

### Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate for Broward County improved 0.9 percentage points (pps) from 4.8% a year ago to 3.9% in August 2017. The market ended 0.3% ahead of the statewide rate of 4.2% and 0.6% ahead of the national rate of 4.5%. All sectors added 29,600 jobs over the past year in Broward County with Trade Transportation and Utilities adding 2,800 jobs and Manufacturing adding 800 jobs.

### Market Overview

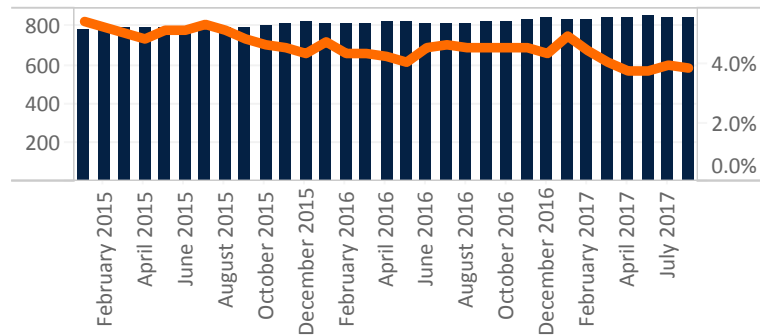
The Broward industrial market recorded 266,450 square feet (sf) of negative absorption during 3Q 2017. Year-to-date absorption decreased to 1,084,996 sf by the close of 3Q 2017. Total vacancy reached 4.7% for all specific uses. Only Flex space saw an increase in weighted average asking rents (NNN) which went up \$0.10 per square foot (psf) from \$10.51 psf in 2Q 2017 to \$10.61 psf at the close of 3Q 2017. Light Industrial ended down \$0.42 psf from \$9.48 psf in 2Q 2017 to \$9.06 psf NNN in 3Q 2017. In the same period, Manufacturing ended down \$0.04 psf going from \$7.53 psf in 2Q 2017 to \$7.49 psf NNN in 3Q 2017; Warehouse / Distribution dropped \$0.14 psf going from \$7.41 psf to \$7.27 psf NNN. Rents were highest during 3Q 2017 in the Southwest Broward submarket at \$9.07 psf NNN. No new space was delivered in 3Q 2017, with 1,058,846 sf under construction.

### Market Highlights

Fundamentals in the Broward County industrial market remain strong during 3Q 2017. Vacancy rates in the Northeast Broward submarkets are among the lowest in the state of Florida, standing at 4.5%. Over one million square feet of industrial space is in various stages of construction. Only Central Broward experienced positive absorption in 3Q 2017, which totaled 186,878 sf. Notable occupancies this quarter include: VPX Sports (67,200 sf); Hurricane Warehouse & Distribution (63,406 sf); General Insulation (27,269 sf); Flooring Supply Distributors (8,400 sf); and Oracle (8,120 sf).

### Broward Employment

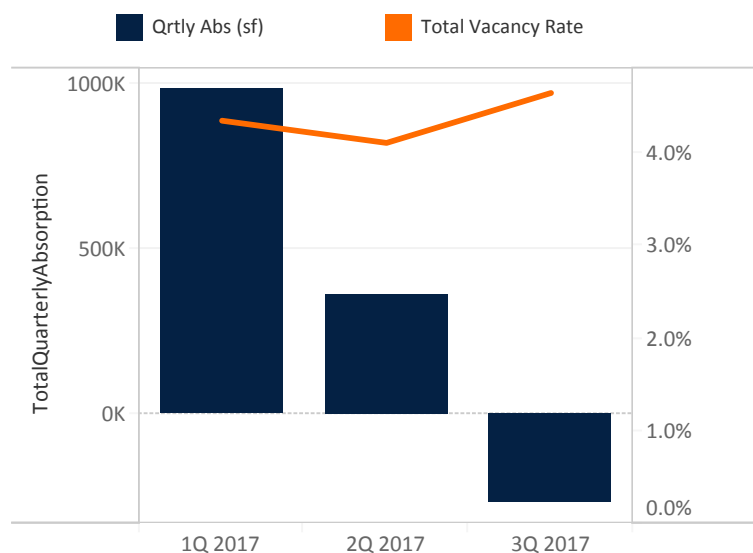
Source: BLS



### Market Recap

Inventory (sf)	104,278,463
# of Bldgs	2,768
Qrtly Abs (sf)	-266,450
Total Avail Rate	6.7%
Total Vacancy Rate	4.7%
U/C Inventory (sf)	1,058,846
Delivered (sf)	0
Weighted Average Asking Rate (NNN)	\$8.82

