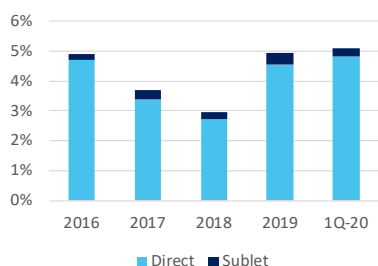


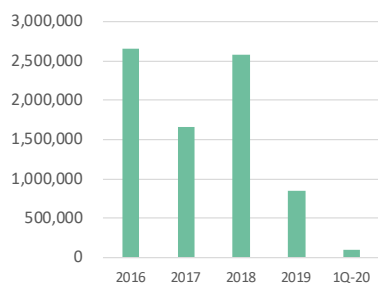
Broward County

First quarter statistics serve as an indicator of the Broward County industrial market's position prior to the COVID-19 crisis, which began to unfold locally with widespread social distancing measures in March. The leasing and sales environment has changed dramatically since that time, and those impacts will begin to materialize in the data in the second quarter.

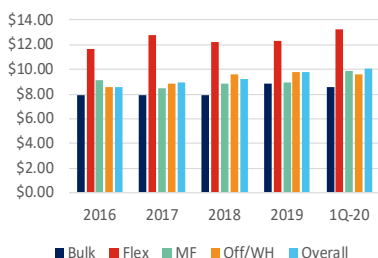
Vacancy Rate



YTD Net Absorption (SF)



Average Asking Rent Rate (\$/SF/NNN)



Moderate Net Absorption and Rising Vacancy Due to New Supply Defined the First Quarter

- Broward's industrial market ended the first quarter on a positive note with moderate net absorption and robust leasing activity, with the strongest activity in Southwest Broward. The largest lease of the quarter was United Medco's 87,885-sf lease at Building 1 of the Coral Springs Commerce Center II. The deal now brings the building to 100% occupancy.
- Vacancy was up significantly during the first quarter of 2020 due to several speculative deliveries that occurred at the end of 2019. Broward's industrial inventory has expanded by over 2% over the trailing 12 months ending 1Q-2020. As a result, vacancy has also increased by 193 basis points (bps).
- At the beginning of the year Vital Pharmaceuticals, the parent company of Bang Energy, purchased its second distribution building at the South Florida Distribution Center (Building B) for \$40.4 million, or \$162 per sf. Shortly following, the company also purchased the remaining development site at the park for \$32.5 million in March. The company now owns and will occupy all three buildings of the park.
- Following the delivery of more than 2.8 million sf during 2019, significant speculative development remains underway with 3.5 million sf currently under construction. One of the most notable deliveries during the first quarter was Building G of the Davie Commerce Center (115,740 sf) in Southwest Broward. Building F (168,494 sf) is scheduled for a second quarter delivery.

Trends to Watch



E-commerce

Due to the outbreak of COVID-19, the growth of e-commerce has further accelerated due a stronger uptick in online ordering.



Slowing Rent Growth

Rent growth continued to decelerate due to a significant amount of new supply. The bulk distribution rate was up only 0.6% year-over-year.



3.5 Million SF

Over 3.5 million sf of industrial space is under construction at the end of 1Q20, with the largest amounts in Southwest Broward, Southeast Broward, and Pompano Beach.

99.0 MSF

Total industrial inventory in the Broward County market

92,969 SF

Direct Y-T-D net absorption as of 1Q-2020

5.11%

Overall Vacancy

\$9.12/SF/NNN

Average rental rate for industrial space (excluding flex)

| Broward County | | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|----------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 21,689,311 | 1,782,220 | 173,979 | \$8.61 | 91.78% | 8.22% | 0.80% | 9.02% | 2,396,440 | 211,426 |
| Flex | 21,005,684 | 1,099,662 | 32,930 | \$13.24 | 94.76% | 5.24% | 0.16% | 5.39% | 0 | (59,193) |
| Manufacturing | 8,168,009 | 168,439 | 0 | \$9.90 | 97.94% | 2.06% | 0.00% | 2.06% | 130,000 | 104,393 |
| Warehouse / Distribution | 48,176,351 | 1,718,891 | 87,546 | \$9.58 | 96.43% | 3.57% | 0.18% | 3.75% | 1,007,141 | (163,657) |
| Total | 99,039,355 | 4,769,212 | 294,455 | \$10.07 | 95.18% | 4.82% | 0.30% | 5.11% | 3,533,581 | 92,969 |

