

# Broward

## The market shows continued momentum through Midyear

- Two new e-commerce leases were signed during Q2 2021, totaling 400,000 s.f.
- A significant amount of new construction will be needed in the next few years just to keep pace with robust demand.
- Asking rates have increased by 5% quarter-over-quarter, but the amount of new existing supply will most likely moderate the pace of overall rent growth.

The market remained strong through midyear. Larger than usual move-ins brought the overall net absorption above 1.0 million s.f this quarter, a level not seen since 2017. E-commerce continues to have a significant impact on the market, especially for Class A product, increasing its occupancy by 550,000 s.f since the start of the year. Not including the 500,000 s.f deal at Countyline Business Center, which is considered a Class B asset. Occupancy across Class A assets is anticipated to increase by an additional 739,000 s.f during the upcoming quarters totaling 1.6 million s.f by end-of-year.

There is 1.0 million s.f currently under construction, all of which will deliver vacant as of now. But activity has been strong across the market with more than 2.6 million s.f of active requirements, ranging from 20,000 to 500,000 s.f. Logistics & Distribution, Consumer Products, and e-commerce are some of the tenants that remain actively looking for large blocks of space.

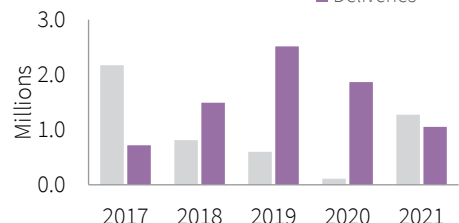
There are only a few proposed projects left in the market that are not part of an existing park already, showing signs that prime rental growth may persist for key regions. These proposed sites includes First Gate Logistics Center in Margate (141,000 s.f) and Port Everglades Distribution Center (80,000 s.f) in Dania Beach. Nevertheless, the market is still seeing strong activity from existing warehouses due to its bread-and-butter demand from tenants looking in the 20,000 to 35,000 s.f. range. Leasing activity ended at 1.7 million square feet this quarter, increasing 18% from Q1 2021.

### Outlook

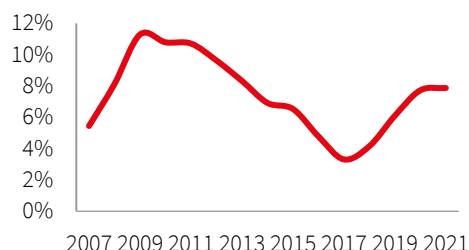
Given the amount of leasing activity we experienced last year it's more than likely that 2021 will be a record year for net absorption. New supply is not expected to exceed demand in the upcoming quarters due to the lack of proposed projects in the pipeline. However, the remainder of the available pipeline has enough new supply to provide occupiers with additional options for growth; there is 4.0 million s.f vacant and available. For this reason, rents will continue to surge in the short to medium term, albeit, at a slower rate than anticipated. Notably, rents have increased by 36% since 2010.

Fundamentals	Forecast
YTD net absorption	1,271,390 s.f. ▲
Under construction	1,222,594 s.f. ▼
Total vacancy	7.9 % ▼
Sublease vacancy	423,028 s.f. ►
Direct asking rent	\$9.03 p.s.f. ▲
Sublease asking rent	\$8.30 p.s.f. ▲
Concessions	Stable ►

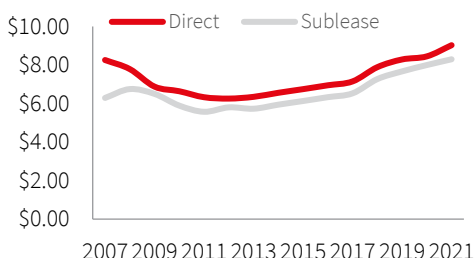
### Supply and demand (s.f.)



### Total vacancy (%)



### Average asking rent (\$ p.s.f.)



Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Broward total										
Warehouse & Distribution	91,327,808	745,612	1,292,274	1.4%	8.2%	10.2%	\$8.99	0	1,052,254	1,222,594
Manufacturing	7,052,087	23,116	-20,884	-0.3%	3.6%	7.3%	\$8.50	0	0	0
Overall Total	98,379,895	768,728	1,271,390	1.3%	7.9%	10.0%	\$9.03	0	1,052,254	1,222,594
Central Broward										
Warehouse & Distribution	11,101,372	178,334	129,525	1.2%	4.2%	6.0%	\$8.94	0	0	0
Manufacturing	1,211,016	-377	-2,877	-0.2%	1.2%	4.9%	\$8.24	0	0	0
Overall Total	12,312,388	177,957	126,648	1.0%	3.9%	5.9%	\$8.95	0	0	0
Northeast Broward										
Warehouse & Distribution	32,807,179	395,387	433,626	1.3%	8.3%	11.1%	\$9.05	0	377,060	1,057,584
Manufacturing	3,050,398	23,511	-11,989	-0.4%	5.6%	9.7%	\$8.70	0	0	0
Overall Total	35,857,577	418,898	421,637	1.2%	8.1%	11.0%	\$9.15	0	377,060	1,057,584
Southeast Broward										
Warehouse & Distribution	18,832,510	36,036	6,812	0.0%	5.4%	7.0%	\$8.98	0	0	165,010
Manufacturing	1,508,442	22,646	22,646	1.5%	2.6%	2.6%	\$8.59	0	0	0
Overall Total	20,340,952	58,682	29,458	0.1%	5.2%	6.7%	\$9.00	0	0	165,010
Southwest Broward										
Warehouse & Distribution	15,492,870	-31,517	611,579	3.9%	11.4%	15.3%	\$9.00	0	675,194	0
Manufacturing	587,349	-22,664	-22,664	-3.9%	3.9%	15.5%	\$8.10	0	0	0
Overall Total	16,080,219	-54,181	588,915	3.7%	11.2%	15.3%	\$9.05	0	675,194	0
West Broward										
Warehouse & Distribution	13,093,877	167,372	110,732	0.8%	11.5%	10.2%	\$9.00	0	0	0
Manufacturing	694,882	0	-6,000	-0.9%	0.9%	3.9%	\$8.86	0	0	0
Overall Total	13,788,759	167,372	104,732	0.8%	11.0%	9.9%	\$9.00	0	0	0