### Absorption and Vacancy Rate



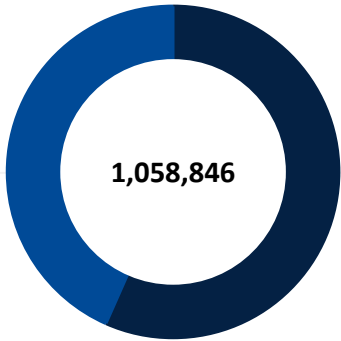
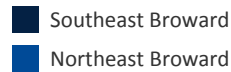
## Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Flex	41,280,254	3,133,424	2,163,449	5.2%	-248,665	122,554
Lt Ind	33,381,513	1,545,723	1,065,707	3.2%	106,100	584,425
Mfg	1,622,399	81,700	81,700	5.0%	-21,700	-21,700
Whse/Dist	27,994,297	2,262,650	1,543,726	5.5%	-102,185	399,717
<b>Overall</b>	<b>104,278,463</b>	<b>7,023,497</b>	<b>4,854,582</b>	<b>4.7%</b>	<b>-266,450</b>	<b>1,084,996</b>

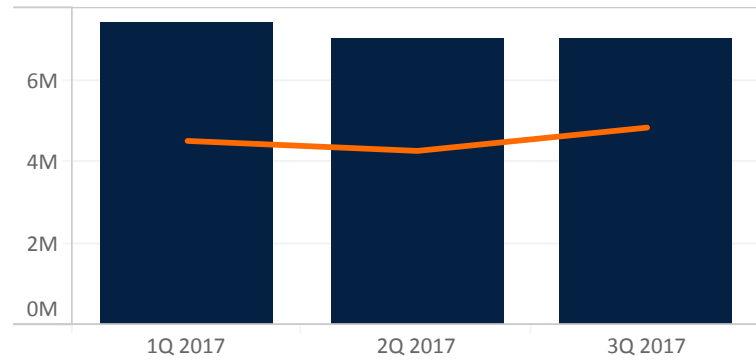
## Overview by Market (Total)

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	522,234	287,989	4.5%	18,820	79,305
	Lt Ind	8,186,967	613,830	465,340	5.7%	238,694	380,518
	Mfg	225,973	61,700	61,700	27.3%	-21,700	-21,700
	Whse/Dist	1,544,694	89,968	74,887	4.8%	-48,936	115,408
	<b>Subtotal</b>	<b>16,345,859</b>	<b>1,287,732</b>	<b>889,916</b>	<b>5.4%</b>	<b>186,878</b>	<b>553,531</b>
Northeast Broward	Flex	11,783,425	796,034	563,972	4.8%	-48,149	-65,671
	Lt Ind	11,857,972	278,599	166,128	1.4%	-27,677	68,240
	Mfg	704,224	20,000	20,000	2.8%	0	0
	Whse/Dist	11,940,042	434,620	337,573	2.8%	-48,888	-88,251
	<b>Subtotal</b>	<b>36,285,663</b>	<b>1,529,253</b>	<b>1,087,673</b>	<b>3.0%</b>	<b>-124,714</b>	<b>-85,682</b>
Northwest Broward	Flex	5,386,120	538,424	471,125	8.7%	-36,589	-102,121
	Lt Ind	2,454,547	167,590	106,242	4.3%	-5,456	-16,631
	Whse/Dist	2,927,095	439,809	427,279	14.6%	0	60,689
	<b>Subtotal</b>	<b>10,767,762</b>	<b>1,145,823</b>	<b>1,004,646</b>	<b>9.3%</b>	<b>-42,045</b>	<b>-58,063</b>
Southeast Broward	Flex	6,190,980	337,848	236,347	3.8%	-37,981	90,060
	Lt Ind	9,110,880	323,314	251,774	2.8%	-78,769	116,675
	Mfg	692,202	0	0	0.0%	0	0
	Whse/Dist	6,578,587	259,907	135,192	2.1%	-37,378	251,634
	<b>Subtotal</b>	<b>22,572,649</b>	<b>921,069</b>	<b>623,313</b>	<b>2.8%</b>	<b>-154,128</b>	<b>458,369</b>
Southwest Broward	Flex	11,531,504	938,884	604,016	5.2%	-144,766	120,981
	Lt Ind	1,771,147	162,390	76,223	4.3%	-20,692	35,623
	Whse/Dist	5,003,879	1,038,346	568,795	11.4%	33,017	60,237
	<b>Subtotal</b>	<b>18,306,530</b>	<b>2,139,620</b>	<b>1,249,034</b>	<b>6.8%</b>	<b>-132,441</b>	<b>216,841</b>
<b>Overall</b>	<b>104,278,463</b>	<b>7,023,497</b>	<b>4,854,582</b>	<b>4.7%</b>	<b>-266,450</b>	<b>1,084,996</b>	