| Central Broward | | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|-----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 528,007 | 0 | 0 | \$0.00 | 100.00% | 0.00% | 0.00% | 0.00% | 0 | 0 |
| Flex | 2,797,207 | 140,877 | 0 | \$10.92 | 94.96% | 5.04% | 0.00% | 5.04% | 0 | (18,549) |
| Manufacturing | 1,423,664 | 63,618 | 0 | \$8.39 | 95.53% | 4.47% | 0.00% | 4.47% | 0 | 0 |
| Warehouse / Distribution | 6,176,619 | 109,110 | 0 | \$9.03 | 98.23% | 1.77% | 0.00% | 1.77% | 0 | 809 |
| Total | 10,925,497 | 313,605 | 0 | \$9.75 | 97.13% | 2.87% | 0.00% | 2.87% | 0 | (17,740) |

| Northeast Broward | | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|----------------|---------------|--------------|----------------|---------------|--------------------|------------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 2,812,115 | 257,141 | 0 | \$9.49 | 90.86% | 9.14% | 0.00% | 9.14% | 151,870 | (118,957) |
| Flex | 2,003,327 | 78,522 | 0 | \$14.19 | 96.08% | 3.92% | 0.00% | 3.92% | 0 | (3,674) |
| Manufacturing | 867,428 | 12,566 | 0 | \$8.75 | 98.55% | 1.45% | 0.00% | 1.45% | 0 | (2,566) |
| Warehouse / Distribution | 4,694,717 | 198,925 | 0 | \$9.97 | 95.76% | 4.24% | 0.00% | 4.24% | 144,161 | (14,932) |
| Total | 10,377,587 | 547,154 | 0 | \$10.32 | 94.73% | 5.27% | 0.00% | 5.27% | 296,031 | (140,129) |

| Northwest Broward | | | | | | | | | | |
|--------------------------|------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 1,626,689 | 215,486 | 40,000 | \$7.50 | 86.75% | 13.25% | 2.46% | 15.71% | 0 | 2,138 |
| Flex | 1,556,040 | 49,646 | 0 | \$12.23 | 96.81% | 3.19% | 0.00% | 3.19% | 0 | 21,342 |
| Manufacturing | 790,668 | 0 | 0 | \$0.00 | 100.00% | 0.00% | 0.00% | 0.00% | 130,000 | 91,009 |
| Warehouse / Distribution | 1,985,724 | 6,536 | 0 | \$9.73 | 99.67% | 0.33% | 0.00% | 0.33% | 283,550 | 12,464 |
| Total | 5,959,121 | 271,668 | 40,000 | \$8.42 | 95.44% | 4.56% | 0.67% | 5.23% | 413,550 | 126,953 |

| Pompano Beach | | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|-----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 4,014,877 | 401,561 | 101,966 | \$8.95 | 90.00% | 10.00% | 2.54% | 12.54% | 590,836 | 39,553 |
| Flex | 4,478,009 | 144,294 | 930 | \$11.44 | 96.78% | 3.22% | 0.02% | 3.24% | 0 | 7,066 |
| Manufacturing | 2,489,460 | 61,605 | 0 | \$8.43 | 97.53% | 2.47% | 0.00% | 2.47% | 0 | 15,950 |
| Warehouse / Distribution | 13,700,364 | 605,828 | 62,931 | \$8.84 | 95.58% | 4.42% | 0.46% | 4.88% | 153,920 | (96,987) |
| Total | 24,682,710 | 1,213,288 | 165,827 | \$9.16 | 95.08% | 4.92% | 0.67% | 5.59% | 744,756 | (34,418) |

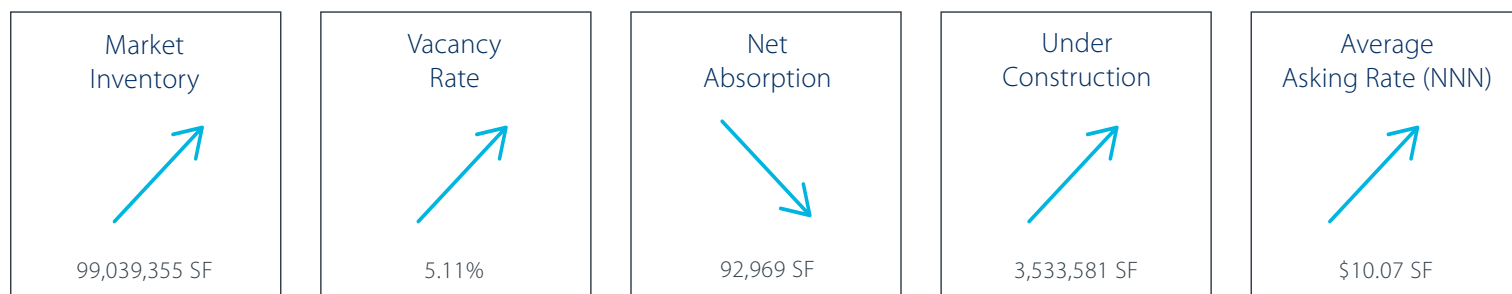
| Southeast Broward | | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|-----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 2,942,052 | 430,486 | 0 | \$8.34 | 85.37% | 14.63% | 0.00% | 14.63% | 545,998 | 0 |
| Flex | 3,162,213 | 170,980 | 0 | \$12.20 | 94.59% | 5.41% | 0.00% | 5.41% | 0 | (49,366) |
| Manufacturing | 1,611,302 | 21,000 | 0 | \$18.28 | 98.70% | 1.30% | 0.00% | 1.30% | 0 | 0 |
| Warehouse / Distribution | 12,407,314 | 382,698 | 24,615 | \$9.96 | 96.92% | 3.08% | 0.20% | 3.28% | 296,207 | (5,703) |
| Total | 20,122,881 | 1,005,164 | 24,615 | \$9.82 | 95.00% | 5.00% | 0.12% | 5.12% | 842,205 | (55,069) |

