Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate for the Fort Lauderdale metropolitan statistical area continues to improve as it reached 3.8% in May 2017. That's ahead of the State of Florida and National unemployment rates which were both reported at 4.3%. Broward County job creation totaled 31,100 over the past year with the biggest gains occuring in Professional and Business Services (11,700); Education and Health Services (6,400); and Leisure and Hospitality (3,400). Broward gained 400 manufacturing jobs while also gaining 7.5% in construction employment with 3,300 new jobs.

Market Overview

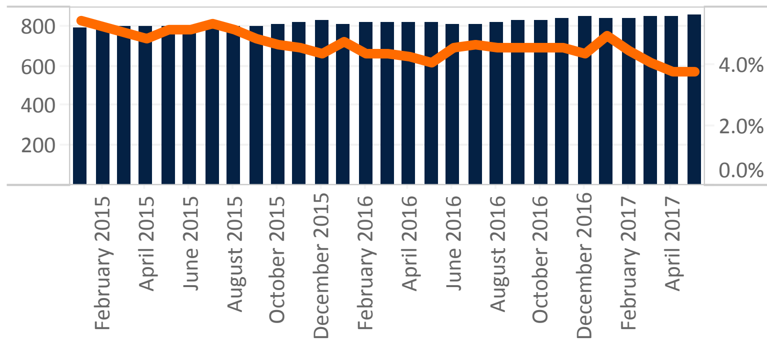
The Broward industrial market recorded 361,830 square feet (sf) of overall positive absorption during 2Q 2017. Year-to-date absorption hit 1,534,746 sf overall by close of 2Q 2017. Total vacancy reached 4.2% for all specific uses. Weighted average asking rents were highest in the Southwest Broward submarket at $15.33 per square foot (psf). While the weighted average asking rents for all types was $12.03 psf in 2Q 2017. The largest increase in asking rents was for Flex, which increased $3.11 psf NNN from $13.63 psf in 1Q 2017 to $16.74 psf in 2Q 2017. A total of 63,111 sf of industrial space was delivered this quarter, with another 1,058,846 sf under construction.

Market Highlights

Fundamentals in the Broward County industrial market remain strong in 2Q 2017. Vacancy rates in the Northeast Broward submarkets are among the lowest in the state of Florida, standing at 2.5%. Over one million square feet of industrial space is in various stages of construction. Direct net absorption was positive in all submarkets, led by Southwest Broward totalling 123,215 sf of absorption. Notable occupancies this quarter include: Cosmo International (37,400 sf); Unicone (32,367 sf); E-Liquid (31,820 sf); Q-Straint (28,000 sf); Air Con (24,600 sf); Creative Marketing (21,030 sf); Sitel (18,935 sf); and Vitas Healthcare (12,044 sf).

Broward Employment

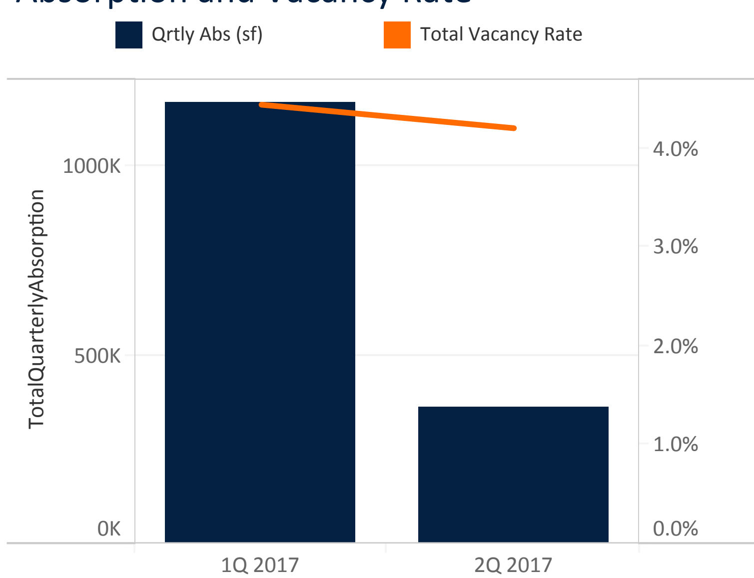
Source: BLS



Market Recap

Inventory (sf)	104,330,688
# of Bldgs	2,776
Qrtly Abs (sf)	361,830
Total Avail Rate	6.9%
Total Vacancy Rate	4.2%
U/C Inventory (sf)	1,058,846
Delivered (sf)	63,111
Weighted Average Asking Rate (NNN)	$12.03

