



FORT LAUDERDALE MARKET PULSE

Q2 2018 | OVERVIEW

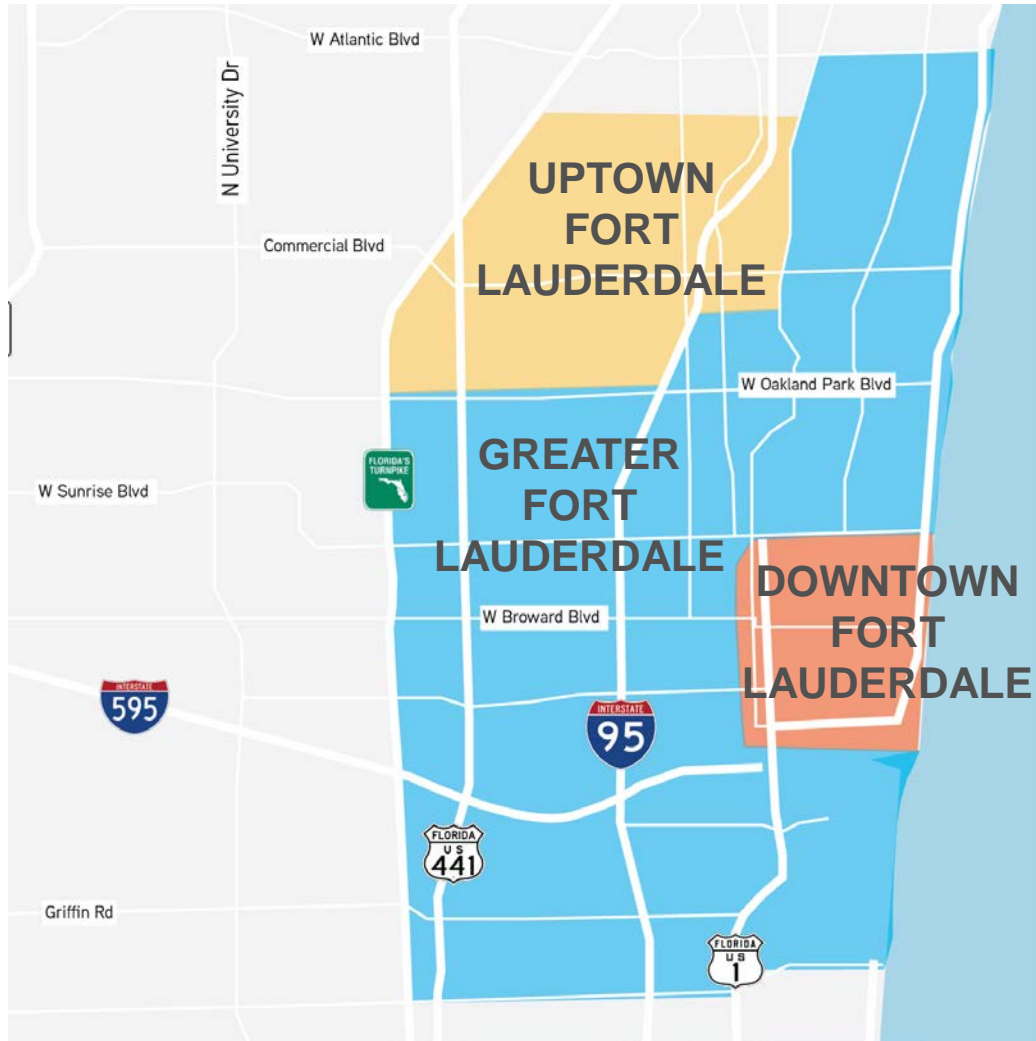
PREPARED FOR



May 10, 2018

FORT LAUDERDALE MARKET INSIGHTS

Fort Lauderdale Fundamentals



INVENTORY COMPARISON

DOWNTOWN
FORT LAUDERDALE



37.7
million SF
commercial space

GREATER
FORT LAUDERDALE



120
million SF
commercial space

UPTOWN
FORT LAUDERDALE



44
million SF
commercial space

FORT LAUDERDALE MARKET INSIGHTS

Downtown Fundamentals

KEY FACTS

10,621

Population



Average Household Size

35.5

Median Age

\$75,841

Median Household Income

9%

No High School Diploma



14%

High School Graduate



22%

Some College



55%

Bachelor's/Grad/Prof Degree

INCOME & EMPLOYMENT



\$75,841

Median Household Income



\$61,876

Per Capita Income



White Collar

74%



Blue Collar

9%



Services

17%

6.4%

Unemployment Rate



2,656

Total Businesses

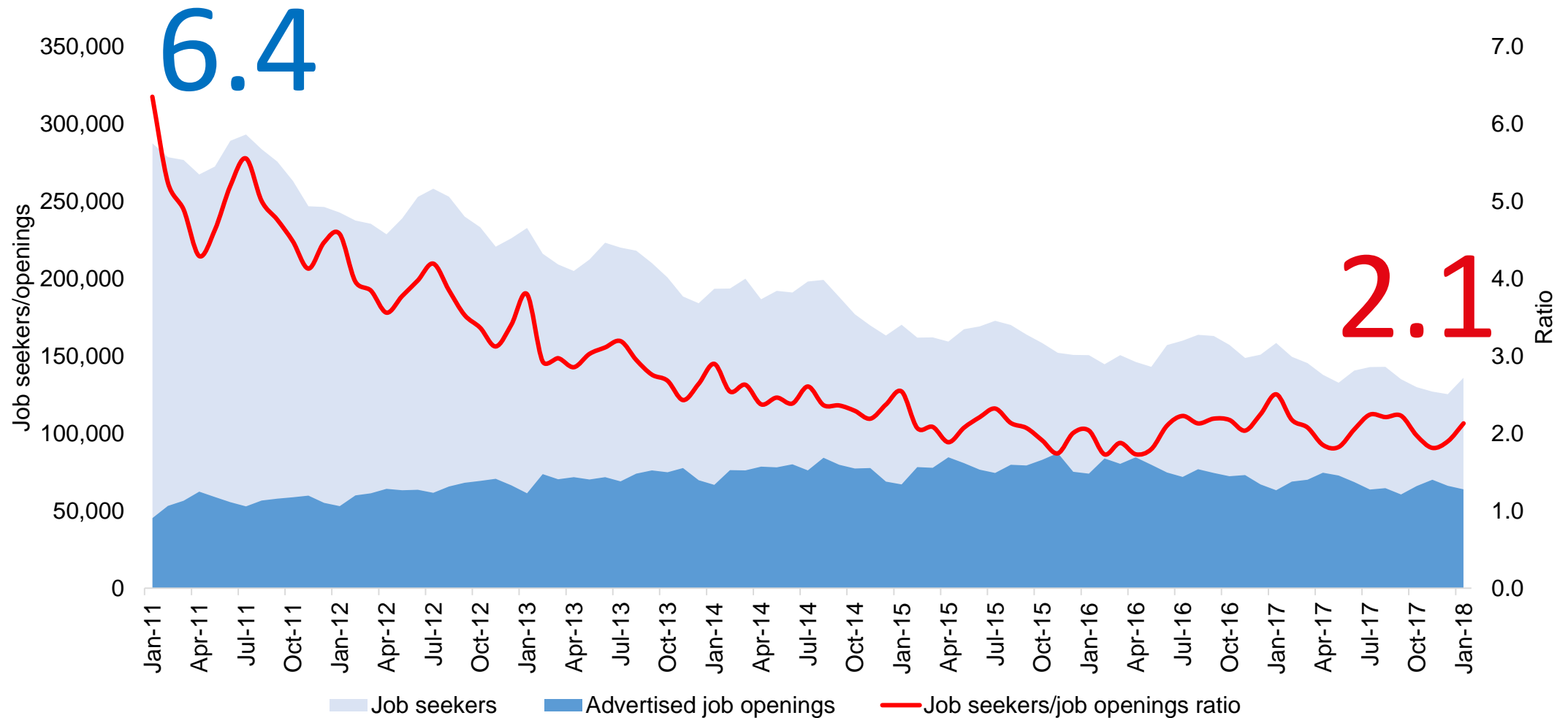


47,678

Total Employees

SOUTH FLORIDA LABOR SHORTAGE

Job Openings Remain Steady as Job Seekers Decline



EMERGING MULTIFAMILY TRENDS

Fort Lauderdale Market Overview

