



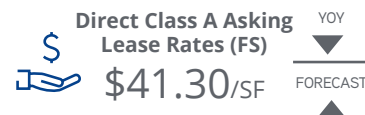
Broward County

Office

22Q1

## Key Takeaways

- As companies start to repopulate their offices, tenant demand strengthened for both suburban and CBD office space.
- Rental rates climbed to \$36.46 per square foot full service in Q1 2022, a 4.0% increase YOY.
- Office product in the Downtown Fort Lauderdale submarket continued to attract investment in Q1 2022.



## Office Fundamentals Trend Positive

The Broward County office market is on an upward trajectory. As companies implemented their return to office plans, the unemployment rate decreased further, and a steady flow of new companies entered the market. Net absorption reached 288,000 square feet and remained positive for the third consecutive quarter. At the same time the vacancy rate decreased for the third consecutive quarter and landed at 11.8 percent, a 50-basis point decrease year-over-year. After return to office plans were paused by the Omicron variant, companies pivoted plans to adapt to the pandemic's continued presence, spurring demand in both suburban and CBD space. In 2022, despite some concerns surrounding the global financial market, Broward's strong positioning is expected to continue luring in new tenants, as well as investors seeking opportunity in a favorable marketplace.

## Market Indicators



## Historic Comparison

	21Q1	21Q4	22Q1
<b>Total Inventory (in Thousands of SF)</b>	62,518.0	62,339.6	62,328.6
<b>New Supply (in Thousands of SF)</b>	200.0	10.0	0.0
<b>Net Absorption (in Thousands of SF)</b>	(326.7)	79.2	287.9
<b>Overall Vacancy</b>	12.3%	12.3%	11.8%
<b>Under Construction (in Thousands of SF)</b>	569.2	697.5	721.5
<b>Overall Direct Asking Lease Rates (FS)</b>	\$35.05	\$35.42	\$36.46

## Market Graph



The Broward County office market continued to improve throughout the first quarter of 2022. After seeing consistent negative net absorption and rising vacancy rates in the first half of 2021, net absorption has been positive for the last three quarters and vacancy has declined. In the first quarter of 2022 the vacancy rate decreased 50-basis points quarter-over-quarter.

## Recent Transactions



Lease

Weston Park of Comm.  
SW Broward | 97k SF



Lease

DCOTA Office Bldg  
Ft. Lauderdale | 27k SF



Lease

DCOTA Office Bldg  
Ft. Lauderdale | 19k SF



Sale

Suntrust Center  
DowntownFTL | \$519/SF



Sale

Centennial Bank Bldg  
DowntownFTL | \$961/SF



Sale

Plantation Corp. Cntr  
NW Broward | \$215/SF

## Executive Summary

Broward County started 2022 with positive office market fundamentals including a drop in vacancy rates, healthy net absorption, strong leasing activity and a rise in rental rates. In the first quarter of 2022, asking rental rates climbed to \$36.46 per square foot full service, a 4.0 percent increase year-over-year. Similarly, Class A asking rental rates ended the first quarter at \$41.30 per square foot full service. The total vacancy rate decreased 50-basis points quarter-over-quarter, steadily climbing back down from its highest point in 2021.

Leasing activity was steady in the first quarter of 2022 and will help further support the tightening vacancy rate in Broward County. The largest lease was UKG renewing their 97,176 square foot lease at Weston Park of Commerce followed by two new leases at the DCOTA Office Building, Medtronic for 27,637 square feet and PropertyForce for 19,249 square feet. Additionally, iHeartMedia + Entertainment signed a new lease at The Edison Building for 15,786 square feet, and Devoted Health