Absorption and Vacancy Rate



Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Flex	41,527,895	3,258,925	2,086,856	5.0%	180,024	460,158
Lt Ind	33,137,506	1,572,686	870,591	2.6%	152,707	503,577
Mfg	1,622,399	75,647	60,000	3.7%	0	0
Whse/Dist	28,042,888	2,316,503	1,372,432	4.9%	29,099	571,011
Overall	104,330,688	7,223,761	4,389,879	4.2%	361,830	1,534,746

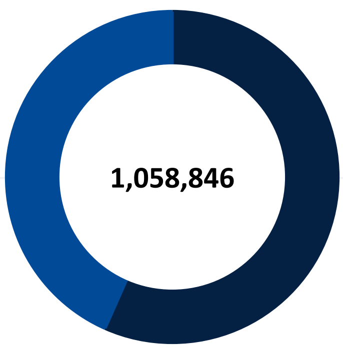
Overview by Market (Total)

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Central Broward	Flex	6,388,225	453,054	306,809	4.8%	13,169	60,485
	Lt Ind	7,880,501	563,073	397,568	5.0%	-9,187	141,824
	Mfg	225,973	55,647	40,000	17.7%	0	0
	Whse/Dist	1,544,694	74,887	25,951	1.7%	19,555	164,344
	Subtotal	16,039,393	1,146,661	770,328	4.8%	23,537	366,653
Northeast Broward	Flex	11,952,229	940,221	459,327	3.8%	66,031	38,974
	Lt Ind	11,857,972	381,480	141,551	1.2%	26,236	92,817
	Mfg	704,224	20,000	20,000	2.8%	0	0
	Whse/Dist	11,988,633	481,115	316,192	2.6%	15,000	-66,870
	Subtotal	36,503,058	1,822,816	937,070	2.6%	107,267	64,921
Northwest Broward	Flex	5,421,140	484,422	434,536	8.0%	-17,053	-65,532
	Lt Ind	2,483,684	146,392	102,936	4.1%	31,457	15,812
	Whse/Dist	2,927,095	492,710	427,279	14.6%	0	60,689
	Subtotal	10,831,919	1,123,524	964,751	8.9%	14,404	10,969
Southeast Broward	Flex	6,235,568	453,722	198,366	3.2%	48,777	128,041
	Lt Ind	9,144,202	312,648	173,005	1.9%	60,886	196,809
	Mfg	692,202	0	0	0.0%	0	0
	Whse/Dist	6,578,587	365,845	97,814	1.5%	-16,256	289,012
	Subtotal	22,650,559	1,132,215	469,185	2.1%	93,407	613,862
Southwest Broward	Flex	11,530,733	927,506	687,818	6.0%	69,100	298,190
	Lt Ind	1,771,147	169,093	55,531	3.1%	43,315	56,315
	Whse/Dist	5,003,879	901,946	505,196	10.1%	10,800	123,836
	Subtotal	18,305,759	1,998,545	1,248,545	6.8%	123,215	478,341
Overall		104,330,688	7,223,761	4,389,879	4.2%	361,830	1,534,746