| Southwest Broward | | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|----------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 8,032,431 | 477,546 | 32,013 | \$8.59 | 94.05% | 5.95% | 0.40% | 6.34% | 749,084 | 288,692 |
| Flex | 3,977,322 | 392,178 | 32,000 | \$15.08 | 90.14% | 9.86% | 0.80% | 10.66% | 0 | 17,948 |
| Manufacturing | 469,096 | 9,650 | 0 | \$12.50 | 97.94% | 2.06% | 0.00% | 2.06% | 0 | 0 |
| Warehouse / Distribution | 5,698,443 | 274,232 | 0 | \$10.69 | 95.19% | 4.81% | 0.00% | 4.81% | 129,303 | (22,979) |
| Total | 18,177,292 | 1,153,606 | 64,013 | \$11.33 | 93.65% | 6.35% | 0.35% | 6.70% | 878,387 | 283,661 |

| West Broward | | | | | | | | | | |
|--------------------------|------------------|------------------|------------------|----------------|---------------|--------------|----------------|---------------|--------------------|-----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Lease Rate | Occupancy | Vacancy | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution | 1,733,140 | 0 | 0 | \$0.00 | 100.00% | 0.00% | 0.00% | 0.00% | 358,652 | 0 |
| Flex | 3,031,566 | 123,165 | 0 | \$13.38 | 95.94% | 4.06% | 0.00% | 4.06% | 0 | (33,960) |
| Manufacturing | 516,391 | 0 | 0 | \$0.00 | 100.00% | 0.00% | 0.00% | 0.00% | 0 | 0 |
| Warehouse / Distribution | 3,513,170 | 141,562 | 0 | \$9.44 | 95.97% | 4.03% | 0.00% | 4.03% | 0 | (36,329) |
| Total | 8,794,267 | 264,727 | 0 | \$11.27 | 96.99% | 3.01% | 0.00% | 3.01% | 358,652 | (70,289) |

Reporting Methodology: This report includes all industrial buildings and parks 20,000 SF and greater in Broward County that are not government owned. All rents are reported on a triple-net basis and are direct weighted averages calculated on total available space. The information in this report has been collected by the Avison Young research team via sources that are deemed reliable but is not guaranteed.

Leading Indicators (Y-O-Y 1Q-2019 to 1Q-2020)

