



## Broward Office Market

The Broward County office market appeared to rebound after seeing the strongest impacts from the pandemic, as it recorded its strongest quarterly performance in four years with over 193,000 square feet of positive net absorption during the fourth quarter of 2021. The improvement in growth during the second half of the year was just enough to push the market back into the black, with approximately 13,000 square feet of absorbed space for 2021. The Class A segment regained the lead for demand growth with over 35,600 square feet of positive net absorption, while the lower-tier Class C sector also saw a more balanced approach between supply and demand with 21,000 square feet of absorbed space. The Class B segment still saw a return of supply with over 44,000 square feet of negative absorption during 2021. Unfortunately, the addition of approximately 286,000 square feet of vacancy from the completion of the Onyx Tower in the Hallandale Submarket increased vacancy by 10 basis points from the previous quarter. However, no new construction starts have begun in Broward County as developers held off on breaking ground, with no significant speculative office buildings underway throughout the market. The quoted average asking rate increased from the previous quarter and by \$0.63/SF from the \$32.87/SF recorded one year ago. Landlords continued to hold asking rents level. However, Class A space saw its first year-over-year decrease, dipping from \$38.63/SF to 38.55/SF. This can be attributed to the leasing up of available space in higher-end trophy properties as the increase of available space in secondary Class A properties have more of an impact to the average. The Class B sector, which increased by \$1.37/SF to \$25.39/SF, was the only sector to see an increase from one year ago.

### Leasing and Demand

Broward County's office saw another improved quarter performance, with 785,000 square feet of activity for the fourth quarter of 2021. Total year-to-date leasing came in over 2.7 million square feet, up by 68.7% from the activity seen at the market's low one year ago. Over 1.7 million square feet of Class A space was leased for the year, while the Class B segment ticked upward to 870,000 square feet. Despite no deals signed for during the fourth quarter of 2021, the retail industry held onto the top spot, with 370,000 square feet of midsize to large lease deals, followed by the medical industry moving into the number-two slot, with 290,000 square feet of deals in 2021. Telecommunication companies moved in the third spot, with over 188,000 square feet of leases transacted.

### Investment Sales

Investment sales fell slightly from previous quarter performances, with eight smaller office building sales totaling 485,000 square feet during the quarter. Overall sales for 2021 combined for over 2.5 million square feet valued at \$525.7 million, a noticeable improvement from the 1.1 million square feet that sold during 2020. The limited number of Class A trophy property sales contributed to the average price per square foot, seeing no change, to hold at \$207/SF from one year ago.

### Current Conditions

Broward County appeared to be out of the woods as demand for space recovered in the second half of 2021.

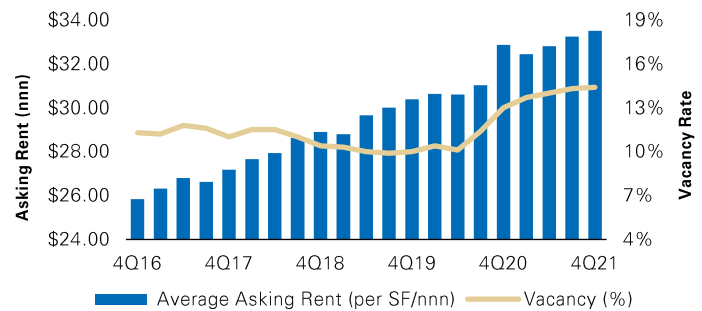
The completion of Onyx Tower in the Hallandale Submarket kept vacancy from ticking downward as the building was delivered fully vacant with the majority of space available at the close of fourth quarter.

Leasing activity continued to see improvements on a quarterly basis as deal activity appeared to be gaining momentum.

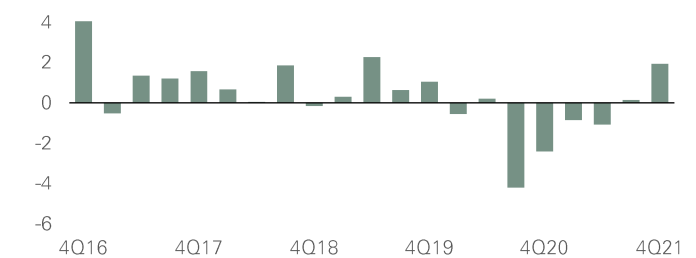
Although available sublet space dropped from the previous quarter's peak of 1.0 million square feet, the 881,000 square feet available was 40 basis points higher from sublet availability recorded this time last year.