MARKET INDICATORS	DOWNTOWN FORT LAUDERDALE	GREATER FORT LAUDERDALE	UPTOWN FORT LAUDERDALE
Inventory (Units)	9,125	30,235	5,075
Vacancy Rate	10.8%	5.5%	5.4%
EFFECTIVE RENTS			
Per Square Foot	\$2.15	\$1.40	\$1.21
5 Year Rent Growth	+28%	+25%	+19%
Forecasted Annual Rent Growth	+1.8%	+3.4%	+2.7%
DELIVERIES			
Units (YTD 2018)	316	0	0
UNDER CONSTRUCTION			
Units	3,101	417	0
Source: MPF Research, Axiometrics, Costar, Colliers International, Q1 2018			

> MARKET HIGHLIGHTS & OUTLOOK

Downtown Fort Lauderdale

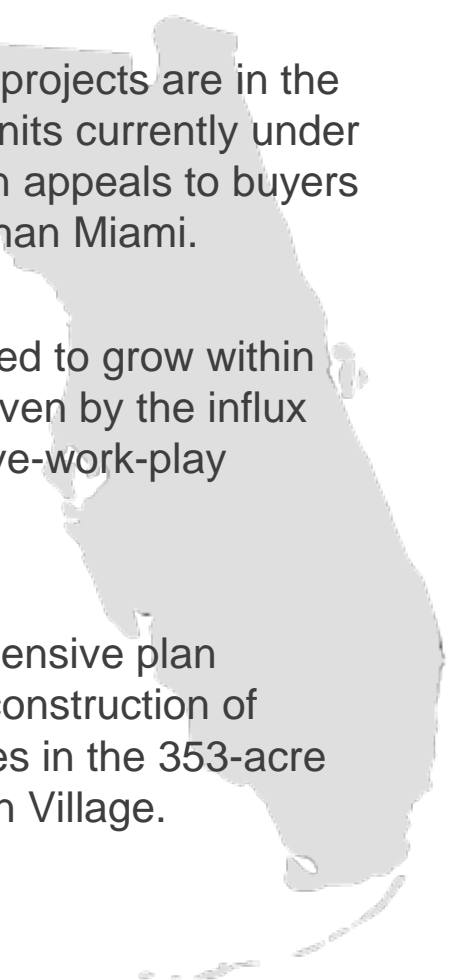
- A number of luxury rental projects are in the pipeline with over 3,000 units currently under construction as Downtown appeals to buyers wanting a different pace than Miami.

Greater Fort Lauderdale

- Effective rents are expected to grow within the next year by 3.4%, driven by the influx of millennials seeking a live-work-play lifestyle.

Uptown Fort Lauderdale

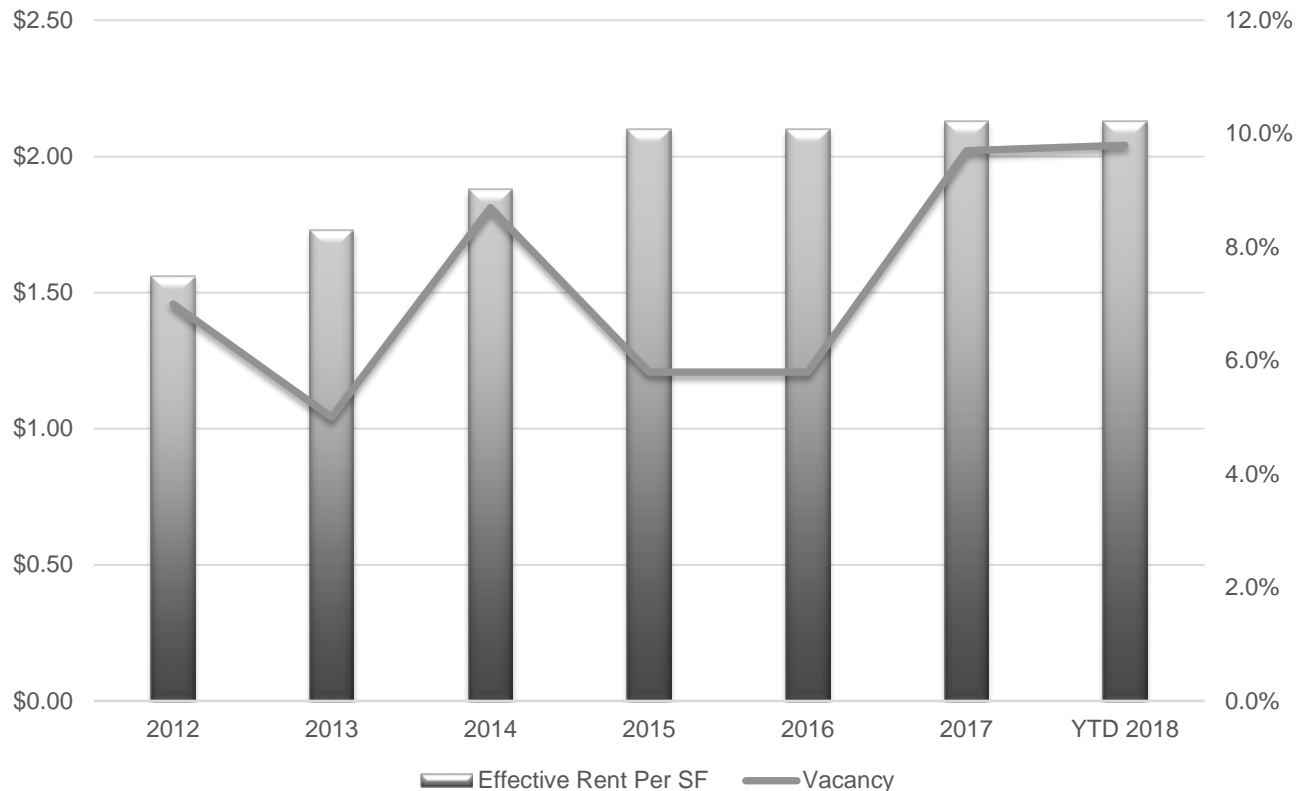
- Cypress Creek's comprehensive plan amendment would allow construction of 2,560 additional residences in the 353-acre area, called Uptown Urban Village.



