



## Broward County Office Market

Since the early days of the pandemic, Broward County has recorded steady gains in vacancy. The market closed the first quarter of 2023 with a cyclical high, reporting an overall vacancy rate of 16.4%. This marked an increase of 40 basis points quarter over quarter and 180 basis points year over year. Ft. Lauderdale Suburban and Hollywood continue to maintain the lowest vacancy rates in the county, at 11.8% and 13.7%, respectively.

A reduction in leasing velocity, coupled with new space additions in the market, resulted in the second straight quarter of negative absorption, with a reported negative 59,566 square feet.

Asking rents declined slightly, falling to \$34.39/SF as of the end of first quarter of 2023. Despite the decrease from the fourth quarter of 2022, rates remain up \$1.27/SF from one year ago. While the Ft. Lauderdale CBD maintains higher Class A asking rents than the Suburban market at \$46.65/SF, the Hallandale submarket boasted the highest submarket rents at \$62.50/SF.

Following several deliveries of new product over the past year, including 70,000 square feet this quarter, just 49,609 square feet in Hollywood remains under construction in Broward County.

### Leasing and Demand

Leasing activity in Broward County was down 43.0% this quarter as velocity dropped from 1.1 million to just over 600,000 square feet. This comes even amid an uptick in the number of transactions finalized, which surpassed 250 deals.

The Ford Motor Company signed a renewal and expansion in Sawgrass Park, the largest deal of the quarter, as it signed for 92,362 square feet of space. Landau & Associates signed a lease in the same submarket for 22,218 square feet. In the Ft. Lauderdale CBD, ABA Centers of America executed a transaction for 32,138 square feet.

### Investment Sales

The Plantation submarket was home to the three largest investment sales deals of the quarter. The Brookdale Group purchased Cornerstone One for \$37.9 million, or \$223/SF, from the AFL-CIO. Following that deal were the sales of 8601 W. Sunrise Blvd. and Cornerstone Five for \$13.0 million and \$14.8 million, respectively.

Through February, eight transactions were completed in Broward County for a total of \$81.3 million, spanning 311,815 square feet.

### Current Conditions

The Broward County office market posted negative net absorption for the second consecutive quarter, closing at negative 59,566 square feet.

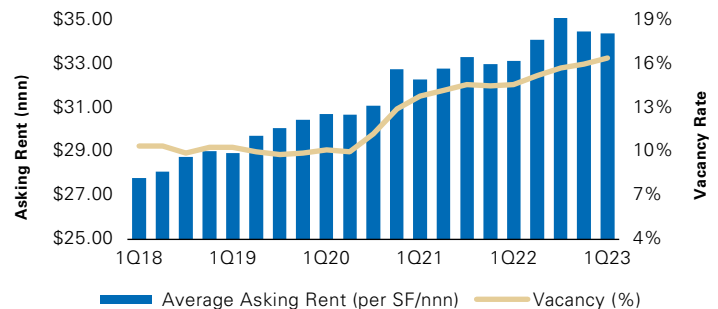
Vacancy rates continued to expand, increasing 40 basis points from the fourth quarter to 16.4%.

Leasing activity closed the quarter down more than 400,000 square feet, or 43.0%, from the fourth quarter.

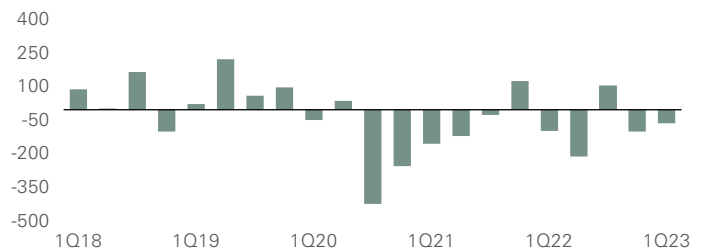
Sales volume was on pace to surpass the fourth quarter totals, when just \$84 million of deals were finalized.

### 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)	35.2M	34.9M	34.6M	↔
Vacancy Rate	16.4%	16.0%	14.6%	↔
Quarterly Net Absorption (SF)	-59,566	-96,417	-94,264	↔
Average Asking Rent/SF	\$34.39	\$34.49	\$33.12	↔
Under Construction (SF)	49,609	119,609	334,227	↔
Deliveries (SF)	70,000	334,227	0	↔

## Broward County/Fort Lauderdale 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>5,755,376</b>	<b>-</b>	<b>17.8 %</b>	<b>53,831</b>	<b>53,831</b>	<b>\$46.65</b>	<b>\$29.76</b>	<b>\$45.21</b>
Commercial Blvd	1,951,461	-	14.5 %	-29,260	-29,260	\$29.03	\$27.04	\$27.11
Cypress Creek	4,661,652	-	15.3 %	-29,903	-29,903	\$34.16	\$26.62	\$29.34
Ft. Lauderdale Suburban	2,959,217	-	11.8 %	-38,315	-38,315	\$34.30	\$30.46	\$31.26
Hallandale	792,093	-	25.0 %	27,552	27,552	\$62.50	\$33.46	\$57.64
Hollywood	2,469,123	49,609	13.7 %	-26,155	-26,155	\$36.83	\$32.16	\$32.31
NW Broward/Coral Springs	1,738,183	-	20.9 %	15,343	15,343	\$30.60	\$26.82	\$29.22
Plantation	4,942,742	-	16.8 %	6,403	6,403	\$39.16	\$28.67	\$32.83
Pompano Beach	2,296,299	-	17.2 %	14,159	14,159	\$32.31	\$22.96	\$25.88
Sawgrass Park	3,274,260	-	19.6 %	19,879	19,879	\$33.55	\$22.34	\$30.47
SW Broward	4,348,036	-	14.3 %	-73,100	-73,100	\$34.22	\$25.99	\$32.70
<b>Suburban Total</b>	<b>29,433,066</b>	<b>49,609</b>	<b>16.1 %</b>	<b>-113,397</b>	<b>-113,397</b>	<b>\$36.09</b>	<b>\$26.59</b>	<b>\$31.63</b>
<b>Totals</b>	<b>35,188,442</b>	<b>49,609</b>	<b>16.4 %</b>	<b>-59,566</b>	<b>-59,566</b>	<b>\$39.20</b>	<b>\$26.71</b>	<b>\$34.39</b>

## Broward County Lease/User Transactions

Tenant	Submarket	Building	Type	Square Feet
Ford Motor Company	Sawgrass Park	Sawgrass Pointe 2	Renewal/Expansion	92,362
ABA Centers of America	Ft. Lauderdale CBD	110 E Broward	Direct	32,138
Landau & Associates	Sawgrass Park	Sawgrass Technology Park, Building D	Renewal	22,218

## Broward County Select Sale Transactions

Buyer/Seller	Submarket	Building	Sale Price	Price/SF
The Brookdale Group / AFL-CIO Building Investment Trust	Plantation	Cornerstone One	\$37.9M	\$223
Related Development / Fifteen Group Capital	Plantation	8601 W Sunrise	\$13.0M	\$100
Douglas Anthony Perera / Masa Global	Plantation	Cornerstone Five	\$14.8M	\$281