### Market Analysis

#### ASKING RENT AND VACANCY RATE



#### NET ABSORPTION (100,000 SF)



### Market Summary

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	34.5M	34.2M	33.9M	↔
Vacancy Rate	14.4%	14.3%	14.0%	↔
Quarterly Net Absorption (SF)	193,471	13,331	242,010	↑
Average Asking Rent/SF	\$33.50	\$33.24	\$32.87	↔
Under Construction (SF)	0	286,577	432,560	↔
Deliveries	286,577	0	357,000	↓

## Fort Lauderdale / Broward Submarket Statistics

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Overall Average Asking Rent (Price/SF)
<b>Ft. Lauderdale CBD</b>	<b>5,767,474</b>	<b>0</b>	<b>20.6 %</b>	<b>46,678</b>	<b>10,125</b>	<b>\$45.82</b>	<b>\$32.44</b>	<b>\$44.52</b>
Commercial Blvd	1,753,050	0	8.8 %	-3,375	16,823	\$27.40	\$23.04	\$23.16
Cypress Creek	4,657,695	0	10.3 %	28,524	-28,174	\$33.74	\$26.22	\$29.11
Ft. Lauderdale Suburban	3,148,217	0	13.7 %	32,338	96,223	\$33.03	\$24.56	\$25.79
Hallandale	787,443	0	39.4 %	2,332	9,257	\$55.87	\$30.21	\$50.60
Hollywood	2,524,544	0	8.7 %	9,578	18,131	\$35.84	\$26.95	\$30.55
NW Broward/Coral Springs	1,721,839	0	17.5 %	-33,907	-42,243	\$28.67	\$19.77	\$26.57
Plantation	4,674,014	0	10.7 %	9,773	75,061	\$35.78	\$25.49	\$30.41
Pompano Beach	2,532,299	0	11.8 %	3,169	-46,245	\$31.70	\$24.15	\$26.87
Sawgrass Park	3,071,971	0	22.8 %	56,896	-117,828	\$34.31	\$24.25	\$32.01
SW Broward	3,823,478	0	10.1 %	41,465	21,860	\$35.59	\$25.53	\$33.70
<b>Suburban Total</b>	<b>28,694,550</b>	<b>0</b>	<b>13.2 %</b>	<b>146,793</b>	<b>2,865</b>	<b>\$35.27</b>	<b>\$25.09</b>	<b>\$30.44</b>
<b>Totals</b>	<b>34,462,024</b>	<b>0</b>	<b>14.4 %</b>	<b>193,471</b>	<b>12,990</b>	<b>\$38.55</b>	<b>\$25.39</b>	<b>\$33.50</b>

## Fort Lauderdale Lease / User Transactions

Tenant	Building	Submarket	Type	Square Feet
Atento	Huntington Square III-3350 SW 148 <sup>th</sup> Ave	SW Broward	New	30,519
Crown Castle	Plantation Corp Ctr I-1601 SW 80 <sup>th</sup> Ter	Plantation	New	30,206
Pack on the Go, Inc	Atlantic Bus Ctr-1726 W Atlantic Blvd	Pompano Beach	New	24,157
Minto Communities	Township Plaza-4400 W Sample Rd	Pompano Beach	Renewal/Expansion	16,180
Anju Software	Cypress Pk W-6700 N Andrews Ave	Cypress Creek	New	13,588

## Fort Lauderdale Select Sale Transactions

Building	Submarket	Sale Price	Price/SF	Square Feet
Plantation Walk-261 N University Dr	Plantation	\$57,500,000	\$336	171,129
Sawgrass Corp Pkwy-1601 Sawgrass Corp Pkwy	Sawgrass Park	\$27,086,100	\$287	94,294
Tower of Coral Springs I & II Portfolio-2855 N University Dr	NW Broward/Coral Springs	\$10,500,000	\$139	75,305
Pompano Bus Pk-555 S Andrews Ave	Cypress Creek	\$5,500,000	\$133	40,499