Marcus & Millichap

Offering Memorandum

5950 BUILDING

5950 West Oakland Park Boulevard • Lauderhill, Florida 33313

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5950 BUILDING
Lauderhill, FL
ACT ID ZAA0390818

Marcus & Millichap

TABLE OF CONTENTS

Marcus & Millichap

INVESTMENT OVERVIEW

EXECUTIVE SUMMARY

VITAL DATA

			PRO FORMA
Price	$3,950,000	CAP Rate	8.64%
Loan Type	All Cash	Net Operating Income	$341,315
Rentable SF	41,070	Net Cash Flow After Debt Service	8.64% / $341,315
Price/SF	$96.18	Total Return	8.64% / $341,315
Current Occupancy	45.72%		
Year Built	1980		
Lot Size	1.43 acre(s)		

*Roof Antenna is not included in the sale

EXPENSES

	PRO FORMA	$/SF
Utilities	$41,070	$1.00
Contract Services	$82,140	$2.00
repairs & Maintenance	$41,070	$1.00
Insurance	$20,535	$0.50
Real Estate Taxes	$78,304	$1.91
Management Fee	$18,694	$0.46
Total Expenses	$281,813	$6.86

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	31,624	209,489	466,535
2010 Census Pop	29,262	193,933	431,374
2018 Estimate HH	12,395	82,460	178,560
2010 Census HH	11,413	76,134	164,850
Median HH Income	$37,261	$42,250	$48,178
Per Capita Income	$18,381	$21,896	$24,533
Average HH Income	$46,317	$55,391	$63,861

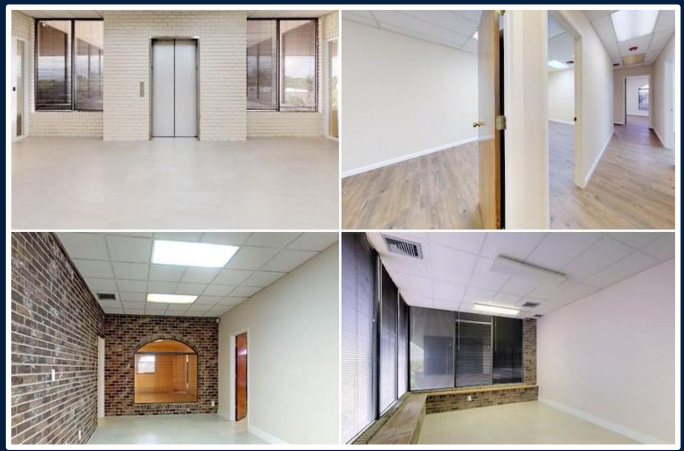
INVESTMENT OVERVIEW

Marcus & Millichap is proud to present the 5950 Building, a three-story office building located in Lauderhill, Florida. This office building is situated on a 1.43-acre parcel (62,325 square feet) and offers approximately 41,070 square feet of rentable space. The rentable space includes a 6.76 percent load factor (approximately 2,776 square feet of CAM). The 5950 Building was built in 1980 and is currently 46 percent occupied by a mix of professional tenants including a nursing school, physical therapist, and a staffing agency at below market rents. 5950 Building is an excellent value-add investment opportunity for an investor looking for upside in leasing and occupancy. This asset is positioned to be well received and strongly sought after by owner uses and investors alike.

The 5950 Building is located directly on West Oakland Park Boulevard, which has high traffic counts of over 52,500 Vehicles Per Day (VPD). There is a strong professional, residential, and commercial presence in the immediate area. Additionally, this property has proximity to Florida's Turnpike, Sawgrass Expressway and Interstate-95 providing easy access to Fort Lauderdale, Plantation, and Pompano Beach. The property is conveniently located between three international airports including Fort Lauderhill-Hollywood International Airport, Miami International Airport and Palm Beach International Airport. Located in the center of South Florida, the 5950 Building is easily accessible for employees, customers, and investors.

INVESTMENT HIGHLIGHTS

- Three-Story Office Building Consisting Of 41,070 Rentable Square Feet
- Tremendous Upside To Increase Occupancy In A Competitive Rental Market
- Professional Tenant Mix Including A Nursing School And Physical Therapist
- Excellent Signage Opportunity, Ample Parking, And Professional Curb Appeal
- Proximity To Florida's Turnpike, Sawgrass Expressway, and I-95
- Direct Frontage On West Oakland Park Blvd Which Has Traffic Counts Of Over 52,500
- Ideal Investment for Owner-Users or Investors



INVESTMENT OVERVIEW

The 5950 Building has been adequately maintained and provides professional curb appeal, high signage opportunities, and ample parking. There are approximately 150 surface parking spaces, and 32 covered parking spaces, providing for a healthy parking ratio of 4.43 parking spaces for every 1,000 square feet of rentable space. This building offers the opportunity to earn high yields due to a competitive rental market with attractive rents. The interior of the building consists of private offices and open floor space allowing for a wide range of uses and easy configuration. The 1st floor is partially occupied by a physical therapist on a short-term lease while the entire second floor is leased to Rubi Academy, a nursing school, on a five-year lease with robust rent increases . The third floor offers nine private offices and is partially leased to a staffing agency on a short-term lease. The roof has as a Cell Tower leased to T-Mobile who is currently exercising their second of five five-year option. This roof antenna is not included in the sale. The roof also has solar panels that are being re-activated to the grid. This asset would be ideal for any owner-user of investor given the location, convenience, and overall condition of the property.

The 5950 Building is in the northern tip of the Plantation office submarket which has shown positive signals of rent growth. Rent growth is at three percent, which is slightly higher than the metro's average, illustrating the fundamentals here. Relatively limited building and stable demand have created a lucrative environment for investment. Vacancy rates have decreased 100 basis points to seven and a half percent driven by strong absorption and weak supply. The plantation office submarket has a high concentration of office-using employment, focused on industries such as healthcare, finance, and insurance. This submarket has had one of the highest shares of volume in the metro in 2018.

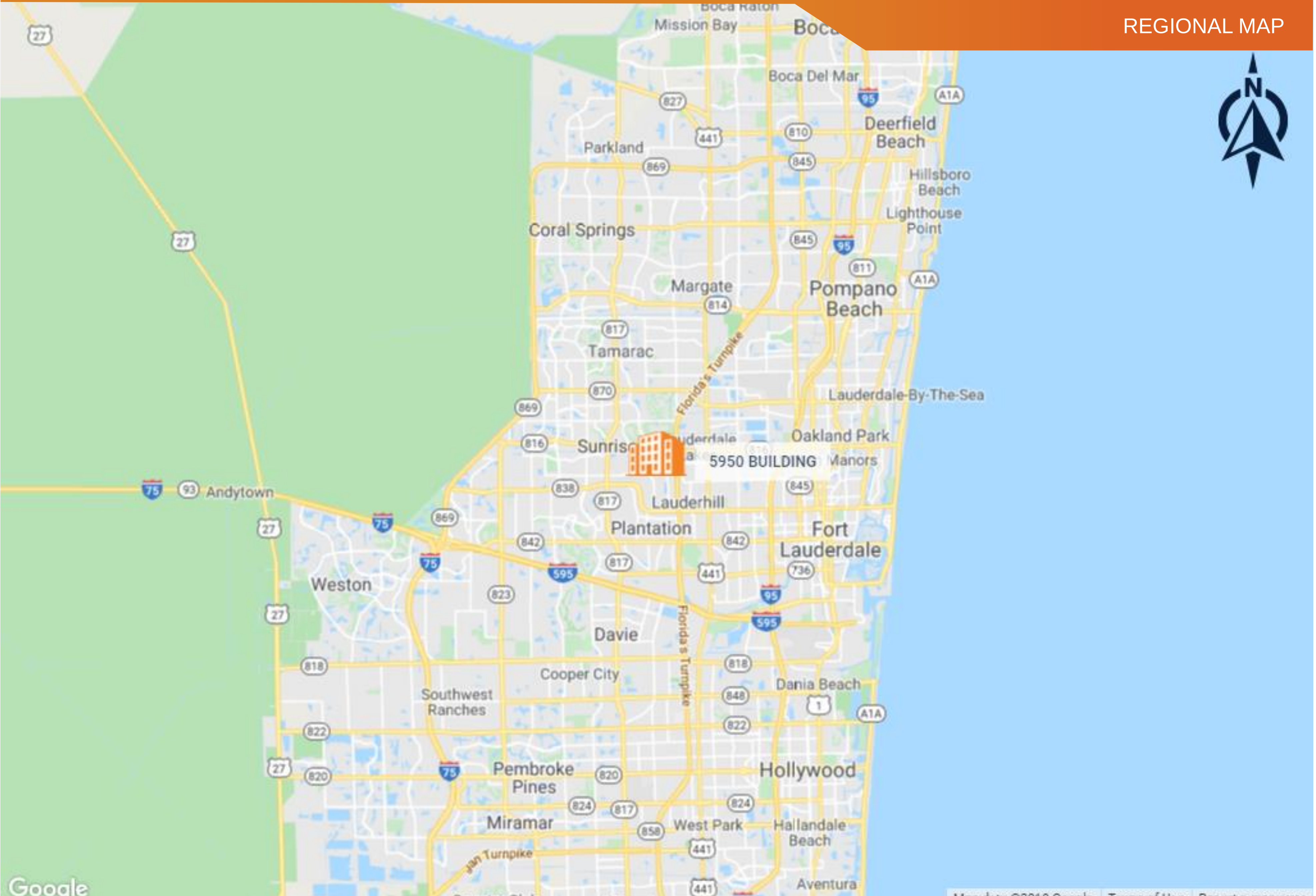
INVESTMENT HIGHLIGHTS

- Great Exposure With Excellent Visibility
- Robust Demographics With a Strong Professional, Retail and Residential Presence in the Immediate Area
- Excellent Value-Add Opportunity to Reposition the Asset
- Healthy Parking Ratio of 4.43 : 1,000 SF With Covered & Surfaced Parking Spaces
- Located in a Strong Planation Office Submarket
- Centrally Located Between Three Major International Airports

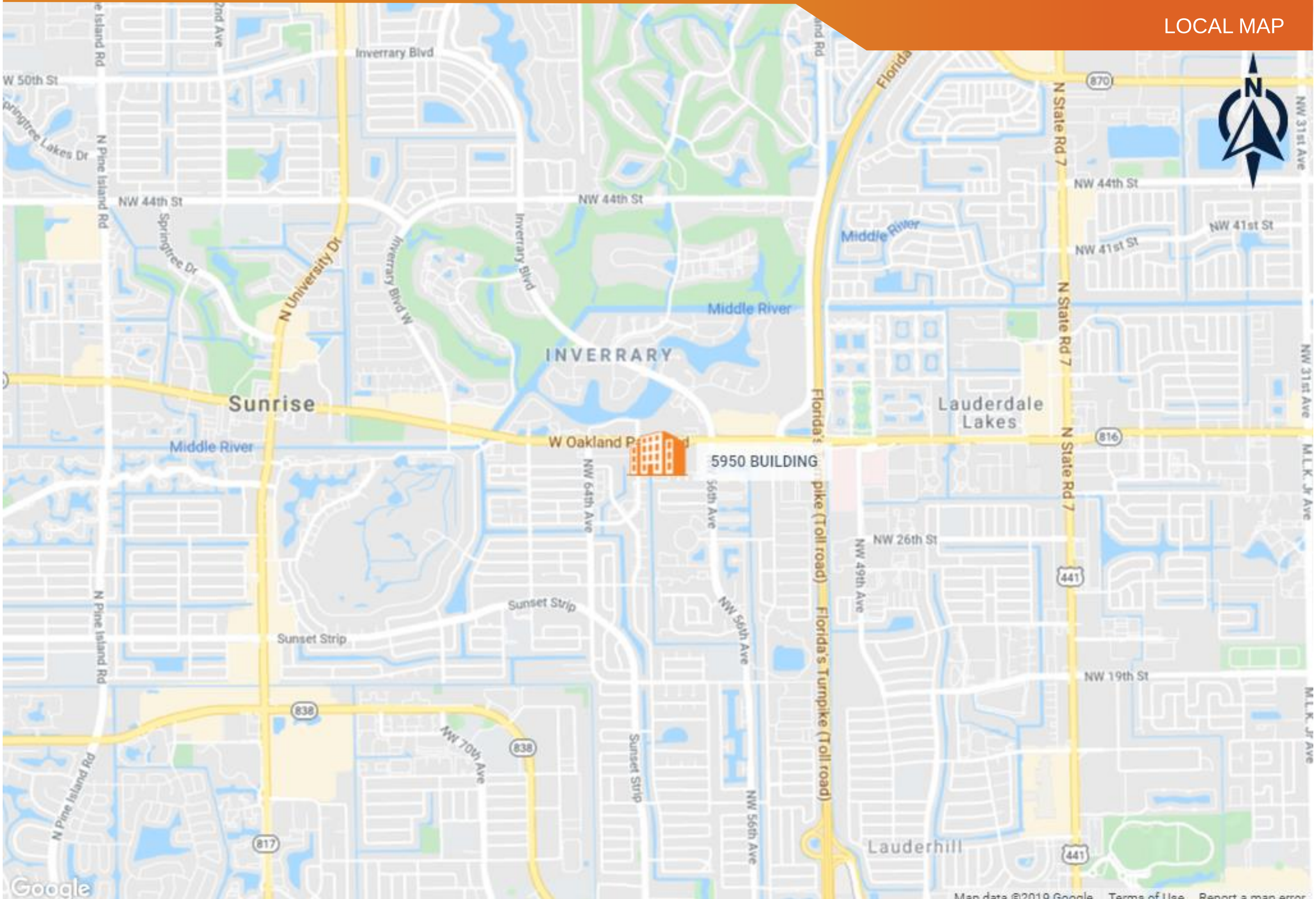
PROPERTY SUMMARY

THE OFFERING	
Property	5950 Building
Price	$3,950,000
Property Address	5950 West Oakland Park Boulevard, Lauderhill, FL
Assessors Parcel Number	4941-26-27-0060
Zoning	CG - General Commercial Within the City of Lauderhill
SITE DESCRIPTION	
Number of Floors	3
Year Built/Renovated	1980
Rentable Square Feet	41,070
Ownership	Fee Simple
Lot Size (AC)	1.43
Parking Spaces	182
Covered Parking Spaces	32
Surface Parking Spaces	150
Parking Ratio	4.43 : 1,000 SF
Topography	Level
Intersection/Cross Street	West Oakland Park Blvd & NW 56th Ave
CONSTRUCTION	
Foundation	Stem Wall
Floors	Concrete / Tile
Interior	Drywall / Plaster
Parking Surface	Asphalt
Roof	Bar Joist Concrete
Roof Antenna	Not Included in the Sale of the Property
Roof Material	Tar & Gravel
MECHANICAL	
HVAC	Yes
Elevators	Yes, 1
Power	Yes, FP&L
Life Safety	Yes
Security	Yes
On-Site Maintenance	No

