



LOCAL FACTS

FORT LAUDERDALE, FLORIDA

Did you know?



“Over 4 million passengers traveled through Port Everglades in the FY 2014 on 9 different cruise lines”

SUBMARKET SNAPSHOT

Quick Stats :: Broward County

|                           | Current | Change from last |      |
|---------------------------|---------|------------------|------|
|                           |         | Yr.              | Qtr. |
| Total Vacancy             | 6.5%    | ↓                | ↓    |
| Avg Dir Asking Lease Rate | \$6.47  | ↑                | ↑    |
| Qtr Net Absorption        | ±708K   | ↑                | ↑    |
| 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



POMPANO COMMERCE CENTER II

- ±Up to ±26.2 acres available for sale, build-to-suit and/or build-to-own
- ±20,000 - ±380,000 SF spaces available for lease or purchase



General Market Summary

2014 will be summarized as the year of improving occupancy and the beginning of the rental growth story. As overall vacancy rates continue to drop, landlords are finally able to raise rates with confidence. We have seen a .50¢ -.75¢ PSF increase in rates across Broward County over the last 12 months. We are predicting a similar increase for 2015 as well, which should put us at or above peak pricing for most submarkets. This improvement is being felt across all property classes and is clearly evident when reviewing lease comparables over the last 12 months. We are seeing, for the first time in years, landlords willing to walk from deals and take the chance that another prospect will come along rather than sign a below market deal. With multiple prospects going after the same availabilities it is providing further evidence of the current demand.

Broward County had ±993,028 SF of positive absorption for 2014 and we see no reason this trend will not continue for all of 2015. The limited number of new developments in the pipeline and increased tenant demand should provide the catalyst for landlords to continue raising rents throughout the year.

We feel the following trends will emerge in 2015; secondary markets will see increased activity as a result of limited availability and pricing in first tier locations, Pompano will experience some of the biggest rental growth in Broward, owner user pricing for Class A assets will be \$100 PSF plus, and overall increases in

construction costs will force landlords to amortize great portions of the deal, thus leading to deals getting done well above their asking rates.

South Broward Summary

Between deals signed late in the fourth quarter and a few that should be executed early in 2015, we should finally see the metrics start moving again for South Broward. We are currently tracking around ±470,000 SF of deals that have been signed or are in the late stages of negotiation across South Broward. Two of these deals are for portions of the largest availabilities in South Broward, thus starting the inventory clearing process for spaces over 150K. Tenants are also reporting challenges in locating space under 30K that is “turn-key” and doesn’t require a full blown build out.

North Broward Summary

North Broward will finally close the rental rate gap on South Broward with deals moving out of the \$5.75 -\$6.25 PSF NNN range and closer to the \$6.50 - \$7.25 PSF NNN range. This will be driven by the resurgence of the construction & contractor related users and the fact that only one building has been delivered in the last 4 years. We also are predicting that north Broward will see between 3 to 5 new buildings delivered before the end of the year.

# INDUSTRIAL MARKETS :: BROWARD COUNTY

## AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - FOURTH 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 | 187,000 | 0        | 187,400            | 13%       | 93,700-187,668       | \$6.25 NNN          | \$2.10 -\$2.70 |
| Miramar Park of Commerce - Sunbeam        | ±2,980,000 | 105,261 | 79,000   | 184,261            | 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        | 349,000            | 18%       | 39,700 -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-\$6.25 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                    | \$7.60 NNN          | \$2.63         |
| Port 95 - Principal                       | ±197,669   | 10,000  | 0        | 10,000             | 5%        | 10,000               | \$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   | 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         |
| Port 95 Business Center                   | ±229,632   | 229,631 | 0        | 229,632            | 100%      | 28,021-229,631       | \$7.45 NNN          | \$3.15         |

| 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 | 13,870  | 0        | 13,870             | 1%        | 13,870               | \$7.75 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   | 28,564  | 0        | 28,564             | 4%        | 28,564               | \$6.10 NNN          | \$3.02         |
| Sample 95 - Duke                       | ±469,300   | 52,790  | 0        | 52,790             | 11%       | 25,280-27,510        | \$6.10 - \$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   | 12,412  | 0        | 12,412             | 6%        | 12,412               | \$6.75 NNN          | \$2.64         |
| CenterPort - Prologis                  | ±376,000   | 0       | 0        | 0                  | 0%        | 0                    | \$6.00 NNN          | \$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   | 109,783 | 0        | 109,783            | 16%       | 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

|  |  |  |   |
|--|--|--|---|
|  <p><b>Meridian at Weston</b></p> <p>Weston, FL<br/>±116,000 SF<br/>Landlord: Clarion Partners<br/>Tenant: Gold Cost Freightways, Inc.</p> |  <p><b>KTR Tamarac</b></p> <p>Tamarac, FL<br/>±122,000 SF<br/>Landlord: KTR Capital Partners<br/>Tenant: Ferguson</p> |  <p><b>Miramar Business Center- Building A</b></p> <p>Miramar, FL<br/>±60,200 SF<br/>Landlord: IDI/Gazeley<br/>Tenant: ABB Corporation</p> |  <p><b>Pompano Beach Distribution Center II</b></p> <p>Pompano Beach, FL<br/>±52,000 SF<br/>Landlord: Weeks Robinson Properties<br/>Tenant: PODS</p> |
|--|--|--|---|

## MEET THE TEAM



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