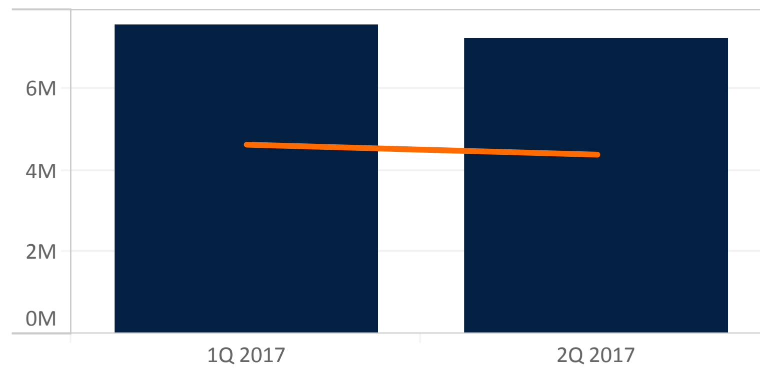
MARKET TRENDS

2Q 2017 | Broward | Industrial

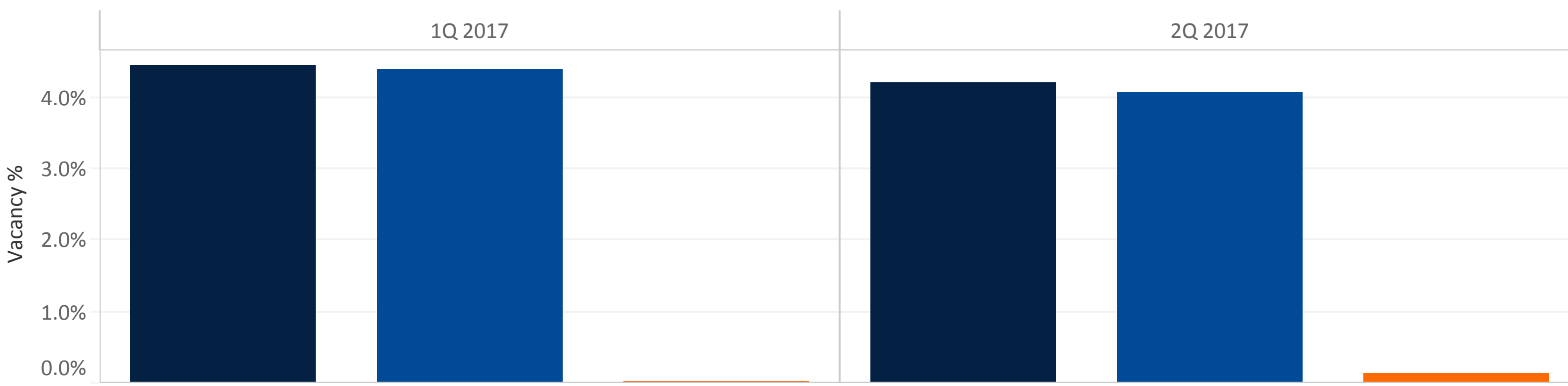
Construction by Market



Total Available and Vacant



Vacancy Rate



Overview by Specific Use (Direct)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	41,527,895	2,976,398	1,979,246	4.8%	280,127	528,368
Lt Ind	33,137,506	1,497,872	868,418	2.6%	152,707	490,750
Mfg	1,622,399	75,647	60,000	3.7%	0	0
Whse/Dist	28,042,888	2,265,919	1,346,790	4.8%	29,099	596,653
Overall	104,330,688	6,815,836	4,254,454	4.1%	461,933	1,615,771

Overview by Specific Use (Sublease)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	41,527,895	282,527	107,610	0.3%	-100,103	-68,210
Lt Ind	33,137,506	74,814	2,173	0.0%	0	12,827
Mfg	1,622,399	0	0	0.0%	0	0
Whse/Dist	28,042,888	50,584	25,642	0.1%	0	-25,642
Overall	104,330,688	407,925	135,425	0.1%	-100,103	-81,025