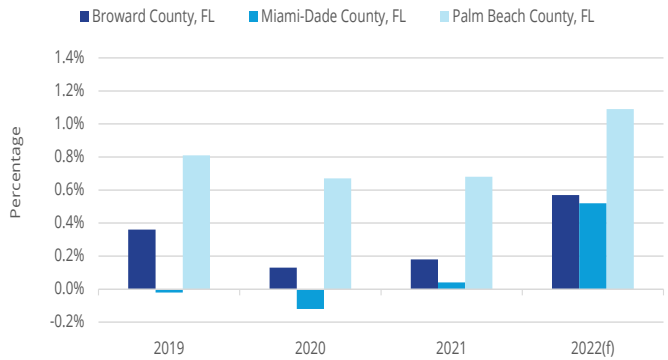
Services, Inc. signed a new lease for 13,980 square feet at the Pembroke Pointe 880 offices in Southwest Broward. While turbulence in the markets is stirring some caution among investors with rising interest rates, there was no significant impact on sales in the first quarter as investor demand and pricing for office product in Broward County remained strong. Core-Class A office product remained the most attractive to investors, as the flight to quality trend continued; for example, the largest sale of the quarter was SunTrust Center at Las Olas Square being purchased by CP Group and Related Companies for \$144.5 million, or \$519 per square foot. As the global financial markets cause the market to hit an inflection point there may be some trepidation among investors causing a pause on the heightened activity witnessed in the first quarter. However, Broward County boasts favorable market conditions, as well as population and employment growth that will continue to lure more opportunistic buyers.

## Shifting Demographics

There has been a significant shift in demographics over the last couple of years in South Florida. Despite the influx of new companies moving into the market and in-migration numbers being strong, the net population growth of Miami-Dade and Broward Counties is less striking. However, Palm Beach County continues to see significant increases. Over recent years, multiple firms from larger cities have been drawn to South Florida for the lenient tax structure and lower cost of office rents. In many cases, this has caused corporate branches (including higher earning executives) to relocate. Another dynamic within the region is a migration north, to Palm Beach, where more affordable residential developments are growing and the office market is strengthening.

### South Florida Population

Percentage Change



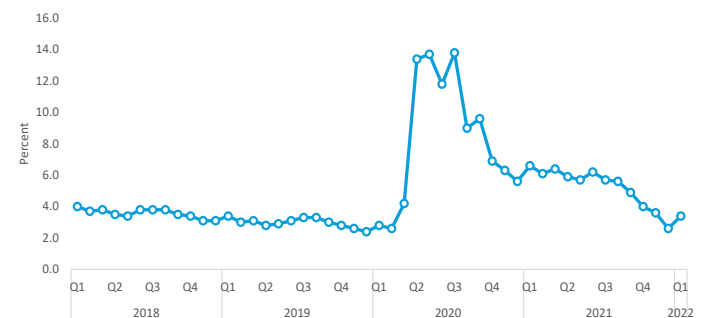
Source: Colliers, Oxecon, (f) forecasted

## A Return to Office is Imminent

A long-awaited return to the office is upon us and is likely to help tenants solidify their long-term leasing plans. After being paused by the Omicron variant, most companies have pivoted to responsibly coping with COVID-19's continued existence. Despite the work from home and/or hybrid models many companies adopted, confidence in the future of the South Florida office market remained strong. Net absorption in the first quarter of 2022 reached almost one million square feet, which was amplified with an increase of new-to-market tenants. Although occupancy in buildings has not returned to its full extent, the unemployment rate for Miami-Fort Lauderdale-West Palm Beach was at a low 3.4 percent in the first quarter of 2022.