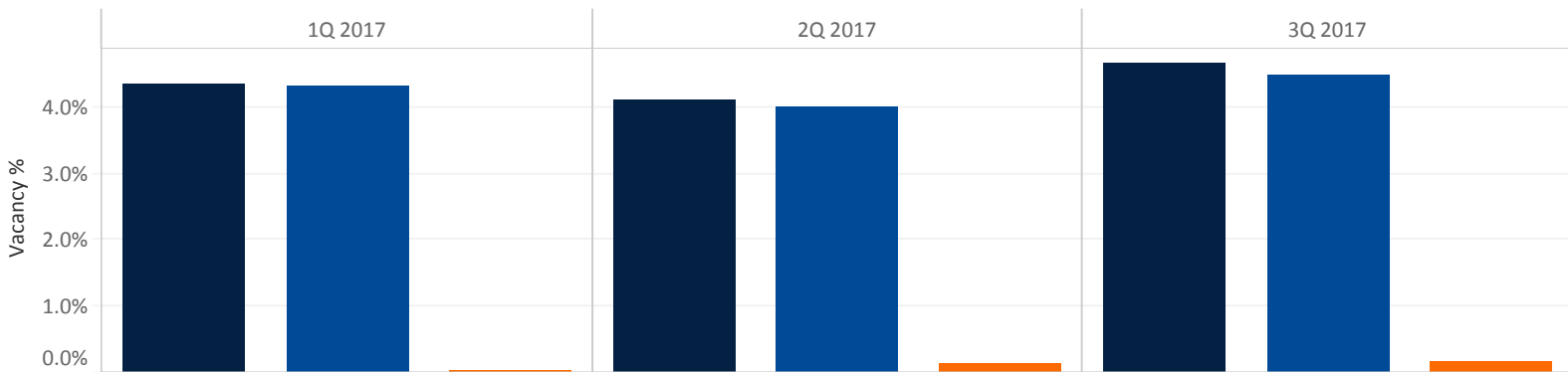
#### Construction by Market



#### 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	41,280,254	2,727,163	2,054,339	5.0%	-247,165	192,264
Lt Ind	33,381,513	1,483,509	1,058,734	3.2%	110,900	576,398
Mfg	1,622,399	81,700	81,700	5.0%	-21,700	-21,700
Whse/Dist	27,994,297	2,181,161	1,482,277	5.3%	-66,378	461,166
Overall	104,278,463	6,473,533	4,677,050	4.5%	-224,343	1,208,128

#### Overview by Specific Use (Sublease)

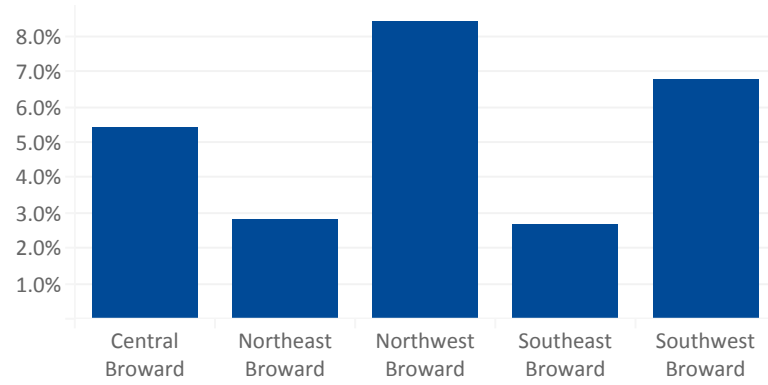
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	41,280,254	406,261	109,110	0.3%	-1,500	-69,710
Lt Ind	33,381,513	62,214	6,973	0.0%	-4,800	8,027
Mfg	1,622,399	0	0	0.0%	0	0
Whse/Dist	27,994,297	81,489	61,449	0.2%	-35,807	-61,449
Overall	104,278,463	549,964	177,532	0.2%	-42,107	-123,132