EMERGING MULTIFAMILY TRENDS

Downtown Fort Lauderdale Trends

**Downtown FTL
Multifamily Trends**

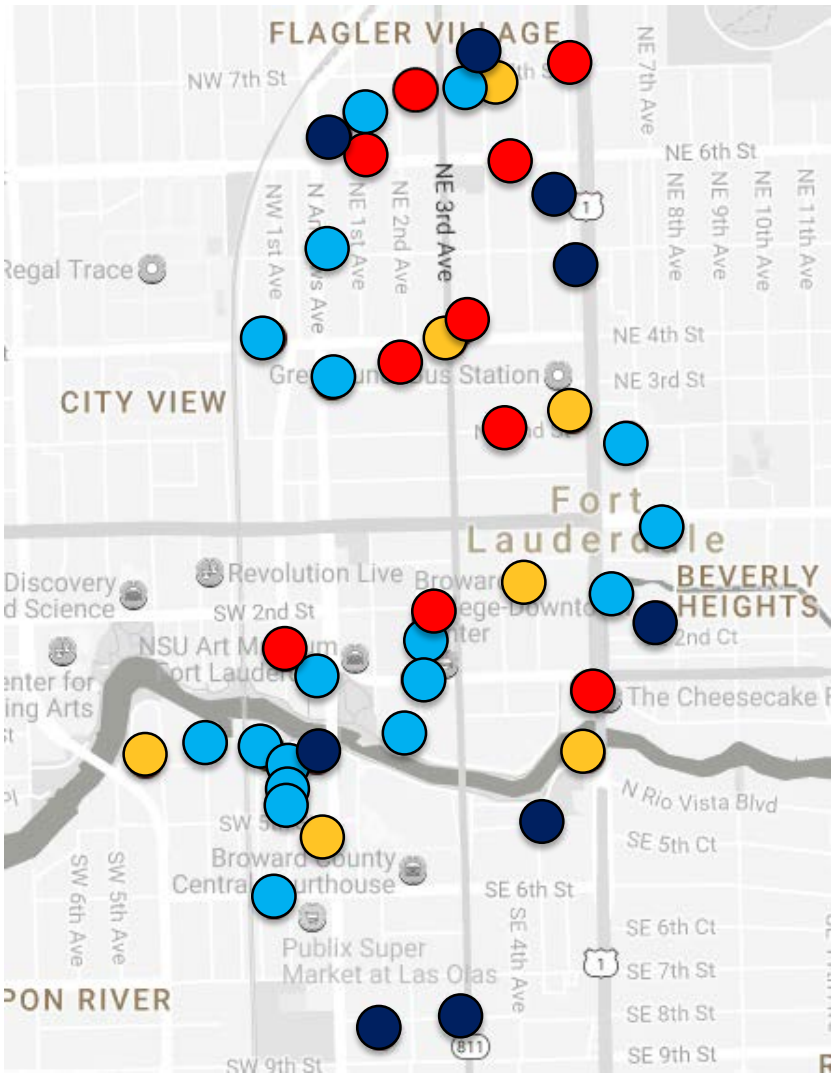


YEAR	INVENTORY (UNITS)	EFFECTIVE RENT PER SF	VACANCY RATE
2012	6,152	\$1.56	7.0%
2013	6,119	\$1.73	5.0%
2014	6,996	\$1.88	8.7%
2015	7,736	\$2.10	5.8%
2016	7,960	\$2.10	5.8%
2017	8,809	\$2.13	9.7%
YTD 2018	9,125	\$2.13	9.8%

- Inventory has grown nearly **50%** since 2012
- Rental rates have increased **37%** since 2012
- Vacancy rates have fluctuated throughout the years due to the delivery of over **3,000** units since 2012

EMERGING MULTIFAMILY TRENDS

New Development Map



Development	Units
URBN @ Flagler	217
Southside City Center	879
Sailboatbend Apartments	110
Next Las Olas	374
RD Las Olas	352
Alexan Tarpon River	181
Alta Flagler Village – Phase II	271
Apache Lofts	33
New River Yacht Club III	190
Marina Lofts	856
New River Yacht Club West	349
Riverwalk Residences	297
488 Residences	362
New River Central	407
4 West Las Olas	260
790 East Broward	328
Las Olas Townhomes	7
1st Avenue Residences	380
FAT City	612
The Residences of Las Olas	419
Flagler 626	99
Flagler Townhomes	5
Las Olas Walk	456
Archo Metropolitan	385
Southeast 2nd Avenue	348

Development	Units
Sistrunk Townhouses	24
Icon Las Olas	312
Morgan on 3rd Avenue	350
Alta Flagler Village	214
100 Las Olas	121
ORA Flagler Village	292
One20fourth	386
Quantum at Flagler Village	328
Riverfront	1,214
The Rise	191
The Manor, Flagler Village	382
The Edge at Flagler Village	327
New River Yacht Club	248
VU New River	215
Wisdom Village Crossing	105
Amaray Las Olas	262
Village Place	112
Pinnacle at Tarpon River	112
The Queue	202
In Review: 2,384 Units	
Approved: 5,793 Units	
Under Construction: 3,432 Units	
Completed Since 2012: 1,965 Units	

Source: City of Fort Lauderdale, Colliers International, January 2018

THE NORTHERN SHIFT OF THE FORT LAUDERDALE CBD
 The revitalization of Flagler Village and Brightline have created the emergence of a new, thriving neighborhood north of Broward Blvd – “NoBro.”