REGIONAL MAP



LOCAL MAP



5950 BUILDING
INVERRARY
Sunrise
Lauderdale Lakes
Lauderhill
W Oakland Park Blvd
NW 44th St
Inverrary Blvd
N University Dr
N Pine Island Rd
Middle River
Sunset Strip
Florida's Turnpike (Toll road)
N State Rd 7
NW 41st St
NW 26th St
NW 19th St
NW 56th Ave
NW 49th Ave
NW 64th Ave
NW 70th Ave
NW 31st Ave
M.L.K. Jr Ave
W 50th St
Springtree Dr
Springtree Lakes Dr
Inverrary Blvd W

RUBY'S ACADEMY
FOR HEALTH OCCUPATIONS

General Information	
Tenant Name	Ruby's Academy For Health Occupation
Website	https://www.rubysacademyhealth.com/
Headquartered	Lauderhill
Monthly Rent (Year 4 of Rent Schedule)	$21,000
Annual Rent Per SF	$15.87
Rentable Square Feet	15,878
Percentage of RBA	38.7%
Lease Commencement	05/01/2019
Lease Expiration	04/30/2024
No. of Locations	1

Ruby's Academy For Health Occupations is one of the leading private vocational school for health care professions.

With over 20 years of quality, Ruby's Academy For Health Occupation offers career-oriented education for LPN, Medical Assistant, Home Health Aide and many more.

Their hands-on approach allows students to learn the fundamentals of providing daily health care to the sick and elderly, making them more prepared for the real-world atmosphere they are working towards.

PROGRAMS:

Home Health Aide Online

This HHA program is intended to prepare students to assist patients with Activities of Daily Living in the comfort of their homes.

From:
$375

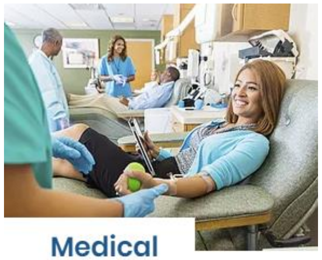
Enroll

Home Health Aide

This HHA program is intended to prepare students to assist patients with Activities of Daily Living in the comfort of their homes.

From:
$400

Enroll



Medical Assistant

The objective of the Medical Assistant Program is to integrate students into entry-level positions assisting physicians and nurses.

From:
Contact for Pricing

Enroll

Practical Nursing

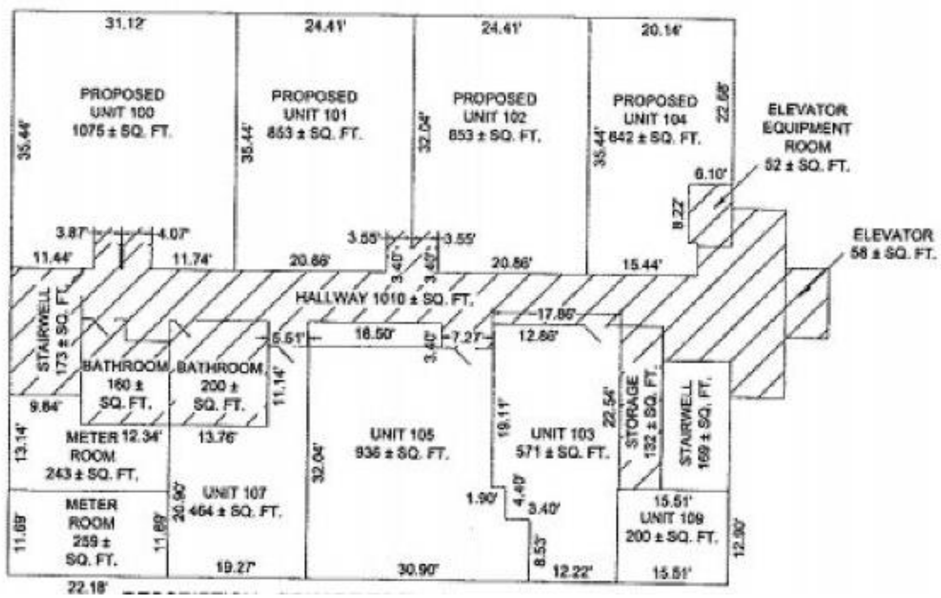
Theoretical and clinical instruction necessary to prepare the program completer to obtain licensure as an LPN.

From:
Contact for pricing

Enroll

1st FLOOR PLAN

FIRST FLOOR PLOT PLAN
SQ. FT. CALC.
LIMITED AND UNLIMITED COMMON ELEMENT DESCRIPTION



DESCRIPTION:	SQUARE FOOTAGE
UNIT NO. 100	1075
UNIT NO. 101	853
UNIT NO. 102	853
UNIT NO. 103	571
UNIT NO. 104	642
UNIT NO. 105	936
UNIT NO. 107	464
UNIT NO. 109	200
HALLWAY	1010
STAIRWELL (1)	173
STAIRWELL (2)	169
BATHROOM (1)	160
BATHROOM (2)	200
STORAGE ROOM	132
ELEVATOR EQUIP ROOM	52
ELEVATOR	58
METER ROOM (1)	243
METER ROOM (2)	259
TOTAL	8050

COMMON ELEMENT AREA

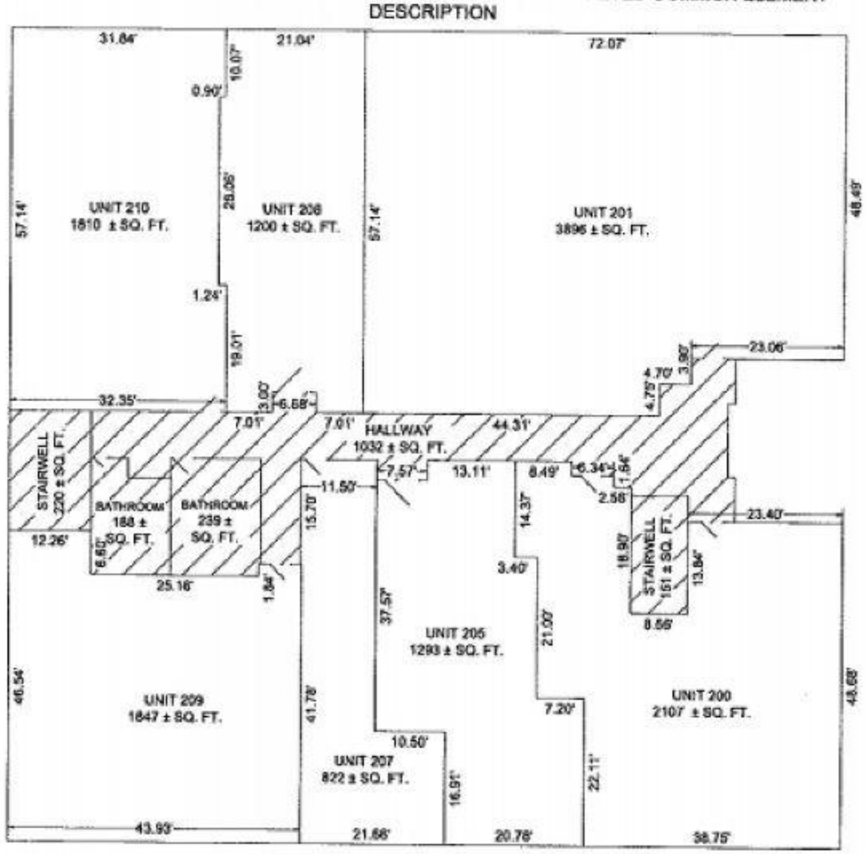
GRAPHIC SCALE

PAGE 3 OF 27

GT SURVEYING SERVICES, INC.
1860 OLD OKEECHOBEE ROAD
SUITE NO. 501
WEST PALM BEACH
FLORIDA 33409
OFFICE: 561-688-0553
FAX: 561-688-9579

2nd & 3rd FLOOR PLAN

SECOND FLOOR PLOT PLAN, SQ. FT. CALC. LIMITED AND UNLIMITED COMMON ELEMENT DESCRIPTION



DESCRIPTION:	SQUARE FOOTAGE
UNIT NO. 200	2107
UNIT NO. 201	3896
UNIT NO. 205	1293
UNIT NO. 207	822
UNIT NO. 208	1200
UNIT NO. 209	1847
UNIT NO. 210	1810

DESCRIPTION:	SQUARE FOOTAGE
STAIRWELL (1)	220
STAIRWELL (2)	151
BATHROOM (1)	188
BATHROOM (2)	239
HALLWAY	1032
TOTAL	14805

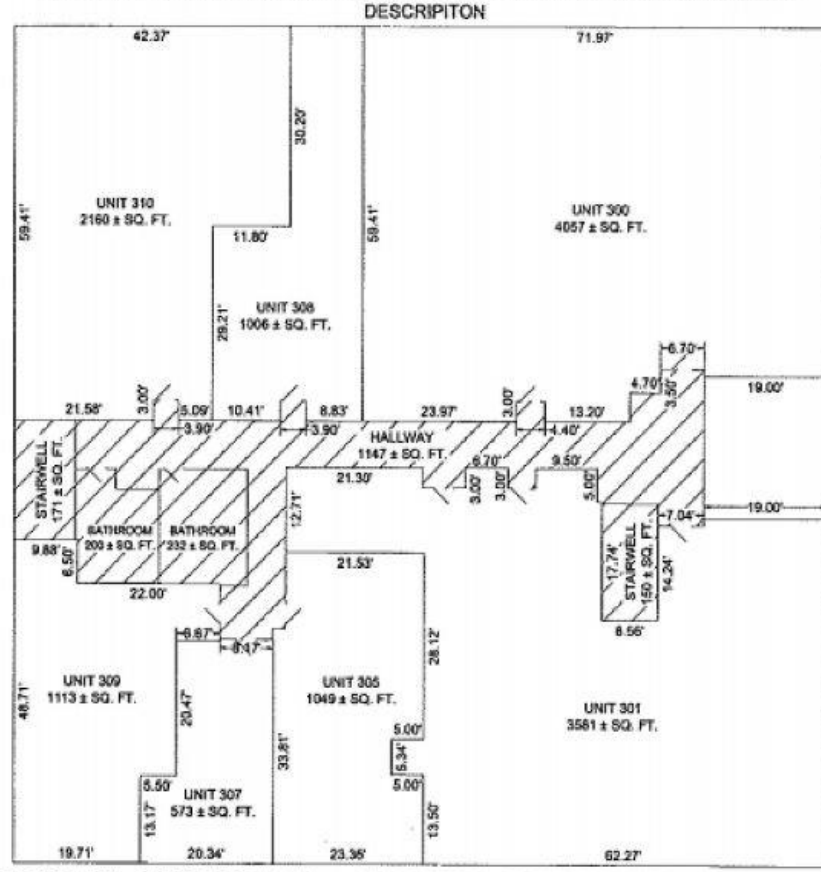
COMMON ELEMENT AREA

PAGE 12 OF 27

GRAPHIC SCALE

GT SURVEYING SERVICES, INC.
1880 OLD OKEECHOBEE ROAD
SUITE NO. 501
WEST PALM BEACH
FLORIDA 33409
OFFICE: 561-688-0553
FAX: 561-688-9579