## Direct Vacancy Rates

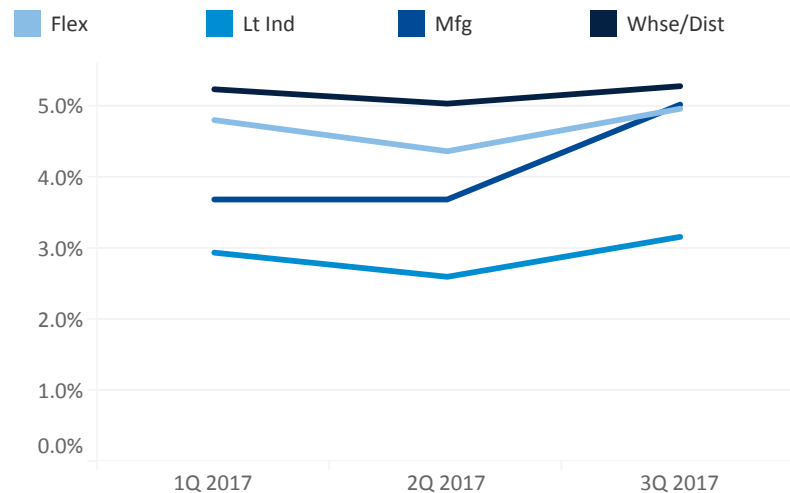
### By Market and Specific Use

Market Name	Specific Use	Quarter Year		
		1Q 2017	2Q 2017	3Q 2017
Central Broward	Flex	5.0%	4.8%	4.5%
	Lt Ind	4.9%	5.0%	5.7%
	Mfg	17.7%	17.7%	27.3%
	Whse/Dist	2.9%	1.7%	4.8%
	<b>Subtotal</b>	<b>5.0%</b>	<b>4.8%</b>	<b>5.4%</b>
Northeast Broward	Flex	4.9%	4.3%	4.7%
	Lt Ind	1.4%	1.2%	1.4%
	Mfg	2.8%	2.8%	2.8%
	Whse/Dist	2.5%	2.2%	2.4%
<b>Subtotal</b>	<b>2.9%</b>	<b>2.6%</b>	<b>2.9%</b>	
Northwest Broward	Flex	7.8%	6.3%	7.0%
	Lt Ind	4.3%	4.1%	4.3%
	Whse/Dist	14.6%	14.6%	14.6%
	<b>Subtotal</b>	<b>8.8%</b>	<b>8.0%</b>	<b>8.4%</b>
Southeast Broward	Flex	3.9%	3.1%	3.7%
	Lt Ind	2.6%	1.9%	2.7%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	1.2%	1.5%	1.8%
<b>Subtotal</b>	<b>2.5%</b>	<b>2.1%</b>	<b>2.7%</b>	
Southwest Broward	Flex	3.7%	4.0%	5.2%
	Lt Ind	4.5%	3.1%	4.3%
	Whse/Dist	12.2%	12.0%	11.4%
	<b>Subtotal</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.8%</b>
<b>Overall</b>		<b>4.3%</b>	<b>4.0%</b>	<b>4.5%</b>

