

MarketWatch: Broward County Industrial

SECOND QUARTER 2011



QUICK STATS

Total Inventory	109.4 MSF
Vacancy	9.9%
Average Asking Rent	\$6.76
YTD Net Absorption	-327,520 MSF
Under Construction	115,518
YTD Deliveries	-0-

LEASE SPOTLIGHT

Building	Tenant	Size (SF)
4020 NW 126th Avenue	IKEA	49,878
2022 W Atlantic Boulevard	Hurok Marble	43,093
3135 N Andrews Avenue	Neighbors Moving	27,450

SALE SPOTLIGHT

Building	Size (SF)	PSF	Sales Price
3001-3015 N Andrews Avenue	373,225	\$81.05	\$30,251,144
5360 NW 35th Avenue	70,325	\$63.99	\$4,500,000
3060 SW 2nd Avenue	50,000	\$46.25	\$2,312,500

Methodology: The information in this report is the result of Transwestern's ongoing analysis of Broward County's key for-lease industrial and flex properties. We compile our quarterly statistics based on a defined inventory of existing buildings of 20,000 square feet or more in size.

MARKET ANALYSIS

Broward County's location in the center of South Florida's Tri-County market make it a prime location for the distribution of goods to the surrounding market. In addition, Port Everglades and Fort Lauderdale-Hollywood International Airport are key import and export centers capitalizing on the benefits low- or no-tax structures and multiple free trade zones. Broward is home to Florida's first and largest Free Trade Zone which makes the area an excellent location for firms doing business in the Caribbean and Central and South America. An established excellent transportation infrastructure, low cost of living and doing business, an educated labor pool, and enviable quality of life make Broward County a thriving industrial center.

Like markets across the US, Broward's industrial sector was impacted by the recent recession and continues to lag due to the slow pace of the national economic recovery. Vacancy rates, historically in the single digits, reached record high in 2009 of 10.2% — a statistic other struggling markets would be happy with. Thanks to a significant slowdown in terms new construction since 2007, supply and demand dynamics are coming back into balance and the vacancy rate has dropped back into the single digits.

Comprising 134.5 million square feet in all submarkets, Broward's largest concentration of warehouse, distribution, and flex properties are in the Southeast and Pompano areas which together comprise more than 36 % of the total inventory. Thanks to easy access to I-95 and thus to the airport and port, both of these submarkets historically have seen lower vacancy rates and are expected to again see good rental rate appreciation, especially as the Panama Canal expansion results in greater cargo traffic to the area.

MARKET TRENDS

Vacancy Rate

Current **9.9%** 3-Month Trend ↻

The overall vacancy level remained flat during the second quarter but has fallen almost one percentage point since the market peaked 18 months ago at 10.8%



Absorption

28,335 SF ↑

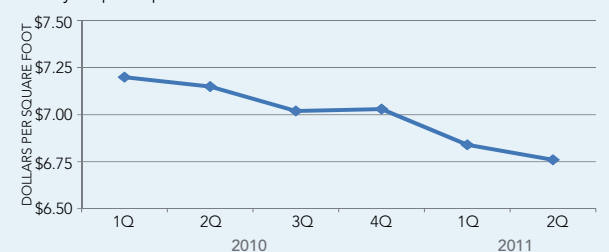
A net loss of more than 350,000 square feet during the first quarter has offset what little space was absorbed during the second quarter and brings year-to-date absorption to negative 327,520 square feet