EMERGING MULTIFAMILY TRENDS

Affordable Housing Analysis

NEW DEVELOPMENTS



Six13 Apartments

613 NW 3rd Ave

Units: 142 workforce rentals

Developer: Affiliated

Delivery: 2019



Gallery at FATVillage

600 N. Andrews Ave

Units: 168 mixed-income units

Developer: Related Group

Delivery: 2019

SOCIAL LIVING

Micro-units and Workforce Housing are affordable apartments aimed at young, single professionals who want to live in popular neighborhoods without paying exorbitant rents.

Unit Type	Max Affordable Rent Rate	Total Units Documented	Affordable Units	% Affordable
Studio	\$1,602	209	78	37.32%
1BR	\$1,716	1,475	428	29.02%
2BR	\$2,058	1,735	229	13.20%
3BR	\$2,377	336	56	16.67%
4BR	\$2,652	3	0	0.00%
5BR	\$2,926	3	0	0.00%
Total Accounted		3,761	791	21.03%

- Nearly **800** residential rental units provide affordable rental rates in Downtown Fort Lauderdale
- This accounts for more than **20%** of the total apartment inventory built since the early 2000's
- Average hourly pay in greater Fort Lauderdale is **92%** of the U.S. average, for example, but the cost of living is **110%** of the average

EMERGING OFFICE TRENDS

Fort Lauderdale Market Overview

MARKET INDICATORS (Class A/B/C)	DOWNTOWN FORT LAUDERDALE	GREATER FORT LAUDERDALE	UPTOWN FORT LAUDERDALE
Inventory	9.2 million SF	11 million SF	9.2 million SF
Under Construction	127,920 SF	8,000 SF	81,709 SF
Net Absorption (YTD 2018)	-7,277 SF	-46,022 SF	-939 SF
Vacancy Rate	8.2% <i>No Change</i> YOY	9.1% <i>Increased</i> 30 bps YOY	12.9% <i>Decreased</i> 30 bps YOY
Full Service Rents			
Full Service Rents	\$37.08	\$24.08	\$24.12
5-Year Growth	+27%	+17%	+12%
Class A Rents	\$39.39	\$29.40	\$27.22
5-Year Growth	+24%	+15%	+1.2%

Source: CoStar, Colliers International, Q1 2018

> RECENT LEASING ACTIVITY



Lakeshore Business Center –
Cypress Creek
34,500 SF



Las Olas Square –
Downtown Fort
Lauderdale
32,000 SF



Commercial Place II –
Commercial Boulevard
4,500 SF



RISSMAN BARRETT HURT
DONAHUE McLAIN & MANGAN P.A.
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The Legal Center– Downtown Fort
Lauderdale
9,000 SF



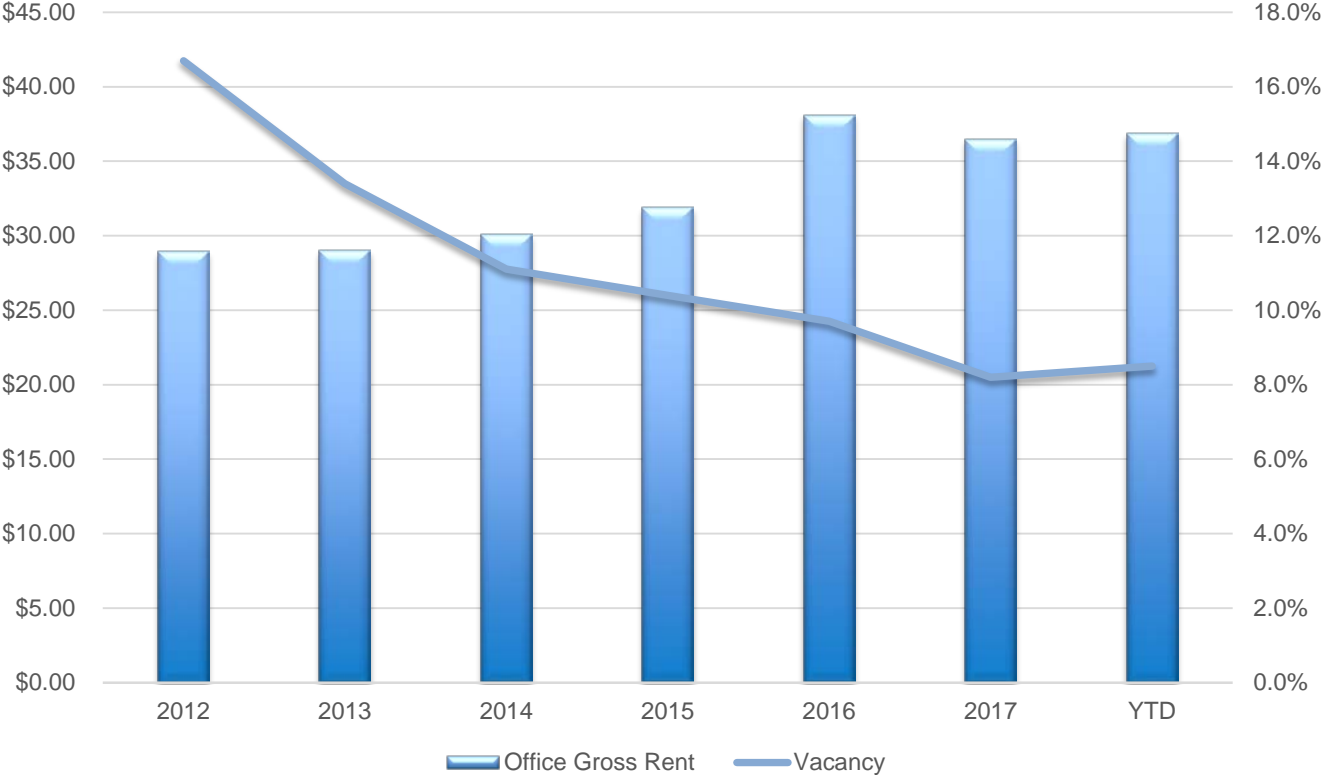
GulfstreamCapital

Victoria Park Centre – Downtown Fort
Lauderdale
4,890 SF

EMERGING OFFICE TRENDS

Downtown Fort Lauderdale Trends

Downtown FTL Office Trends



YEAR	INVENTORY (UNITS)	EFFECTIVE RENT PER SF	VACANCY RATE
2012	9,182,648	\$28.95	16.7%
2013	9,182,648	\$29.01	13.4%
2014	9,154,664	\$30.08	11.1%
2015	9,174,503	\$31.90	10.4%
2016	9,185,358	\$38.10	9.7%
2017	9,160,182	\$36.50	8.2%
YTD 2018	9,160,182	\$36.85	8.5%

- Inventory has decreased by less **1%** since 2012 as the Broward College Building is in the process of demolition to make way for the new Class A office building, 201 E Las Olas.
- Rates have increased by **27%** since 2012.
- Vacancy rates have decreased by nearly **50%** since 2012.