### South Florida

Historical Unemployment



Source: Colliers, FRED

## Significant Sales Activity

Address	Size	Buyer	Sales Price
Suntrust Center at Las Olas Square - 515 E Las Olas Blvd	278,635	JV: CP Group, Related Companies	\$144,500,000 (\$519)
Centennial Bank Building - 707 SE 3rd Ave	30,159	Benjamin Group	\$33,000,000 (\$961)
Plantation Corporate Center - 2 S University Dr	59,070	MMB Commercial Properties Company	\$12,700,000 (\$215)
University Medical Arts Building South - 7431 N University Dr	44,857	Ruvi Silberstein	\$10,050,000 (\$224)
5100 Realty - 5100 N Federal Hwy	41,570	Hall Consolidated Group	\$7,000,000 (\$165)

## Significant Lease Activity

Address	Size	Tenant	Type
Weston Park of Commerce - 2250 N Commerce Pky	97,176	UKG	Renewal
DCOTA Office Bldg - 1815 Griffin Rd	27,637	Medtronic	New
DCOTA Office Bldg - 1815 Griffin Rd	19,249	PropertyForce	New
The Edison Bldg 1 - 1200 SW 145th Ave	15,786	iHeartMedia + Entertainment	New
<b>Pembroke Pointe 880 - 880 SW 145th Ave</b>	<b>13,980</b>	<b>Devoted Health Services, Inc.</b>	<b>New</b>

## Broward County Overall Market

Quarter & Year	Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	Net Absorp. YTD SF	New Completions SF	Under Construction SF	Overall Avg. Direct Asking Rate FS	Class A Avg. Direct Asking Rate FS
2022 Q1	1,497	62,328,629	10.8%	11.8%	287,996	287,996	0	721,541	\$36.46	\$41.30
2021 Q4	1,498	62,339,589	11.4%	12.3%	79,272	(483,246)	10,000	697,541	\$35.42	\$40.29
2021 Q3	1,501	62,445,261	11.6%	12.6%	126,136	(562,518)	0	679,541	\$35.37	\$40.26
2021 Q2	1,503	62,502,022	11.8%	12.9%	(361,976)	(688,654)	0	679,541	\$34.48	\$39.61
2021 Q1	1,504	62,518,022	11.7%	12.3%	(326,678)	(326,678)	200,049	569,227	\$35.05	\$41.19
2020 Q4	1,508	62,593,120	11.3%	11.9%	237,625	(655,444)	1,033,442	694,276	\$34.00	\$39.69
2020 Q3	1,505	61,621,693	10.4%	10.9%	(376,336)	(893,069)	39,343	1,727,718	\$32.67	\$38.26
2020 Q2	1,504	61,597,800	9.8%	10.3%	(226,375)	(516,733)	0	1,767,061	\$32.85	\$38.70
2020 Q1	1,506	61,743,845	9.7%	10.1%	(290,358)	(290,358)	100,316	1,617,061	\$32.05	\$38.53
2019 Q4	1,505	61,643,529	9.2%	9.5%	(239,132)	(435,440)	15,570	1,707,377	\$31.30	\$38.04
2019 Q3	1,504	61,627,959	8.8%	9.1%	249,257	(196,308)	233,701	1,691,907	\$30.58	\$37.30
2019 Q2	1,503	61,619,282	9.2%	9.5%	(229,944)	(445,565)	164,582	1,725,559	\$30.44	\$37.75
2019 Q1	1,502	61,507,070	8.7%	8.9%	(215,621)	(215,621)	0	1,790,141	\$30.38	\$37.99