THIRD FLOOR PLOT PLAN, SQ. FT. CALC. LIMITED AND UNLIMITED COMMON ELEMENT DESCRIPITON



DESCRIPTION:	SQUARE FOOTAGE
UNIT NO. 300	4057
UNIT NO. 301	3581
UNIT NO. 305	1049
UNIT NO. 307	573
UNIT NO. 308	1006
UNIT NO. 309	1113
UNIT NO. 310	2160

DESCRIPTION:	SQUARE FOOTAGE
STAIRWELL (1)	171
STAIRWELL (2)	150
BATHROOM (1)	200
BATHROOM (2)	232
HALLWAY	1147
TOTAL	15439

COMMON ELEMENT AREA

PAGE 20 OF 27

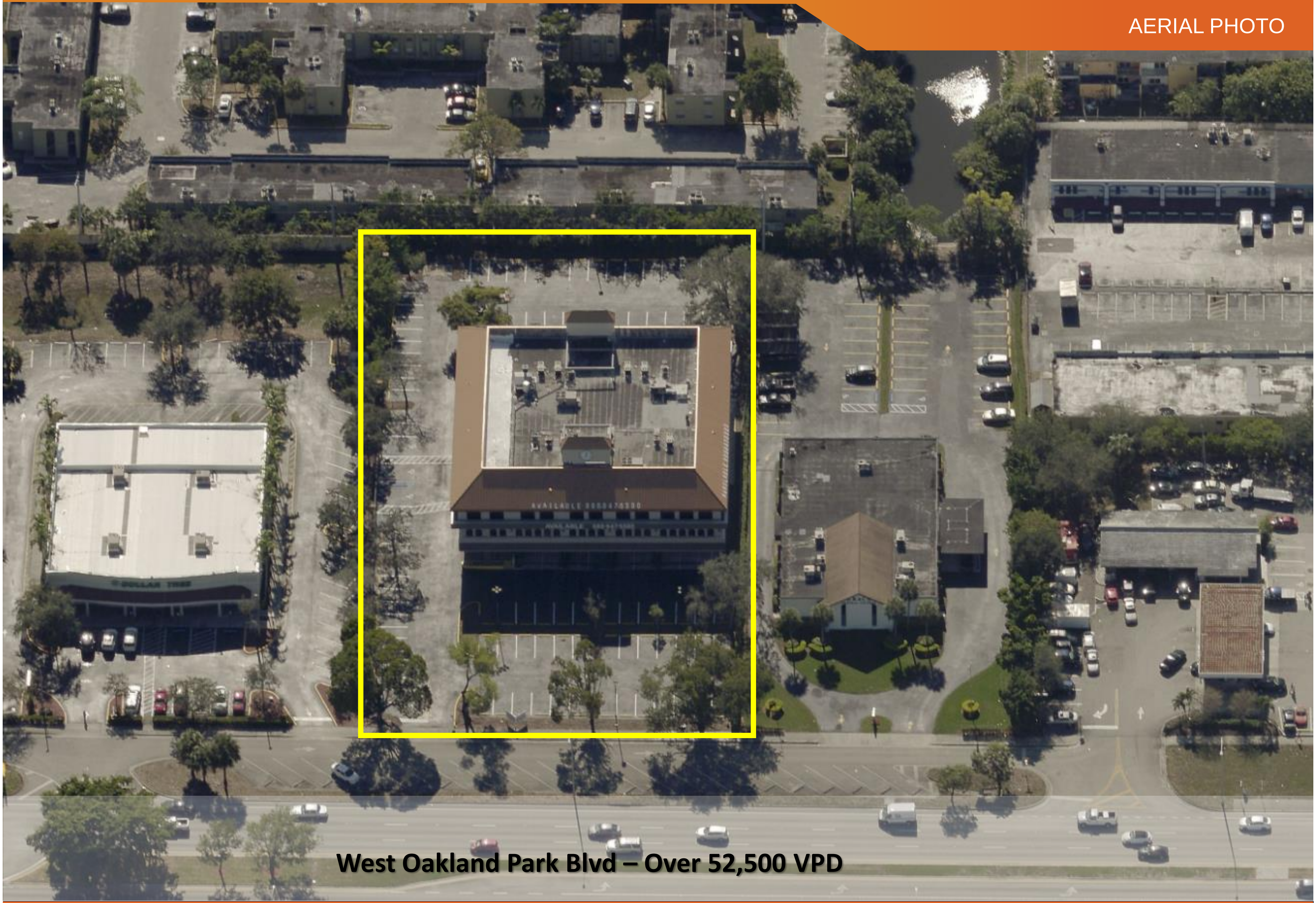
GRAPHIC SCALE

GT SURVEYING SERVICES, INC
1880 OLD OKEECHOBEE RD
SUITE NO. 501
WEST PALM BEACH
FLORIDA 33409
OFFICE: 561-688-0553
FAX: 561-688-9579