Source: Costar, Colliers International

DOWNTOWN FORT LAUDERDALE

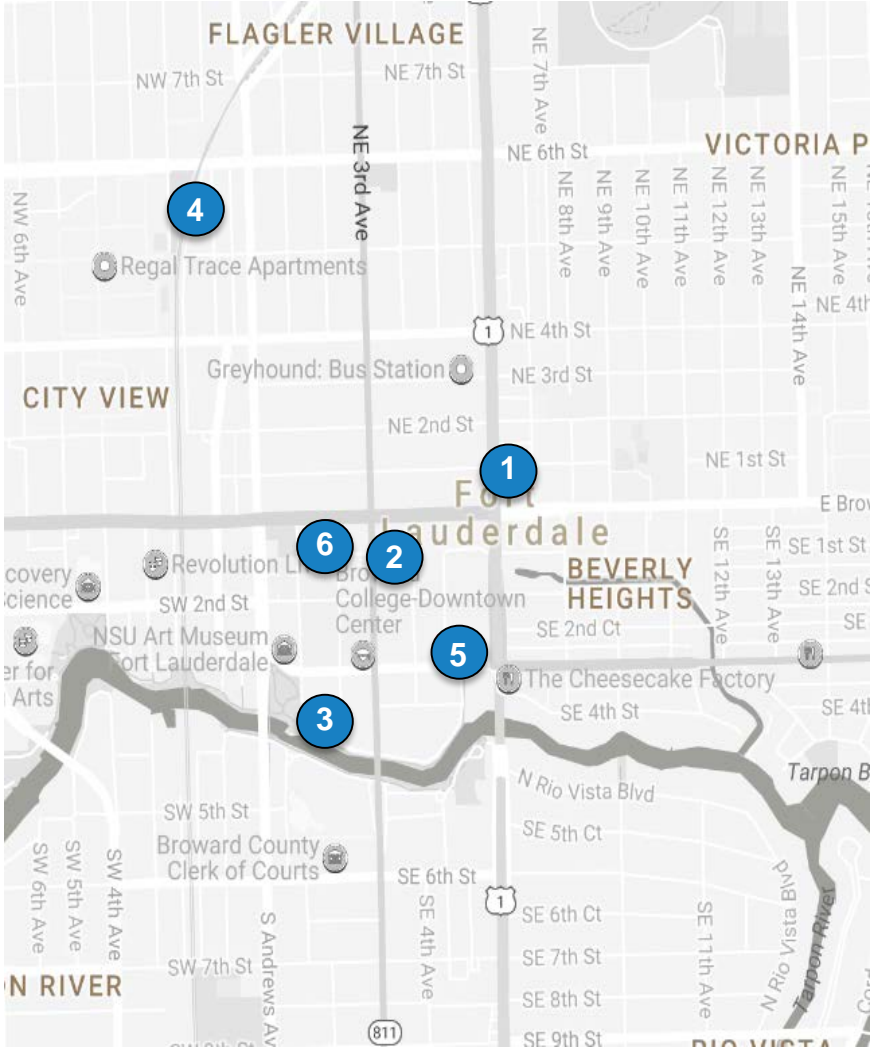


COLOR KEY
 Noavailability
 Available
 Not for occupancy

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EMERGING OFFICE TRENDS

Co-Working Craze



Downtown Fort Lauderdale has become a favorable environment for the co-working industry with its young demographics, strong fundamentals of its office market and composition of its economy.

	Coworking Name	Average Rate
1	Collective Ventures	\$37.10/hour
2	Pipeline Lauderdale	\$633.00/month
3	Axis Space	\$250.00/month
4	General Provision	\$200.00/month
5	Spaces – Las Olas Square	-
6	Regus –Downtown	\$10.00-\$13.80/day

The number of co-working spaces in the United States is expected to grow by 54 percent to 6,219 locations by the year 2022.

MAJOR COMPANIES USING CO-WORKING



EMERGING RETAIL TRENDS

Fort Lauderdale Market Overview

MARKET DATA (10,000+ SF)	DOWNTOWN FORT LAUDERDALE	GREATER FORT LAUDERDALE	UPTOWN FORT LAUDERDALE
Inventory	3.4 million SF	13 million SF	3.4 million SF
Under Construction	53,500 SF	0 SF	0 SF
Net Absorption (YTD 2018)	-4,217 SF	-55,294 SF	-19,571 SF
Vacancy Rate	3.0% <i>Increased 10 bps YOY</i>	4.8% <i>Increased 80 bps YOY</i>	4.7% <i>Increased 10 bps YOY</i>
Rental Rates (NNN)			
Asking Rents	\$32.30	\$19.58	\$17.11
5-Year Growth	+39%	+28%	+31%

