

MARKET TRENDS Q4 2018



CONSTRUCTION



ABSORPTION



VACANCY



RENT GROWTH

LUKE MAUGER, P.A.

Director

- **9** | 1200 N. Federal Highway, Suite 200 Boca Raton, FL 33432
- | luke.mauger@BAWONS.com
- 🛘 | 561 294 8335
- ⊕ | www.BAWONS.com

WENDY PIERRE, CCIM

Managing Director

- § | 777 Brickell Avenue, Suite 500 Miami, FL 33131
- | wendy.pierre@BAWONS.com
- □ | 305 509 8336
- # | www.BAWONS.com



MARKET ANALYSIS

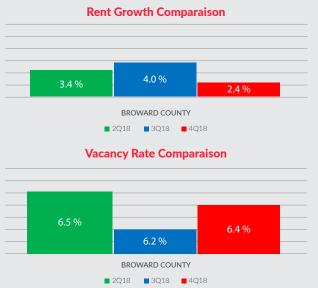
The Broward County apartment market has remained in the Hypersupply phase of this real estate cycle in Q4 2018 (See Market Cycle Figure Below). This phase of the real estate cycle is characterized by an excessive development of market rate apartments, a slowdown in rental growth, and a decrease in absorption levels. The county's multifamily market has entered this phase of the Hypersupply cycle through a combination of factors not limited to increasing cost of capital, equity volatility, and the housing affordability crisis.

The Broward County market is expected to deliver over 4500 market rate apartments in 2019, this coincides with housing inventory reaching their highest peaks since 2011. Additionally, portions of the ever increasing condominium deliveries will enter into the shadow rental market to compete with traditional market rate apartments. The excessive delivery of rental units will increase competition for tenants which will result in a softening in rent growth and value for multi-family properties.

The county's strong population growth, low homeownership rate, and unaffordability crisis have kept vacancy rates in older B and C apartments relatively low. Nonetheless affordable market rate apartments with aggressively priced rental rates will be the most affected in this Hypersupply phase with tenants moving to newer or more amenitized properties as competition to fill in vacancies increases. Owners should be cautiously evaluating their investment goals as we near the end of the longest real estate cycle.

Phase II - Expansion Phase III - Hypersupply Increasing vacancy New Construction Declining vacancy No New Construction Phase I - Recovery Increasing vacancy More completions Phase IV - Recession Source: Mueller, Real Estate Finance, 1995

Broward Employment Numbers	October 2017-2018	
Sector	Gain / Loss	Rate
Professional and Business Services	2900	1.9%
Transportation, Trade, and Utility Services	3200	1.7%
Education & Health Services	1600	1.4%
Leisure and Hospitality Services	200	0.2%
Construction Services	4100	8.6%
Government Services	500	0.5%



DEVELOPMENT ANALYSIS

High development costs have pushed developers to almost exclusively build luxury units this real estate cycle. The increased cost of construction combined with lacking government incentives has created an environment where only luxury apartment projects can produce the required returns. Thus, an over-development of luxury units has accentuated the pent-up demand for the limited supply of affordable market rate apartments. The lack of incentives for the capital markets to meet such pent-up demand will lead to the continued overdevelopment of luxury units and put further strain on the older more affordable apartments.

Some have argued that the robust development in Broward County is making up for the lack of construction in the recent recessionary years, but current market statistics signal otherwise. The lower than expected absorption levels and rent growth may be a sign of softening as more than 8500 market rate apartment units are currently in the pipeline to be delivered in Broward county. These newly built apartments along with the growing non-traditional housing inventory entering the shadow rental market could meaningfully affect liquidity, yields, and values across all apartment classes. Landlords should be carefully monitoring the number of new projects coming into their submarket, and how such supply could affect the demand for their properties.