MARKET TRENDS

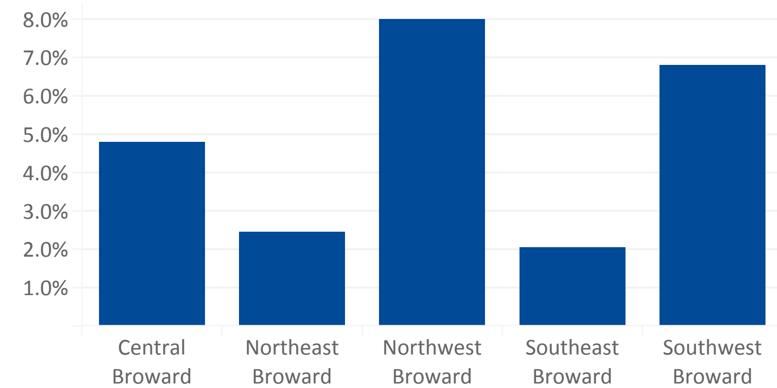
2Q 2017 | Broward | Industrial

Direct Vacancy Rates

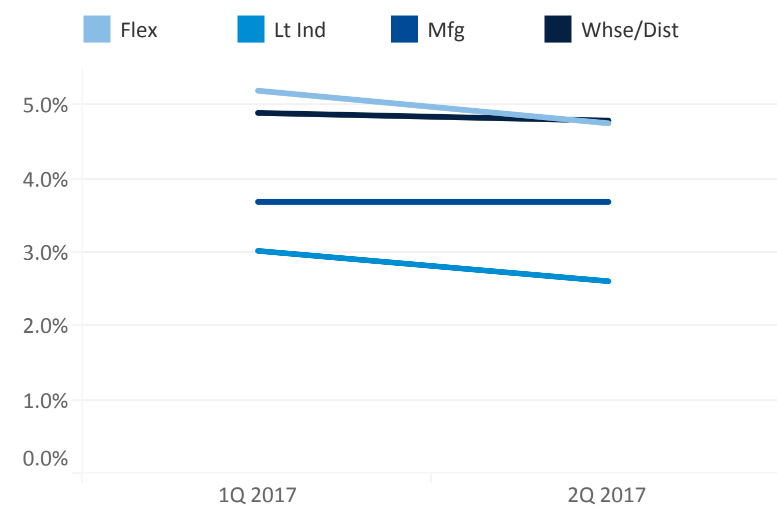
By Market and Specific Use

Market Name	Specific Use	1Q 2017	2Q 2017
		Quarter Year	
Central Broward	Flex	5.0%	4.8%
	Lt Ind	4.9%	5.0%
	Mfg	17.7%	17.7%
	Whse/Dist	2.9%	1.7%
Northeast Broward	Flex	4.4%	3.8%
	Lt Ind	1.4%	1.2%
	Mfg	2.8%	2.8%
	Whse/Dist	2.5%	2.4%
Northwest Broward	Flex	7.7%	6.2%
	Lt Ind	5.4%	4.1%
	Whse/Dist	14.6%	14.6%
Southeast Broward	Flex	3.9%	3.1%
	Lt Ind	2.6%	1.9%
	Mfg	0.0%	0.0%
	Whse/Dist	1.2%	1.5%
Southwest Broward	Flex	5.7%	6.0%
	Lt Ind	4.5%	3.1%
	Whse/Dist	10.3%	10.1%
Overall		4.4%	4.1%

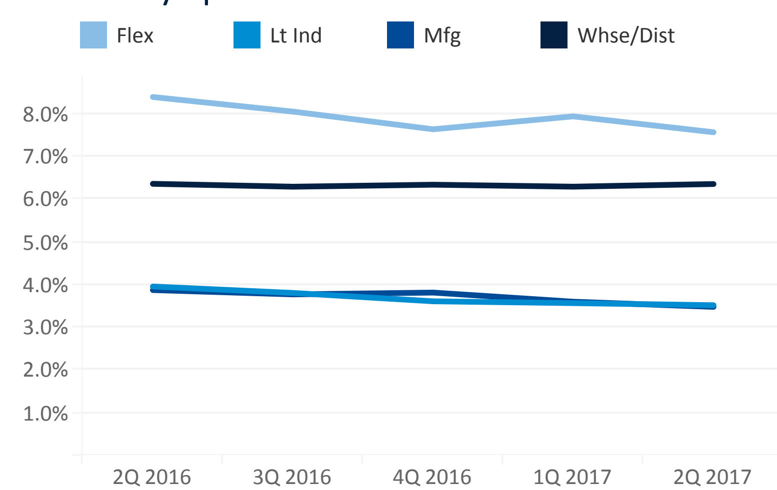
By Market



Broward By Specific Use



National by Specific Use



XCELIGENT™

MARKET TRENDS

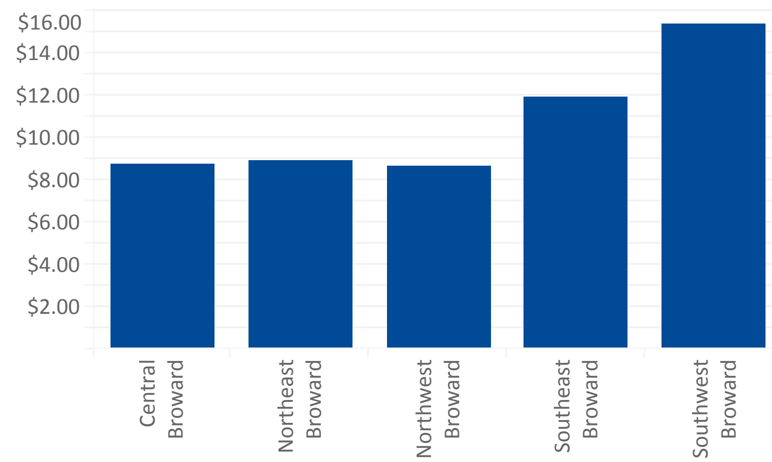
2Q 2017 | Broward | Industrial

Direct Weighted Average Asking Rates (NNN)

