

Fourth Quarter 2019

Broward Industrial

Berger Commercial Realty is dedicated to the consistent delivery and execution of commercial real estate services while continually embracing the clients' individual business goals. We are rewarded by powerful and enduring relationships due directly to the level of service and benefits we offer to each client.

"Vacancy rates are steadily climbing in the Palm Beach industrial market. With 2.2 million s.f. currently under construction, we may see a cap or compression on rental rates in the next few quarters if leasing activity does not pick up significantly."

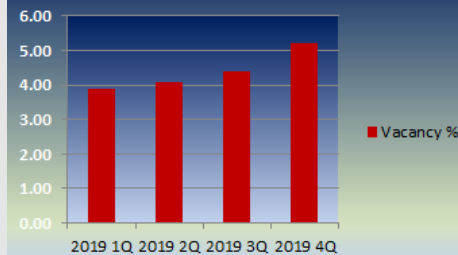
-Lloyd C. Berger

Period	Total RBA	Vacancy %	Asking Rates	Net Absorption
2019 4Q	115,630,988	5.20	\$9.14	-155,790
2019 3Q	114,735,531	4.40	\$8.90	116,494
2019 2Q	114,291,921	4.10	\$8.78	487,797
2019 1Q	113,605,869	3.90	\$8.72	-230,127

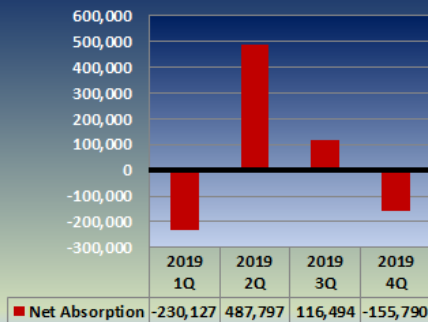
*5,268 Properties

From a survey taken of 5,268 Broward County industrial properties, vacancy is up 80 basis points from the previous quarter, a significant change for the industrial market and the highest level since 2Q 2016. This may be in part due to the addition of over \$2 million s.f. of new industrial product since 1Q 2019, a blistering pace to keep up with. Vacancy has increased for five straight quarters, no longer an anomaly but rather a trend. Rental rates, though, continue to rise. The vacancy rate is not at a point that will soften rental rates.

Vacant %



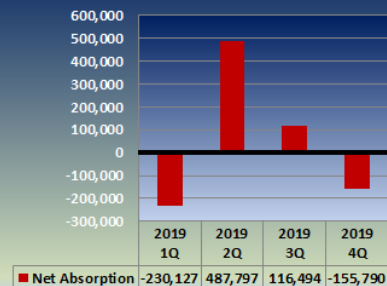
Net Absorption



Among the largest industrial lease signings in the fourth quarter were PODS Enterprises' 92,165 SF lease at Bridge Point FLL Logistic Center, 3233 SW 12th St, Fort Lauderdale; and Velocity Aerospace Group's 51,000 SF lease at Bridge Point Powerline Road, 1981 N Powerline Rd., Pompano Beach. Among the largest sales this quarter were TIAA/Nuveen's sale of the 224,650 square foot industrial/manufacturing building at 2965 West Corporate Lakes Boulevard, Weston, FL, to Black Creek Group for \$32.415 million, or approximately \$144 per square foot, a reported 4.5% cap rate. Bridge Development Partners sold three industrial properties totaling 467,832 square feet to Morgan Stanley & Co. LLC for \$68,950,726, or approximately \$147 per square foot. The properties are located at 1971, 1981, 1991 North Powerline Road, Pompano Beach, FL.

Quoted asking rental rates increased \$0.24/SF this quarter to \$9.14/SF NNN.

Net Absorption



While information is believed true, no guaranty is made of accuracy. Data is subject to revision.

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Berger Commercial Realty, founded in 1998, is a full service commercial real estate firm. As a local, independent and privately owned firm, we can customize our services and quickly adapt to our clients' needs as well as the continually changing real estate markets. We invite you to experience the power of market knowledge.