AERIAL PHOTO

AERIAL PHOTO

AERIAL PHOTO



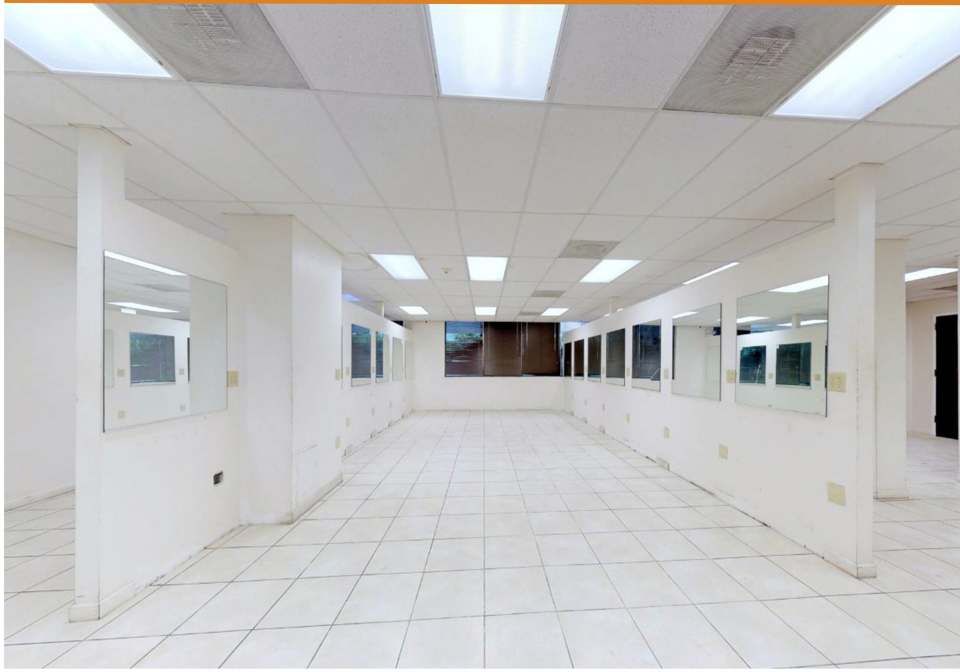
AERIAL PHOTO

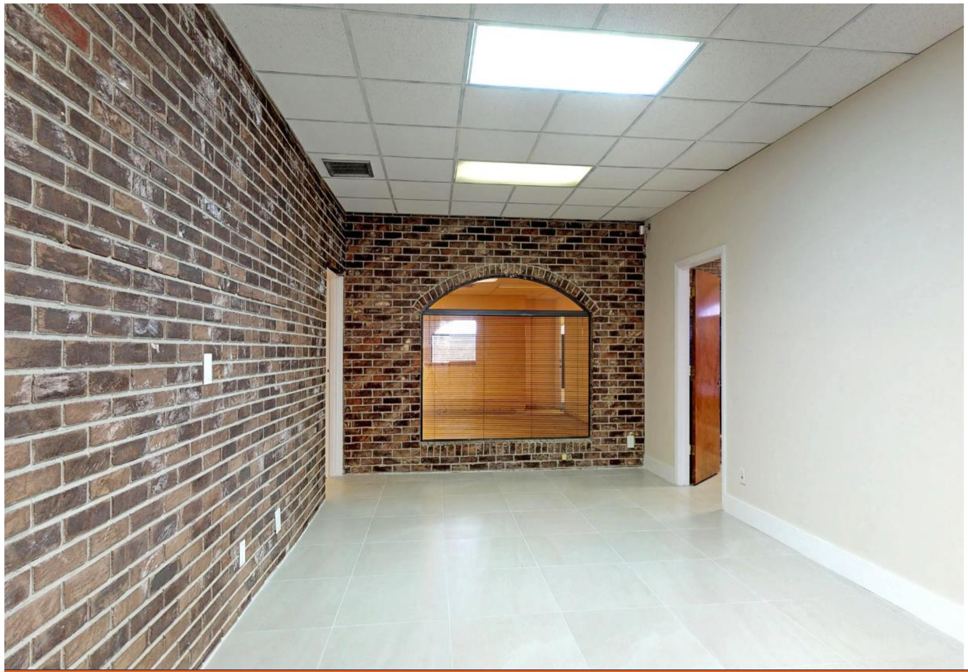
AERIAL PHOTO

PROPERTY PHOTO

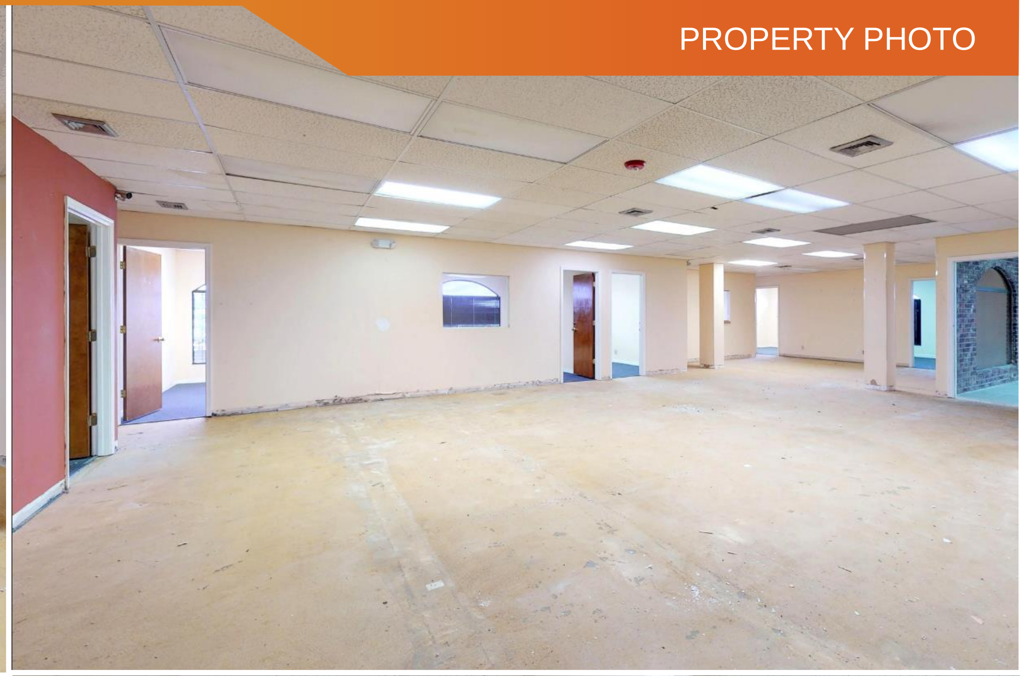
PROPERTY PHOTO

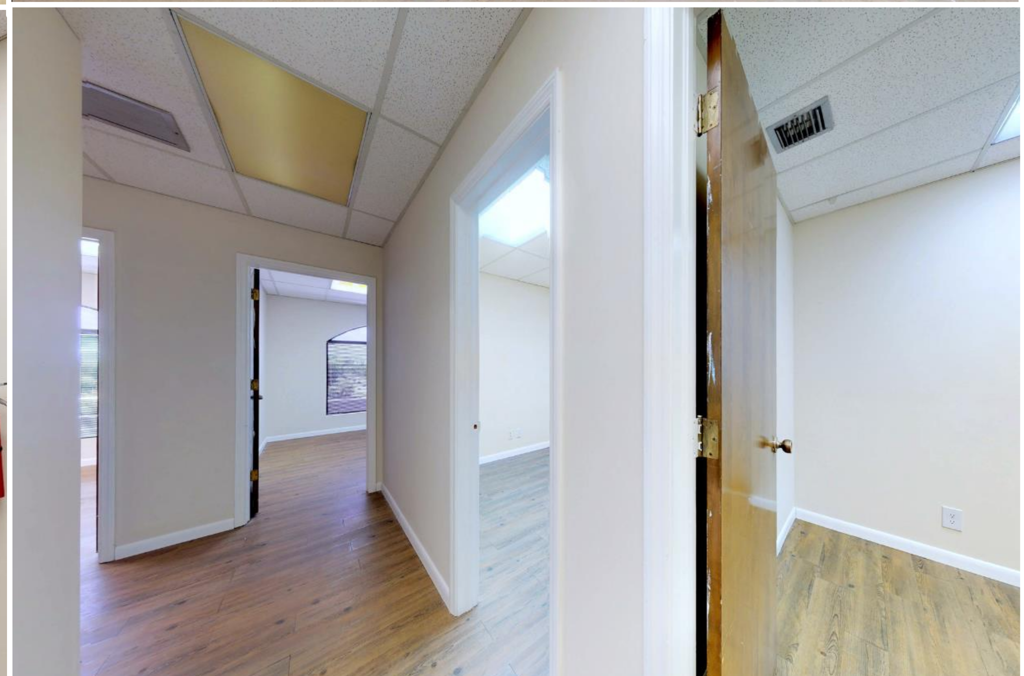
PROPERTY PHOTO





PROPERTY PHOTO





PROPERTY PHOTO

PROPERTY PHOTO

FINANCIAL
ANALYSIS

TENANT SUMMARY

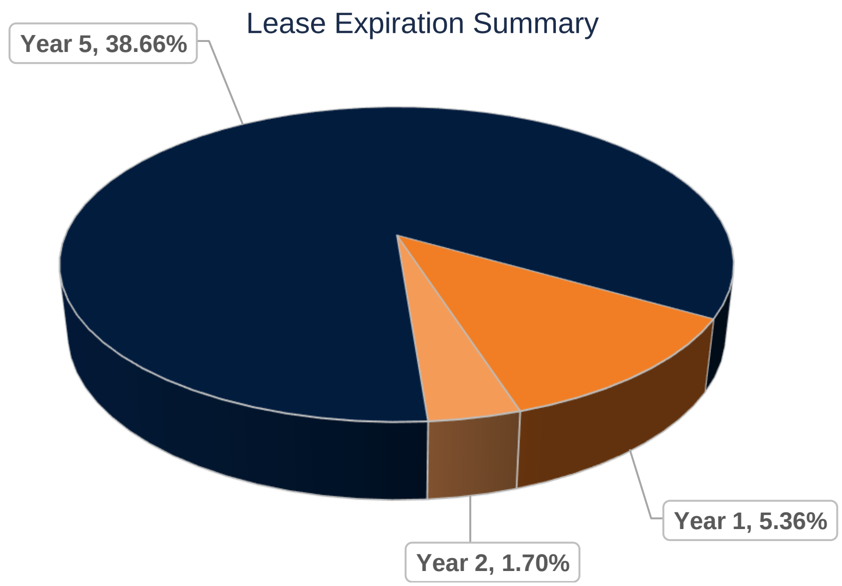
Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates Comm.	Lease Dates Exp.	Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type
Physical Therapist	1st Floor	2,200	5.4%	10/1/18	9/30/20	$12.00	$2,200	$26,400	$37,400	Modified Gross
Vacant	1st Floor	6,434	15.7%	-	-	$0.00	$0	$0	$109,378	
Ruby Academy	2nd Floor	15,878	38.7%	5/1/19	4/30/24	$6.80	$9,000	$108,000	$252,000	Modified Gross
Staffing Agency	3rd Floor	700	1.7%	5/1/19	4/30/21	$32.57	$1,900	$22,800	$24,000	Modified Gross
Vacant	3rd Floor	15,858	38.6%	-	-	$0.00	$0	$0	$269,586	
Total		41,070				$3.83	$13,100	$157,200	$692,364	

Occupied Tenants: 3	Unoccupied Tenants: 2	Occupied GLA: 45.70%	Unoccupied GLA: 54.30%
	Total Current Rents: $13,100	Occupied Current Rents: $13,100	Unoccupied Current Rents: $0

NOTES

- Rentable square feet includes a 6.76% load factor
- Pro forma rent assumes $17/SF MG for vacant spaces and for those tenants whose lease expires prior to 12/31/2021
- Pro forma rent for Ruby Academy assumes Year 4 of rent schedule
- Ruby Academy currently pays $9,000 per month in rent
- The Staffing Agency occupied one of the nine private offices on the third floor
- Electric units are separately metered
- The roof antenna is not included in the sale

LEASE EXPIRATION SUMMARY



Year	Tenant	SF	%of RBA	2019 Rent	Expiration
1	Physical Therapist	2,200	5.36%	$12.00	9/30/2020
2	Staffing Agency	700	1.70%	$32.57	4/30/2021
5	Rubi Academy	15,878	38.66%	$6.80	4/30/2024

NOTES

- Rentable square feet includes a 6.76% load factor
- Pro forma rent assumes $17/SF MG for vacant spaces and for those tenants whose lease expires prior to 12/31/2021
- Pro forma rent for Ruby Academy assumes Year 4 of rent schedule
- Ruby Academy currently pays $9,000 per month in rent
- The Staffing Agency occupied one of the nine private offices on the third floor
- Electric units are separately metered
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OPERATING STATEMENT

Income	Pro Forma		Per SF
Scheduled Base Rental Income	692,364		16.86
Potential Gross Revenue	692,364		16.86
General Vacancy	(69,236)	10.0%	(1.69)
Effective Gross Revenue	$623,128		$15.17

Operating Expenses	Pro Forma		Per SF
Utilities	41,070		1.00
Contract Services	82,140		2.00
repairs & Maintenance	41,070		1.00
Insurance	20,535		0.50
Real Estate Taxes	78,304		1.91
Management Fee	18,694	3.0%	0.46
Total Expenses	$281,813		$6.86
Expenses as % of EGR	45.2%		
Net Operating Income	$341,315		$8.31

NOTES

- Rentable square feet includes a 6.76% load factor
- Pro forma rent assumes $17/SF MG for vacant spaces and for those tenants whose lease expires prior to 12/31/2021
- Pro forma rent for Ruby Academy assumes Year 4 of rent schedule
- Electric units are separately metered
- Utilities expense includes water and sewer
- Contract Services expense includes elevator, janitorial, landscaping, and waste
- Property taxes are based on list price
- The roof antenna is not included in the sale

PRICING DETAIL

Summary	
Price	$3,950,000
Down Payment	$3,950,000
Down Payment %	100%
Number of Suites	5
Price Per SqFt	$96.18
Rentable Built Area (RBA)	41,070 SF
Lot Size	1.43 Acres
Year Built/Renovated	1980
Occupancy	45.72%

Returns	Pro Forma
CAP Rate	8.64%

Operating Data

Income		Pro Forma
Scheduled Base Rental Income		$692,364
Potential Gross Revenue		$692,364
General Vacancy	10.0%	($69,236)
Effective Gross Revenue		$623,128
Less: Operating Expenses	45.2%	($281,813)
Net Operating Income		$341,315
Cash Flow		$341,315
Total Return	8.64%	$341,315

Operating Expenses	Pro Forma
CAM	$164,280
Insurance	$20,535
Real Estate Taxes	$78,304
Management Fee	$18,694
Total Expenses	$281,813
Expenses/Suite	$56,363
Expenses/SF	$6.86

NOTES

- Rentable square feet includes a 6.76% load factor
- Pro forma rent assumes $17/SF MG for vacant spaces and for those tenants whose lease expires prior to 12/31/2021
- Pro forma rent for Ruby Academy assumes Year 4 of rent schedule
- Electric units are separately metered
- Utilities expense includes water and sewer
- Contract Services expense includes elevator, janitorial, landscaping, and waste
- Property taxes are based on list price
- CAM expenses include utilities, contract services, and repairs/maintenance
- The roof antenna is not included in the sale

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.

Closed 1,678 debt and equity financings in 2018

National platform operating within the firm's brokerage offices

$6.24 billion total national volume in 2018

Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Our ability to enhance buyer pool by expanding finance options