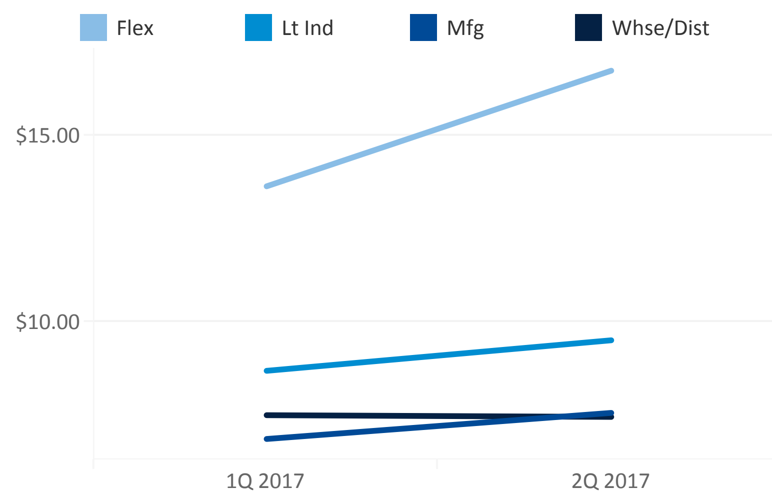
By Market and Specific Use

Market Name	Specific Use	Quarter Year 1Q 2017	2Q 2017
Central Broward	Flex	$9.65	$9.04
	Lt Ind	-	$7.25
	Mfg	$7.25	$7.25
	Whse/Dist	-	-
Northeast Broward	Flex	$9.24	$10.16
	Lt Ind	$8.52	$10.04
	Mfg	$6.50	$7.75
	Whse/Dist	$6.98	$7.11
Northwest Broward	Flex	$7.29	$10.21
	Lt Ind	$7.50	$7.50
	Whse/Dist	$7.96	$7.50
Southeast Broward	Flex	$18.25	$18.96
	Lt Ind	$9.51	$10.11
	Mfg	-	-
	Whse/Dist	$7.90	$7.83
Southwest Broward	Flex	$20.74	$22.66
	Lt Ind	$8.95	$9.38
	Whse/Dist	$7.38	$7.39
Overall		$10.59	$12.03