Construction & Absorption Analysis

	2Q18		3Q18		4Q18	
Markets	Units Built	Absorbtion	Units Built	Absorbtion	Units Built	Absorbtion
Broward County	802	898	451	736	821	569

Broward County Construction Details

Riverpark Square Market Rate 879 43 Construction Mar-20	Name & Address	Unit Type	# of Unit	# of Floors	Status	Completion
Market Rate 639 46 Construction Jul-22						
Market Rate 456	501 S Andrew Ave, Fort Lauderdale					
Las Olas Walk Pines Garden at City Center 10200-12020 pines Bivd, Dembroke Pines Metropolitan at Flagler Village Poly Sard Aver Fort Lauderdale Residences of Las Olas Net Las Olas Net Las Olas Nerve Village Next Las Olas Nerve Village Narket Rate		Market Rate	639	46	Construction	Jul-22
11.6-200 S Federal Hwy, Fort Lauderdale Pines Garden at City Centre 1 (200-12020 Pines Blvd, Pembroke Pines Market Rate 385 6 Construction Jul-19 10200-12020 Pines Blvd, Pembroke Pines Metropolitan at Flagler Village Market Rate 385 6 Construction May-19 340 N Andrews Ave, Fort Lauderdale Residences of Las Olas Market Rate 380 42 Construction May-20 323-479 SE 374 Ave, Fort Lauderdale Next Las Olas Sat 32-479 SE 374 Ave, Fort Lauderdale Next Las Olas Class Market Rate 374 32 Construction Jan-21 419 SE 200 SE ast 227 SE 6th Ave, Fort Lauderdale RD Las Olas East 352 Construction Jul-19 Real Flagler Village Market Rate 350 7 Construction Jul-19 Real Flagler Village Market Rate 350 7 Construction Jun-19 Real Flagler Village Market Rate 348 31 Construction Jun-19 Real Flagler Village Market Rate 348 31 Construction Jun-19 Real Florida Park 500 E Dania Beach Blvd, Dania Beach Market Rate 345 14 Construction Aug-20 SOE Dania Beach Blvd, Dania Beach Blvd, Dania Beach Blvd, Dania Beach Blvd, Dania Beach Market Rate 336 Construction Aug-20 SOE Dania Beach Blvd, Dania Beach Market Rate 330 6 Construction Apr-19 Modera Cornerstone Market Rate 330 6 Construction May-20 Soe Dania Beach Blvd, Dania Beach Market Rate 329 25 Construction May-20 Soe Dania Beach Market Rate 329 25 Construction May-20 Soe Dania Beach Market Rate 329 25 Construction May-20 Soe Dania Beach Market Rate 329 25 Construction May-19 Rate Broward Blvd, Fort Lauderdale Dania Pointe Market Rate 329 25 Construction May-19 Soe Dania Pointe Market Rate 329 25 Construction May-19 Soe Dania Pointe Market Rate 329 25 Construction May-19 Soe Dania Pointe Market Rate 329 25 Construction May-19 Soe Dania Pointe Market Rate 329 3 Construction May-19 Soe Dania Pointe Market Rate 329 3 Construction May-19 Soe Dania Pointe Market Rate 329 3 Construction May-19 Soe Dania Pointe Market Rate 329 3 Construction May-19 Soe Dania Pointe Market Rate 320 Soe Dania Pointe Poi						
Pines Garden at City Center Market Rate 397 2 Construction Jul-19		Market Rate	456	8	Construction	Jan-20
10200-12020 Pines Blvd, Pembroke Pines Market Rate 385 6 Construction May-19	• •		007			
Metropolitan at Flagler Village		Market Rate	397	2	Construction	Jul-19
540 N. Andrews Ave., Fort Lauderdale Residences of Las Olas 323-479 SE 3rd Ave, Fort Lauderdale Next Las Olas All SE Znd St, Fort Lauderdale RD Las Olas East R		Market Data	205	4	Construction	May 10