Our ability to enhance seller control

- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file

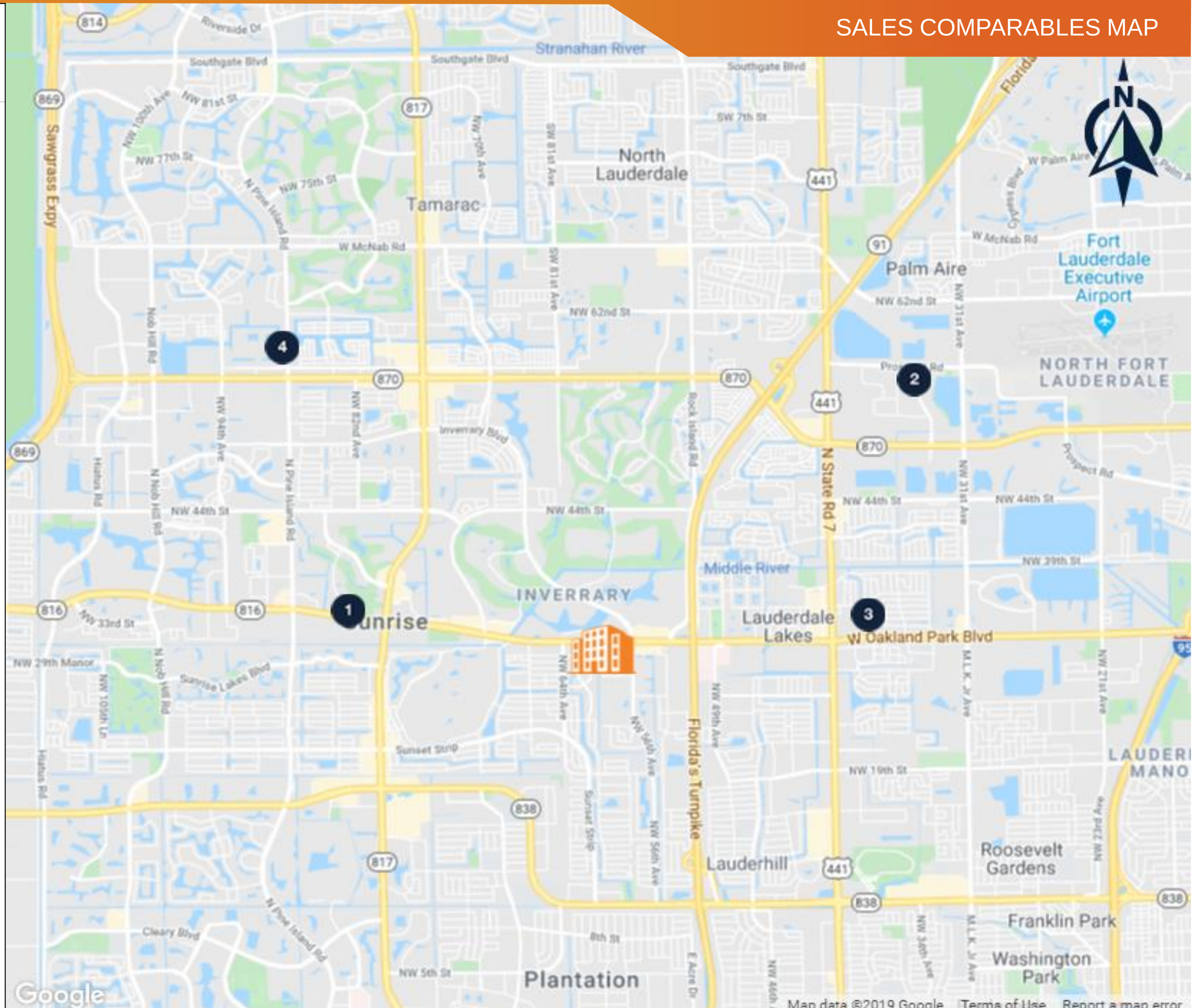
MARKET

COMPARABLES

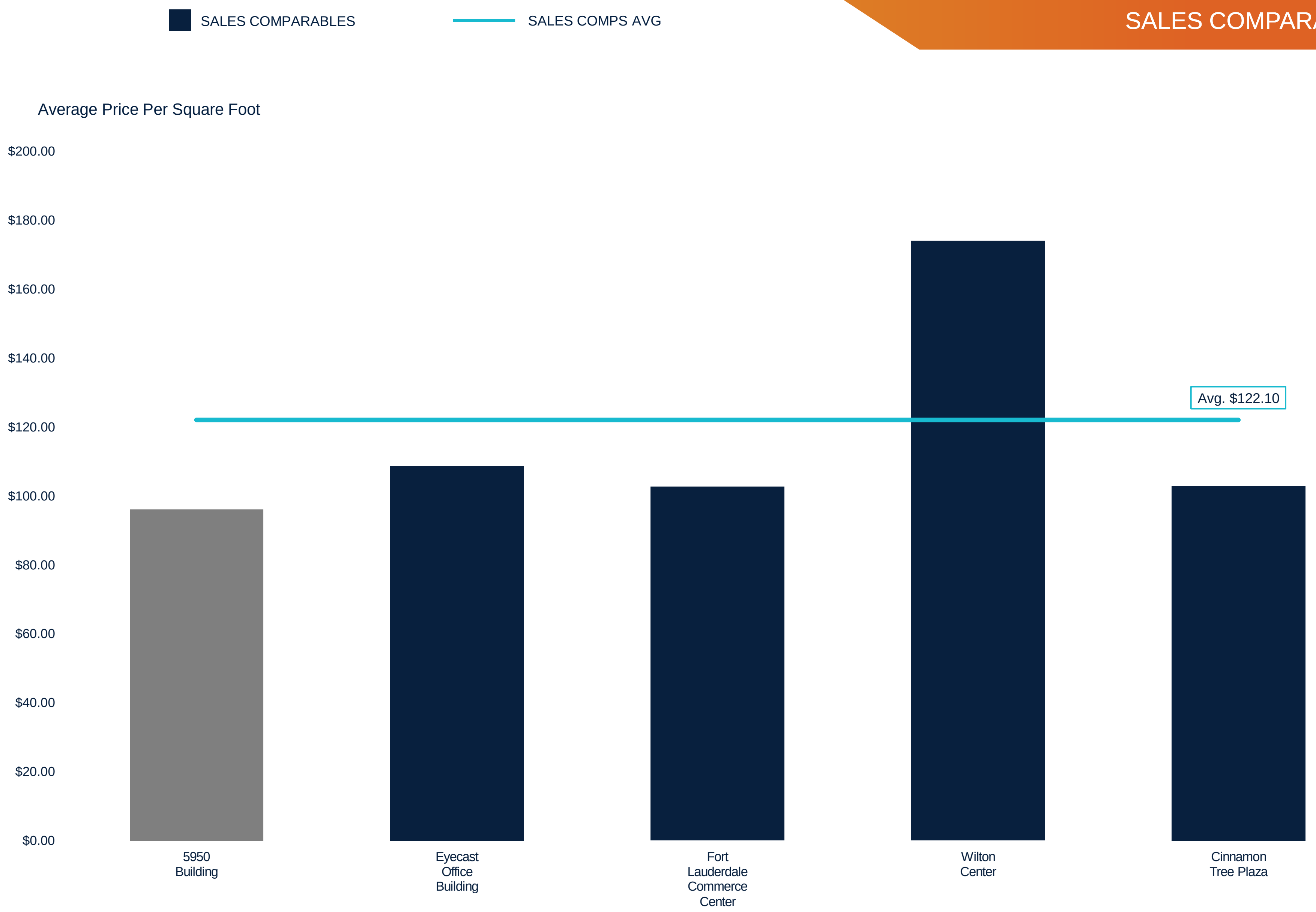
SALES COMPARABLES MAP

5950 BUILDING (SUBJECT)

1. Eyecast Office Building
2. Fort Lauderdale Commerce Center
3. Wilton Center
4. Cinnamon Tree Plaza



● SALES COMPARABLES


SALES COMPARABLES
SALES COMPS AVG
Average Price Per Square Foot
$200.00
$180.00
$160.00
$140.00
$120.00
$100.00
$80.00
$60.00
$40.00
$20.00
$0.00
Avg. $122.10
5950 Building
Eyecast Office Building
Fort Lauderdale Commerce Center
Wilton Center
Cinnamon Tree Plaza

SALES COMPARABLES

5950 BUILDING
5950 West Oakland Park Boulevard, Lauderhill, FL, 33313

Asking Price	$3,950,000
Price/SF	$96.18
Pro Forma CAP Rate	8.64%
Rentable SF	41,070
Year Built	1980
Current Occupancy	45.72%
Parking Ratio	4.43 : 1,000 SF

EYECAST OFFICE BUILDING
8360 W Oakland Park Blvd, Sunrise, FL, 33351

1

Close of Escrow	7/16/2019
Sales Price	$2,500,000
Rentable SF	23,000
Price/SF	$108.70
Year Built	1979
Occupancy	0%

NOTES

This comparable was vacant at the time of sale. This property was previously owner-occupied, and the buyer intends on leasing up the vacant space.

FORT LAUDERDALE COMMERCE CENTER
5341 NW 33rd Ave, Fort Lauderdale, FL, 33309

2

Close of Escrow	1/4/2019
Sales Price	$5,000,000
Rentable SF	48,687
Price/SF	$102.70
Year Built	1986
Occupancy	10%

NOTES

This comparable was vacant at the time of sale and the buyer plans on renovating and leasing up the property.

SALES COMPARABLES

WILTON CENTER

3661 W Oakland Park Blvd, Fort Lauderdale, FL, 33309

3

Close of Escrow	10/31/2018
Sales Price	$7,619,392
Rentable SF	43,770
Price/SF	$174.08
Year Built	1976
Occupancy	50%

NOTES

This comparable was reported to be 50% vacant at the time of sale. The buyer intends to complete extensive renovations.

CINNAMON TREE PLAZA

5701 N Pine Island Rd, Tamarac, FL, 33321

4

Close of Escrow	2/15/2018
Sales Price	$4,900,000
Rentable SF	47,609
Price/SF	$102.92
Year Built	1985
Occupancy	60%

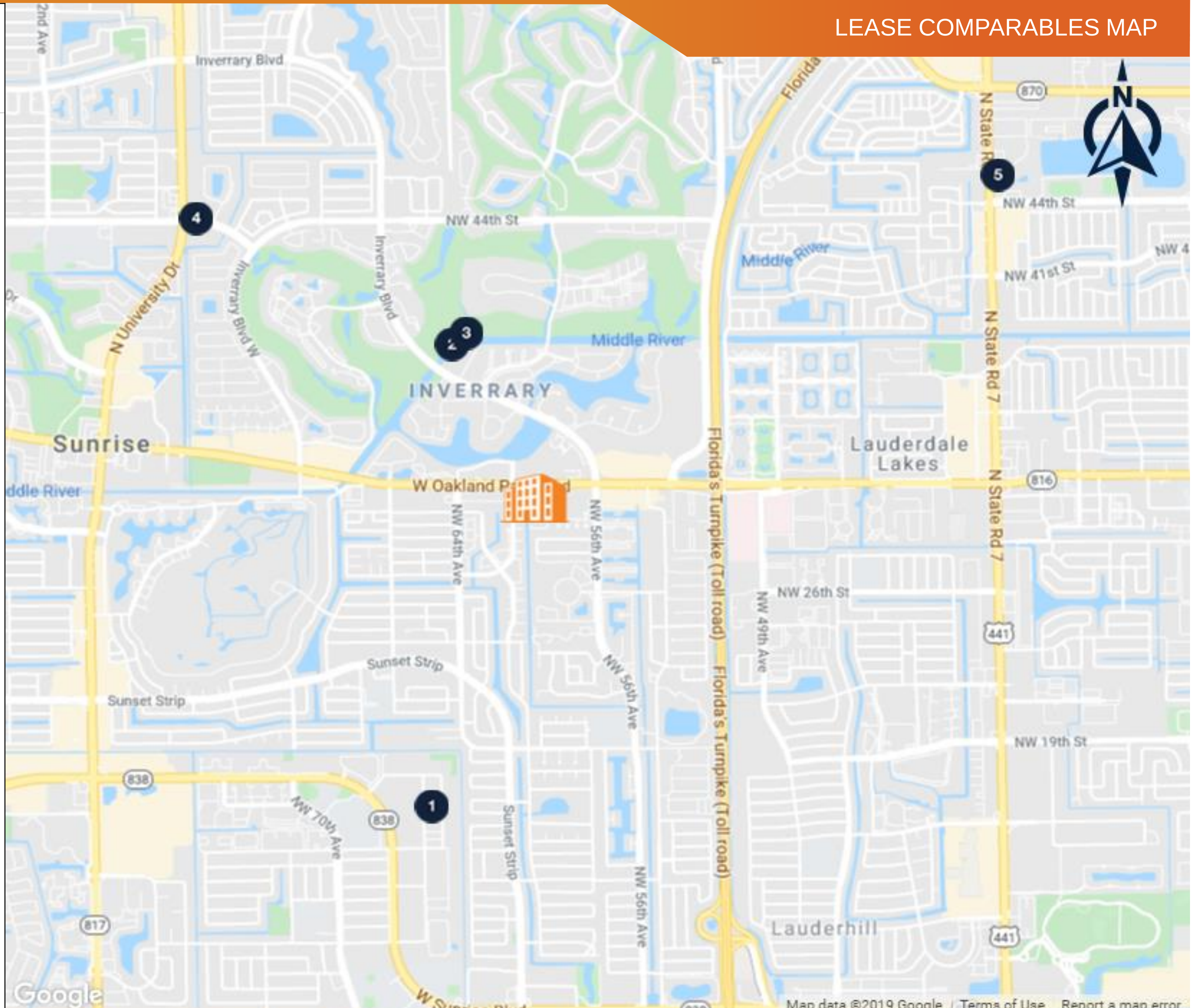
NOTES

This comparable was 40% vacant at sale and the buyer intends on leasing up remaining vacant space.

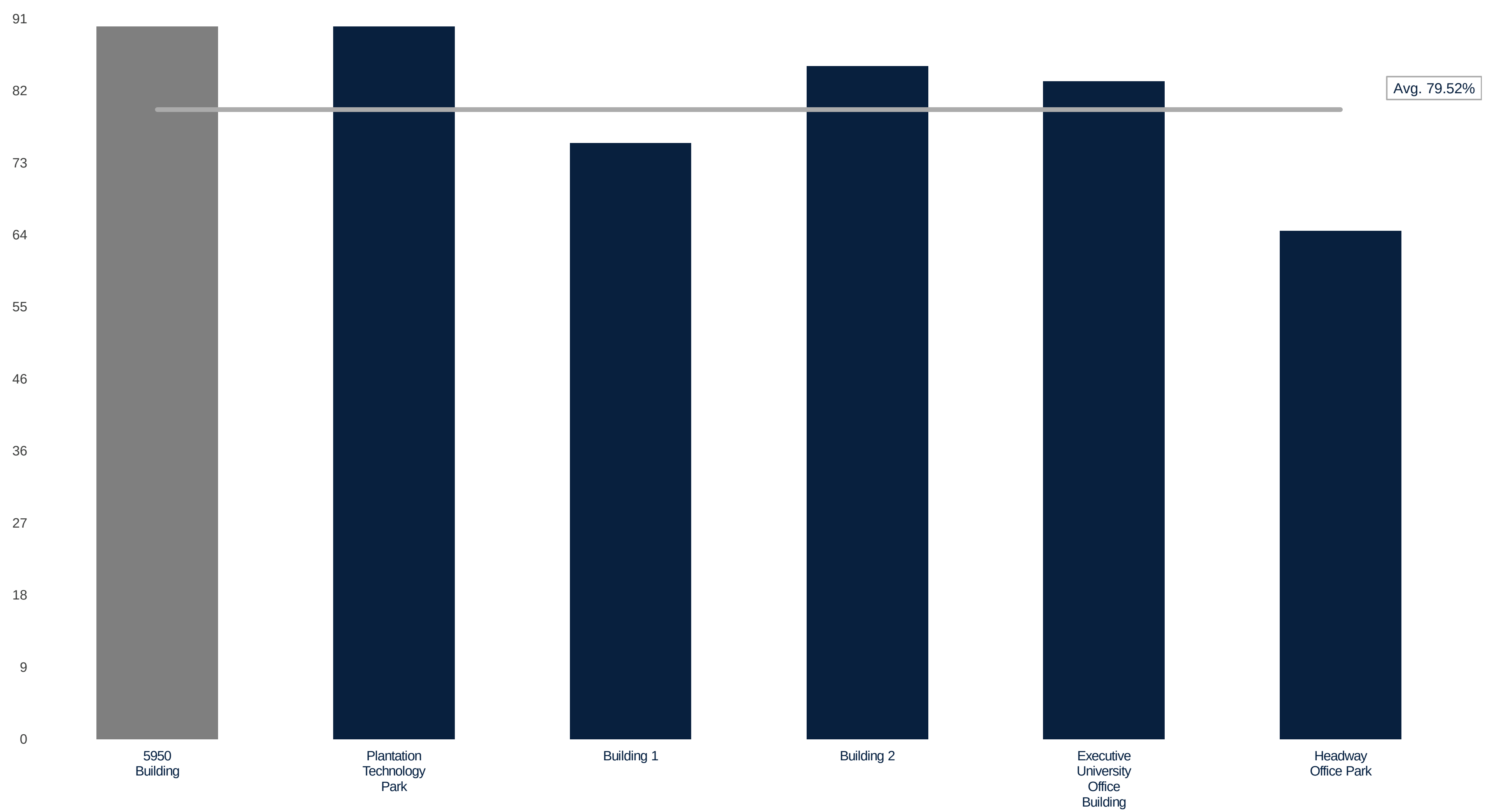
LEASE COMPARABLES MAP

5950 BUILDING
(SUBJECT)

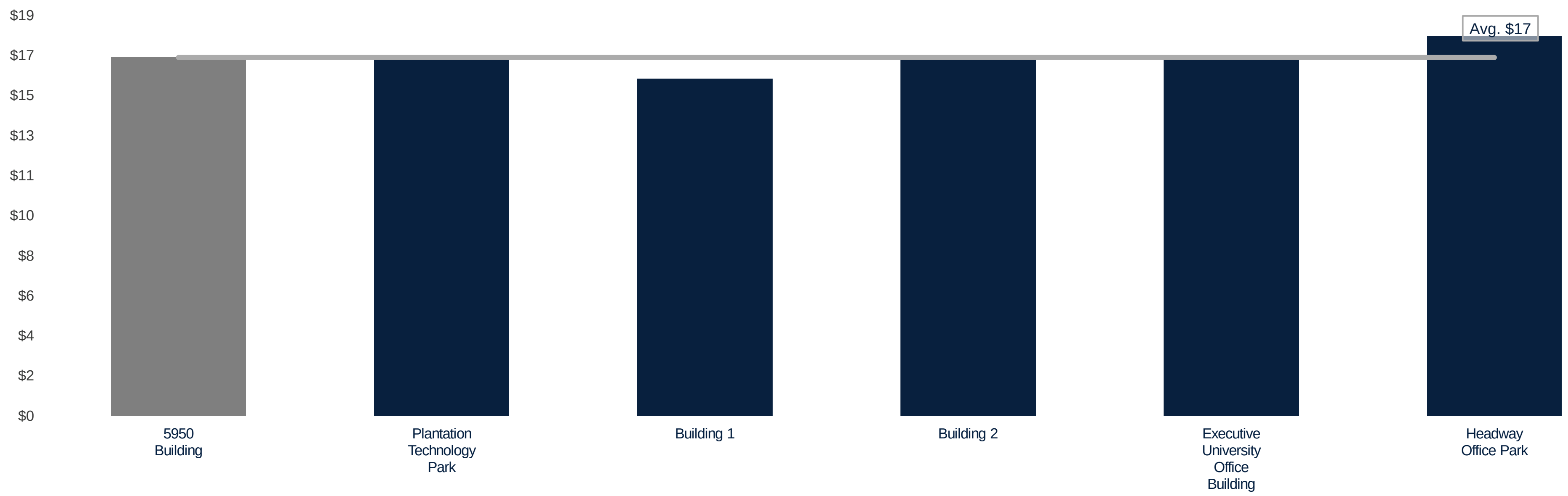
1. Plantation Technology Park
2. Building 1
3. Building 2
4. Executive University Office Building
5. Headway Office Park