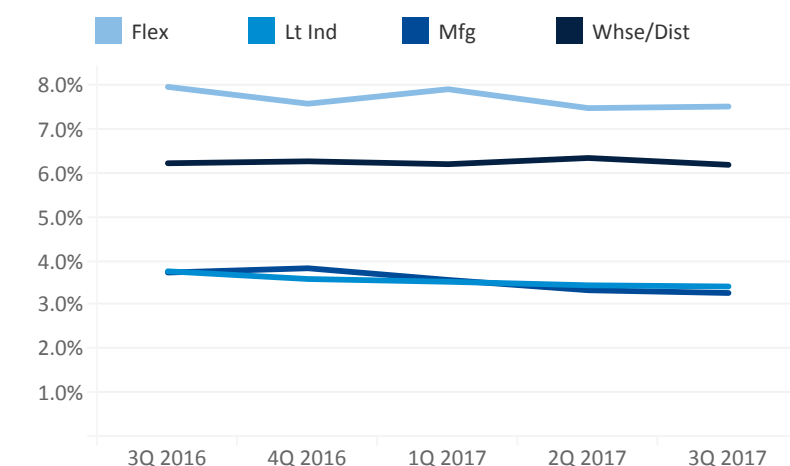
### By Market



### Broward By Specific Use



### National by Specific Use

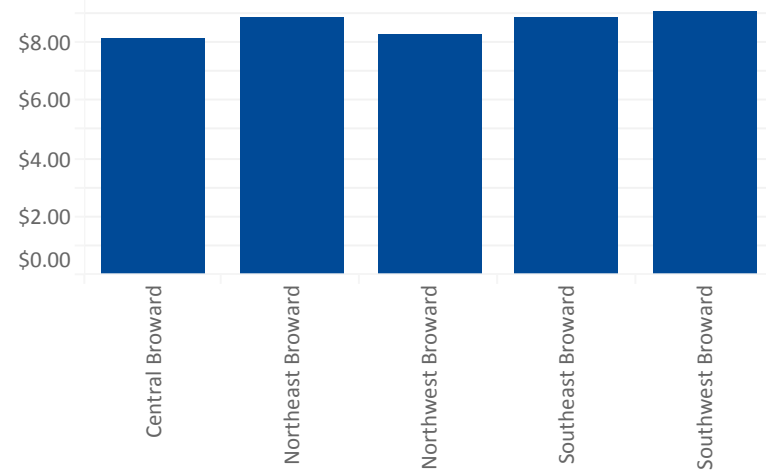


### Direct Weighted Average Asking Rates (NNN)

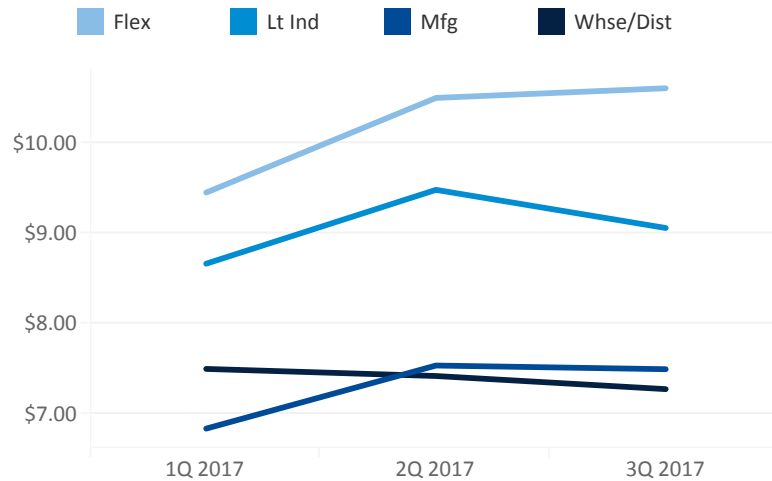
#### By Market and Specific Use

Market Name	Specific Use	Quarter Year		
		1Q 2017	2Q 2017	3Q 2017
Central Broward	Flex	\$9.65	\$9.04	\$8.79
	Lt Ind	-	\$7.25	\$7.69
	Mfg	\$7.25	\$7.25	\$7.25
	Whse/Dist	-	-	-
	<b>Subtotal</b>	<b>\$9.27</b>	<b>\$8.75</b>	<b>\$8.13</b>
Northeast Broward	Flex	\$9.24	\$9.58	\$9.73
	Lt Ind	\$8.52	\$10.05	\$10.06
	Mfg	\$6.50	\$7.75	\$7.75
	Whse/Dist	\$6.98	\$7.04	\$6.92
	<b>Subtotal</b>	<b>\$8.18</b>	<b>\$8.62</b>	<b>\$8.84</b>
Northwest Broward	Flex	\$7.29	\$10.26	\$9.90
	Lt Ind	\$7.50	\$7.50	\$7.57
	Whse/Dist	\$7.96	\$7.50	\$7.23
	<b>Subtotal</b>	<b>\$7.52</b>	<b>\$8.74</b>	<b>\$8.28</b>
Southeast Broward	Flex	\$8.70	\$9.38	\$9.02
	Lt Ind	\$9.51	\$10.11	\$10.48
	Mfg	-	-	-
	Whse/Dist	\$7.91	\$7.83	\$7.72
<b>Subtotal</b>	<b>\$8.42</b>	<b>\$8.74</b>	<b>\$8.85</b>	
Southwest Broward	Flex	\$13.17	\$12.42	\$12.78
	Lt Ind	\$8.95	\$9.38	\$9.13
	Whse/Dist	\$7.38	\$7.39	\$7.29
	<b>Subtotal</b>	<b>\$9.36</b>	<b>\$9.54</b>	<b>\$9.07</b>
<b>Overall</b>		<b>\$8.47</b>	<b>\$9.00</b>	<b>\$8.82</b>

