent a positive or negative value for the underlying statistic (e.g. net absorption could be negative, but still represent a positive trend over the time period.)

FEATURED PROPERTY



CBRE

SAWGRASS TECHNOLOGY BUILDING M

±128,000 SF SPACE AVAILABLE FOR SALE OR FOR LEASE

General Market Summary

Tours are up, showings are up and everyone is extremely busy, however first quarter 2015 was flat with regards to absorption. In checking with multiple landlords and brokers, everyone is still frustrated with how long deals are taking to get signed. Even the presence of multiple offers being made on the same space is still not forcing groups to pull the trigger. Furthermore, some of the same prospects have been in the market for what seems like months unable to identify a space that works or meets their economic parameters. As we had stated in our 2014 year-end newsletter, "secondary markets will see increased activity as a result of limited availability and higher lease rates in first tier locations", that prediction is proving correct with asking rates for both A and B class product on the upward swing. Even submarkets and parks that were historically viewed as value plays have experienced the increase in lease rates.

Another trend emerging in 2015 is the loosening of geographic parameters tenants are willing to abide by in order to secure the right space. For the last 4 or 5 years tenants had multiple options in their desired submarkets, however the current lack of supply is now forcing prospects to expand their target areas. We have seen numerous perspective tenants start their search with a laser focus on a particular area of Broward County, only to see them out a few weeks later on the other end of town.

South Broward Summary

Although the pace of the market acceleration has slowed, South Broward still performed well during the first quarter. We continued to see positive absorption and rent growth across all building classes.

Both IDI-Gazeley and Miramar Park of Commerce signed sizeable transactions in both their new buildings. These were noteworthy because as soon as the ink dried on these deals, they both got the green light to start another spec building in their respective parks. In addition, CBRE on behalf of Clarion Partners finalized a full building deal for their 230,600 SF in Weston. We are tracking a few additional deals that should further drop the vacancy rate within the next few weeks.

For smaller Class A spaces less than 20,000 SF rental rates are now in the \$7.50 - \$8.50 PSF NNN range. The demand is outpacing supply with landlords reporting multiple offers on available units. Larger spaces are seeing average rental rates in the \$6.50 - \$7.00 PSF NNN range, but tenants do have numerous options for spaces larger than 50,000 SF. Our latest market check reported 14 different buildings that could accommodate a user 50,000 SF or greater in South Broward.

North Broward Summary

Pompano Beach is leading the charge in North Broward and quickly closing the recessionary occupancy/rental rate gap that existed for the last few years. Overall, vacancy is now below 6% and spec construction is in motion throughout NE Broward. With limited available options, tenants are being forced to pay the increase in rental rates after they perform a quick market survey and realize the market has switched back in favor of the landlords. The bulk of activity in this market is being driven by users in the 15,000 to 30,000 SF range. Lease rates for this size user are in the \$6.00 - \$6.50 PSF NNN range and heading higher. For units 15,000 SF or smaller lease rates are now in the \$7.00 - \$7.75 PSF NNN range if you can find any available spaces.