AVERAGE OCCUPANCY



AVERAGE RENT PER SQUARE FOOT



5950 BUILDING
5950 West Oakland Park Boulevard, Lauderhill, FL, 33313

Available SF	20,535
Asking Rent/SF	$17.00
Year Built	1980
Pro Forma Occupancy	90%
Current Occupancy	45.72%
Lease Type	Gross
Lot Size	1.43 acre(s)

PLANTATION TECHNOLOGY PARK
1700 NW 66th Ave, Plantation, FL, 33313

1

Survey Date	10/2019
Rentable SF	41,250
Available SF	4,125
Asking Rent/SF	$17.00
Year Built	1979
Occupancy	90%
Lease Type	Gross
Lot Size	2.16

NOTES
This lease comparable represents 4,972 square feet leased to Marlin Engineering Inc in November 2018 on a two-year lease.

BUILDING 1
3800 Inverrary Blvd, Lauderhill, FL, 33319

2

Survey Date	10/2019
Rentable SF	121,723
Available SF	30,065
Asking Rent/SF	$16.00
Year Built	1984
Occupancy	75%
Lease Type	Gross
Lot Size	5.22

NOTES
This lease represents 4,922 square feet leased to a professional office tenant in November 2018 on a five-year lease.

BUILDING 2
3810 Inverrary Blvd, Lauderhill, FL, 33319

3

Survey Date	10/2019
Rentable SF	50,763
Available SF	7,614
Asking Rent/SF	$17.00
Year Built	1984
Occupancy	85%
Lease Type	Gross
Lot Size	5.22

NOTES

This lease represents 1,368 square feet leased to a professional office tenant February 2018 on a two-year lease.

EXECUTIVE UNIVERSITY OFFICE BUILDING
4300 N University Drvie, Lauderhill, FL, 33351

4

Survey Date	10/2019
Rentable SF	97,301
Available SF	16,443
Asking Rent/SF	$17.00
Year Built	1987
Occupancy	83%
Lease Type	Gross
Lot Size	2

NOTES

This comparable represents 1,325 square feet leased to K-Factor in May 2019 on a two-year lease.

HEADWAY OFFICE PARK
4500 N State Road 7, Lauderdale Lakes, FL, 33319

5

Survey Date	10/2019
Rentable SF	42,018
Available SF	15,042
Asking Rent/SF	$18.00
Year Built	1983
Occupancy	64%
Lease Type	Gross
Lot Size	1.35

NOTES

This lease represents 3,065 square feet leased to a professional office tenant in October 2018 on a three-year lease.

MARKET
OVERVIEW

BROWARD COUNTY

OVERVIEW

Broward County is located in South Florida and contains a population of 1.9 million people. The county is bordered to the north and south by Palm Beach and Miami-Dade counties, respectively. On the east is the Atlantic Ocean and Big Cypress National Reserve is to the west. The Everglades cover the western portion of the county, restricting development. As limited land is available for construction, any significant growth is upward rather than outward. Roughly 23 miles of shoreline and 300 miles of inland waterways provide a wide range of recreation and transport uses. Fort Lauderdale is the largest city in the county with 180,700 residents followed by Pembroke Pines with 167,000 people.

METRO HIGHLIGHTS

STRONG POPULATION GROWTH

Broward County's population continues to grow at a pace well above the U.S. rate. In-migration accounts for a large share of new residents.

DESIRABLE CORPORATE LOCATION

Companies are attracted to the metro for its proximity to Latin American markets, large educated workforce and desirable climate.

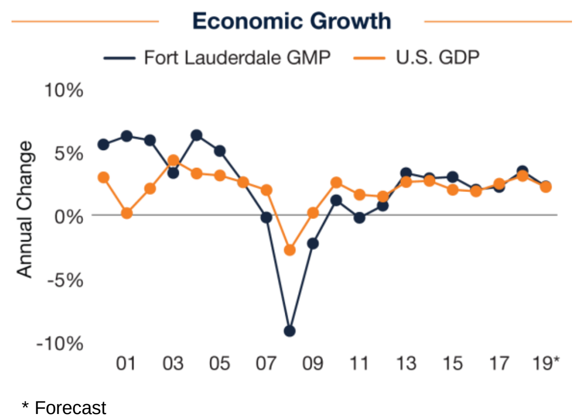
HOUSING AFFORDABILITY

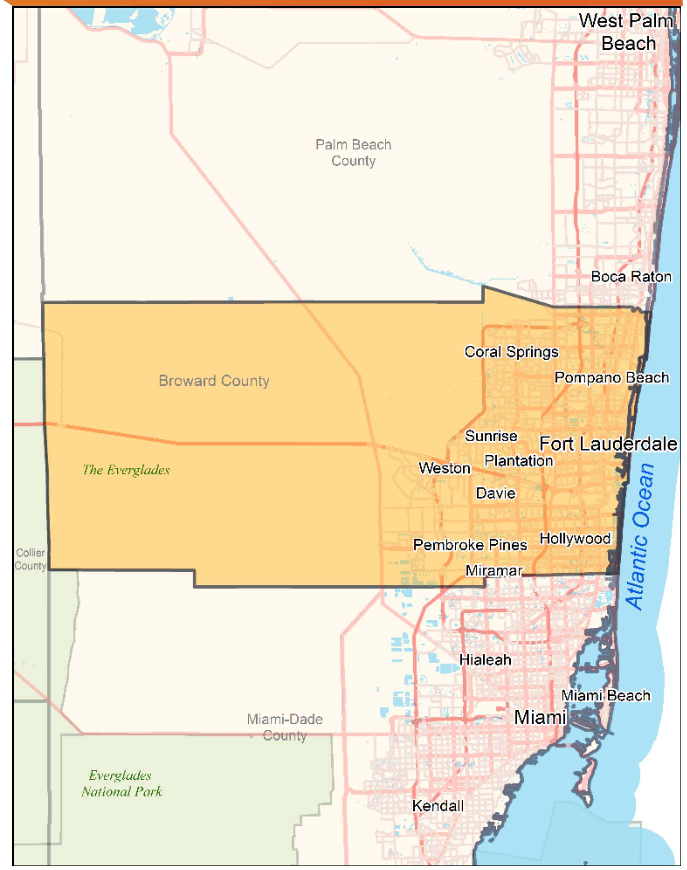
Home prices are more affordable in Broward County than in many other coastal counties.

ECONOMY

- Key economic drivers include tourism, healthcare, biotechnology and commerce.
- As a major point of access to both international trade and cruise tourism, Port Everglades generates roughly $30 billion of economic activity per year.
- The significant population of elderly residents results in healthcare playing a major role in the county's economy.
- A diverse array of companies are headquartered in the area, including Citrix Systems, AutoNation and Heico.

MAJOR AREA EMPLOYERS
Ultimate Software
Nova Southeastern University
American Express
Spirit Airlines
Kaplan Higher Education
Citrix Systems
DHL Express
JM Family Enterprises
AutoNation
Trividia Health





SHARE OF 2018 TOTAL EMPLOYMENT

- 3% MANUFACTURING
- 18% PROFESSIONAL AND BUSINESS SERVICES
- 12% GOVERNMENT
- 11% LEISURE AND HOSPITALITY
- 7% FINANCIAL ACTIVITIES
- 22% TRADE, TRANSPORTATION AND UTILITIES
- 6% CONSTRUCTION
- 13% EDUCATION AND HEALTH SERVICES
- 2% INFORMATION
- 5% OTHER SERVICES

DEMOGRAPHICS

- Since 2000, the county's population has increased by roughly 278,000 residents. During the next five years, the county will add approximately 72,000 residents.
- In the same time period, the number of households will rise by 35,000.
- An increase in education attainment provides a skilled labor pool and has helped boost income levels. Almost 31 percent of residents age 25 and older have at least a bachelor's degree.

2018 Population by Age

0-4 YEARS	5-19 YEARS	20-24 YEARS	25-44 YEARS	45-64 YEARS	65+ YEARS
6%	18%	6%	27%	28%	16%

2018 POPULATION:	2018 HOUSEHOLDS:	2018 MEDIAN AGE:	2018 MEDIAN HOUSEHOLD INCOME:
1.9M	748K	40.3	$56,200
Growth 2018-2023*: 3.8%	Growth 2018-2023*: 4.7%	U.S. Median: 38.0	U.S. Median: $58,800

QUALITY OF LIFE

Broward County has one of the most desirable climates in the United States and has a wide variety of recreational opportunities and cultural amenities. The metro boasts 300 days of sunshine annually, and the average winter temperature is 78 degrees. Fort Lauderdale is known as the "Venice of America" for its inland canals. In addition, more than 145 marinas along Fort Lauderdale's inland waterways cater to boating and fishing needs. Various professional sports are nearby in Miami. There are also more than 40 golf courses in the county. Other attractions include the NSU Art Museum Fort Lauderdale, the Broward Center for the Performing Arts, Flamingo Gardens, Museum of Discovery and Science, Symphony of the Americas and the International Swimming Hall of Fame.

*Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS

FLORIDA

EDUCATION

FAU FLORIDA ATLANTIC UNIVERSITY

UNIVERSITY OF FORT LAUDERDALE

BROWARD COLLEGE www.broward.edu

STRAYER UNIVERSITY

ARTS & ENTERTAINMENT

BONNET HOUSE MUSEUM & GARDENS

INTERNATIONAL SWIMMING HALL OF FAME

NSU ART MUSEUM FORT LAUDERDALE

BROWARD CENTER FOR THE PERFORMING ARTS

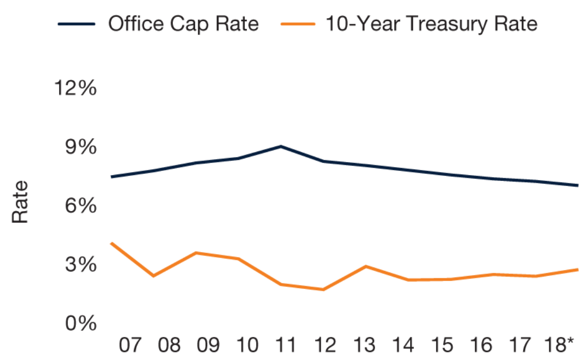
SOUTH FLORIDA METROS

Vacancies and Rents Improve Even as Development Expands in Some Southeast Florida Markets

After moderated period, construction ramps up in West Palm Beach and Fort Lauderdale while fundamentals carry momentum. A subdued development pipeline and consistent demand for space has substantially improved office operations in West Palm Beach over the past several years. The market's vacancy rate has dropped from a cycle high of 20.7 percent in 2010 to under 14.0 percent this year, the most substantive recovery in the region. Availability will decline sharply again in 2019 despite a year-over-year rise in deliveries, as the metro's largest completions are already fully leased. A similar expansion to the construction pipeline in Fort Lauderdale will hold vacancy flat this year but not impede rent growth. Monthly rates are appreciating at a rapid clip here as biotech and business development companies like Ultimate Software absorb more space.

Fewer arrivals pave way for rent growth in Miami. In contrast to the rest of Southeast Florida, the development pipeline in Miami is contracting this year. Although deliveries will still surpass 1 million square feet, ongoing leasing by healthcare companies, coworking enterprises and business services firms sustains demand. Availability will dip this year following a supply-driven increase in 2018, with vacancy particularly tight in Miami City, West Miami and Medley/Hialeah. A strong interest in occupying office space in these and other submarkets bodes well for rent growth this year, even though asking rates are already some of the highest in the state of Florida.