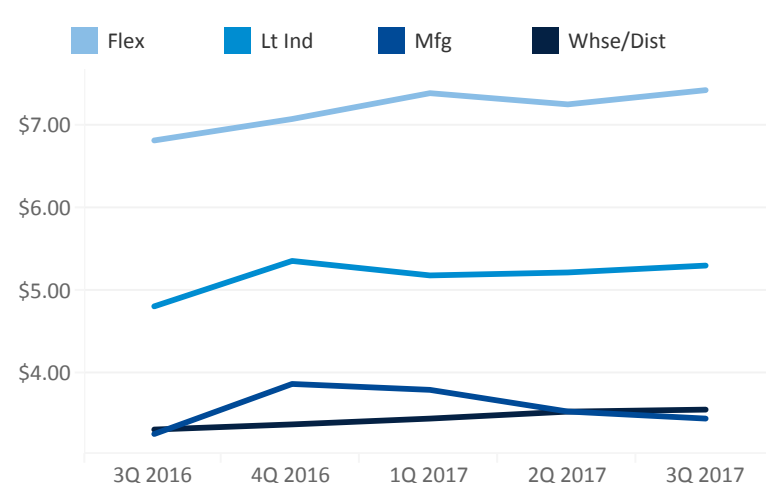
#### By Market



#### Broward by Specific Use

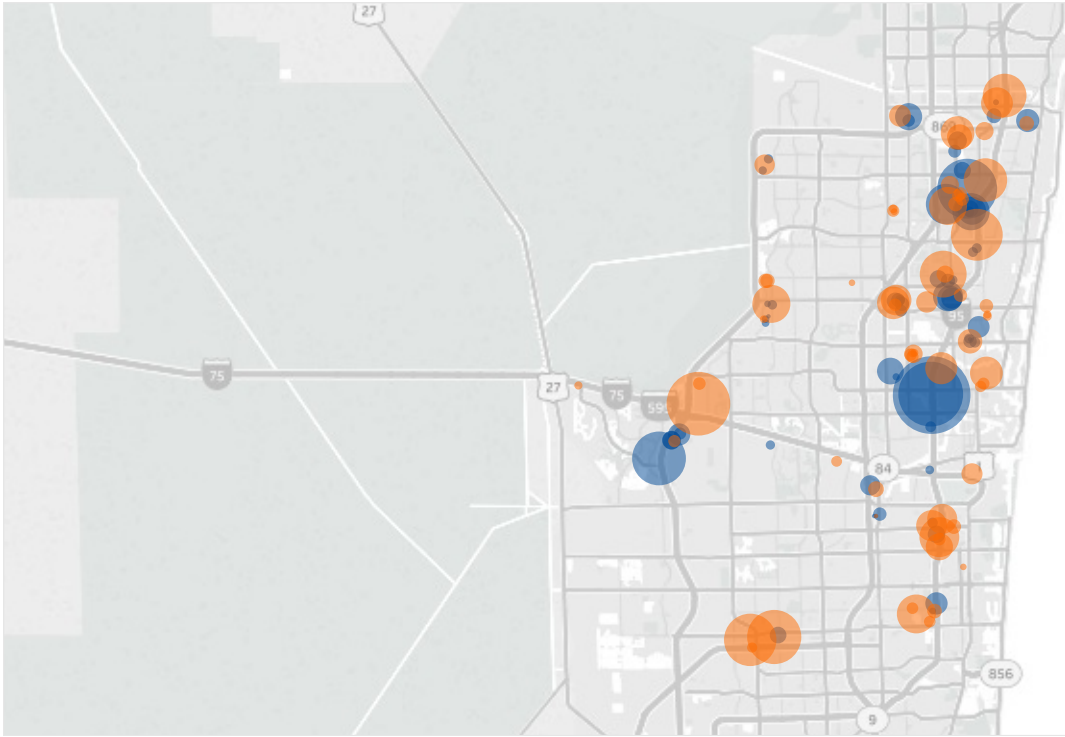


#### National by Specific Use



#### Absorption Map

■ Negative
 ■ Positive



#### Largest Positives (Total)

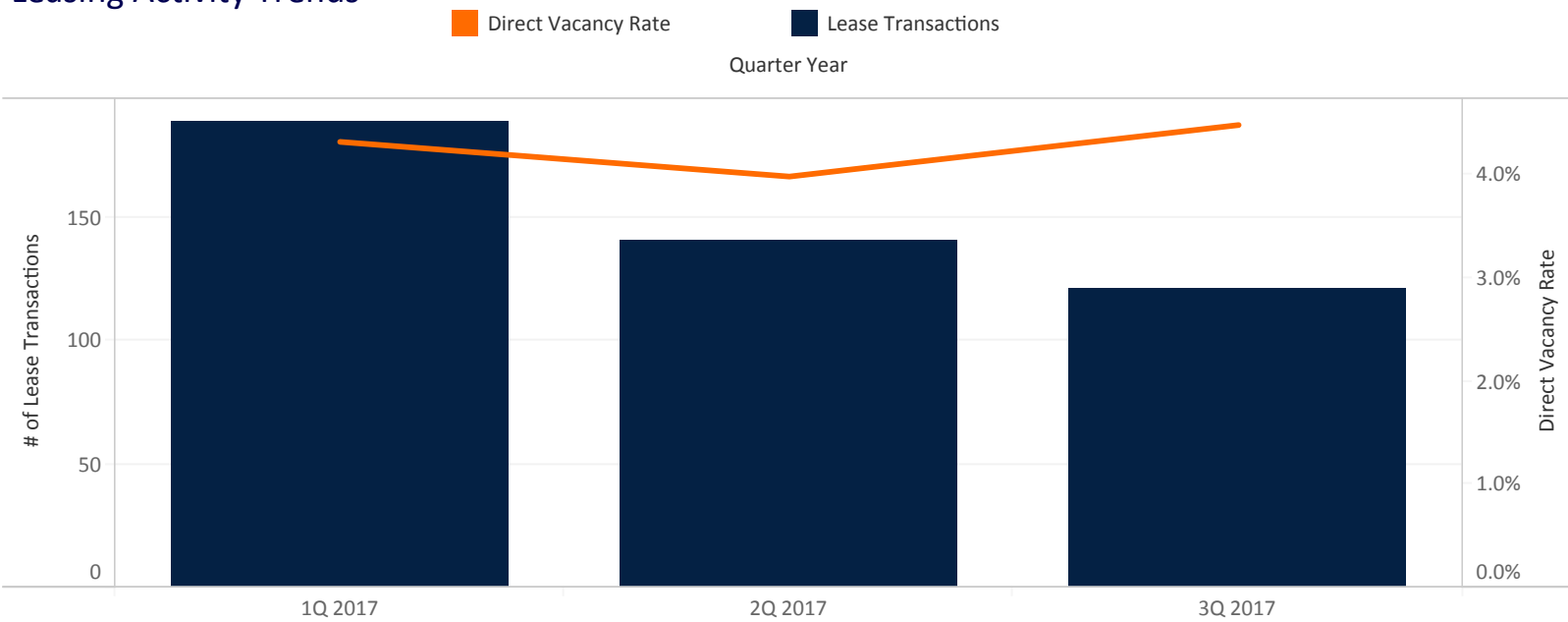
PropertyName	Significant Transactions	Market Name	Specific Use	
Bridge Point I-95 Building 2	Broward Motorsports 57,340 sf; Floor & Decor 82,755 sf	Central Broward	Lt Ind	140,096
Bridge Point I-95 Building 1	US AutoForce 97,556	Central Broward	Lt Ind	97,556
Park Central Business Park 3760	Hurricane Warehouse 63,406 sf; True-Green 19,900 sf	Northeast Broward	Flex	83,306
Weston Park of Commerce	VPX Motorsports 67,200 sf	Southwest Broward	Whse/Dist	67,200
Pompano Business Center	Meredith Baer 38,000 sf	Northeast Broward	Whse/Dist	38,000
Prologis Pompano Center Bldg 5	Kortex USA 32,182 sf	Northeast Broward	Flex	32,182
Prologis Pompano Center	Contractor's Wardrobe 12,001 sf	Northeast Broward	Whse/Dist	18,330
Lyons Technology Circle Bldg V	Evolution Nutrition 17,000 sf	Northwest Broward	Flex	17,082

