

FORT LAUDERDALE OFFICE MARKET Yardi® Matrix

Market Analysis

Fourth Quarter 2019

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Supply Gains on Demand



Boosted by strong demographic growth, increased residential demand and fast-paced construction activity, Fort Lauderdale's office fundamentals remained solid throughout the first nine months of the year. Tech companies priced out of Miami are looking to invest in Fort Lauderdale, which benefits from a highly educated talent pool, a relatively affordable cost of living and substantially lower asking prices for office space. More than 1,500 office-using jobs are projected to enter the metro in the coming quarters, bolstering demand for office space.

Fort Lauderdale gained 12,700 jobs in the 12 months ending in August, amounting to a total of 863,000. Significant job gains in professional and business services (5,500), and education and health services (4,200) have offset losses in other industries, such as trade, transportation and utilities, and government. Office-using employment accounted for 28% of the metro's total workforce as of September, and is projected to further expand.

Contrary to national trends, investment activity has picked up in the metro, thanks to lower costs and higher first-year acquisition yields. With more than \$520 million in closed transactions year-to-date through September, sales volume increased by 8.6% compared to the similar interval in 2018. Construction activity is also on the rise: 1.2 million square feet was underway in September, accounting for almost 3% of existing stock. Developers are projected to complete more than 550,000 square feet this year, 50% above 2018's deliveries volume.