Local Office Yield Trends



* Cap rate trailing 12-month average through 1Q; Treasury rate as of March 29
Includes sales $1 million and greater for Miami, Fort Lauderdale and West Palm Beach
Sources: CoStar Group, Inc.; Real Capital Analytics

Office 2019 Outlook

Metro	Vacancy	Y-O-Y Basis Point Change	Asking Rent	Y-O-Y Change
Miami	12.7%	-10	$35.81	2.4%
Fort Lauderdale	12.9%	0	$29.75	4.6%
West Palm Beach	13.4%	-70	$30.46	4.4%

Investment Trends

Miami

- Greater interest from institutional investors translated into several recent high-caliber trades in Downtown Miami and nearby Brickell. Initial returns for these assets were in the mid-4 percent zone.
- Trade volume improved year over year in Kendall as multiple Class B and C assets changed hands for under $10 million with cap rates in the high-6 to high-7 percent range, above the high-5 percent metro average.

Fort Lauderdale

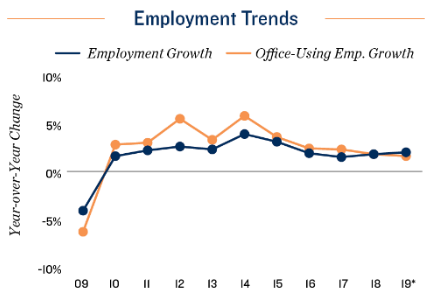
- Private investors have been more active than institutions so far this year as regionally low entry costs attracted parties from outside the market. Sales activity rose notably in Pompano Beach as buyers pursued Class B assets with mid-6 to mid-7 percent initial yields.
- Medical office properties acquired in recent months provided above-market initial returns. Several Class B and C assets in the city of Fort Lauderdale were exchanged with cap rates up to mid-8 percent.

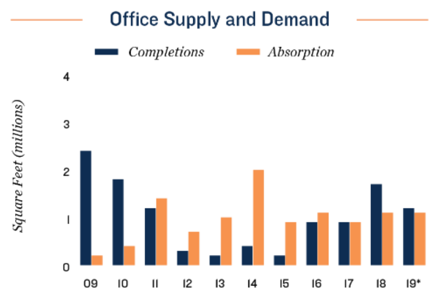
West Palm Beach

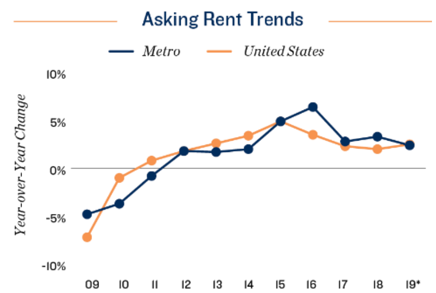
- West Palm Beach investors focus on business hubs in Boca Raton, Delray Beach and other areas to obtain properties with high-credit tenants as the metro lacks a prominent central business district.
- Buyers targeting regionally high yields have pursued opportunities in North Palm Beach. Post 1980-built, sub-30,000-square-foot assets have traded recently with cap rates in the 7 to 8 percent zone.

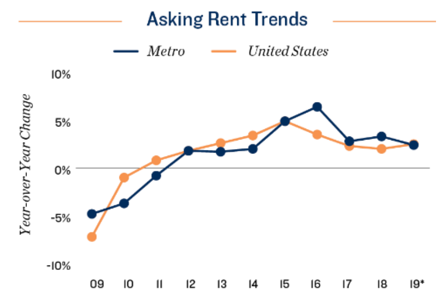
SOUTH FLORIDA METROS: FORT LAUDERDALE

1Q19 – 12-Month Trend









EMPLOYMENT

1.6% increase in total employment Y-O-Y

- Local employers added about 13,400 personnel to staffs over the past four quarters, about 600 more jobs than were created during the previous annual period.
- Employment growth was higher among traditionally office-using professions at a 3.2 percent annual increase in March. Over that time, the professional and business services and the education and health services sectors hired a combined 9,000 individuals.

CONSTRUCTION

325,500 square feet completed Y-O-Y

- **The development pipeline expanded over the past four quarters as construction activity increased in Cypress Creek, Northwest Broward/Coral Springs and Southwest Broward County.**
- **Major deliveries to the metro since March 2018 include a pair of medical office properties, the 81,700-square-foot Cypress Creek Medical Pavilion and the Cleveland Clinic in Coral Springs, which spans 63,360 square feet.**

VACANCY

20 basis point decrease in vacancy Y-O-Y

- **The metrowide vacancy rate dipped down to 13.0 percent year over year in the first quarter, led by triple-digit contractions in Sawgrass Park, Commercial Boulevard, Northwest Broward/Coral Springs and Hollywood.**
- **Southwest Broward is now the least vacant submarket at 8.0 percent in Fort Lauderdale, followed by Hollywood at 9.1 percent. All other submarkets have availability of 10 percent or higher.**

RENTS

7.5% increase in the average asking rent Y-O-Y

- **The average marketed rental rate improved by the highest margin in more than a decade to $28.91 per square foot in March. A year ago, rents had appreciated by 3.1 percent on average.**
- **Declining availability in multiple submarkets contributed to above-market rent growth, particularly in Sawgrass Park and Northwest Broward/Coral Springs. Demand for urban office space also helped drive asking rates up more than 15 percent downtown.**

* Forecast

SOUTH FLORIDA METROS: FORT LAUDERDALE

Demographic Highlights

2019 Forecast Job growth
Metro 1.8%
U.S. Average 1.3%

2019 Office-Using Job growth
Metro 2.7%
U.S. Average 1.7%

Population Age 20-34*
Metro 19.2%
U.S. Average 20.6%

Population of Age 25+ Percent with Bachelor Degree+**
Metro 29.1%
U.S. Average 29.9%

Sq. Ft. Per Office Worker*
Metro 221
U.S. Average 215

Office Square footage*
12.6% Urban
U.S. Average 32.0%
87.4% Suburban
U.S. Average 68.0%

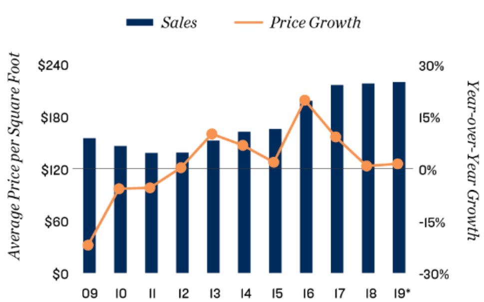
*1Q19
**2018

Sales Trends

Competitive Sales Pricing Drives Increased Trade Velocity for Class B/C Assets

- Trade velocity rose over the past 12 months ending in March as lower average sale prices than in the region's other primary metros attracted more buying activity in the sub-$10 million tranche.
- More Class B and C office sales contributed to an overall slower rate of price appreciation over the past four quarters. The metro's average sale price rose 1.4 percent to $219 per square foot in March, while the average cap rate dipped into the mid-6 percent band.

Sales Trends



Outlook: Capital-constrained investors from Miami may look toward Fort Lauderdale due to comparatively lower entry costs and an average 70-basis-point difference in first-year yields.

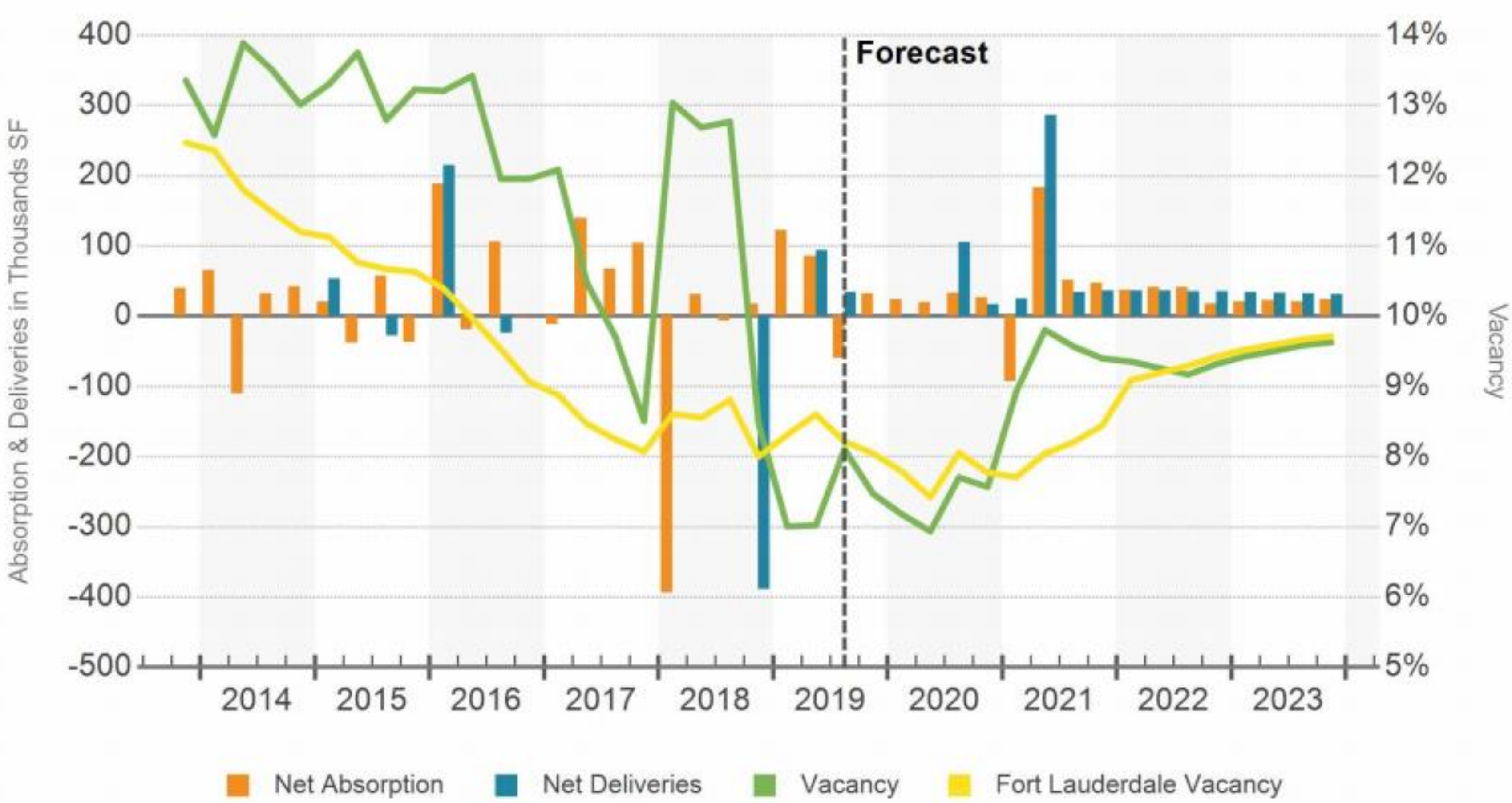
* Trailing 12 months through 1Q19 over previous time period
** Includes submarkets with more than 100,000 square feet of inventory
Sources: CoStar Group, Inc.; Real Capital Analytics

Submarket Trends

Lowest Vacancy Rates 1Q19*

Submarket	Vacancy Rate	Y-O-Y Basis Point Change	Asking Rent	Y-O-Y % Change
Southwest Broward	8.0%	100	$30.34	5.0%
Hollywood	9.1%	-220	$28.02	-2.1%
Pompano Beach	11.5%	-120	$23.26	2.8%
Sawgrass Park	11.9%	-570	$30.01	10.4%
Northwest Broward/Coral Springs	12.9%	-270	$25.79	8.1%
City of Fort Lauderdale	13.1%	30	$25.36	7.2%
Plantation	13.7%	320	$28.82	9.0%
Downtown Fort Lauderdale	16.5%	60	$41.58	15.1%
Cypress Creek	18.4%	0	$25.21	6.3%
Overall Metro	13.0%	-20	$28.91	7.5%