#### Largest Negatives (Total)

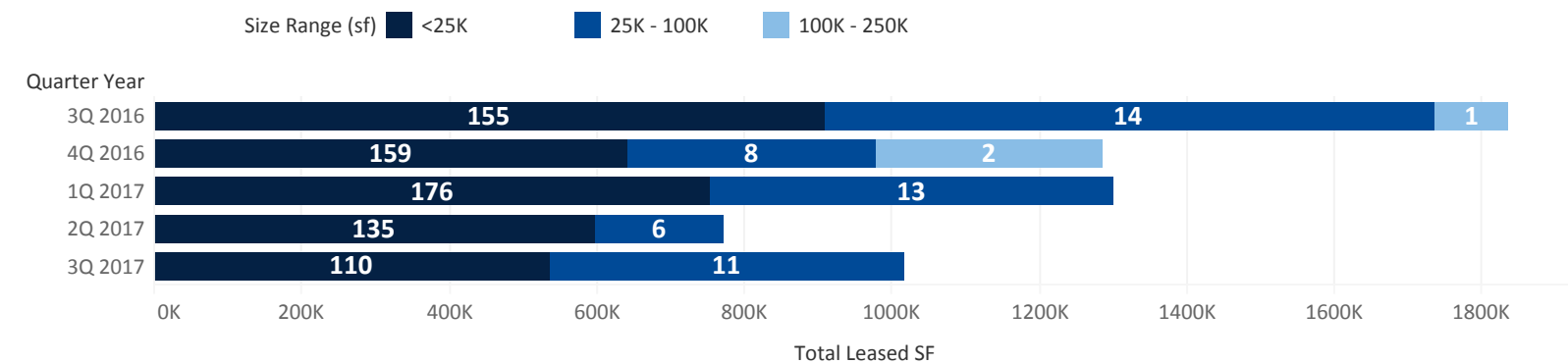
PropertyName	Significant Transactions	Market Name	Specific Use	
Miramar Business Center	Delta Apparel -63,800 sf	Southwest Broward	Flex	-63,800
1201 NW 6th St	Associated Aircraft -62,504 sf	Northeast Broward	Flex	-62,504
1441 SW 29th Ave	1-800 PetMed Express, Inc. -50,973 sf	Northeast Broward	Whse/Dist	-50,973
637 Jim Moran Blvd	Advanced Vehicle Systems -44,367 sf	Northeast Broward	Lt Ind	-44,367
Prologis Park	Hurricane Distribution & Warehouse -44,043 sf	Northeast Broward	Flex	-44,043
3901 N 29th Ave	Wholesale Building Products -37,500 sf	Southeast Broward	Lt Ind	-36,900
Sawgrass International Corporate Park	Undisclosed tenant -10,000 sf; Undisclosed tenant -26,000 sf	Southwest Broward	Flex	-36,000
Sawgrass International Corporate Park	Undisclosed tenant -34,183 sf	Southwest Broward	Whse/Dist	-34,183