Residences of Las Olas Market Rate 380 42 Construction May-20 323-479 SE 3rd Ave, Fort Lauderdale Narket Rate 374 32 Construction Jan-21 419 SE 2nd St, Fort Lauderdale RD Las Olas East Market Rate 352 Construction Jul-19 227 SE 6th Ave, Fort Lauderdale Pagar I Falger Village Market Rate 350 7 Construction Feb-19 400 NE 3rd Ave, Fort Lauderdale Market Rate 348 31 Construction Jun-19 417 NE 2nd St, Fort Lauderdale Market Rate 348 31 Construction Jun-19 417 NE 2nd St, Fort Lauderdale Market Rate 345 14 Construction Aug-20 500 E Dania Beach Blvd, Dania Beach Market Rate 341 27 Construction Nov-20 201 E Las Olas Blvd, Fort Lauderdale Market Rate 336 Construction Apr-19 4400 West City Dr, Weston Market Rate 330 6 Construction May-20 1240 S Pine I Sland Rd, Plantation Market Rate 329 25 Comstruction Mar-20 1240 S Pine I Sland Rd, Plantation Market Rate 264 Construction Oct-19 181 S Bryan Rd, Dania Beach Market Rate 264 Construction Oct-19 181 S Bryan Rd, Dania Beach Market Rate 266 Construction Oct-19 130 Size venteen Market Rate 244 8 Construction Feb-20 2165 Van Buren St, Hollywood Market Rate 244 8 Construction Oct-19 501 T/th St, Fort Lauderdale Market Rate 244 8 Construction Oct-19 170 Not Plantation Market Rate 244 8 Construction Oct-19 170 Not Plantation Market Rate 244 8 Construction Oct-19 170 Not Plantation Market Rate 244 8 Construction Oct-19 170 Not Plantation Market Rate 247 15 Construction Oct-19 170 Not Plantation Market Rate 247 15 Construction Oct-19 170 Not Plantation Market Rate 247 15 Construction Oct-19 170 Not Plantation Market Rate 248 Construction Oct-19 170 Not Plantation Market Rate 248 Construction Oct-19 170 Not Plantation Market Rate 248 Construction Oct-19 170 Not Plantation Market Rate		Market Rate	303	0	Construction	Iviay-19
323-479 SE 3rd Ave, Fort Lauderdale Next Las Olas Market Rate 374 32 Construction Jan-21 419 SE 2nd St, Fort Lauderdale RD Las Olas East 275 Ed Nev, Fort Lauderdale Market Rate 352 Construction Jul-19 227 SE 6th Ave, Fort Lauderdale Pearl Flagler Village Market Rate 350 7 Construction Feb-19 400 NE 3rd Ave, Fort Lauderdale The Rise Market Rate 348 31 Construction Jun-19 417 NE 2nd St, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Dania Beach Blvd, Dania Beach Blvd, Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Beach Blvd, Fort Lauderdale Florida Park S00 E Dania Pania Pointe S00 E Dania Pania Pani		Market Rate	380	42	Construction	May-20
Next Las Olas Al 19 SE 2nd St, Fort Lauderdale RD Las Olas East RD Las Olas East RD Las Olas East RD Las Olas East Al Market Rate RD Las Olas East Al Construction Al Market Rate RD Las Olas East Al Construction Alg-20 Construction Cot-19 RD Las Broward Blob, Fort Lauderdale Market Rate RD Las Broward Blob, Pontal Beach Market Rate RD Las Broward Blob, Pont		Market Rate	500	72	Construction	141dy 20
419 SE 2nd St, Fort Lauderdale RD Las Olas East 227 SE 6th Ave, Fort Lauderdale Pearl Flagler Village Market Rate 350 7 Construction Feb-19 400 NE 3rd Ave, Fort Lauderdale The Rise Market Rate 348 31 Construction Jun-19 417 NE 2nd St, Fort Lauderdale Florida Park 500 E Dania Beach Blvd, Dania Beach The Main Las Olas Market Rate 345 14 Construction Aug-20 500 E Dania Beach Blvd, Dania Beach The Main Las Olas Market Rate 341 27 Construction Nov-20 201 E Las Olas Blvd, Fort Lauderdale The Place at Weston Modera Cornerstone Market Rate 330 6 Construction May-20 1240 S Pine Island Rd, Plantation Market Rate 330 6 Construction May-20 1240 S Pine Island Rd, Plantation Market Rate 329 25 Comstruction Mar-19 790 East Broward Market Rate 329 25 Comstruction Mar-19 790 East Broward Blvd, Fort Lauderdale Dania Pointe 181 S Bryan Rd, Dania Beach MALI Midtown Plantation Market Rate 264 Market Rate 264 Market Rate 275 Market Rate 286 Market Rate 287 Market Rate 287 Market Rate 288 Market Rate 289 Market Rate 298 Market Rate 299 Market Rate 299 Market Rate 299 Market Rate 290 Market Rate 290 Market Rate 290 Market Rate 291 Market Rate 291 Market Rate 292 Market Rate 293 Market Rate 294 Market Rate 295 Market Rate 297 Market Rate 298 Market Rate 299 Market Rate 290 Market Rate 290 Market Rate 290 Market Rate 290 Market Rate 291 Market Rate 291 Market Rate 293 Market Rate 294 Market Rate 295 Market Rate 296 Market Rate 297 Market Rate 298 Market Rate 299 Market Ra		Market Rate	374	32	Construction	Jan-21