**Bold** Denotes Colliers Represented Transaction

## Submarket Breakdown

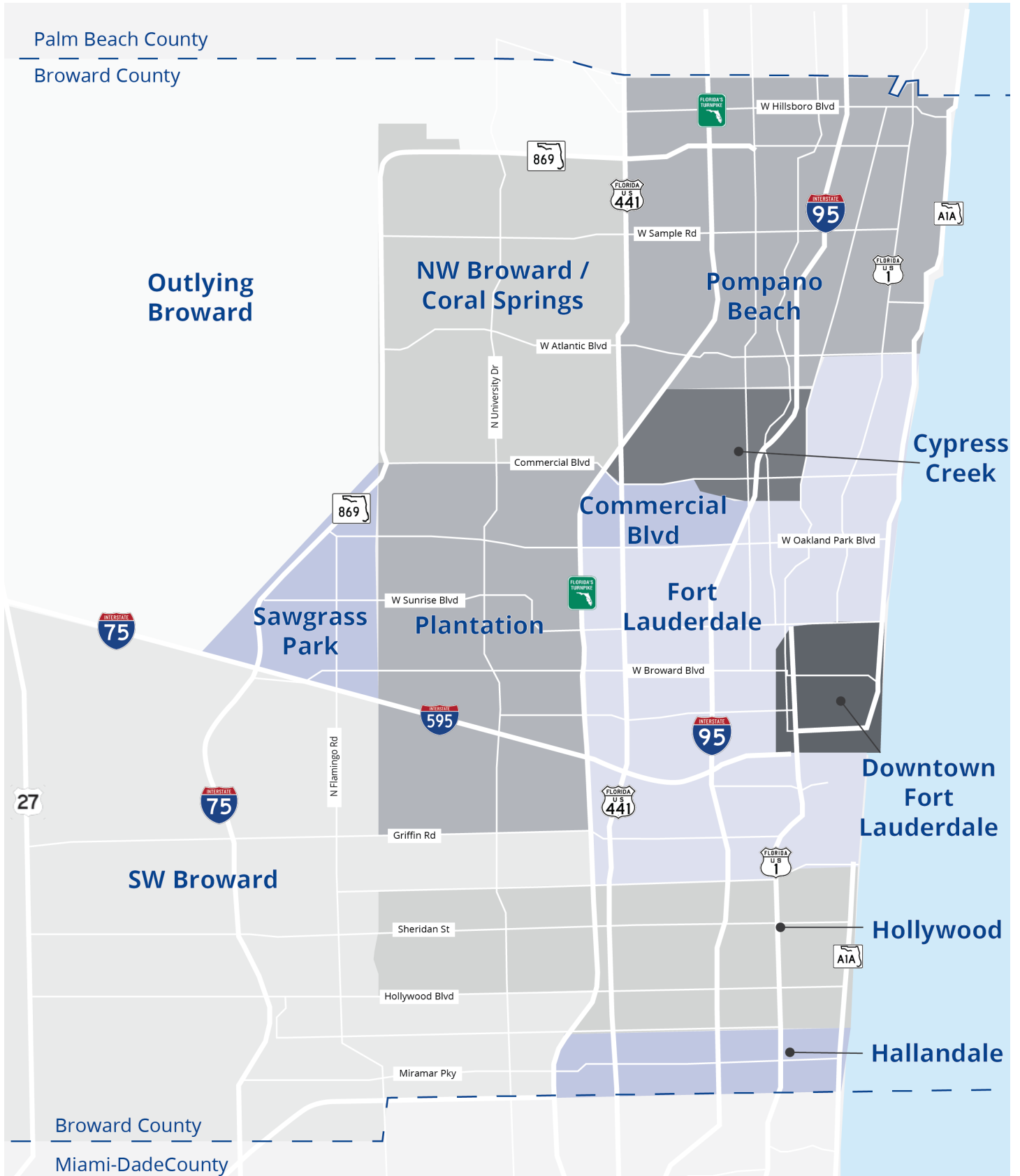
Property Type	# of Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	New Completions SF	Under Construction SF	Avg. Direct Asking Rate FS
<b>Central Business District</b>								
<b>Commercial Boulevard</b>								
A	3	235,137	6.8%	8.7%	2,473	0	0	\$32.47
B	16	614,974	7.9%	10.2%	2,859	0	0	\$22.09
C	13	477,002	0.3%	0.3%	363	0	0	\$32.32
<b>Overall</b>	<b>32</b>	<b>1,327,113</b>	<b>5.0%</b>	<b>6.4%</b>	<b>5,695</b>	<b>0</b>	<b>0</b>	<b>\$25.26</b>
<b>Downtown Fort Lauderdale</b>								
A	26	5,598,016	20.2%	22.4%	103,699	0	0	\$50.33
B	57	1,866,487	11.6%	11.6%	(10,877)	0	40,314	\$37.32
C	43	1,078,287	9.9%	9.9%	26,705	0	0	\$33.13
<b>Overall</b>	<b>126</b>	<b>8,542,790</b>	<b>17.1%</b>	<b>18.5%</b>	<b>119,527</b>	<b>0</b>	<b>40,314</b>	<b>\$48.19</b>
<b>Fort Lauderdale</b>								
A	8	1,024,846	12.5%	12.5%	(13,835)	0	0	\$36.08
B	141	5,227,222	11.4%	11.7%	17,345	0	28,000	\$31.84
C	98	2,022,716	4.4%	4.5%	2,352	0	0	\$25.24
<b>Overall</b>	<b>247</b>	<b>8,274,784</b>	<b>9.8%</b>	<b>10.0%</b>	<b>5,862</b>	<b>0</b>	<b>28,000</b>	<b>\$32.10</b>
