



LOCAL FACTS

FORT LAUDERDALE, FLORIDA

Did you know?



“Port Everglades just earned approval from the Army Corps to dredge its channel to 48 feet deep”

SUBMARKET SNAPSHOT

Quick Stats :: Broward County

	Current	Yr.	Qtr.
Total Vacancy	6.1%	↔	↔
Avg Dir Asking Lease Rate	\$6.95	↑	↔
Qtr Net Absorption	574,664	↑	↑
Construction	692K	↑	↑
Completions	189K	↑	↑

\* 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



LAKEVIEW ±15,113 SF SPACE AVAILABLE FOR FOR LEASE

General Market Summary

As we reach the halfway point of 2015, we are tracking key emerging trends in the Broward County Industrial marketplace. These trends will impact the market’s overall performance for the balance of the year. The biggest trend affecting deals in the market are increasing costs associated with tenant improvements. Over the last 18 months, we have seen the price per square foot build out numbers for jobs of less than 3,000 SF, go from \$55.00 to \$70.00 PSF. Then increase to \$80.00 PSF and they are now in the \$85.00-\$90.00 PSF range. For larger jobs, the increase has not been so dramatic, but nonetheless it has risen from around \$55.00 PF to now in the \$80.00-\$85.00 PSF range. Higher costs are forcing landlords to increase their contributions and in return, push asking rents even higher. Landlords were budgeting \$6.00 -\$7.50 PSF on new deals to deliver tenants 8-10% office, T-5 lighting and a base line loading package. This number now needs to be closer to \$8.75 -\$9.00 PSF in order to provide the same base line improvements. As a result of these increased prices, tenants are surprised at how much it actually costs for build outs and we’ve seen a few of them take on the responsibility of their own tenant improvements. Thinking they can do it cheaper, faster and better, these tenants are just taking the allowance (which landlords are happy to provide) and attempting to build out the space themselves. We will see if this gamble pays off for tenants, as the first round of these types of deals are now underway.

The next emerging trend is the rent growth we are seeing in Class A and B spaces less than 20,000 SF. It seems that asking rates are set with the attitude of “Let’s push the envelope and see if we can get it.” The demand from multiple parties chasing the same spaces is telling owner and landlord brokers to push rates higher and higher. The supply side of the equation is also helping with new buildings wanting to lease larger blocks of space, and this type of small bay product being cost prohibitive to build. We are forecasting another \$0.25 -\$0.50 PSF increase in rates over the second half of 2015.

The last macro trend impacting the

Broward industrial marketplace is the lack of available product currently on the market “For Sale”. This is also pushing the demand side on the leasing front. We have seen multiple parties that have given up trying to buy buildings and settle on leasing. The need to be in the South Florida marketplace takes precedence over wanting to buy vs. lease.

South Broward Summary

After careful analysis, we’ve determined the largest driver for space in South Broward are existing tenants. The trend has been that tenants who move out of buildings in South Broward are moving as a last resort to accommodate their growth. When a tenant does move to another park, the majority of these vacant spaces are backfilled by their neighbors. We’ve seen numerous tenants relocate within South Broward who are doubling or tripling their space requirements. Furthermore, over 50% of the deals being done to backfill these recently vacated spaces are existing tenant expansions, which shows the confidence and demand these users are seeing.

North Broward Summary

North Broward is in the middle of a pendulum swing that will dramatically accelerate market conditions over the second half of 2015. With the last few second generation spaces being leased or close to having deals finalized, the needle is going to move quickly in Pompano / Deerfield Beach. As the amount of second generation options decline, landlords are able to push rates and not have to compete with these lower costs options. Plus, with the new construction pricing having to obtain higher returns, it will force these owners to hold rate. The interesting dynamic is that everyone can justify the higher rates on first generation product, but now with a limited supply of second generation space, we will see rental rates increase across the board. Lastly, the delta between north and south Broward lease rates should start regressing more toward its historical average of \$.50-\$1.00 PSF.