Rental Rates

\$6.76 PSF ↓

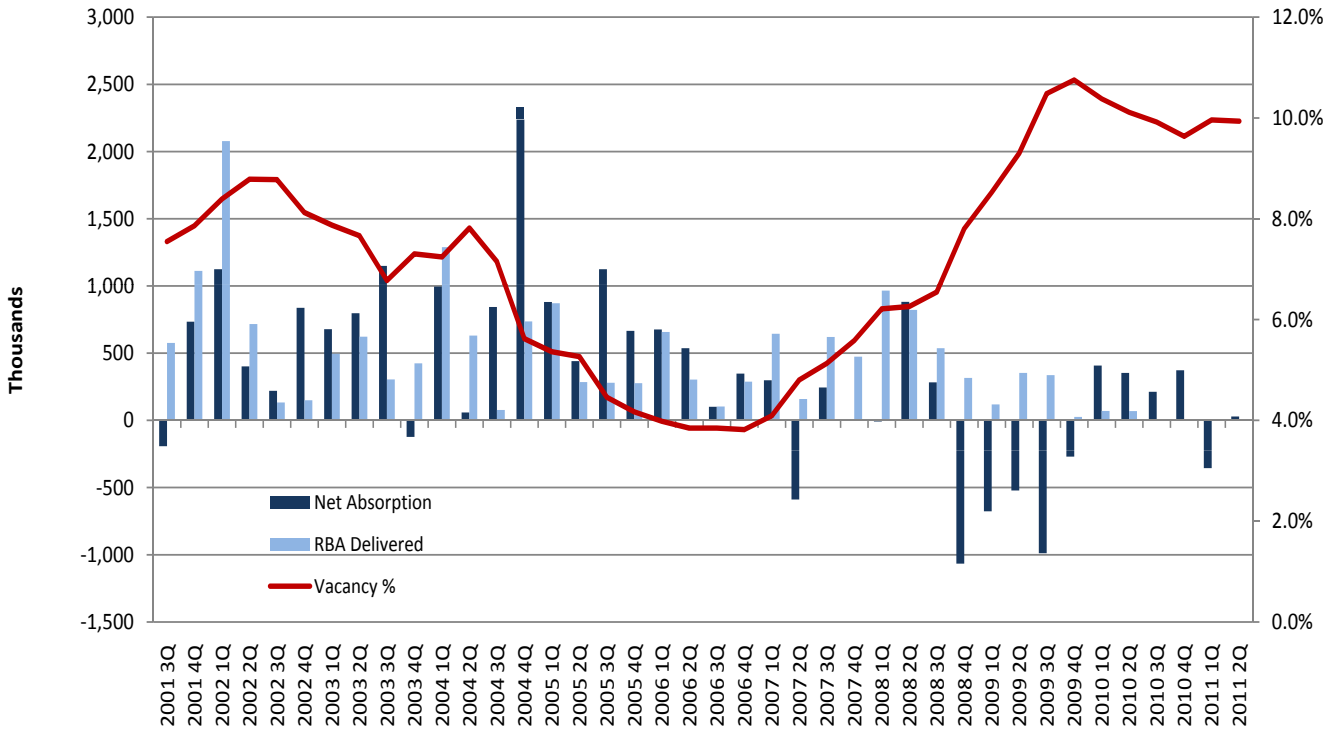
Average asking rates continue a downward trend having dropped nearly \$2 per square foot since 2007



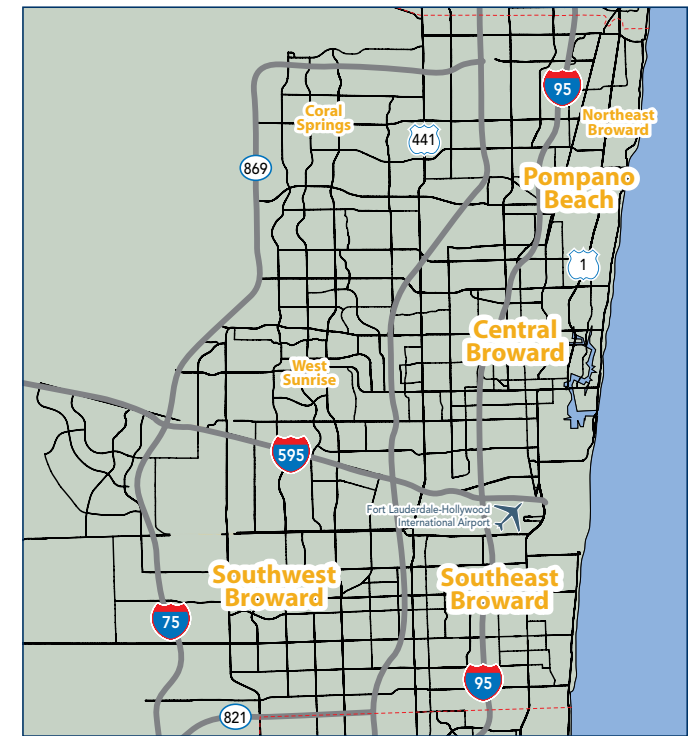
CURRENT MARKET STATISTICS — SECOND QUARTER 2011

Submarket	Total Inventory SF	Direct Vacant SF	Direct Vacancy Rate	Sublease SF	Total SF Vacant	Overall Vacancy Rate	Current Quarter's Net Absorption	SF Under Construction	Average Quoted Rental Rate PSF (NNN)
Central Broward	14,645,841	1,425,501	9.7%	65,000	1,490,501	10.2%	12,435	-0-	\$6.23
Coral Springs	6,770,979	462,872	6.8%	-0-	462,872	6.8%	43,635	65,000	\$7.09
Northeast Broward	10,892,101	1,337,778	12.3%	61,772	1,399,550	12.8%	64,252	-0-	\$6.92
Pompano Beach	25,285,370	2,922,199	11.6%	58,604	2,980,803	11.8%	49,866	-0-	\$6.49
Southeast Broward	24,372,363	1,770,282	7.3%	-0-	1,770,282	7.3%	27,253	50,518	\$6.39
Southwest Broward	17,438,417	1,733,662	9.9%	141,219	1,874,881	10.8%	-146,993	-0-	\$7.10
West Sunrise	9,974,084	803,289	8.1%	84,100	887,389	8.9%	-22,113	-0-	\$8.96
BROWARD COUNTY TOTAL	109,379,155	10,455,583	9.6%	410,695	10,866,278	9.9%	28,335	115,518	\$6.76

HISTORICAL MARKET TRENDS



BROWARD COUNTY INDUSTRIAL SUBMARKETS



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