

## LOCAL FACTS

FORT LAUDERDALE,  
FLORIDA

Did you know?



Did you know: Port Everglades is the #1 Producing Port in Florida.

## SUBMARKET SNAPSHOT

### Quick Stats :: Broward County

	Change from last		
	Current	Yr.	Qtr.
Total Vacancy	5.0%	↓	↓
Avg Dir Asking Lease Rate	\$7.05	↔	↔
Qtr Net Absorption	599k	↑	↑
Construction	202K	↓	↓
Completions	202K	↑	↑

\* 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



2028 NW 25th Avenue,  
Pompano Beach, FL 33069

±31,463 SF

SPACE AVAILABLE FOR LEASE

## General Market Summary

Overall 2016 performed as forecasted with continued positive momentum across the Broward County Industrial marketplace. Although rental rate growth was flat, the vacancy rate kept falling and Broward County managed to fall right in-line with its historical positive absorption numbers for the year. We hit our average of around five 100,000 SF plus deals (Pet Supermarket, Aviation Inflatables, Princess Cruise, Graybar and RTA Products) which is in line with Broward's historical averages. Our new building deliveries were below average, but that didn't have much impact on the demand side. Tenants still had plenty of new construction options that still have first generation space left over from 2014 and 2015 deliveries. As we look forward to 2017, we feel the following top trends will help influence the overall Broward County Industrial marketplace;

1) Existing landlords should have another window of opportunity as a result of the new construction building cycle. It looks like it will be late Q3 or Q4 before the next round of new product is delivered in Broward County. Thus giving tenants limited options to relocate without facing a "holdover" situation. Some of the new construction is being delayed because of permit issues, site work (Damn Spotted Owls) or having to wait on existing building lease-up before getting the green light to start another one.

2) Where in the world are all the 25,000 - 50,000 SF tenants? Everyone knows the velocity of larger deals and should not be surprised at the totals stated above. The demand on sub 20,000 SF spaces was steady, although we did see a little slow down in this size range during the 4<sup>th</sup> quarter. This trend can quickly be overcome by a slight price reduction or a little more tenant improvement dollars. The biggest unknown is when these medium size tenants will return in force. These size tenants are the ones that really move the needle, letting owners underwrite (or do) three deals in a new building vs. having to do four or five deals. This trend really started in Q1 of 2016 and impacted us throughout the year. Our friends to the south and north are reporting this size of tenant is an issue as well.

3) Leasing should continue to see increased attention as a result of nothing in the owner-user marketplace to buy. With Seller's still being unrealistic in their pricing expectations and having no options to trade in or out of, people will continue to lease. As interest rates start to rise, it will make borrowing that much more expensive. At the end of 2016, we couldn't find one 50,000 SF plus dock high 24' clear offering listed on the open market in Broward County.

4) New Locations vs. the Old Reliable Standbys – With the impact of competing uses and the traditional land constraint challenges facing Broward we have multiple developers who are going to try spec development in new locations. Will the ability to offer superior clear heights, trailer parking, cross dock options and bigger bulk buildings be able to offset the cautiousness that arises in the Tenant's mind when trail blazing to these new locations? Furthermore, a little education across the brokerage community will be needed on these locations as some of the justification for and against these locations is older than most of us have been in the business. Times are a changing as a result of Broward County only being 20 miles wide and 25 miles long meaning these new locations really aren't that far away from the "Old Reliable Standbys."

5) E-commerce Impact – Although we haven't seen Amazon enter Broward County (yet) we are seeing all types of smaller locally owned E-commerce companies establish locations across Broward County. We can all say a big "Thank You" that we aren't in the department store or traditional mall business because it feels like it might be the beginning of the end for those businesses. Everything that is related to E-commerce goes through a warehouse at some point of the supply chain cycle, which should provide years of future upside for industrial owners. Keep in mind that E-commerce sales only represented 8.4% of total retail sales in 2016. I don't know about you, but I tripped over an Amazon Prime box at my front door just about every day in December!