Source: Costar, Colliers International, Q1 2018

> MARKET HIGHLIGHTS & OUTLOOK

Downtown Fort Lauderdale

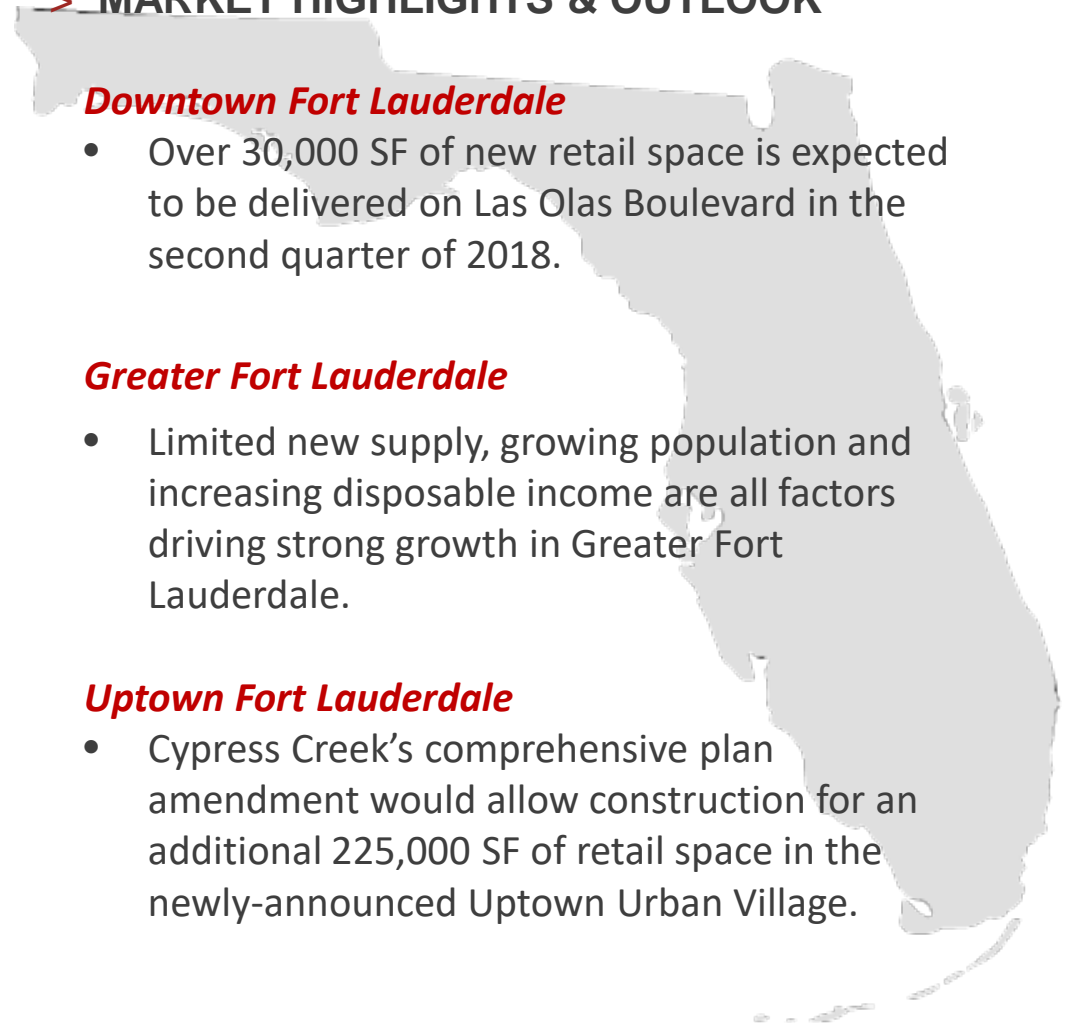
- Over 30,000 SF of new retail space is expected to be delivered on Las Olas Boulevard in the second quarter of 2018.

Greater Fort Lauderdale

- Limited new supply, growing population and increasing disposable income are all factors driving strong growth in Greater Fort Lauderdale.

Uptown Fort Lauderdale

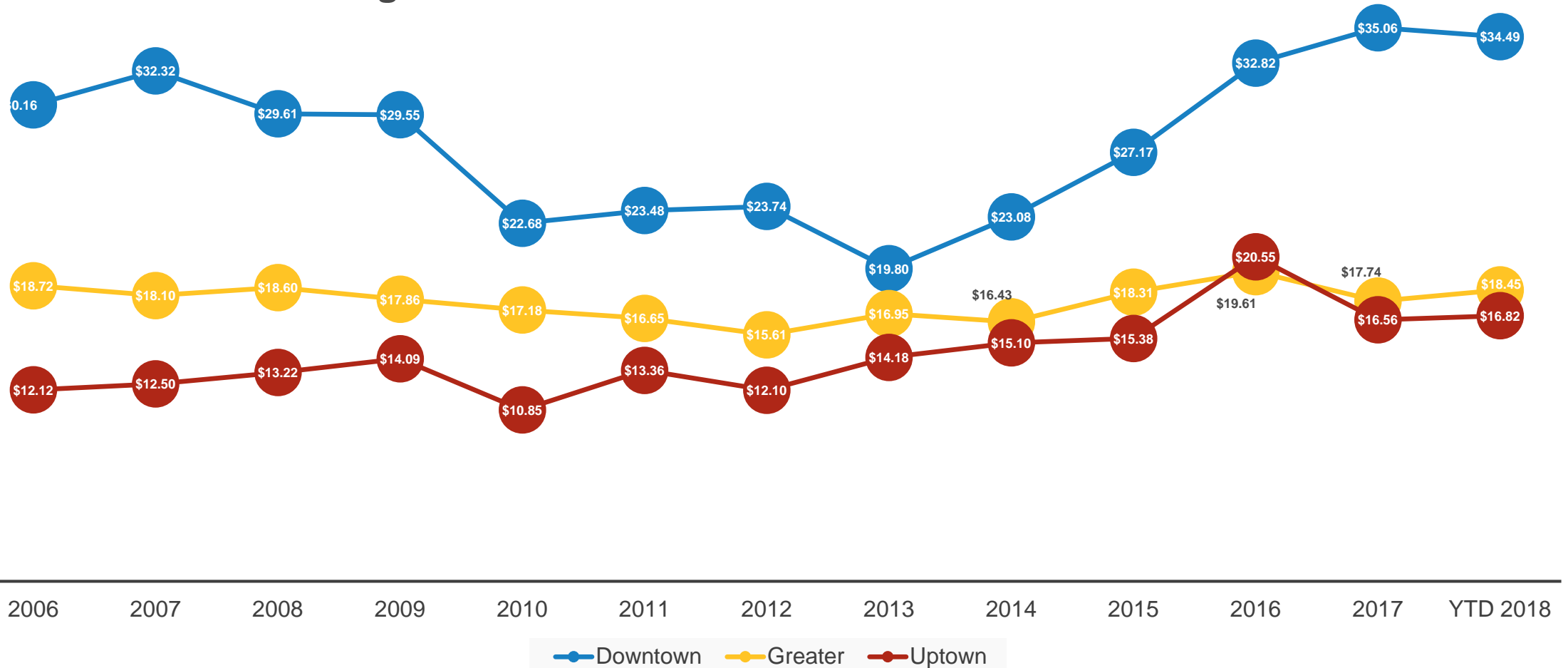
- Cypress Creek's comprehensive plan amendment would allow construction for an additional 225,000 SF of retail space in the newly-announced Uptown Urban Village.