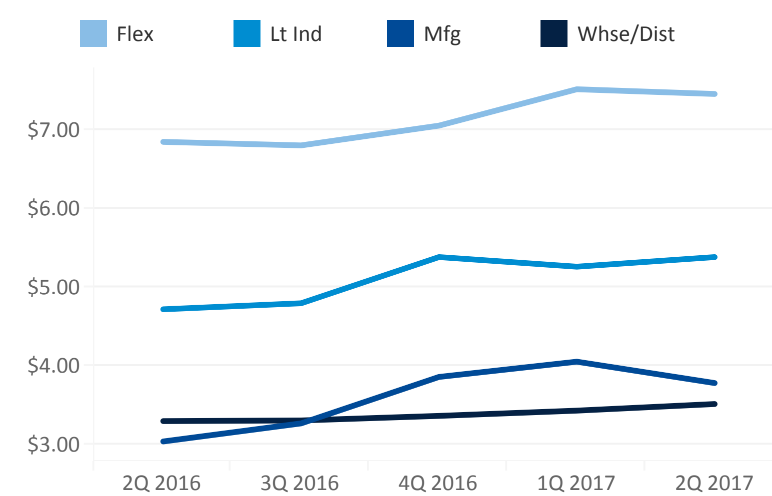
By Market



Broward by Specific Use

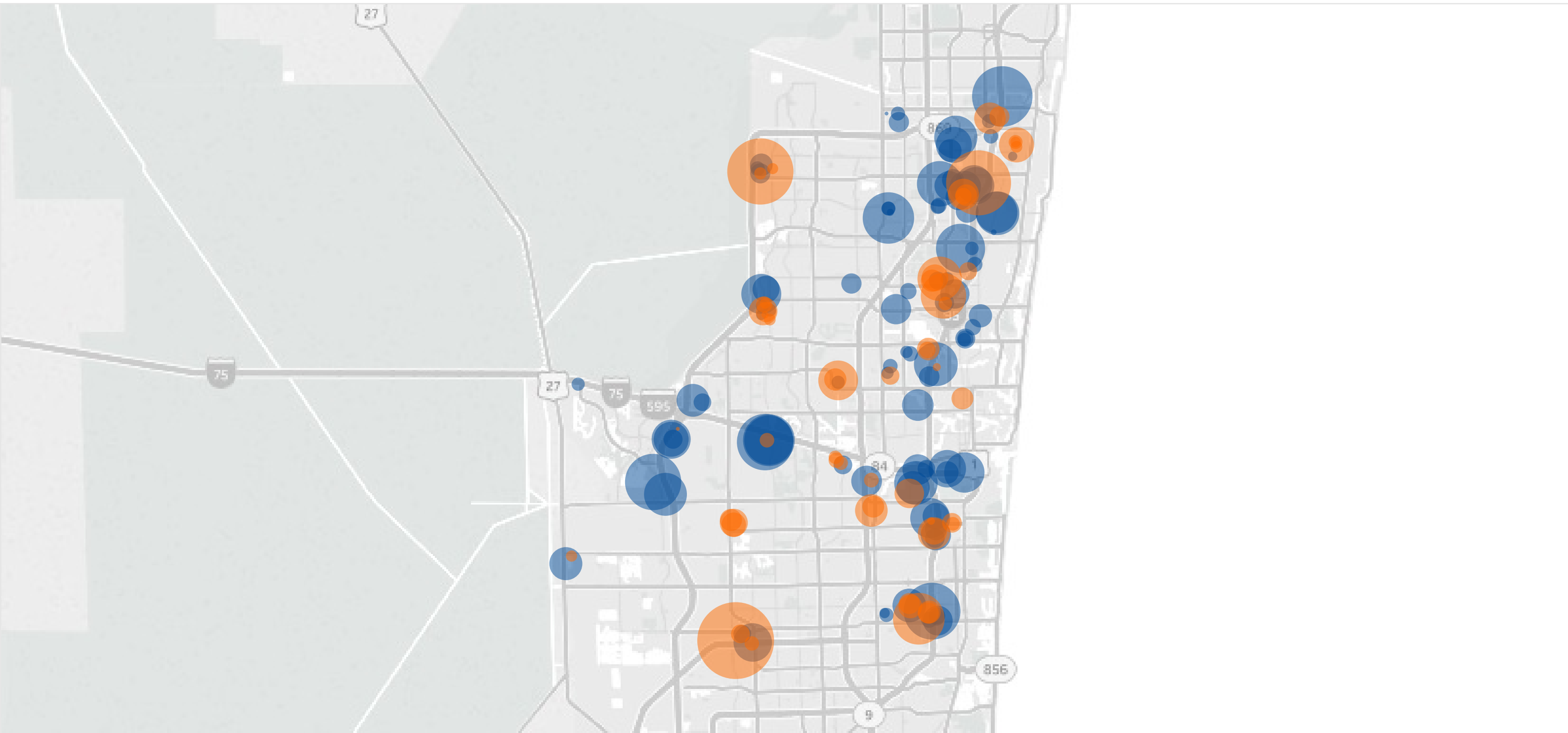


National by Specific Use



Absorption Map

Negative Positive



Undisclosed Tenant 11,920 sf

Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
601 Fairway Dr	Cosmo International 37,460 sf	Northeast Broward	Flex	37,460
Meridian Business Campus	Unicone 32,367 sf	Southwest Broward	Lt Ind	32,367
Atlantic Business Center 2	Air-Con Int'l 24,600 sf	Northeast Broward	Whse/Dist	24,600
Pompano Commerce Center Bldg IV	Creative Marketing 21,030 sf	Northeast Broward	Flex	21,030
Pointe West Commerce Center I	Undisclosed Tenant 11,920 sf	Southwest Broward	Flex	18,648
Designer Place IV	Q'Straint 28,000 sf	Southeast Broward	Flex	16,132
15461 SW 12th St	Pharmaceutical Co. 7,700 sf	Southwest Broward	Flex	15,400
3255 SW 11th Ave	Greystone Partners 14,200 sf	Southeast Broward	Lt Ind	14,200

Largest Negatives (Total)

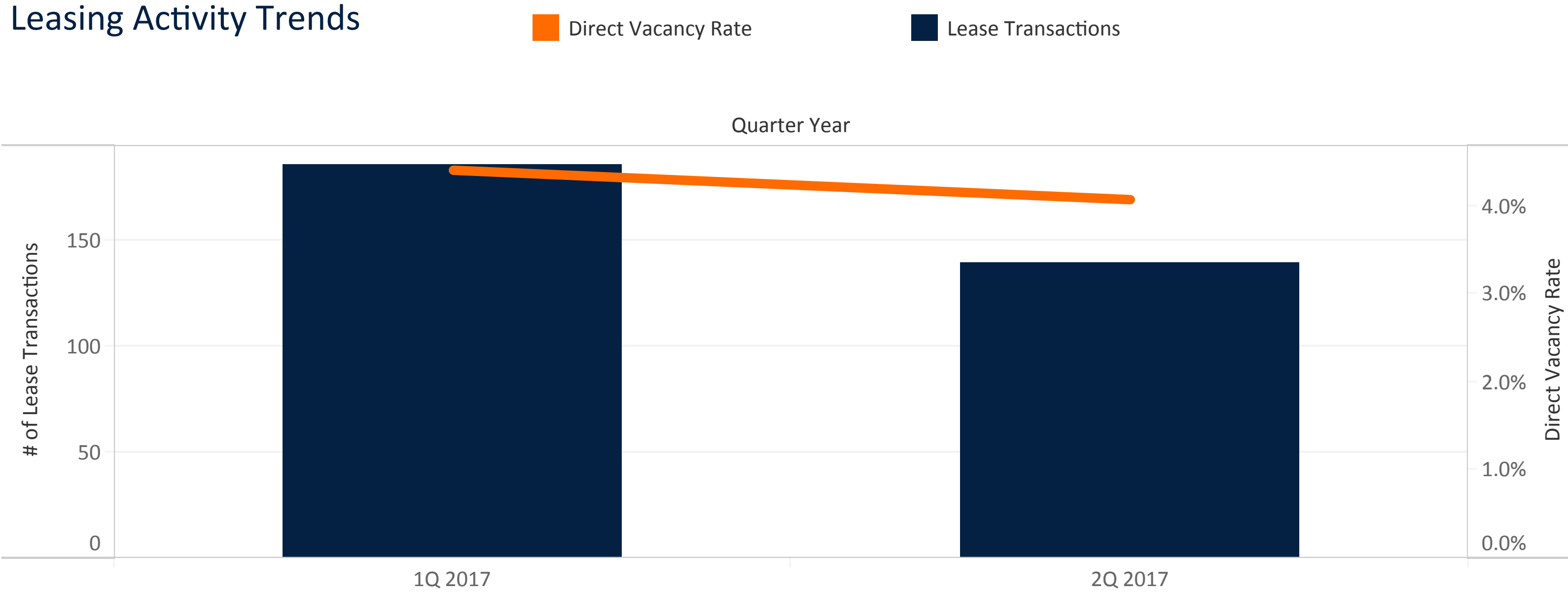
PropertyName	Significant Transactions	Market Name	Specific Use	
County Line Business Center	Swiss Watch International -60,747 sf	Southwest Broward	Flex	-60,747
Prologis Park	South FL Regional Transp. -43,339 sf	Northeast Broward	Flex	-43,339
Lockhart Business Park	Air-Con International, Inc. -16,200 sf	Central Broward	Flex	-16,200
Commerce Security Center Bldg A	Synergy Thermal Foils -6,000 sf; Confidential -6,300 sf	Northeast Broward	Flex	-12,390
409-457 S Military Trl	USAG -10,007 sf	Northeast Broward	Flex	-10,007
Copans Business Park 1571	Professional Office Services -9,600 sf	Northeast Broward	Whse/Dist	-9,600
Port 95 Commerce Park	Undisclosed Tenant -8,697 sf	Southeast Broward	Lt Ind	-8,697

