



### LOCAL FACTS FORT LAUDERDALE, FLORIDA

## Did you know?



"Broward County's Port Everglades is Florida's leading international container port, handling more than one million TEUs annually"

### SUBMARKET SNAPSHOT Quick Stats :: Broward County

	Current	Yr.	Qtr.
Total Vacancy	5.8%	↓	↓
Avg Dir Asking Lease Rate	\$6.95	↑	↔
Qtr Net Absorption	448,510	↑	↑
Construction	476K	↑	↑
Completions	145K	↑	↑

\* 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



**CORPORATE HEADQUARTERS FLEX FACILITY**  
±31,656 SF  
SPACE AVAILABLE FOR SALE OR LEASE

### General Market Summary

The third quarter surprised us all with robust leasing activity keeping pace right through the traditional summer slowdown. The majority of this activity was centered on second generation space or those first gen spaces that were spec'd by their owners. One thing we learned is that anyone under 40,000 SF is willing to forgo the latest and greatest for the sure thing. We saw numerous tenants looking at new construction, but after an exhaustive process, decided against it because of the long lead time to build out their potential units. The sticker shock once they realized that \$7.00 PSF in TI's really doesn't get you much these days didn't help either. Further influencing tenants decisions to select second generation space is the fact that landlords are pushing tenants into holdover the day they expire. The thought process from the landlord is justifiable in that "why should I give you more time to move out of my building and at a reduced rate to what was agreed upon in the lease". As a result, more tenants than normal are currently in holdover and are in a rush to move out.

One interesting trend emerging within the first generation inventory is how much faster landlords, who are proactively building out office space, are leasing up their buildings compared to owners who do not spec office. We have seen four different projects in the last quarter build out spec office space and all get leased, some even prior to being finished. Although tenants will tell you they couldn't possibly work in a space that isn't laid out to their exact specs, they all end up making it work. Furthermore, we are finding that landlords actually save money in the long run with less input from the perspective tenants. Tenants who are given a blank canvass end up over engineering the build outs, making it too customized (impacting the reusability down the road) and blowing TI budgets out of the water. If the space is already spec'd, they end up with the attitude of "Not exactly what I would've picked or done, but I can live with it." Whether your adding a bathroom in the warehouse or building out

5,000 SF of office space it seems that it is taking 4-6 months to get anything designed, built and CO'ed in Broward County.

### South Broward Summary

It looks like South Broward rental rates have hit a ceiling of around \$8.00 -\$8.25 PSF NNN for spaces less than 20,000 SF. After a huge run up, it seems the next leg up to \$8.50 PSF NNN is going to be a little more challenging to achieve. The rate of pricing acceleration has slowed and it seems that anything over \$11.00 PSF Gross is just too high. We have seen numerous prospects get sticker shock and return to less expensive areas of Dade County. For the larger spaces it seems that \$6.85 -\$7.10 PSF NNN range is also presenting a ceiling of sorts. Not to say deals aren't getting done at higher rates when you factor in amortization, but the base rates are having a hard time cresting above the \$7.00 mark.

### North Broward Summary

With both Pompano and Deerfield Beach submarkets having vacancy rates below the Broward County average and land selling in Coral Springs for speculative small bay development you can officially say North Broward is back. We have seen rates increase another \$0.25-\$0.50 PSF and multiple parties chasing the same spaces. Finding any quality spaces under 20,000 SF is extremely challenging. With the two Duke Realty spec buildings almost finished the market should have no problem absorbing them. After that project is officially delivered in short order, we will have a lag before the next round of development breaks ground. Although everyone is trying to beat the next correction, it is still going to be 6-9 months before any of these new projects enter into the fray. If you have a land position in Pompano Beach, Coral Springs or Tamarac/Sunrise now is time to break ground or risk delivering in the next down cycle.



# INDUSTRIAL MARKETS :: BROWARD COUNTY

## AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - THIRD 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	149,154	40,320	189,474	11%	55,454-93,700	\$6.25-\$8.25 NNN	\$2.10-\$2.75
Miramar Park of Commerce - Sunbeam	±2,980,000	178,294	79,000	257,294	9%	13,278- 108,776	\$8.50-\$9.25 IG	\$2.90-\$3.31
Miramar Business Ctr. / Centre - IDI /IIT	±1,800,883	228,000	0	228,000	14%	60,000-228,000	\$7.25 NNN	\$2.65
Port 95 Business Center - Private	±419,252	351,252	0	351,252	83%	28,021-161,443	\$7.45 NNN	\$2.95
I-75 Distribution Ctr. /Flamingo - INCOR	±729,705	0	43,066	43,066	0%	43,066	\$6.95 NNN	\$2.80
Pointe West I & II	±269,554	0	0	0	0%	0	\$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	\$3.14
Prologis Hollywood Showrooms	±520,000	16,412	9,700	26,112	5%	9,700-16,412	\$7.00-\$12.00 NNN	\$3.67
Davie Business Center - IDI	±122,175	32,425	0	32,425	26%	32,425	\$7.45 NNN	\$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	76,016	0	76,016	23%	21,000-76,016	\$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 NNN	\$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	\$6.10 NNN	\$3.00
Pompano Business Center- INVESCO	±624,486	135,573	0	135,573	22%	14,638-64,345	\$6.25-\$6.75 NNN	\$2.69
Pompano Prologis Park-Prologis	±240,00	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%	25,000-90,089	\$7.65 NNN	\$2.64
CenterPort- Prologis	±376,000	0	0	0	0%	0	\$6.25 NNN	\$2.56
Quorum Business Center-IVY	±275,000	16,008	0	16,008	6%	16,008	\$7.75 NNN	\$2.78
Quiet Waters- Prudential	±670,000	13,274	0	13,274	2%	13,274	\$6.25-\$6.95 NNN	\$2.50
Quadrant	±280,000	35,000	0	35,000	13%	15,000-35,000	\$6.95-\$7.75 NNN	\$2.85

## NOTABLE CBRE TRANSACTIONS IN 3RD QUARTER 2015

 <p><b>Prologis Port 95</b></p> <p>3901 SW 30th Avenue Hollywood, FL ±38,355 SF Landlord: Prologis Tenant: QMed Corporation</p>	 <p><b>Pompano Business Center</b></p> <p>2004 NW 25th Avenue Pompano Beach, FL ±98,380 SF Landlord: INVESCO Tenant: Group III International</p>	 <p><b>Miramar Business Center</b></p> <p>11600 Miramar Parkway Miramar, FL ±39,700 SF Tenant: Conquest Manufacturing Landlord: IDI Gazeley</p>
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## MEET THE TEAM



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