RD Las Olas East 227 SE 6th Ave, Fort Lauderdale Pearl Flagler Village Market Rate 350 7 Construction Feb-19 400 NE 3rd Ave, Fort Lauderdale The Rise Market Rate 348 31 Construction Jun-19 417 NE 2nd St, Fort Lauderdale Florida Park So Dania Beach Blvd, Dania Beach The Main Las Olas 201 E Las Olas Blvd, Fort Lauderdale The Place at Weston Market Rate 341 27 Construction Aug-20 So Dania Beach Blvd, Dania Beach The Main Las Olas So Li Las Olas Blvd, Fort Lauderdale The Place at Weston Market Rate 336 Construction Market Rate 336 Construction Apr-19 440 West City Dr, Weston Modera Cornerstone Market Rate 330 6 Construction May-20 1240 S Pine Island Rd, Plantation 790 East Broward Plore St Broward Blvd, Fort Lauderdale Dania Pointe Dania Pointe Dania Pointe Dania Beach Market Rate Market Rate 264 Construction Mar-19 8021 Peters Rd, Plantation Market Rate 247 15 Construction Feb-20 21.65 Van Buren St, Hollywood Market Rate 244 8 Construction Market Rate 247 15 Construction Mar-19 501 Seventeen Market Rate 244 8 Construction Mar-19 501 Seventeen Market Rate 244 8 Construction Mar-19 501 Seventeen Market Rate 244 8 Construction Mar-19 501 Seventeen Market Rate 245 5 Construction Mar-19 501 Seventeen Market Rate 246 5 Construction Mar-19 501 Seventeen Market Rate 247 5 Construction Mar-19 501 Seventeen Market Rate 248 Construction Mar-19 501 Seventeen Market Rate 249 5 Construction Mar-19 501 Feb-20 17th St, Fort Lauderdale Market Rate 241 Construction Mar-19 501 Seventeen Market Rate 243 5 Construction Mar-19 501 Feb-19 503 Seventeen Market Rate 5 Construction Mar-19 501 Feb-19 503 Seventeen Market Rate 5 Construction Mar-19 503 Seventeen Market Rate 5 Construction Mar-19 504 Seventeen Market Rate 5 Construction Mar-19 505 Federal Hwy, Pompano Beach Market Rate 5 Construction Mar-19 507 N Federal Hwy, Pompano Beach Market Rate 5 Construction Mar-19 5000 N Buren St, Hollywood		T I GITTO T TGC	٠, .		GOIIST GOTION	7411.22
227 SE 6th Ave, Fort Lauderdale Pearl Flagler Village Mon NE 3rd Ave, Fort Lauderdale The Rise Market Rate Market		Market Rate	352		Construction	Jul-19
Pearl Flagler Village 400 NE 3rd Ave, Fort Lauderdale The Rise Market Rate 348 31 Construction Jun-19 417 NE 2nd St, Fort Lauderdale Florida Park Market Rate 345 14 Construction Aug-20 500 E Dania Beach Blvd, Dania Beach The Main Las Olas 201 E Las Olas Blvd, Fort Lauderdale Florida Park 400 West City Dr, Weston Modera Cornerstone Market Rate 336 Construction Market Rate 330 6 Construction Mary-20 1240 S Pine Island Rd, Plantation 790 East Broward Blvd, Fort Lauderdale Dania Pointe Market Rate 329 25 Comstruction Mar-19 790 East Broward Blvd, Fort Lauderdale Dania Pointe Market Rate 264 Construction Mar-19 8021 Peters Rd, Plantation Market Rate 265 6 Construction Oct-19 813 S Bryan Rd, Dania Beach MARKet Rate 275 Market Rate 287 Market Rate 287 Market Rate 287 Market Rate 288 Construction Oct-19 818 Seyenteen Market Rate 298 Construction Oct-19 801 Tyth St, Fort Lauderdale Indigo Station Market Rate 244 Construction Oct-19 801 Tyth St, Fort Lauderdale Indigo Station Market Rate 286 Construction Marvet Rate 286 Construction Oct-19 801 Tyth St, Fort Lauderdale Indigo Station Market Rate 286 Construction Marvet Rate 286 Construction Marvet Rate 287 Market Rate 288 Construction Marvet Rate 288 Construction Marvet Rate 288 Arket Rate 289 Construction Marvet Rate 280 Construction Marvet Rate 280 Construction Marvet Rate 281 Market Rate 286 Construction Marvet Rate 287 Market Rate 288 Construction Marvet Rate 288 Construction Marvet Rate 289 Construction Marvet Rate 280 Construction Marvet Rate 280 Construction Marvet Rate 280 Construction Marvet Rate 287 Market Rate 288 Construction Marvet Rate 288 Construction Marvet Rate 289 Construction Marvet Rate 280 Construction Marvet Rate 287 Market Rate 288 Construction Marvet Rate 289 Construction Marvet Rate 289 Construction Marvet Rate 280 Cons						