XCELIGENT™

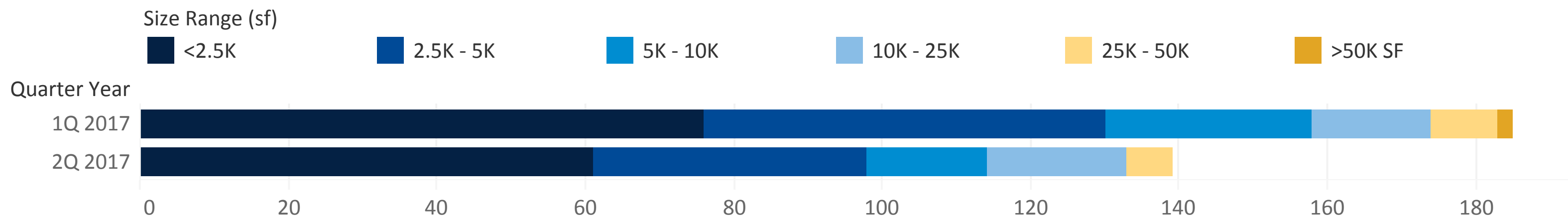
MARKET TRENDS

2Q 2017 | Broward | Industrial

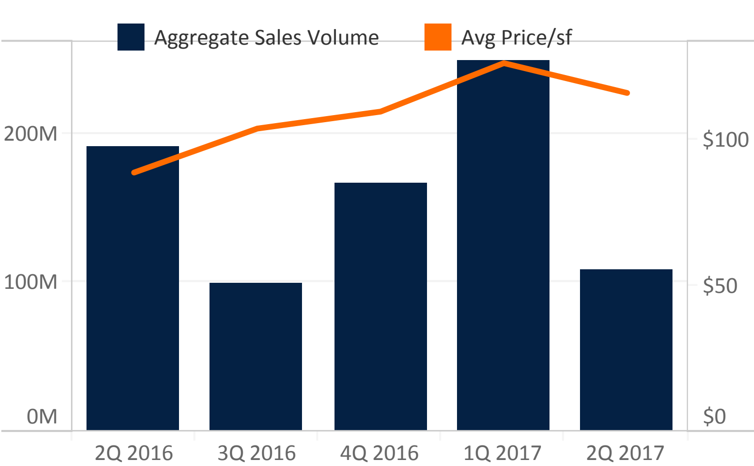
Leasing Activity Trends



Leasing Activity (# of New Deals)



Sales Volume vs. Price/SF



Top Sales

Property	Sale Date	Buyer	Sale Price
5605 N Hiatus Rd	05/26/2017	Cabot Properties	$18,500,000
East Port Center	04/26/2017	Antonio Andrade Junior	$14,800,000
Sunrise Business Center	06/02/2017	Cabot Properties	$13,075,000
Coral Springs Business Warehouse Center	06/07/2017	Jackson Land Development	$8,358,700
Powerline Rd Showroom/ Warehouse	06/09/2017	Dezer Development	$6,000,000

BUILDING DATA. EVERYWHERE.

