



LOCAL FACTS

F O R T L A U D E R D A L E ,
F L O R I D A

Did you know?



"A total of 30.7 million sq. ft. of new industrial supply was added nationwide in Q3 2014"

SUBMARKET SNAPSHOT

Quick Stats :: Broward County

	Current	Change from last	
		Yr.	Qtr.
Total Vacancy	7.9%	↔	↑
Avg Dir Asking Lease Rate	\$6.35	↑	↑
Qtr Net Absorption	140k	↑	↑
Construction	350K	↑	↑
Completions	234K	↑	↑

* 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 TECH
FOR LEASE AND SALE
±130,000 Total SF
Free Standing Building
Fully secured truck court
100% Climate Control
25' Clear Height

General Market Summary

As the 3rd Quarter comes to an end, we continue to see demand outpacing supply for quality space in the 7,500 to 20,000 SF size range across Broward County. This demand comes from all industry sectors which is another sign that this recovery is not just housing related. With all the easy large blocks of space already subdivided and the enormous expense of building this type of product, landlords with aggressive brokers have the perfect opportunity to drive rates and lock in longer term leases. We've seen rates rise over 15% in the last 12 months for this product type and are within striking distance of the past peak levels achieved in late 2007. Another unique trend emerging is the lack of rental rate differential when comparing north Broward to south Broward for this type of small bay space. We are seeing spaces in Deerfield demanding the same or higher rents than locations along I-595 or in Weston. It seems that each submarket has enough local demand to drive rates evenly across the board. That is in stark contrast to larger spaces.

We have noticed an uptick in users looking for 20,000 to 60,000 SF. We've also seen multiple deals signed in this size range and a lot of recent activity which should provide good absorption over the next few quarters. However, the rental rate delta between the deals done in north Broward vs. south Broward was present in this size range. South Broward demanded anywhere from \$0.75 -\$1.50 PSF premium over north Broward.

The only negative issue remaining across Broward's absorption story is the lack of activity in spaces greater than 80,000 SF. This past quarter only one new deal of this size or greater was signed. This issue seems to be impacting both north and south Broward equally. In speaking with

multiple brokers and owners, pricing isn't the problem. We heard the same feedback from multiple sources, "We'd love to have an opportunity to talk pricing, but that would require an active prospect."

South Broward Summary

South Broward is performing well, but everyone is still surprised that neither IDI Davie Business Center nor Bridge Port 95 has yet to announce any sizeable deals signed in their respective development projects. With the excellent locations and state-of-the-art specs used for construction, the market players felt these projects would be further along in the lease up process. Especially when you consider tenants are renewing at higher rates in older projects in the immediate area. These renewals are all being done above \$6.50 PSF NNN for Class B+ (20'-24' Clear) product with a few of the premium spaces (24' -30' Clear) locking in above \$7.25 PSF NNN. Both Miramar Park of Commerce and IDI's Miramar Centre Business Park are reporting healthy activity on their two spec buildings mostly from users in the 35,000 -75,000 SF range. 2015 will be a big year for spec development deliveries with around 500,000 SF coming online. This will be something to watch as multiple developers will likely be competing for the same tenants.

North Broward Summary

Pompano is finally rounding the corner with the two largest Landlords (Prologis and Duke Realty) both reporting their best occupancy in years. With some of the most popular parks such as; Atlantic Business Center, Prologis Pompano Park, DCT's 2500 Commerce Park all reporting 100% occupancy. Plus, Weeks Robinson reported another pre-leasing success with locking in PODS for 52,000 SF at Pompano Distribution Center II prior to the start of construction. Several spec projects have been announced by developers and we expect more announcements to follow.



INDUSTRIAL MARKETS :: BROWARD COUNTY

AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - Third 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	227,668	0	277,668	15%	40,000-187,668	\$6.75 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	349,000	0	349,000	19%	27,000 -228,000	\$6.75-\$7.25 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	16,949	16,949	1%	16,494	\$7.60 NNN	\$2.63
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	\$7.00 -\$12.00 NNN	\$3.67
Davie Business Center - IDI	±122,000	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	\$6.50-\$7.25 NNN	\$3.00 -\$3.15
Pompano Distribution Ctr I & II- Weeks	±330,626	177,907	0	177,907	47%	20,000 -101,113	\$6.50 NNN	\$2.50
Park Central - Duke	±712,700	17,000	0	17,000	2%	17,000	\$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	\$2.27-2.60
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	054,185	0%	0	\$6.25 NNN	\$2.42
Pompano Commerce Center - Duke	±224,000	14,900	0	14,900	0%	0	\$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	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 CBRE TRANSACTIONS IN 3RD QUARTER 2014

			
Miramar Centre Business Park	Prologis Port 95	IIT Lakeview Center	Miramar Business Center
Miramar, FL ±75,860 SF Landlord: IDI/Gazeley Tenant: Kellstrom Defense/ Merex Group	Hollywood, FL ±39,000 SF Landlord: Prologis Tenant: BPI	Hollywood, FL ±20,000 SF Landlord: IIT Tenant: Legaci	Miramar, FL ±93,908 SF Landlord: IDI/Gazeley Tenant: Sam's East

MEET THE TEAM



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