# INDUSTRIAL MARKETS :: BROWARD COUNTY

## AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - FIRST QUARTER 2015

| South Broward Industrial Parks            | Total SF   | Direct  | Sublease | Total SF Available | Vacancy % | Size Range Available | Asking Base Rate   | Expenses      |
|---|------------|---------|----------|--------------------|-----------|----------------------|--------------------|---------------|
| Seneca Industrial Park (TIAA & KTR)       | ±1,423,729 | 205,499 | 40,320   | 245,819            | 13%       | 18,099-187,400       | \$6.25-\$7.25 NNN  | \$2.10-\$2.70 |
| Miramar Park of Commerce - Sunbeam        | ±2,980,000 | 108,911 | 79,000   | 187,911            | 6%        | 8,145-38,147         | \$8.50-\$9.25 IG   | \$2.90-\$3.31 |
| Miramar Business Ctr. / Centre - IDI /IIT | ±1,800,883 | 329,000 | 0        | 329,000            | 18%       | 39,700-228,000       | \$6.75-\$7.25 NNN  | \$2.65        |
| I-75 Distribution Ctr. /Flamingo - INCOR  | ±729,705   | 111,200 | 43,066   | 154,266            | 21%       | 43,066-111,200       | \$6.95 NNN         | \$2.80        |
| Pointe West I & II                        | ±269,554   | 32,913  | 0        | 32,913             | 0%        | 32,913               | \$7.75 NNN         | \$3.55        |
| Port 95 - Prologis                        | ±1,185,374 | 0       | 0        | 0                  | 0%        | 0                    | \$7.60 NNN         | \$2.63        |
| Port 95 - Principal                       | ±197,669   | 0       | 0        | 0                  | 0%        | 0                    | \$6.95 NNN         | \$2.69        |
| Broward International Commerce Center     | ±250,000   | 0       | 0        | 0                  | 0%        | 0                    | \$6.75 NNN         | \$2.91        |
| KTR Hollywood                             | ±520,000   | 20,992  | 0        | 20,992             | 4%        | 6,417-7,575          | \$7.00-\$12.00 NNN | \$3.67        |
| Davie Business Center - IDI               | ±122,175   | 97,425  | 0        | 97,425             | 80%       | 24,760-97,425        | \$7.25 NNN         | \$2.60        |

| North Broward Industrial Parks    | Total SF   | Direct  | Sublease | Total SF Available | Vacancy % | Size Range Available | Asking Base Rate  | Expenses      |
|-----------------------------------|------------|---------|----------|--------------------|-----------|----------------------|-------------------|---------------|
| Atlantic Business Park - Duke     | ±1,265,590 | 0       | 0        | 0                  | 0%        | 0                    | \$7.75 NNN        | \$3.00-\$3.15 |
| Pompano Distribution Ctr - Weeks  | ±330,626   | 177,907 | 0        | 177,907            | 47%       | 20,000-101,113       | \$6.50 NNN        | \$2.50        |
| Park Central - Duke               | ±712,700   | 35,828  | 0        | 35,828             | 5%        | 35,828               | \$6.10 NNN        | \$3.02        |
| Sample 95 - Duke                  | ±469,300   | 25,280  | 0        | 25,280             | 5%        | 25,280               | \$6.25 NN         | \$3.00        |
| Pompano Business Center - INVESCO | ±624,486   | 233,975 | 0        | 233,975            | 37%       | 64,345-98,380        | \$5.75-\$6.75 NNN | \$2.27-\$2.60 |
| Pompano Prologis Park - Prologis  | ±240,000   | 0       | 0        | 0                  | 0%        | 0                    | \$6.25 NNN        | \$2.42        |
| Pompano Commerce Center - Duke    | ±224,000   | 12,412  | 0        | 12,412             | 6%        | 12,412               | \$6.75 NNN        | \$2.64        |
| CenterPort - Prologis             | ±376,000   | 38,035  | 0        | 38,305             | 10%       | 38,305               | \$6.25            | \$2.56        |
| Quorum Business Center - IVY      | ±275,000   | 41,450  | 0        | 41,450             | 15%       | 8,338-17,104         | \$7.25-\$9.25 NNN | \$2.46-\$2.78 |
| Quiet Waters - Prudential         | ±670,000   | 125,783 | 0        | 125,783            | 19%       | 12,630-64,000        | \$5.50-\$6.00 NNN | \$2.50        |
| Sawgrass International - IIT      | ±404,000   | 0       | 0        | 0                  | 0%        | 0                    | \$6.50 NNN        | \$2.82        |

## NOTABLE TRANSACTIONS IN 1ST QUARTER 2015



**MERIDIAN AT WESTON**

3245 Meridian Parkway  
Weston, FL  
±230,600 SF  
Landlord: Clarion Partners  
Tenant: Gold Coast Freightways, Inc.



**MPOC**

1900 Premier Parkway  
Miramar, FL  
±70,000 SF  
Landlord: Sunbeam  
Tenant: ACME Furniture Company



**Port 95 Business Park**

2650 SW 36th Street  
Dania Beach, FL  
±37,000 SF  
Landlord: Private  
Tenant: Florida Produce

## MEET THE TEAM



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