



LOCAL FACTS

FORT LAUDERDALE, FLORIDA

Did you know?



"Port Everglades Intermodal facility is opening Q3 2014."

SUBMARKET SNAPSHOT

Quick Stats :: Broward County

	Current	Change from last	
		Yr.	Qtr.
Total Vacancy	7.9%	↑	↑
Avg Dir Asking Lease Rate	\$6.25	↔	↔
Qtr Net Absorption	220k	↑	↑
Construction	234K	↑	↑
Completions	0	↔	↔

* 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



KTR PROSPECT PARK IV FOR LEASE ±68,500 Total SF Free Standing Building Fully secured truck court Lease Rate: \$6.75 PSF NNN Op Ex: \$2.32 PSF (Estimated)

General Market Summary

As we finish out the first half of the year major macro trends encompassing both north and south Broward industrial submarkets have taken hold. Below is a list of the top 5 industrial trends for Broward County year to date;

- 1) Lack of product for sale, from institutional level packages to smaller owner-user sales, the inventory of available properties is well below normal
2) Land is back and in high demand from developers and users
3) Landlords willing to subdivide larger blocks of space are winning out against those waiting around for the big white elephant
4) Tenants are willing to pay .50¢-\$1.00 PSF above market to renew in place and not go through the added expense and disruption of moving
5) The majority of tenants want full climate control, we've never seen so many 100% climate control requirements

South Broward Summary

With the South Broward spec boom in full motion we witnessed another quarter without any major new deals reported. Although Miramar Park of Commerce has filled up Building 28 (3 Tenants) the other major spec projects are still searching for their first deals. A few deals are getting close, but nothing significant has been finalized to date. The vast majority of attention seems to be centered around the potential shell pricing some of these developments are rumored to be under contract for, even before any leases have been signed. If these transactions close at the

speculated price ranges, it will set a new high water mark for shell condition multi-tenant buildings in Broward County.

South Broward is still reporting very healthy leasing activity for distribution deals 25,000 SF and smaller. Most new deals are in the \$6.50-\$6.75 PSF NNN range with renewals getting done over \$7 PSF NNN. With limited Class A space available, we are seeing a surge in demand for Class B and C product, thus giving these landlords an opportunity to achieve the same rental growth Class A owners have experienced over the last 18 months. Another bright spot is the demand for flex space across South Broward from heavy administrative service and internet companies. If you can accommodate the parking and justify the higher TI allowances, the rates are from \$10.50 - \$13.95 PSF NNN.

North Broward Summary

After a slow Q1 north Broward's industrial market made great strides in Q2 to solidify and strengthen the recovery. We witnessed 3 or 4 larger owner-user sales with values in the \$75-\$95 PSF range. On the leasing front, we recorded a strong quarter for both new deals, renewals and expansions. We witnessed 3 large renewals, that all had expansion components as well, for a total square footage of ±351,000 SF. We also witnessed 5 new deals between the Deerfield and Pompano Beach submarkets that provided another ±226,000 SF of positive absorption.

Although the summer slowdown is upon us, we should see another spike in activity toward the end of Q3 and the balance of the year. With absorption and vacancy heading in the right direction, it is only a matter of time before north Broward's lease rates move higher.



INDUSTRIAL MARKETS :: BROWARD COUNTY

AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - SECOND QUARTER 2014

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	271,832	0	271,832	19%	15,576 - 188,000	\$5.75 NNN	\$2.10 - \$2.90
Miramar Park of Commerce - Sunbeam	±2,980,000	100,833	79,000	179,833	6%	18,903 - 29,365	\$6.95 - \$8.95 IG	\$3.50
Miramar Business Ctr. / Centre - IDI / IIT	±1,800,883	544,568	0	544,568	30%	27,000 - 304,420	\$6.75 NNN	\$2.65
I-75 Distribution Ctr. / Flamingo - INCOR	±729,705	251,669	0	251,669	34%	100,000-251,669	\$5.95 NNN	\$2.80
Pointe West I & II	±269,554	0	0	0	0%	0	\$6.95 NNN	\$3.66
Port 95 - ProLogis	±1,185,374	0	0	0	0%	0	\$6.75 NNN	\$2.50
Port 95 - Principal	±197,669	20,000	0	20,000	10%	10,000	\$6.95 NNN	\$2.69
Broward International Commerce Center	±250,000	31,200	0	31,200	12%	31,200	\$6.75 NNN	\$2.91
KTR Hollywood	±520,000	7,000	0	7,000	3%	7,000	\$6.00 - \$7.25 NNN	\$3.67
Davie Business Center - IDI	±122,000	122,000	0	122,000	100%	20,000 - 122,000	\$7.25 NNN	\$2.65

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	32,388	0	32,388	3%	32,388	\$6.50-\$7.25 NNN	\$3.00 - \$3.15
Pompano Distribution Ctr - Weeks	±202,226	101,113	0	101,113	50%	20,000 - 101,113	\$6.50 NNN	\$2.50
Park Central - Duke	±712,700	86,784	0	86,784	12%	16,914 - 35,828	\$5.75 - \$6.25 NNN	\$3.02
Sample 95 - Duke	±469,300	27,510	0	27,510	6%	27,510	\$5.75 - \$6.25 NNN	\$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	54,185	0	54,185	22%	54,185	\$6.25 NNN	\$2.42
Pompano Commerce Center - Duke	±224,000	14,900	0	14,900	7%	14,900	\$6.50 NNN	\$2.64
CenterPort - Prologis	±376,000	31,500	0	31,500	8%	31,500	\$6.00 NNN	\$2.56
Quorum Business Center - KTR	±275,000	40,512	0	40,512	15%	7,400 - 17,104	\$7.25 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 CBRE TRANSACTIONS IN 2ND QUARTER 2014

 <p>Quorum Business Park Deerfield Beach, FL ±18,111 SF Landlord: KTR Capital Tenant: IXS USA, Inc.</p>	 <p>Atlantic Business Park Pompano Beach, FL ±59,321 SF Landlord: Duke Tenant: Morris 4x4</p>	 <p>Weekley Building Deerfield Beach, FL ±83,623 SF Seller: Weekley One Deerfield, LLC Buyer: Cosmo</p>	 <p>Park Central Pompano Beach, FL ±14,553 SF Landlord: Duke Tenant: General Insulation</p>
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MEET THE TEAM



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