The Rise		Market Rate	350	7	Construction	Feb-19
417 NE 2nd St, Fort Lauderdale Florida Park 500 E Dania Beach Blvd, Dania Beach The Main Las Olas Ola E Dania Beach Blvd, Fort Lauderdale The Place at Weston Augent Market Rate Augent	400 NE 3rd Ave, Fort Lauderdale					
Florida Park 500 E Dania Beach Blvd, Dania Beach The Main Las Olas Olas Blvd, Fort Lauderdale The Place at Weston Modera Cornerstone Market Rate Marke	The Rise	Market Rate	348	31	Construction	Jun-19
SOD E Dania Beach Blvd, Dania Beach The Main Las Olas 201 E Las Olas Blvd, Fort Lauderdale The Place at Weston Market Rate Mar	417 NE 2nd St, Fort Lauderdale					
The Main Las Olas 201 E Las Olas Blvd, Fort Lauderdale The Place at Weston Market Rate Mar	Florida Park	Market Rate	345	14	Construction	Aug-20
201 E Las Olas Blvd, Fort Lauderdale The Place at Weston Advo West City Dr, Weston Modera Cornerstone 1240 S Pine Island Rd, Plantation 790 East Broward Pole East Broward Pole East Broward Broward Broward Market Rate Marke	500 E Dania Beach Blvd, Dania Beach					
The Place at Weston 4400 West City Dr, Weston Modera Cornerstone 1240 S Pine Island Rd, Plantation 790 East Broward 790 East Broward Blvd, Fort Lauderdale Dania Pointe 181 S Bryan Rd, Dania Beach AMLI Midtown Plantation H3 Hollywood Market Rate M	The Main Las Olas	Market Rate	341	27	Construction	Nov-20
Addo West City Dr, Weston Market Rate 330 6 Construction May-20	201 E Las Olas Blvd, Fort Lauderdale					
Modera Cornerstone 1240 5 Pine Island Rd, Plantation 790 East Broward 790 East Broward Roy Blvd, Fort Lauderdale Dania Pointe 181 5 Bryan Rd, Dania Beach AMLI Midtown Plantation H3 Hollywood Market Rate Market		Market Rate	336		Construction	Apr-19
1240 S Pine Island Rd, Plantation 790 East Broward Blvd, Fort Lauderdale Dania Pointe Dania Beach Market Rate Dania Pointe Market Rate Dania Pointe Dania Pointe Dania Pointe Dania Pointe Dania Beach Market Rate Dania Pointe Dania Beach Market Rate Dania Pointe Dani						
790 East Broward 790 East Broward Blvd, Fort Lauderdale Dania Pointe 181 S Bryan Rd, Dania Beach AMLI Midtown Plantation 8021 Peters Rd, Plantation 181 G Van Buren St, Hollywood 2165 Van Buren St, Hollywood 301 Seventeen 301 Preta Lauderdale 11 Rigger Station 302 W Hillsboro Blvd, Deerfield Beach 603 East Atlantic Blvd & SE F, Pompano Beach 803 S Ocean Blvd, Pompan Beach 804 Alta Flagler Village 805 Alta Flagler Village 806 Alta Flagler Village 807 Alta Flagler Village 808 Construction 809 Jan-19 801 N Federal Hwy, Hallandale Beach 809 Aarket Rate 800 Construction 800 Jan-19 802 Construction 800 Jan-19 802 Construction 801 Preb-20 803 Construction 804 Preb-20 805 Preb-19 806 Preb-20 806 Preb-20 807 Preb-20 807 Preb-20 807 Preb-20 808 Construction 808 Preb-19 809 Preb-19 809 Preb-19 809 Preb-19 809 Preb-19 800 Preb-19 800 Preb-19 801 Preb-19 802 Preb-19 803 Prederal Hwy, Hallandale Beach 806 Preb-19 807 Prederal Hwy, Pompano Beach 807 Prederal Hwy, Pompano Beach 808 Prederal Hwy, Pompano Beach 809 Prederal Hwy, Pompano Beach 800 Prederal Hwy, Pompa		Market Rate	330	6	Construction	May-20
