



Fort Lauderdale industrial market report

Q1 2022

Industrial market trends

01

Vacancy begins to stabilize after an influx of new supply

Industrial vacancy has been on a steady decline in Fort Lauderdale for the last several quarters after an influx of new industrial product that delivered over the last few years pushed vacancy to record heights. Overall vacancy has declined to 4.7% as of the first quarter—down a whopping 400 basis points from the 8.7% vacancy recorded in the first quarter of 2021. As tenants continue to swoop up new industrial product in Pompano Beach and Southwest Broward due to increasing space requirements, market fundamentals have significantly improved, and vacancy has started to stabilize.

02

Industrial rents increasing at a breakneck pace

In South Florida, industrial asking rents continue to rise, with Fort Lauderdale's industrial asking rate, excluding flex, increasing 18% year-over-year to \$11.58 NNN per square foot (psf). Significant land constraints and a limited supply of development land have continued to place upward pressure on industrial rates while the rising costs of land and construction, in addition to delivery of new product, have contributed to the boost in rates. As Florida experiences robust population growth and out-of-state migration, industrial rates are expected to rise with steady demand over the coming years.

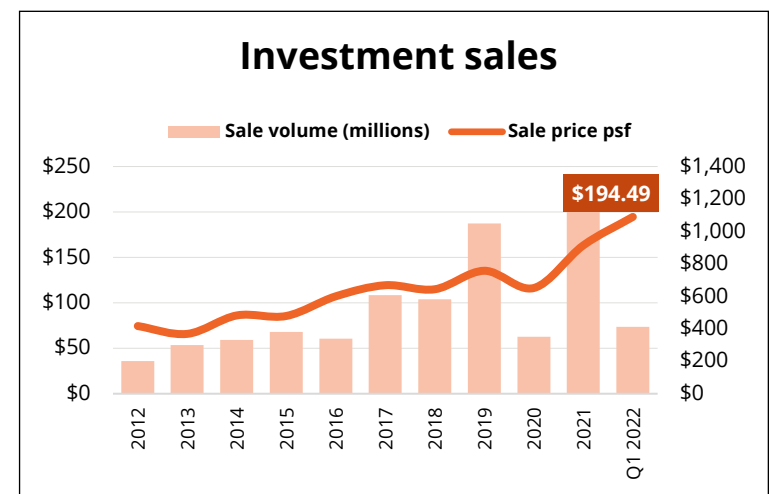
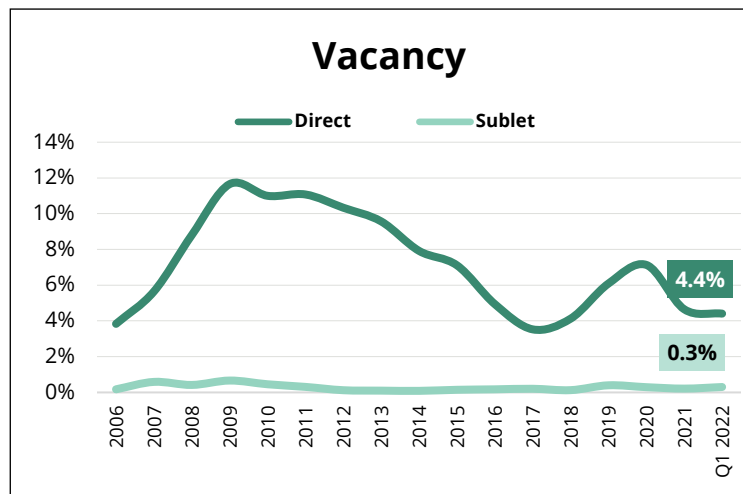
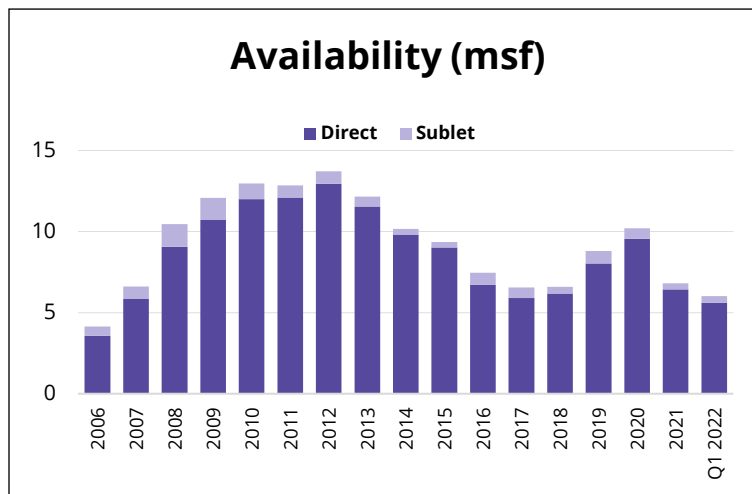
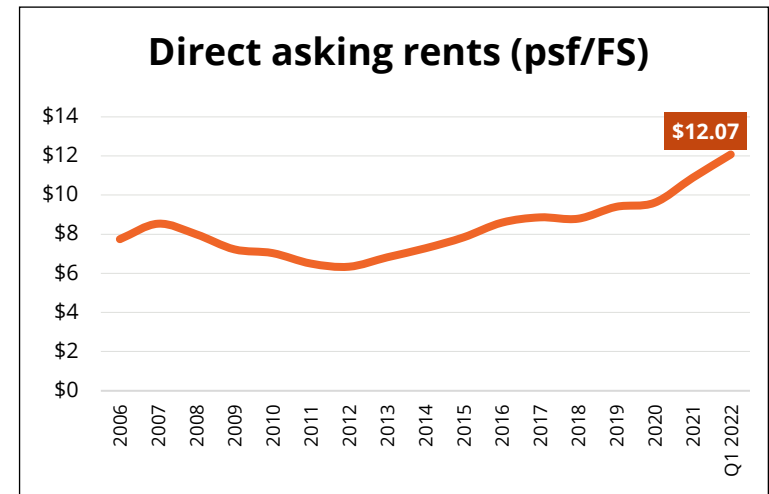
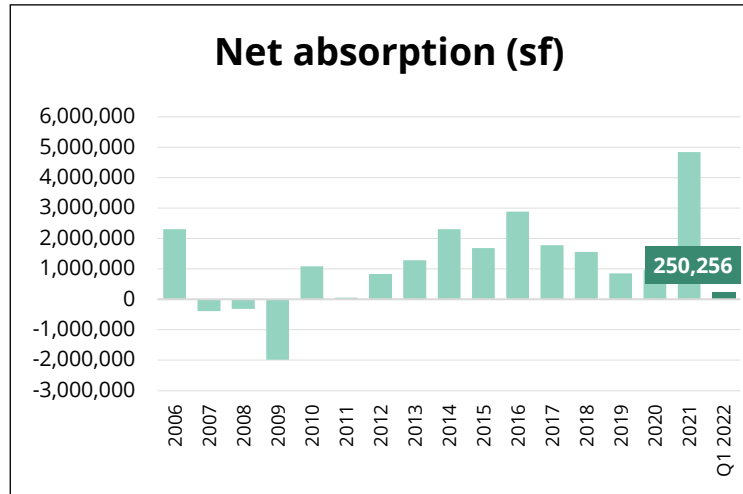
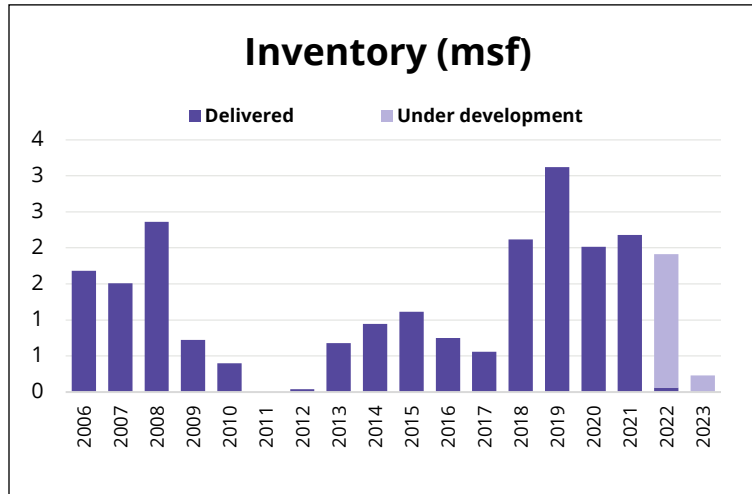
03

