



# 4Q13

## FORT LAUDERDALE-BROWARD COUNTY OFFICE MARKET

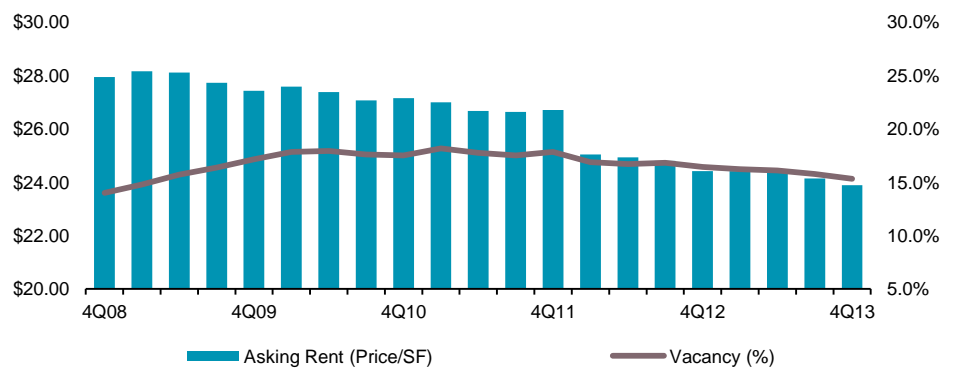
**Newmark Grubb Knight Frank**

### 2013: A YEAR OF MUSICAL CHAIRS IN OFFICE MOVES

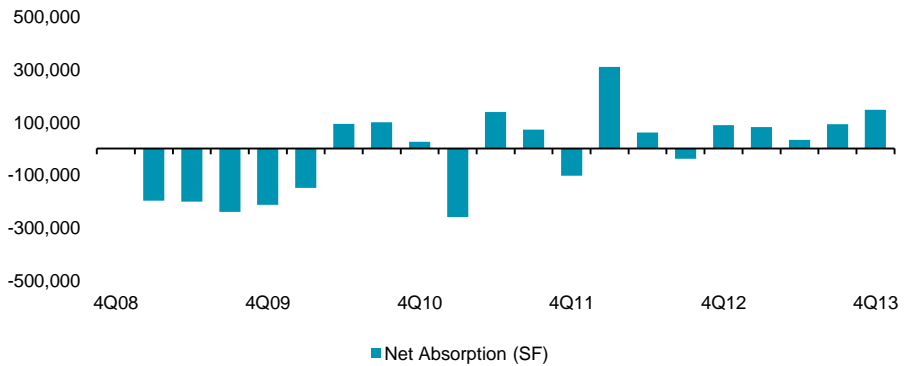
Broward County’s office sector experienced a repeat performance as small gains in demand helped chip away at vacancy. The fourth quarter pulled in the strongest performance of the year pushing vacancy down 110 basis points from the 16.4% rate recorded at the close of last year. This is the lowest vacancy has been since first quarter of 2009 when the great recession began to take hold. Relocations, small expansions and consolidations dominated the market as tenants continued to take advantage of available Class A space and play “musical chairs” in office buildings.

U.S. Gas & Electric consolidated into 46,000 square feet when the energy company relocated from Miami to the Space Coast Financial Building in the Southwest submarket. Technology firm Sentry Data Systems relocated to 800 Fairway Drive, upgrading and expanding within the same office park in Deerfield Beach. Becker & Poliakoff also upgraded when they moved from the Class B building at Emerald Lakes Corporate Park in Hollywood into 46,000 square feet of Class A space at 1 East Broward in the Fort Lauderdale CBD. Although this was a slight downsize, the 52,000-square-foot building is under contract to be sold to a user in 2014. Hospital Physician Partners doubled their size to 54,700 square feet when they renewed and expanded at Venture Corporate Center in Hollywood. Greenspoon Marder inked a deal to merge into the former Ruden McClosky

**Asking Rent and Vacancy**



**Absorption**



Key Indicators			
Total Inventory (SF)	31,795,687		
	4Q13	3Q13	4Q12
Asking Rent (Price/SF)	\$23.89	\$24.14	\$24.41
Vacancy Rate (%)	15.3%	15.8%	16.8%
Under Construction (SF)	0	0	0
	4Q13	3Q13	YTD
Net Absorption (SF)	147,417	92,064	354,478
Deliveries (SF)	0	0	0



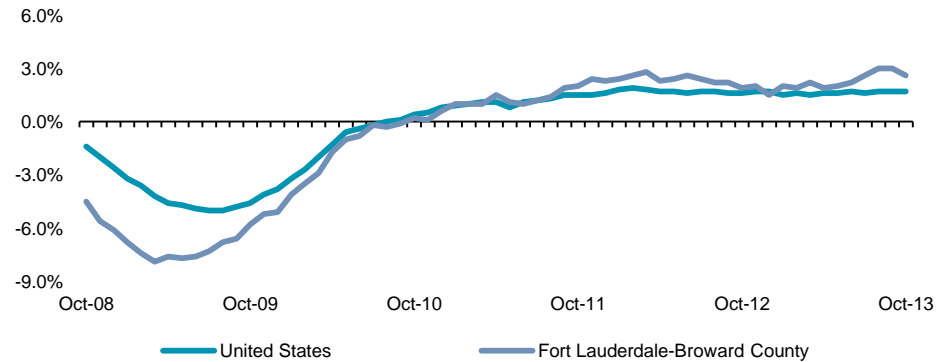
space as the law group is projected to laterally move from Cypress Creek to 65,000 square feet at 200 East Broward in the downtown submarket. The trends of flight-to-quality, cost control and optimizing space use will push forward into 2014.