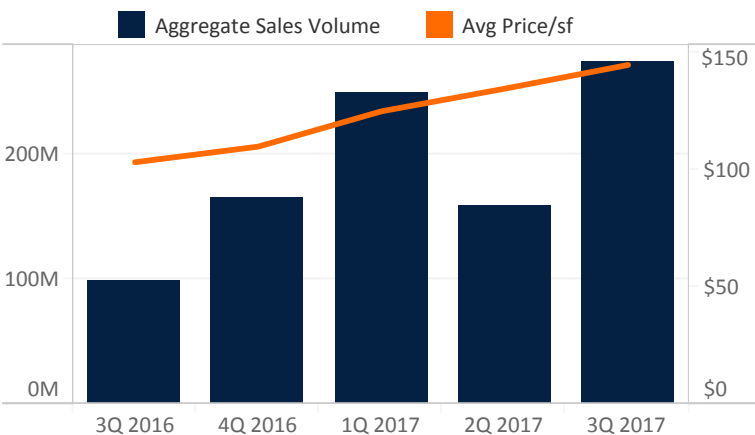
### Leasing Activity Trends



### Leasing Activity (# of New Deals)



### Sales Volume vs. Price/SF



### Top Sales

Property	Sale Date	Buyer	Sale Price
Bridge Point I-95 Building 1	09/27/2017	Duke Realty	\$54,825,000
Pompano Business Center	09/05/2017	First Industrial Realty Trust Inc	\$22,650,000
Pointe West II	09/19/2017	TH Real Estate	\$17,338,000
		TREA BROWARD INDL POINTE WEST	\$17,338,000
Westpoint Distribution Center	09/19/2017	TREA BROWARD INDL WESTPOINT L	\$14,970,300

## 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.

*This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.*

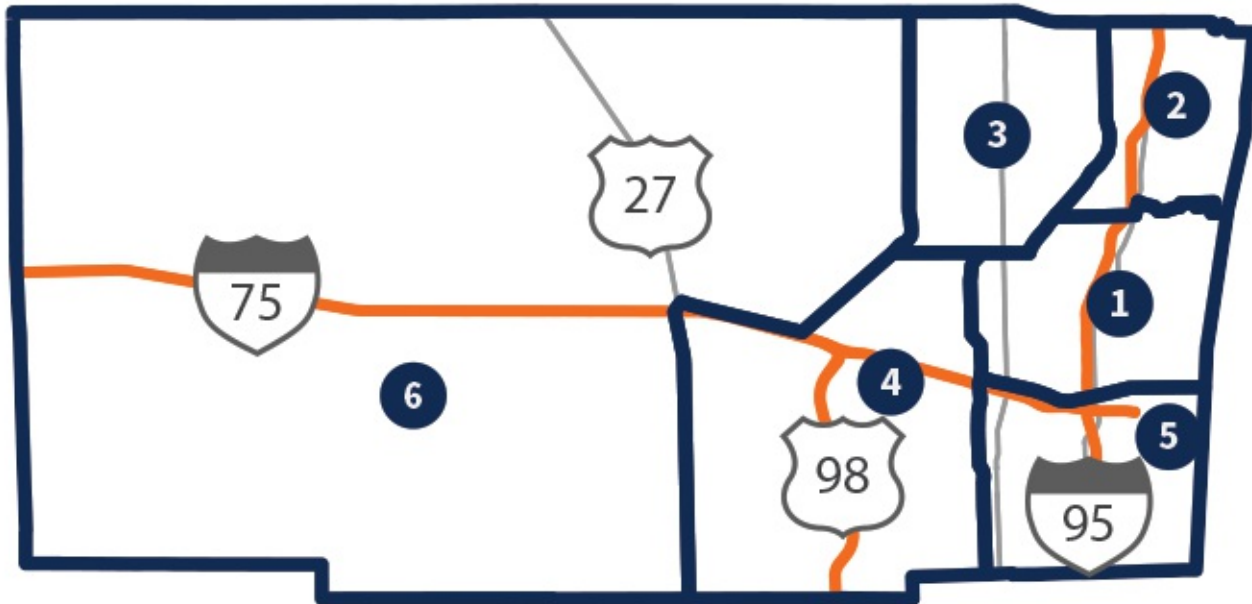


## Advisory Board Members

CBRE	Larry Dinner	Infinity Commercial	John Dohm
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	Tom O'Loughlin	Prologis	Brad Stitchberry
Cushman & Wakefield	Chris Metzger	Sperry Van Ness Commercial Realty	Les Byron
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**1 Central Broward**

**4 SW Broward**

**2 NE Broward**

**5 SE Broward**

**3 NW Broward**

**6 Outlying Broward County**