<b>Hollywood</b>								
A	6	607,786	10.9%	12.0%	3,070	0	70,000	\$39.72
B	86	2,801,619	6.8%	6.8%	69,663	0	0	\$33.69
C	67	1,306,098	3.0%	3.0%	22,248	0	0	\$22.26
<b>Overall</b>	<b>159</b>	<b>4,715,503</b>	<b>6.3%</b>	<b>6.4%</b>	<b>94,981</b>	<b>0</b>	<b>70,000</b>	<b>\$34.33</b>
<b>Pompano Beach</b>								
A	7	908,431	12.7%	14.7%	(14,332)	0	0	\$32.02
B	116	3,568,383	7.6%	7.9%	9,650	0	24,000	\$26.05
C	54	1,249,446	4.0%	4.0%	(2,579)	0	0	\$21.12
<b>Overall</b>	<b>177</b>	<b>5,726,260</b>	<b>7.6%</b>	<b>8.1%</b>	<b>(7,261)</b>	<b>0</b>	<b>24,000</b>	<b>\$27.53</b>
<b>Suburban</b>								
<b>Cypress Creek</b>								
A	23	2,574,494	11.2%	15.9%	(147,730)	0	0	\$32.29
B	97	4,461,927	8.4%	8.6%	36,877	0	0	\$24.33
C	39	984,280	6.5%	6.5%	8,388	0	0	\$25.50
<b>Overall</b>	<b>159</b>	<b>8,020,701</b>	<b>9.0%</b>	<b>10.7%</b>	<b>(102,465)</b>	<b>0</b>	<b>0</b>	<b>\$27.70</b>
<b>Hallandale</b>								
A	2	99,343	8.3%	8.3%	(533)	0	484,227	\$54.08
B	16	699,515	11.0%	11.0%	12,731	0	0	\$27.40
C	18	400,200	6.1%	6.1%	14,361	0	0	\$26.86
<b>Overall</b>	<b>36</b>	<b>1,199,058</b>	<b>9.2%</b>	<b>9.2%</b>	<b>26,559</b>	<b>0</b>	<b>484,227</b>	<b>\$48.03</b>