EMERGING RETAIL TRENDS

Fort Lauderdale Market Overview

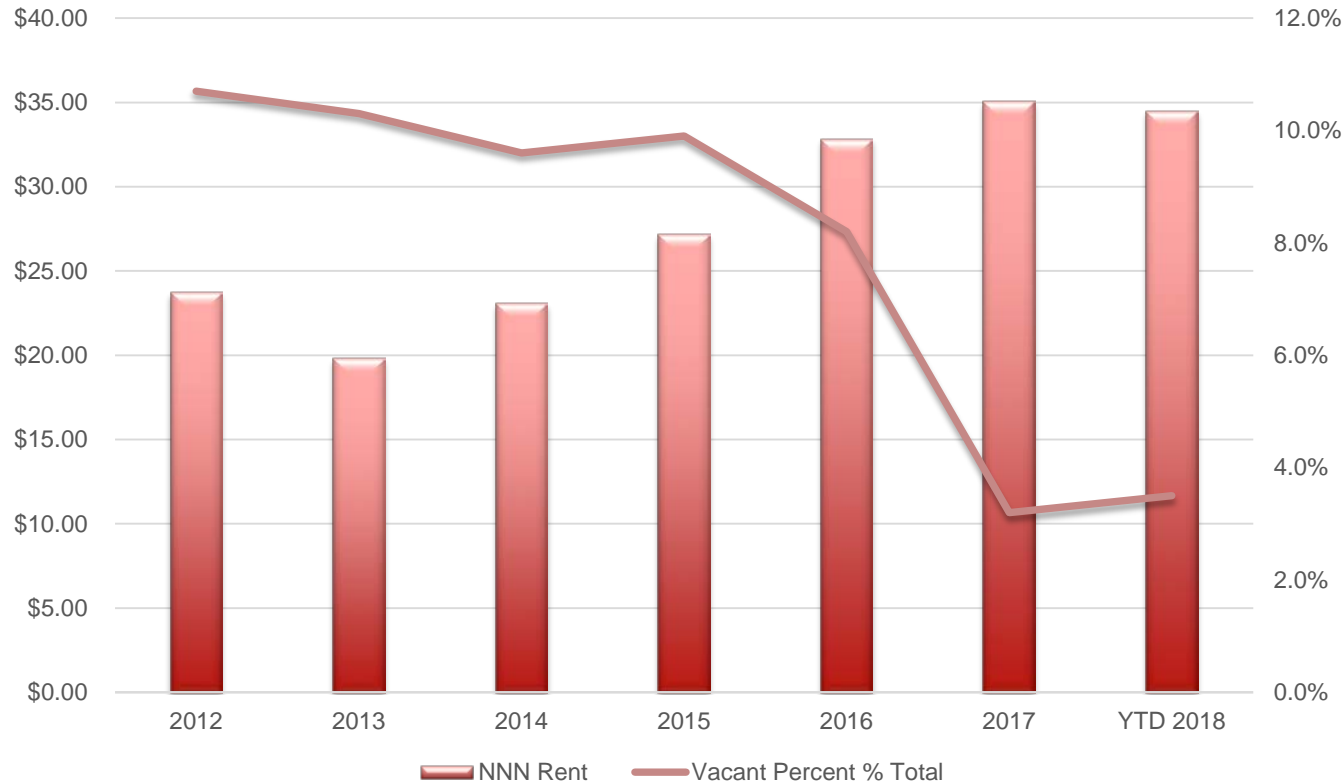
Soaring Retail Rents in Downtown Fort Lauderdale



EMERGING RETAIL TRENDS

Downtown Fort Lauderdale Trends

Downtown FTL
Retail Trends



YEAR	INVENTORY (UNITS)	EFFECTIVE RENT PER SF	VACANCY RATE
2012	3,538,968	\$23.74	10.7%
2013	3,538,968	\$19.80	10.3%
2014	3,538,968	\$23.08	9.6%
2015	3,538,968	\$27.17	9.9%
2016	3,538,968	\$32.82	8.2%
2017	3,378,224	\$35.06	3.2%
YTD 2018	3,378,224	\$34.49	3.5%

- Inventory has decreased by **5%** since 2016 as older retail buildings are being redeveloped into mixed-use projects.
- Rental rates have increased by **45%** percent since 2012.
- Vacancy rates are at post-recession lows have decreased by **67%** since 2012.