790 East Broward Blvd, Fort Lauderdale Dania Pointe 181 S Bryan Rd, Dania Beach AMLI Midtown Plantation 8021 Peters Rd, Plantation H3 Hollywood 2165 Van Buren St, Hollywood 501 Seventeen 501 17th St, Fort Lauderdale Inidgo Station 1250 W Hillsboro Blvd, Deerfield Beach Envy Apartments East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside Alta Flagler Village Alta Flagler Village Antsquare Hallandale- Phase II 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Auberage Beach-South Auberage Beach-South Aurket Rate Market Rate 264 Construction Oct-19 Construction Feb-20 Construction Feb-20 Construction Aurier At Rate At 8 Construction Aurier Construction Feb-19 Construction F						
Dania Pointe 181 S Bryan Rd, Dania Beach AMLI Midtown Plantation 8021 Peters Rd, Plantation H3 Hollywood 2165 Van Buren St, Hollywood 2266 Construction 315 Construction 316 Construction 317 Construction 318 Construction 318 Construction 319 Construction 319 Construction 326 Construction 327 Construction 328 Construction 328 Construction 329 Construction 320 Van Buren 3200 Van Buren St, Hollywood 326 Construction 327 Construction 328 Construction 328 Construction 329 Construction 329 Construction 329 Construction 320 Constr		Market Rate	329	25	Comstruction	Mar-19
181 S Bryan Rd, Dania Beach AMLI Midtown Plantation 8021 Peters Rd, Plantation H3 Hollywood 2165 Van Buren St, Hollywood 501 Seventeen 501 Seventeen Sto Hillsboro Blvd, Deerfield Beach Envy Apartments East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside Market Rate Market		MILIPI	0//		6 1 1	0.140
AMLI Midtown Plantation Market Rate 256 6 Construction Jul-19 8021 Peters Rd, Plantation H3 Hollywood 2165 Van Buren St, Hollywood 501 Seventeen Market Rate 247 15 Construction Feb-20 2165 Van Buren St, Hollywood 501 Seventeen Market Rate 244 8 Construction Oct-19 501 17th St, Fort Lauderdale Inidgo Station Market Rate 226 5 Construction Jun-19 1250 W Hillsboro Blvd, Deerfield Beach Envy Apartments Market Rate 213 11 Construction Jun-19 East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside Market Rate 211 Construction Feb-19 1333 S Ocean Blvd, Pompan Beach Alta Flagler Village Market Rate 208 Construction Feb-19 611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II Market Rate 158 7 Construction Jan-19 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Market Rate 145 8 Construction Mar-19 275 N Federal Hwy, Pompano Beach Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20		Market Rate	264		Construction	Oct-19
8021 Peters Rd, Plantation H3 Hollywood 2165 Van Buren St, Hollywood 501 Seventeen 501 Seventeen 501 17th St, Fort Lauderdale Inidgo Station 1250 W Hillsboro Blvd, Deerfield Beach Envy Apartments East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside 1333 S Ocean Blvd, Pompan Beach Alta Flagler Village 611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Avery Pompano Beach Avery Pompano Beach Auberage Beach-South Aurket Rate 100 22 Construction Mar-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 Market Rate 62 6 Construction Mar-20		Market Data	254	/	Construction	Iul 10
H3 Hollywood 2165 Van Buren St, Hollywood 501 Seventeen 501 17th St, Fort Lauderdale Inidgo Station 1250 W Hillsboro Blvd, Deerfield Beach Envy Apartments East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside 1333 S Ocean Blvd, Pompan Beach Alta Flagler Village 611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Avery Pompano Beach Auberage Beach-South Auberage Beach-South Auser Rate Market Rate		Market Rate	250	0	Construction	Jul-19