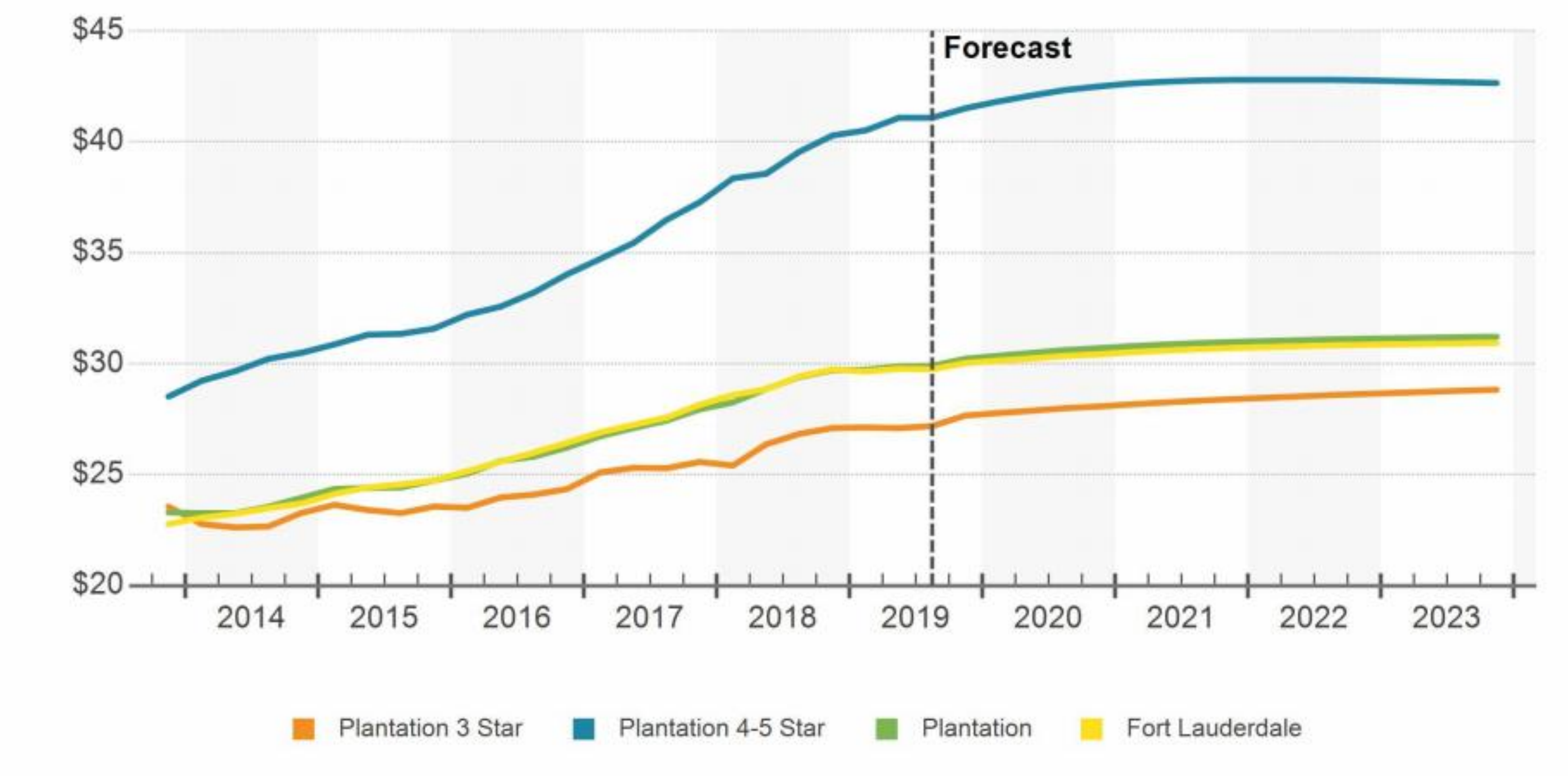
NET ABSORPTION, NET DELIVERIES & VACANCY



Rent

Plantation Office

MARKET RENT PER SQUARE FOOT



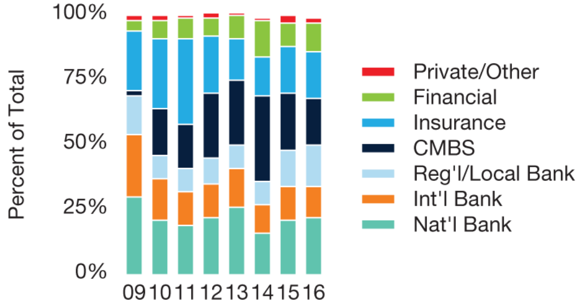
Capital Markets

- **Monetary policy in transition.** Despite the Fed raising its benchmark short-term rate three times in seven months and signaling another rise before the end of the year, long-term rates have remained stable. The yield on the 10-year U.S. Treasury bond remained in the low- to mid-2 percent range throughout the second quarter of 2017. The Federal Reserve wants to normalize monetary policy and, in addition to rate hikes, will start paring its balance sheet. While short- and long-term rates do not always move in tandem, both actions by the Fed have the potential to lift long-term rates.

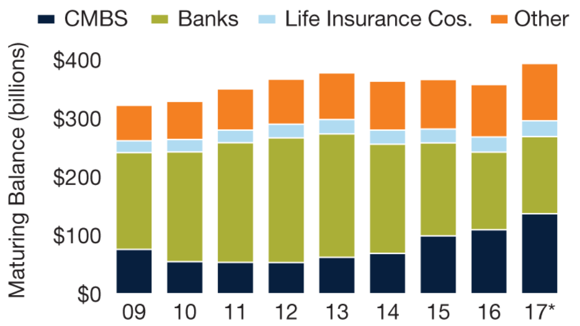
- **Sound economy a balancing act for Fed.** With unemployment at the lowest level since 2007 at 4.3 percent, the Federal Reserve will remain vigilant regarding the possible rapid increase in inflation if wage growth takes off. Additionally, business confidence sits close to its all-time high. Businesses finally have the confidence to expand their footprint after years of tepid growth following the Great Recession. Office properties stand to gain significantly from this expansion with increased hiring adding to occupancy, plus expanding economic growth. The Fed, however, must now balance economic growth and job creation against wage growth and inflationary pressures.

- **Underwriting discipline persists; ample debt capital remains.** Overall, leverage on acquisition loans has continued to reflect disciplined underwriting, with LTVs typically ranging from 60 percent to 75 percent for most office properties. At the end of 2016, the combination of higher rates, conservative lender underwriting and fiscal policy uncertainty encouraged some investor caution that slowed deal flow, a trend that has extended into 2017. A potential easing of regulations on financial institutions, though, could liberate additional lending capacity and higher interest rates may also encourage additional lenders to participate.

Office Mortgage Originations By Lender



Estimated Commercial/Multifamily Debt Maturities by Lender Type



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

DEMOGRAPHICS

Created on October 2019

POPULATION	1 Miles	3 Miles	5 Miles
▪ 2023 Projection			
Total Population	32,195	213,019	473,303
▪ 2018 Estimate			
Total Population	31,624	209,489	466,535
▪ 2010 Census			
Total Population	29,262	193,933	431,374
▪ 2000 Census			
Total Population	29,332	190,687	427,524
▪ Current Daytime Population			
2018 Estimate	16,708	166,829	427,342

HOUSEHOLDS	1 Miles	3 Miles	5 Miles
▪ 2023 Projection			
Total Households	12,836	84,643	183,615
▪ 2018 Estimate			
Total Households	12,395	82,460	178,560
Average (Mean) Household Size	2.48	2.51	2.57
▪ 2010 Census			
Total Households	11,413	76,134	164,850
▪ 2000 Census			
Total Households	11,744	77,409	166,767

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
▪ 2018 Estimate			
$200,000 or More	0.68%	1.35%	2.36%
$150,000 - $199,999	1.10%	2.15%	3.09%
$100,000 - $149,000	5.11%	8.55%	10.80%
$75,000 - $99,999	7.55%	10.60%	12.02%
$50,000 - $74,999	19.96%	19.57%	20.07%
$35,000 - $49,999	18.00%	15.94%	15.03%
$25,000 - $34,999	13.76%	12.87%	11.56%
$15,000 - $24,999	17.87%	14.42%	12.39%
Under $15,000	14.02%	13.01%	12.21%
Average Household Income	$46,317	$55,391	$63,861
Median Household Income	$37,261	$42,250	$48,178
Per Capita Income	$18,381	$21,896	$24,533

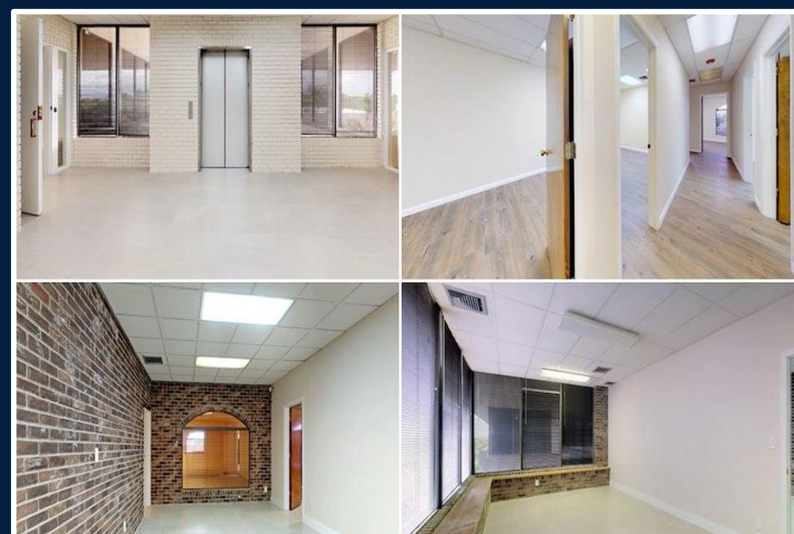
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
▪ Population By Age			
2018 Estimate Total Population	31,624	209,489	466,535
Under 20	27.40%	24.38%	24.34%
20 to 34 Years	23.19%	20.80%	20.84%
35 to 39 Years	7.60%	6.70%	6.82%
40 to 49 Years	12.28%	12.14%	12.56%
50 to 64 Years	15.89%	18.83%	19.34%
Age 65+	13.64%	17.15%	16.11%
Median Age	34.64	38.54	38.50
▪ Population 25+ by Education Level			
2018 Estimate Population Age 25+	20,823	145,637	324,516
Elementary (0-8)	3.58%	4.93%	4.79%
Some High School (9-11)	10.79%	9.55%	9.11%
High School Graduate (12)	35.06%	33.01%	31.43%
Some College (13-15)	21.56%	20.06%	20.04%
Associate Degree Only	8.67%	9.19%	8.92%
Bachelors Degree Only	12.87%	14.30%	15.74%
Graduate Degree	5.45%	7.05%	8.02%

Source: © 2018 Experian

Created on October 2019

POPULATION BY TRANSPORTATION TO WORK	1 Miles	3 Miles	5 Miles
▪ 2018 Estimate Total Population			
Bicycle	0.08%	0.34%	0.32%
Bus or Trolley Bus	9.75%	5.23%	4.04%
Carpooled	11.00%	10.99%	10.38%
Drove Alone	73.73%	78.14%	79.57%
Ferryboat	0.00%	0.00%	0.00%
Motorcycle	0.13%	0.10%	0.15%
Other Means	0.35%	0.78%	0.79%
Railroad	0.04%	0.12%	0.13%
Streetcar or Trolley Car	0.00%	0.00%	0.00%
Subway or Elevated	0.00%	0.02%	0.01%
Taxicab	0.23%	0.08%	0.09%
Walked	1.89%	0.87%	0.84%
Worked at Home	2.81%	3.34%	3.67%

POPULATION BY TRAVEL TIME TO WORK	1 Miles	3 Miles	5 Miles
▪ 2018 Estimate Total Population			
Under 15 Minutes	8.29%	13.23%	15.76%
15 - 29 Minutes	42.74%	39.77%	39.01%
30 - 59 Minutes	32.58%	31.21%	29.91%
60 - 89 Minutes	7.71%	5.76%	5.42%
90 or More Minutes	1.50%	1.97%	1.90%
Worked at Home	2.81%	3.34%	3.67%
Average Travel Time in Minutes	32	31	30



Source: © 2018 Experian

Population

In 2018, the population in your selected geography is 31,624. The population has changed by 7.81% since 2000. It is estimated that the population in your area will be 32,195.00 five years from now, which represents a change of 1.81% from the current year. The current population is 44.92% male and 55.08% female. The median age of the population in your area is 34.64, compare this to the US average which is 37.95. The population density in your area is 10,080.87 people per square mile.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 17.11% White, 75.94% Black, 0.09% Native American and 1.57% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 10.84% of the current year population in your selected area. Compare this to the US average of 18.01%.

Households

There are currently 12,395 households in your selected geography. The number of households has changed by 5.54% since 2000. It is estimated that the number of households in your area will be 12,836 five years from now, which represents a change of 3.56% from the current year. The average household size in your area is 2.48 persons.

Housing

The median housing value in your area was $95,221 in 2018, compare this to the US average of $201,842. In 2000, there were 6,415 owner occupied housing units in your area and there were 5,328 renter occupied housing units in your area. The median rent at the time was $629.

Income

In 2018, the median household income for your selected geography is $37,261, compare this to the US average which is currently $58,754. The median household income for your area has changed by 26.41% since 2000. It is estimated that the median household income in your area will be $41,078 five years from now, which represents a change of 10.24% from the current year.

The current year per capita income in your area is $18,381, compare this to the US average, which is $32,356. The current year average household income in your area is $46,317, compare this to the US average which is $84,609.

Employment

In 2018, there are 5,143 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 56.82% of employees are employed in white-collar occupations in this geography, and 43.72% are employed in blue-collar occupations. In 2018, unemployment in this area is 6.04%. In 2000, the average time traveled to work was 32.00 minutes.

Source: © 2018 Experian

DEMOGRAPHICS