EMERGING HOSPITALITY TRENDS

Fort Lauderdale Market Overview

GREATER FORT LAUDERDALE AVERAGE DAILY RATE



+1.8% change
in 2017



+2.8% change
in 2016



+6.3% change
in 2015



+6.3% change
in 2014



+4.1% change
in 2013

GREATER FORT LAUDERDALE AVERAGE OCCUPANCY RATE



+0.9% change
in 2017



-1.8% change
in 2016



+1.2% change
in 2015



+4.3% change
in 2014

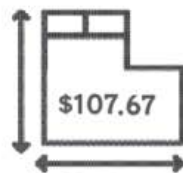


3.2% change
in 2013

GREATER FORT LAUDERDALE AVERAGE REVENUE PER AVAILABLE ROOM



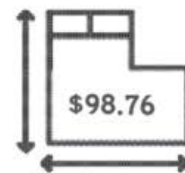
+2.8% change
in 2017



+0.8% change
in 2016



+8.1% change
in 2015



+10.8% change
in 2014

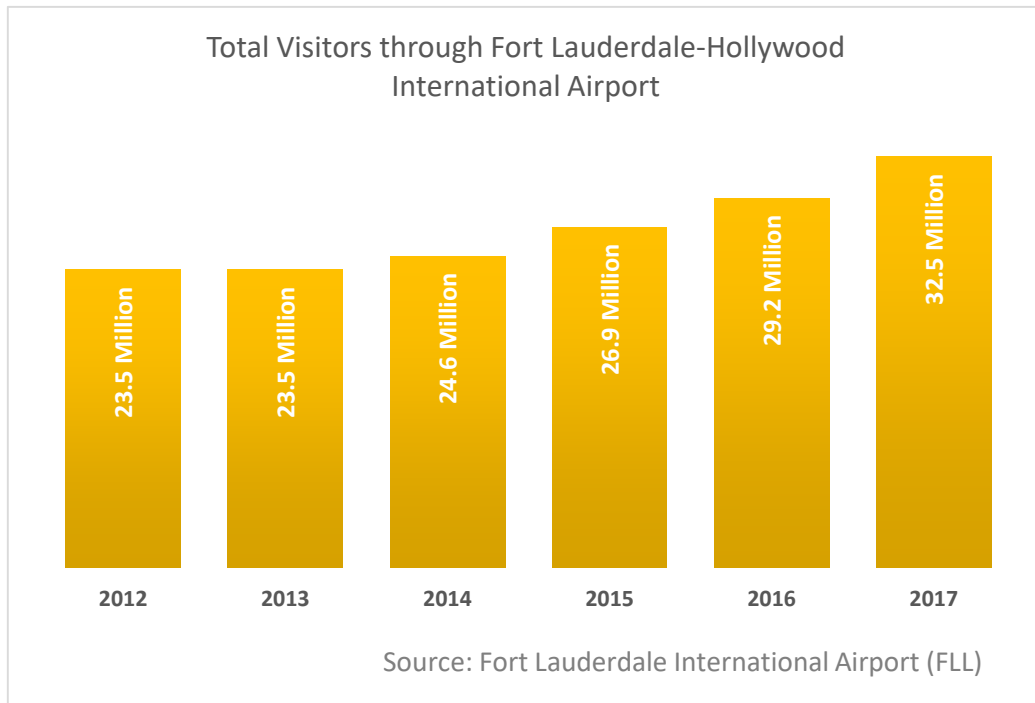


+7.1% change
in 2013

EMERGING HOSPITALITY TRENDS

Fort Lauderdale Market Overview

South Florida is positioned as a key gateway market serving as the primary link between the U.S. and Latin America.



Source: Fort Lauderdale-Hollywood International Airport

Demand Drivers



- Fort Lauderdale-Hollywood International Airport (FLL):
- Total traffic through FLL jumped to **32.5 million** in 2017, up by 11.3 percent over 2016.
 - Fastest growing large hub airport (Jan-Nov 2017).
 - Ranked 12th in international traffic (Jan-Nov 2017).
 - Ranked 2nd large hub airport for growth in scheduled available seats from Jan-Jun 2018 (8.5% growth rate).
 - 27 new routes added in 2017, including British Airways service to London-Gatwick.
 - SFL has TWO airports ranked in the U.S. top 20 by passenger count.

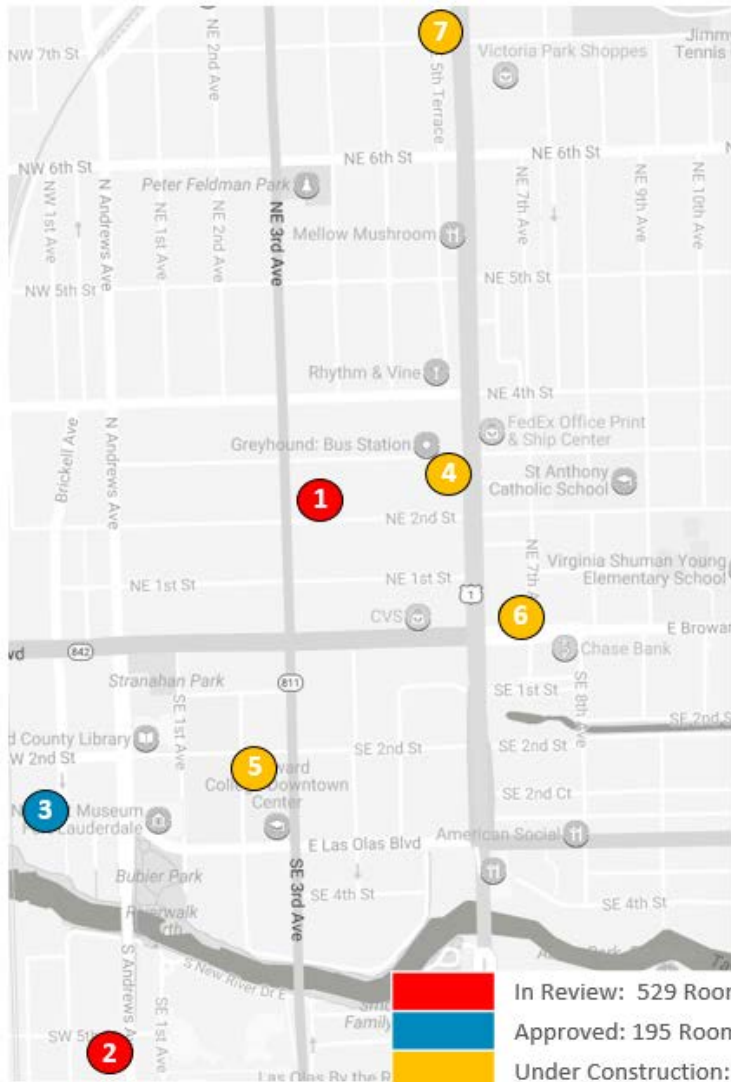
Port Everglades:



- The second busiest cruise port in the world with over **3.8 million guests** in FY2017.
- Port Everglades is currently home to two of the largest cruise ships in the world: Allure of the Seas and Harmony of the Seas.
- A number of capital and improvements in the Port's Five Year Master Plan position the port to expand operations to 5.6 million passengers in 2033.

EMERGING HOSPITALITY TRENDS

Hotel Development Map

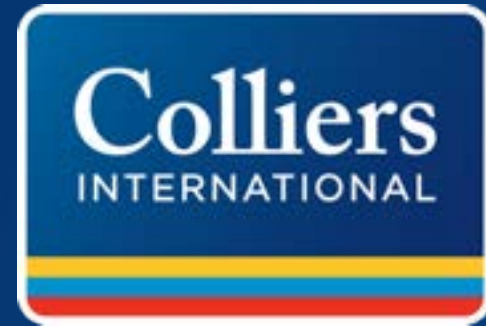


	Development	Hotel	Other Amenities	Developer
1	315 NE 3rd St (Aloft)	199 Rooms	6,208 SF Retail	-
2	Southside City Center	330 Rooms	207,000 SF Office 52,000 SF Retail 879 Residential Units	Ocita Properties
3	Flagler Village Hotel	195 Rooms	2,227 SF Retail	Groupe Pacific
4	Tribute/Element Hotel – The Dalmar	323 Rooms	10,897 SF Retail	Wurzak Hotel Group
5	100 Las Olas	228 Rooms	6,983 SF Retail 120 Residential Units	Kolter Group
6	Fairfield Inn	108 Rooms	-	LM Hotels
7	Quantum at Flagler Village	137 Rooms	7,572 SF Retail 328 Residential Units	Prime Hospitality Group (FV Land Trust)

Source: City of Fort Lauderdale

The Fort Lauderdale Hotel Boom

- Brand-name hospitality offerings ranging from **economy or "value"** brand to **luxury, upscale boutique** and **mixed-use hotel developments**.
- Previously, there were only **two downtown hotels** until this wave of development (Riverside Inn and the Hampton Inn).
- Demand is driven by **residential growth in the CBD**, a **saturated office market** and a **booming tourism industry**.



Accelerating success.