## Submarket Breakdown

Property Type	# of Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	New Completions SF	Under Construction SF	Avg. Direct Asking Rate FS
<b>NW Broward / Coral Springs</b>								
A	11	785,545	18.3%	20.8%	30,531	0	75,000	\$36.59
B	94	2,716,946	10.1%	12.5%	30,774	0	0	\$28.60
C	40	929,901	9.2%	9.2%	18,965	0	0	\$25.67
<b>Overall</b>	<b>145</b>	<b>4,432,392</b>	<b>11.4%</b>	<b>13.3%</b>	<b>80,270</b>	<b>0</b>	<b>75,000</b>	<b>\$31.36</b>
<b>Outlying Broward County</b>								
A	0	0	0.0%	0.0%	0	0	0	-
B	2	28,296	0.0%	0.0%	0	0	0	-
C	0	0	0.0%	0.0%	0	0	0	-
<b>Overall</b>	<b>2</b>	<b>28,296</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Plantation</b>								
A	17	2,298,974	16.9%	17.4%	9,964	0	0	\$35.70
B	106	3,877,534	10.2%	10.8%	34,847	0	0	\$32.10
C	61	1,438,736	13.7%	13.7%	34,517	0	0	\$26.01
<b>Overall</b>	<b>184</b>	<b>7,615,244</b>	<b>12.9%</b>	<b>13.3%</b>	<b>79,328</b>	<b>0</b>	<b>0</b>	<b>\$33.86</b>
<b>Sawgrass Park</b>								
A	18	2,012,153	23.3%	30.3%	17,933	0	0	\$38.32
B	31	2,310,180	8.9%	10.8%	(43,845)	0	0	\$44.90
C	5	156,102	28.8%	28.8%	0	0	0	\$31.06
<b>Overall</b>	<b>54</b>	<b>4,478,435</b>	<b>16.0%</b>	<b>20.2%</b>	<b>(25,912)</b>	<b>0</b>	<b>0</b>	<b>\$40.04</b>
<b>SW Broward</b>								
A	38	3,643,671	8.1%	8.3%	71,214	0	0	\$37.30
B	113	3,719,718	6.2%	6.8%	(14,644)	0	0	\$32.12
C	24	504,664	11.3%	11.3%	(56,892)	0	0	\$23.57
<b>Overall</b>	<b>175</b>	<b>7,868,053</b>	<b>7.4%</b>	<b>7.8%</b>	<b>(322)</b>	<b>0</b>	<b>0</b>	<b>\$35.55</b>



## Submarket Map



# At Colliers, we are enterprising



**\$4.1B**  
in revenue



**62**  
Countries on 6 continents



**\$51B**  
Assets under  
management



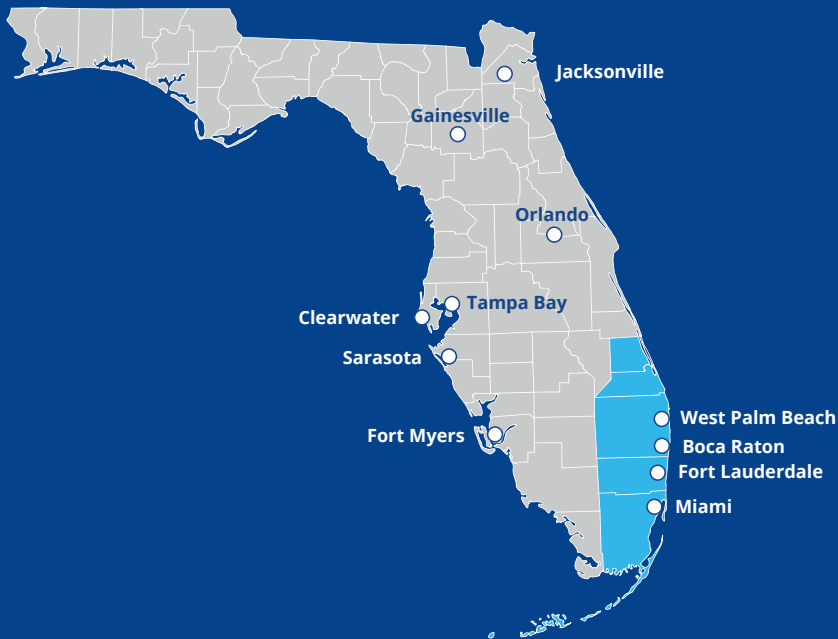
**2B**  
square feet  
under management



**53,000**  
Lease/sale  
Transactions



**17,000 +**  
professionals and staff



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