2165 Van Buren St, Hollywood 501 Seventeen 501 17th St, Fort Lauderdale Inidgo Station 1250 W Hillsboro Blvd, Deerfield Beach Envy Apartments East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside 1333 S Ocean Blvd, Pompan Beach Alta Flagler Village 611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Avery Pompano Beach Avery Pompano Beach Auberage Beach-South Auberage Beach-South Aurket Rate Market Rate Mark		Market Pate	247	15	Construction	Eeb-20
501 Seventeen		Market Nate	247	15	Construction	Teb-20
501 17th St, Fort Lauderdale Inidgo Station		Market Rate	244	8	Construction	Oct-19
Inidgo Station Market Rate		- Idiket Kate			Construction	Oct 17
1250 W Hillsboro Blvd, Deerfield Beach Envy Apartments		Market Rate	226	5	Construction	Jun-19
Envy Apartments East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside Alta Flagler Village Artsquare Hallandale- Phase II 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Auer Rate Avery Pompano Beach Auer Rate Auer Rate Avery Pompano Beach Auberage Beach-South Auberage Beach-South Auser Rate Amarket						
East Atlantic Blvd & SE F, Pompano Beach Broadstone Oceanside Market Rate 211 Construction Feb-19 1333 S Ocean Blvd, Pompan Beach Alta Flagler Village Market Rate 208 Construction Feb-19 611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II Market Rate 158 7 Construction Jan-19 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Market Rate 145 8 Construction Mar-19 275 N Federal Hwy, Pompano Beach Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood		Market Rate	213	11	Construction	Jun-19
1333 S Ocean Blvd, Pompan Beach Alta Flagler Village						
Alta Flagler Village Market Rate 208 Construction Feb-19 611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II Market Rate 158 7 Construction Jan-19 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Market Rate 145 8 Construction Mar-19 275 N Federal Hwy, Pompano Beach Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20	Broadstone Oceanside	Market Rate	211		Construction	Feb-19
611 NE 5th Ave, Fort Lauderdale Artsquare Hallandale- Phase II Market Rate 158 7 Construction Jan-19 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Market Rate 145 8 Construction Mar-19 275 N Federal Hwy, Pompano Beach Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood	1333 S Ocean Blvd, Pompan Beach					
Artsquare Hallandale- Phase II Market Rate 158 7 Construction Jan-19 301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Market Rate 145 8 Construction Mar-19 275 N Federal Hwy, Pompano Beach Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood	Alta Flagler Village	Market Rate	208		Construction	Feb-19
301 N Federal Hwy, Hallandale Beach Avery Pompano Beach Avery Pompano Beach Avery Pompano Beach Auberage Beach-South Auberage Beach-South Sol Van Buren Amarket Rate Amarket R	611 NE 5th Ave, Fort Lauderdale					
Avery Pompano Beach 275 N Federal Hwy, Pompano Beach Auberage Beach-South Auberage Beach-South Sol Van Buren Market Rate	Artsquare Hallandale- Phase II	Market Rate	158	7	Construction	Jan-19
275 N Federal Hwy, Pompano Beach Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood						
Auberage Beach-South Market Rate 100 22 Construction May-19 2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood		Market Rate	145	8	Construction	Mar-19
2200 N Atlantic Blvd, Fort Lauderdale Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood			400	0.0		
Sol Van Buren Market Rate 62 6 Construction Mar-20 2000 Van Buren St, Hollywood		Market Rate	100	22	Construction	May-19
2000 Van Buren St, Hollywood		Manhat Dat	10		C	M 20
		Market Kate	62	0	Construction	Mar-20
Total Order Construction 6575			0575			
	iotai Ondei Construction		03/3			