Zimmerman Advertising is expected to vacate 70,000 square feet of Class B space when they relocate from the Commercial submarket into their recently purchased 120,000-square-foot Class A building in the Cypress Creek Submarket. Farmers Insurance will upgrade in space when they move to 58,000 square feet in Royal Palm @ Southpointe II in Plantation. The insurance carrier will downsize by almost one-third when they move out of the former Convergys building in the Southwest submarket.

The office sector should see déjà vu in 2014. Small growth will allow demand to outpace supply, slowly chipping away at vacancy rates, albeit not at levels to cause for celebration. Asking rates will remain level as free rent and tenant improvement concessions subside to lower levels.

## Payroll Employment

Total Nonfarm, Not Seasonally Adjusted, 12-Month % Change



Source: U.S. Bureau of Labor Statistics

## Construction and Deliveries

Square Feet, millions



## Select Lease Transactions

Tenant	Building	Submarket	Square Feet
Greenspoon Marder	200 E. Broward Blvd.	Fort Lauderdale CBD	64,964
Prolexic Technologies	New River Center - 200 E. Las Olas Blvd.	Fort Lauderdale CBD	35,000
Comcast	11600 City Hall Promenade	Southwest Broward	14,397
Kimley-Horn & Associates	Lakeside Office Center - 600 N. Pine Island Rd.	Plantation	12,202
R.J. Reynolds	One Financial Plaza - 100 SE 3rd Ave.	Fort Lauderdale CBD	11,213

## Select Sales Transactions

Building	Submarket	Square Feet	Sale Price	Price/SF
Pinnacle Corporate Park I & II	Cypress Creek	265,551	\$38,800,000	\$143
Preferred Exchange Tower	NW Broward/Coral Springs	207,000	\$12,600,000	\$61
Oakland Commerce Center	Fort Lauderdale Suburban	155,042	\$9,850,000	\$64
Lakeshore Plaza II	Sawgrass Park	128,163	\$32,000,000	\$250
Radice Corporate Center II	Cypress Creek	120,790	\$13,875,000	\$115



Submarket Statistics								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
<b>Fort Lauderdale CBD</b>	<b>5,368,774</b>	<b>-</b>	<b>15.6%</b>	<b>53,553</b>	<b>241,955</b>	<b>\$33.93</b>	<b>\$22.35</b>	<b>\$31.63</b>
Commercial Blvd	1,615,465	-	13.6%	51,652	72,422	\$21.61	\$20.51	\$19.62
Cypress Creek	4,389,841	-	14.8%	-5,732	-87,950	\$29.21	\$19.03	\$22.41
Ft. Lauderdale Suburban	3,330,713	-	17.4%	23,925	46,852	\$26.32	\$20.13	\$21.33
Hallandale	460,866	-	16.4%	1,755	-9,802	\$37.25	\$23.76	\$24.47
Hollywood	2,545,554	-	14.5%	-32,524	-40,278	\$27.82	\$22.85	\$22.97
NW Broward/Coral Springs	1,867,382	-	19.6%	12,072	55,699	\$22.65	\$16.63	\$19.25
Plantation	3,409,918	-	16.4%	-2,261	3,765	\$29.18	\$19.91	\$22.25
Pompano Beach	2,669,522	-	18.0%	27,548	34,685	\$25.16	\$19.05	\$19.92
Sawgrass Park	2,786,740	-	14.9%	-29,438	-38,230	\$25.65	\$18.18	\$24.61
SW Broward	3,350,912	-	9.4%	46,867	75,360	\$29.97	\$22.18	\$28.92
<b>Suburban Total</b>	<b>26,426,913</b>	<b>-</b>	<b>15.2%</b>	<b>93,864</b>	<b>112,523</b>	<b>\$27.09</b>	<b>\$19.69</b>	<b>\$22.20</b>
<b>Totals</b>	<b>31,795,687</b>	<b>-</b>	<b>15.3%</b>	<b>147,417</b>	<b>354,478</b>	<b>\$29.23</b>	<b>\$19.86</b>	<b>\$23.89</b>



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## Glossary of Terms

### Absorption

A measure of the change in occupied space

### Availability

Space marketed for lease regardless of when the space will be available or whether the space is vacant or occupied

### Deliveries

The total RBA of properties added to the inventory once construction has been completed

### Direct Space

Available space offered for lease by the building owner, landlord, or owner representative

### Leasing Activity

The volume of leases signed including new leases, direct and sublet leases, extensions and renewals, and leases signed in proposed or under construction buildings

### Occupancy

Any space physically occupied by a tenant, regardless of lease status of the space

### Rentable Building Area (RBA)

A measurement of the total square feet in a building including the tenant and common areas such as the lobby and hallways

### Sublet Space

Available space offered for lease by a building tenant seeking a subtenant to fulfill the remaining lease obligation

### Under Construction

Buildings under construction are defined by the time the foundation is poured through the time the building is certified for occupancy

### Vacancy

Space not physically occupied by a tenant, regardless of the lease status or availability of space

### Weighted Average Rent

The asking dollar amount for the use of available space, weighted by size--the average does not include negotiable or unpublished rates and is reported as full service including operating costs

Office inventory includes all multi-tenant and single tenant buildings at least 20,000 square feet in total rentable building area. Owner occupied buildings are not included in the inventory.

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