# INDUSTRIAL MARKETS :: BROWARD COUNTY

## AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - SECOND 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 & Prologis)	±1,688,824	205,499	40,320	245,819	13%	15,440-187,400	\$6.25-\$8.25 NNN	\$2.10-\$2.75
Miramar Park of Commerce - Sunbeam	±2,980,000	233,478	79,000	312,478	10%	8,145-108,775	\$8.50-\$9.25 IG	\$2.90-\$3.31
Miramar Business Ctr. / Centre - IDI /IIT	±1,800,883	267,700	0	267,700	14%	39,700-228,000	\$7.25 NNN	\$2.65
Port 95 Business Center - Private	±419,252	351,252	0	351,252	83%	28,021-229,632	\$7.45 NNN	\$3.15
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	22,343	0	22,343	8%	22,343	\$6.75 NNN	\$3.14
Prologis Hollywood Showrooms	±520,000	7,000	0	7,000	1%	7,000	\$7.00-\$12.00 NNN	\$3.67
Davie Business Center - IDI	±122,175	32,425	0	32,425	26%	32,425	\$7.45	\$2.75

North Broward Industrial Parks	Total SF	Direct	Sub-lease	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 I & II - Weeks	±330,626	119,113	0	119,113	40%	21,000-61,113	\$6.50 NNN	\$2.50
Park Central - Duke	±712,700	57,690	0	57,690	10%	28,845-35,828	\$6.25 NNN	\$3.02
Sample 95 - EastGroup	±173,448	0	0	0	0%	0	\$6.75 NN	\$3.09
2500 Commerce Center- DCT	±102,897	0	0	0	0%	0	\$7.25 NNN	\$2.95
Copans Business Park- Duke	±384,711	79,819	0	79,819	20%	20,958-79,819	\$6.00 NNN	\$3.20
Sample 95- Duke	±469,300	25,280	0	25,280	5%	25,280	\$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	0	0	0	0%	0	\$6.25 NNN	\$2.42
Pompano Commerce Center-Duke	±224,000	0	0	0	0%	0	\$6.75 NNN	\$2.64
Pompano Commerce Center II- Duke	±180,178	143,178	0	143,178	20%	20,000-90,089	\$7.65 NNN	\$2.64
CenterPort- Prologis	±376,000	38,035	0	38,305	10%	38,305	\$6.25 NNN	\$2.56
Quorum Business Center-IVY	±275,000	33,112	0	33,112	10%	16,008-17,104	\$7.75 NNN	\$2.78
Quiet Waters- Prudential	±670,000	97,594	0	12,570-47,784	18%	12,630-64,000	\$6.25-\$6.95	\$2.50
Quadrant	±280,000	65,000	0	65,000	20%	15,000-35,000	\$6.95 NNN	\$2.85

## NOTABLE TRANSACTIONS IN 2ND QUARTER 2015

 <p><b>Prologis Port 95</b></p> <p>3391 SW 30th Avenue Hollywood, FL ±38,355 SF Landlord: Prologis Tenant: QMed Corporation</p>	 <p><b>IIT Commerce Center</b></p> <p>3585 NW 54th Street Fort Lauderdale, FL ±24,490 SF Landlord: IIT Tenant: MOR Printing</p>	 <p><b>2030 West McNab</b></p> <p>2030 West McNab Fort Lauderdale, FL ±103,000 SF Seller: 2030 West McNab Buyer: Donovan Marine</p>
--	--	--

## MEET THE TEAM



**Tom O'Loughlin, SIOR, CCIM**  
First Vice President  
+1 954 356 0468  
tom.oloughlin@cbre.com



**Larry Genet**  
Senior Associate  
+1 954 331 1740  
larry.genet@cbre.com



**Harry G. Tangalakis, MBA, SIOR**  
Senior Vice President  
+1 954 745 7651  
harry.tangalakis@cbre.com

CBRE, Inc. | Licensed Real Estate Broker

© 2015 CBRE, Inc. This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Photos herein are the property of their respective owners and use of these images without the express written consent of the owner is prohibited.



CBRE and the CBRE logo are service marks of CBRE, Inc. and/or its affiliated or related companies in the United States and other countries. All other marks displayed on this document are the property of their respective owners.