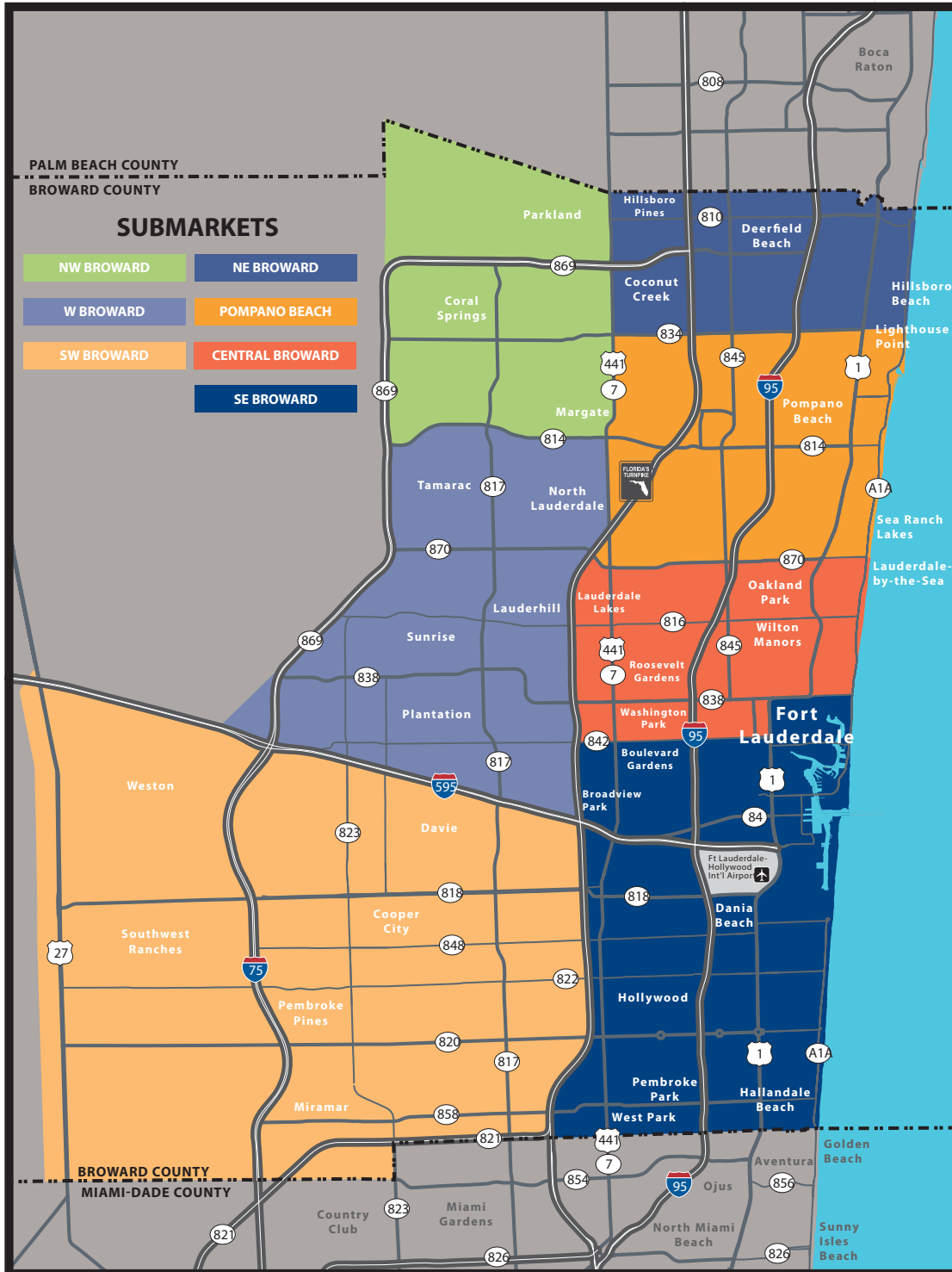


Significant First Quarter 2020 Lease Transactions - Sorted by SF

| Tenant | Property | Type | SF | Submarket |
|-------------------------------|----------------------------------|---------|--------|-------------------|
| United Medco | Coral Springs Commerce Center II | New | 87,885 | Northwest Broward |
| Aero Accessories & Repair | Bridge Point Miramar | New | 75,995 | Southwest Broward |
| Lehman Pipe & Plumbing Supply | 1751 W Copans Rd | New | 60,000 | Pompano Beach |
| Clorox | East Davie Commerce Center | New | 55,897 | Southwest Broward |
| MasTec | Bergeron Distribution Center | New | 43,790 | Southwest Broward |
| WasteQuip | Pompano Business Center II | New | 39,553 | Pompano Beach |
| AMD Supply | Hillsboro Technology Center | New | 39,043 | Northeast Broward |
| Tag Gymnastics | 1951 N Commerce Pkwy | New | 38,400 | Southwest Broward |
| Miramar Venture Partners | Coral Springs Commerce Center I | Renewal | 31,000 | Northwest Broward |
| Performance Property Group | Gateway Industrial Center | New | 24,872 | Pompano Beach |

Significant First Quarter 2020 Sales Transactions - Sorted by Sale Price

| Property | SF | Sale Price | Price/SF | Buyer | Submarket |
|-----------------------------------|---------|--------------|----------|-----------------------|-------------------|
| South Florida Distribution Center | 249,005 | \$40,377,000 | \$162 | Vital Pharmaceuticals | Southwest Broward |
| Bridge Point FLL Logistics Center | 174,129 | \$28,010,000 | \$161 | Morgan Stanley | Southeast Broward |
| 1111 SW 30th Ave | 158,000 | \$22,000,000 | \$139 | Elion Partners | Northeast Broward |
| 5430 NW 33rd Ave | 63,266 | \$6,300,000 | \$100 | GDF Properties | Central Broward |
| 1601 NW Powerline Rd | 54,400 | \$5,400,000 | \$99 | Powell Ennis | Pompano Beach |



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