Terminology

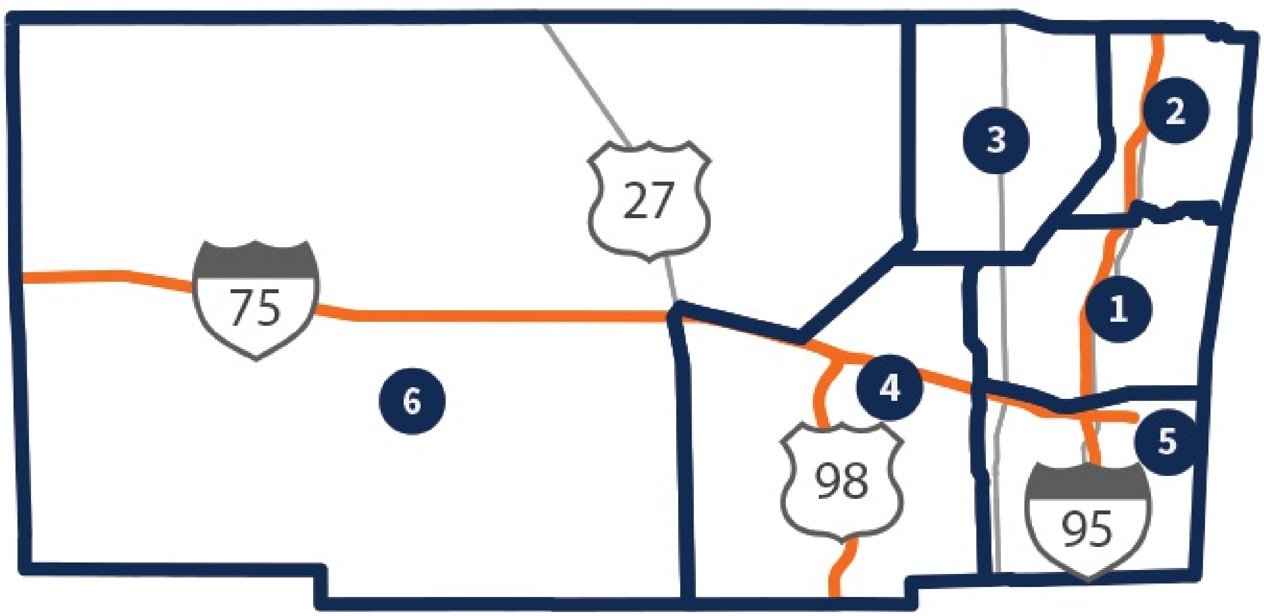
Term	Definition
Class A	Properties that attract premium industrial users and command leasing rates in the top 1/3 of the market due to the combination of their prestigious locations and their ability to deliver a higher than average set of amenities such as 24' clear heights, Tractor Trailer Courts, etc...
Class B	Buildings competing for average to premium industrial users but command less rents than Class A because of a limitation of their location or the collection of average amenities they deliver.
Class C	Buildings competing for industrial users requiring functional space at rents below the market average for the area.
Direct Vacant (sf)	The total of the vacant square footage in a building that is being marketed by a landlord or an agent representing the landlord.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Sublease (sf)	Space within a property that is offered for lease by a current tenant or their agent. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant if the landlord or their agent is marketing space that will be coming available at a future date because a tenant is considering a relocation.
Total Vacant (sf)	The total of all of the vacant square footage within a building, including both direct and sublease space.
Tracked Inventory	The total square feet (sf) of all existing single, multi-tenant and owner-occupied industrial properties greater than 10,000 square feet.

Advisory Board Members

CBRE	Larry Dinner Larry Genet Tom O'Loughlin
Cushman & Wakefield	Chris Metzger
Duke Realty	Stepahnie Rodriguez
Infinity Commercial	John Dohm
Sunbeam Realty	Maridee Bell

Xceligent Team

Brian Reece	Regional VP of Analytics	breece@xceligent.com	(919) 971-3461
Jennifer Gonsalves	Regional VP of Sales	jennifer.gonsalves@xceligent.com	(954) 348-2087
Pete Morris	Director of Analytics	pmorris@xceligent.com	(561) 667-8105
Sam Vaden	Sales Executive	svaden@xceligent.com	(954) 707-0581



1 Central Broward

2 NE Broward

3 NW Broward

4 SW Broward

5 SE Broward

6 Outlying Broward County