



Broward Industrial Market

Broward County saw its 42nd consecutive quarter of demand growth, continuing its reign as the longest in any other market throughout Florida with over 547,000 square feet of positive net absorption during the first quarter of 2021. This was slightly down from the previous quarterly performance and from the start of 2021, as demand continued to outpace supply on a consistent basis. Warehouse/distribution space accounted for most of the absorbed space, totaling over 407,000 square feet, while the general industrial segment moved into the number-two spot with over 140,000 square feet. After a strong 2021, R&D/flex space saw a more balanced approach with a moderate 364 square feet of positive net absorption. This sector cooled off after benefitting from office tenants, impacted by the pandemic, opting to relocate for the more affordable space option. Despite the healthy demand for industrial space, overall vacancy ticked upward 20 basis points from the previous quarter as new industrial inventory delivered during the quarter had an impact of increased vacancy. However, vacancy still dropped 50 basis points from one year ago and remained below the 5% threshold, signifying continued tight market condition. Five buildings, totaling approximately over 769,000 square feet, were delivered during the first quarter of 2022 with another seven buildings remaining under construction, totaling approximately 1.1 million square feet. No pre-leasing activity had taken place within the buildings currently underway at the close of the first quarter of 2022 and could push vacancy rates upward as new buildings are delivered. Increases in the overall average asking rate gained momentum during the first quarter of 2022, with a noticeable increase from the previous quarter as landlords continued to push asking rates upward. The overall average rose more than 14.6% from one year ago and will likely surpass the \$11.00/SF market during the first half of 2022.

Leasing and Demand

Lease deals fell from the 2 million square feet seen during the previous quarter, with 179 transactions totaling approximately 1.4 million square feet for the first quarter of 2022. This was on par with the 1.5 million square feet leased during the same period one year ago. Warehouse/distribution space accounted for most deals done with 1.2 million square feet, while the general industrial segment lagged with a tepid 51,000 square feet. The R&D/flex sector held level from recent quarterly performances, with 130,000 square feet. Over 900,000 square feet of lease deals were in the form of midsize to large transactions, which was up significantly from the 280,000 square feet seen one year ago. Logistics and distribution companies rose to the top spot with 523,000 square feet, while the retail industry jumped into the second spot with over 263,000 square feet. The building supply sector moved into the third spot, with 79,000 square feet leased. Notably, the food and beverage industry fell out of the top three, achieving no major lease deals during the first quarter of 2022.

Investment Sales

Thirty-six deals totaling 1.7 million square feet sold during the first quarter of 2022, holding level with recent performances, combining for a total of \$339.7 million. Despite the decrease in keynote high-end industrial sales during the quarter, the average price per square foot sharply rose to \$197/SF from the \$131/SF average from one year ago. Second-tier industrial properties are selling at record prices as demand from investors remained bullish.

Current Conditions

Broward County's industrial segment continued to boast the longest streak of consecutive quarterly demand growth throughout the state of Florida.

Vacancy ticked upward due to construction completions of new inventory, but overall vacancy remained below the 5% mark as tight market conditions remained.

Overall easing activity slowed from the previous quarter, but larger leases did see an uptick as demand remained healthy.

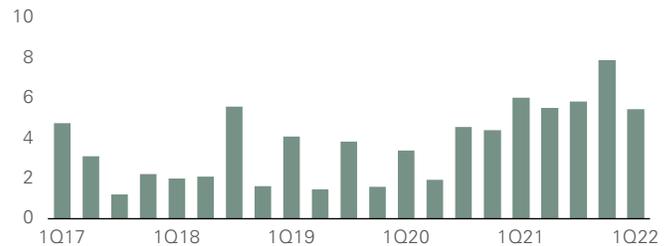
Developers are still breaking ground on new projects as construction activity remained above the 1-million-square-foot mark, but the development of new industrial inventory appeared to be slowing.

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)	111.9M	111.1M	110.1M	↑
Vacancy Rate	4.6%	4.4%	5.1%	↑
Quarterly Net Absorption (SF)	547,542	790,824	601,807	↔
Average Asking Rent/SF	\$10.89	\$10.18	\$9.50	↑
Under Construction (SF)	1.1M	1.4M	1.9M	↓
Deliveries	769,688	0	484,886	↓

Fort Lauderdale / Broward Submarket Statistics								
	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Qtr Absorption (SF)	YTD Absorption (SF)	WH/Dist Asking Rent (Price/SF)	R&D/Flex Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Central Broward	17,607,892	0	4.2 %	-70,046	-70,046	\$11.07	\$14.41	\$11.53
Coral Springs	5,568,109	0	2.5 %	24,078	24,078	\$13.50	\$11.02	\$8.80
Northeast Broward	10,438,701	0	4.6 %	104,641	104,641	\$11.49	\$14.41	\$12.59
Pompano Beach	27,349,636	538,723	3.9 %	128,080	128,080	\$10.23	\$13.11	\$10.10
Southeast Broward	25,114,977	551,570	3.1 %	113,217	113,217	\$12.13	\$15.97	\$13.06
Southwest Broward	17,442,720	0	8.9 %	201,692	201,692	\$10.13	\$12.35	\$10.70
West Sunrise	8,356,831	0	4.7 %	45,880	45,880	\$7.73	\$11.26	\$9.09
Totals	111,878,866	1,090,293	4.6 %	547,542	547,542	\$10.40	\$13.37	\$10.89

Fort Lauderdale Lease / User Transactions				
Tenant	Building	Submarket	Type	Square Feet
MB United, INC.	1801 NW 15 th Ave	Pompano Beach	New	175,546
International Distribution Group LLC	Meridian Bus Campus-3245 Meridian Pkwy	Southwest Broward	New	116,000
Shipmonk	Bridge Point 595 2-2650 Bridge Wy	Southwest Broward	New	110,500
Pet Supermarket	3501 Burris Rd	Southeast Broward	Renewal	97,200
GMI Stone LLC	Quadrant Bus Ctr 5-600 SW 12 th Ave	Northeast Broward	New	51,500

Fort Lauderdale Select Sale Transactions				
Building	Submarket	Sale Price	Price/SF	Square Feet
19-Property Portfolio-Equus/Prologis Deal	Multiple Submarkets	\$208,711,454	\$213	982,059
Coral Springs Corp Pk 1 & 2 Portfolio- 3850 NW 126 th Ave	Coral Springs	\$31,000,000	\$165	187,732
Dolphin Carpet & Tile-1471 W Hillsboro Blvd	Northeast Broward	\$15,210,000	\$212	71,820
3000 / 3060 SW 2 nd Ave Portfolio	Southeast Broward	\$14,850,000	\$207	71,682
1741 NW 33 rd St	Pompano Beach	\$9,500,000	\$174	54,700