A wave of deliveries will cause rise in vacancy

At the close of the first quarter of 2022, nearly 1.7 million square feet (msf) of industrial space remains under construction—51% of which is expected to deliver during the second quarter. A wave of new speculative industrial deliveries will force vacancy rates to increase in the short term. Most of the new development underway is clustered in the Southeast Broward and Pompano Beach submarkets.



Industrial market indicators



Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
MB United	1801 Northwest 15 th Avenue	Feb. 2022	175,546	New	Direct	Pompano Beach
International Distribution Group	3245 Meridian Parkway	Feb. 2022	116,000	New	Direct	Southwest Broward
ShipMonk	2650 Bridge Way	Jan. 2022	110,500	New	Direct	Southwest Broward
Pet Supermarket	3501 Burriss Road	Feb. 2022	97,200	Renewal	Direct	Southeast Broward
GMI Stone	600-652 Southwest 12 th Avenue	Aug. 2021	51,500	New	Direct	Northeast Broward

Recent sales activity

Buyer	Address	Sale date	Building size	Sale price	Sale price per sf	Seller
Equus Capital Partners	Prologis US Industrial Portfolio	Jan. 2022	1,233,785	\$275,300,000	\$223	Prologis
Bridge Investment Group	1471 West Hillsboro Boulevard	Jan. 2022	69,740	\$15,210,000	\$218	Tucker Enterprises
Seagis Property Group	7481 Riviera Boulevard	Jan. 2022	60,831	\$13,250,000	\$218	Megacenter
Asi Cabessa	2200 Mears Parkway	March 2022	56,988	\$10,850,000	\$190	Michael McCarty
Longpoint Realty Partners	3559 Northwest 53 rd Street	March 2022	45,188	\$10,500,000	\$232	Thomas McDonald

Significant construction activity

Property	Address	Delivery date	Building size	% Pre-leased	Developer	Submarket
Davie Business Center – Building E	3360 Davie Road	May 2022	225,580	68.2%	IDI Logistics	Southwest Broward
East Pompano Industrial Center – Building C	1250 Northeast 48 th Street	Sept. 2022	214,966	0.0%	Black Creek Group	Northeast Broward
Prologis I-595 Distribution Center – Building 1	4020 South State Road 7	June 2022	209,280	0.0%	Prologis	Southeast Broward

Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
Central Broward	6,839,772	2.5%	3.0%	0.9%	-9,486	-9,486	-	\$13.47	\$13.42	\$19.62
Northeast Broward	13,477,403	6.8%	7.3%	5.2%	205,949	205,949	374,460	\$11.91	\$11.25	\$22.88
Northwest Broward	3,457,945	5.1%	6.6%	1.3%	-5,450	-5,450	75,000	\$10.33	\$10.33	-
Pompano Beach	29,638,970	4.1%	4.0%	4.3%	89,492	89,492	285,176	\$12.61	\$12.14	\$14.57
Southeast Broward	20,196,670	3.0%	3.2%	2.1%	-84,978	-84,978	599,184	\$13.35	\$13.15	\$18.03
Southwest Broward	18,810,263	6.9%	6.3%	9.5%	72,317	72,317	225,580	\$10.74	\$10.30	\$11.25
West Broward	7,587,275	3.8%	4.4%	1.8%	-17,588	-17,588	103,300	\$16.30	\$15.56	\$15.21
Market Total	100,008,298	4.7%	4.7%	4.3%	250,256	250,256	1,662,700	\$12.07	\$11.58	\$13.85

Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	79,511,708	4.7%	227,332	227,332	1,621,180	367,953
Flex	20,496,590	4.3%	22,924	22,924	41,520	26,535
Market Total	100,008,298	4.7%	250,256	250,256	1,662,700	394,488

For more market insights
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