# INDUSTRIAL MARKETS :: BROWARD COUNTY

## AVAILABLE SF - SOUTH / NORTH BROWARD SUBMARKETS - FOURTH QUARTER 2016

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	23,549	40,320	63,869	3%	23,549 -40,320	\$6.25- \$8.25 NNN	\$2.10 -\$2.75
Miramar Park of Commerce - Sunbeam	±2,980,000	126,557	0	126,557	4%	13,880 - 61,447	\$8.95 - \$9.25 IG	\$2.90 -\$3.31
Miramar Business Ctr. / Centre - IDI /GLP	±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	87,008	0	87,008	20%	19,913 -67,095	\$7.75 NNN	\$2.95
I-75 Distribution Ctr. /Flamingo - INCOR	±729,705	0	0	0	0%	0	\$7.95 NNN	\$2.80
Pointe West I & II	±269,554	74,751	0	74,751	8%	6,728 -21,320	\$7.95 - \$15.00 NNN	\$3.55
Port 95 - Prologis	±1,460,174	26,500	0	26,500	1%	26,500	\$8.00 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	5,441	0	5,441	1%	5,441	\$9.00 NNN	\$2.92
Davie Business Center - IDI A & B	±289,350	122,675	0	122,675	42%	22,500 - 122,675	7.45 NNN	\$2.75
Meridian Business Campus - UBS	±650,000	167,920	0	167,920	25%	16,920 - 151,000	\$6.50 - \$7.60 NNN	\$2.85

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	24,600	0	24,600	2%	24,600	\$7.50 NNN	\$4.26
Pompano Distribution Ctr I & II - Weeks	±330,626	0	0	0	0%	0	\$6.50 NNN	\$2.50
Park Central - Duke	±712,700	10,015	0	10,015	1%	10,015	\$6.25 NNN	\$3.02
Sample 95 - EastGroup	±173,448	0	0	0	0%	0	\$8.00 NNN	\$3.03
2500 Commerce Center - DCT	±102,897	0	0	0	0%	0	\$7.95 NNN	\$2.95
Copans Business Park - Duke	±384,711	0	0	0	0%	0	\$6.50 NNN	\$3.20
Sample 95 - Duke	±469,300	13,177	0	13,177	2%	13,177	\$6.75 NNN	\$3.36
Pompano Business Center - INVESCO	±624,486	31,418	0	31,418	5%	31,418	\$7.25 NNN	\$2.69
Pompano Prologis Park - Prologis	±240,000	27,507	0	27,507	11%	27,507	\$7.75 NNN	\$2.51
Pompano Commerce Center - Duke	±224,000	0	0	0	0%	0	\$6.75 NNN	\$2.64
Pompano Commerce Center II - Duke	±180,178	21,030	0	21,030	11%	21,030	\$7.65 NNN	\$2.64
CenterPort - Prologis	±376,000	38,000	0	38,000	9%	38,000	\$6.95	\$2.56
Quorum Business Center - IVY	±275,000	12,912	0	12,912	4%	12,912	\$7.75 NNN	\$3.63
Quiet Waters - Prudential	±670,000	28,407	0	28,407	5%	12,475 - 15,932	\$7.50 - \$7.75	\$2.50
Quadrant	±280,000	65,000	0	65,000	23%	15,000 -35,000	\$6.95 - \$7.95 NNN	\$2.85

## NOTABLE TRANSACTIONS IN 4TH QUARTER 2016



**Miramar Business Center**  
15600 Miramar Parkway  
Miramar, FL  
±144,482 SF  
Landlord: IDI Gazaley  
Tenant: American Tire Distributors



**Prologis Seneca Park**  
3898 Pembroke Road  
Pembroke Park, FL  
±17,325 SF  
Landlord: Prologis  
Tenant: A2B Legana



**Bridgeport I-95**  
2200 West Sunrise Blvd.,  
Fort Lauderdale, FL  
±82,755 SF  
Landlord: Bridge  
Tenant: Floor & Décor

## MEET THE TEAM



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