VALUATION ANALYSIS

In the long term, population growth, demographic, and psychographic trends in South Florida are expected to favor apartment market fundamentals. Whereas in the near term, current market statistics are pointing to a major market correction as Class A developments are excessively outpacing the effective demand for those luxury units.

A pronounced concern from the investor community is volatility in the cost of capital and in the equity markets. As a result of unstable interest rates, sophisticated investors will be searching for opportunities with higher risk-adjusted returns with the upcoming recessionary phase of this real estate cycle.

Although there is still an abundance of capital chasing real estate assets, the South Florida real estate market has been heavily fueled by cross-border capital. This adds an additional layer of illiquidity risk in the event of an economic shock. The dependency of South Florida real estate on cross boarder capital has been detrimental in past downturns; as we are near the recessionary phase of this real estate cycle, professional investors are constantly being reminded of the inherent liquidity risk of South Florida real estate. Other external factors including the recent government actions, oil market volatility, and equity market volatility could have a major effect on the economy as the real estate market will inevitably be entering the recessionary phase of this real estate cycle.

Currently, the prominent term to describe the real estate market in South Florida is "cooling". Low capitalization rates, rising or unstable interest rates, and the mature stage of the current economic expansion have spurred a pricing expectation gap between buyers and sellers. Owners that are looking to capitalize on this market's historic eight years of appreciation and positive rent growth should consider their options while investor appetite is still strong. The South Florida apartment market remains attractive to a broader base of investors as long-term property fundamentals are solid.

As insurance, interest, and capitalization rates are on the rise, owners should re-asses their property's fundamentals and submarket's condition in order to monetize their gains and maximize the value of their investments.



SALES ANALYSIS

Broward County Sales Comparables

Name & Address	Sale Date	Sale Price	Price / SF	Price / Units	Cap Rate	# of Units	Total SF	Year Built
The Waldorf at Coral Ridge	12/21/18	\$2,830,000	\$255.48	\$157,222	4.00%	18	12,551	1965
4901 NE 26th Ave, Fort Lauderdale	40/04/40	¢ 4 04 4 000	4.5.4.4	407.044	7.4504		0.4.0.40	4000
Van Buren Street Apartments	12/21/18	\$4,014,339	\$154.14	\$97,911	7.65%	41	26,043	1988
2401 Van Buren St, Hollywood								
Solaris Apartments	12/18/18	\$12,080,000	\$129.61	\$167,777	5.46%	72	93,204	1976
8445 Springtree Dr, Sunrise								
Riviera Hills Apartments	12/14/18	\$7,200,000	\$116.13	\$84,705	8.10%	85	62,000	1973
5220-5419 NW 18th Pl, Lauderhill								
Foundations Resedential Housing	12/13/18	\$4,533,344	\$188.95	\$141,667	6.70%	32	23,992	1974
999 W Prospect Rd, Oakland Park								
Bala Gardens	10/31/18	\$20,000,000	\$149.60	\$109,289	5.25%	178	133,692	1972
4151 SW 67th Ave, Davie								
City View Apartments	10/24/18	\$10,550,000	\$108.45	\$162,307	6.00%	65	97,280	1971
1422 NE 2nd St, Fort Lauderdale								
Newcastle Apartments	10/19/18	\$6,150,000	\$163.25	\$128,125	6.50%	48	37,672	1972
3380-3400 NW 30th St, Fort Lauderdale								
Victoria Breezes	10/10/18	\$2,250,000	\$203.58	\$140,625	4.66%	18	11,052	1959
701 NE 16th Ave, Fort Lauderdale								
Summer Lake Homes	9/24/18	\$13,000,000	\$109.72	\$173,333	5.75%	75	118,486	2008
5104 NW 30th Ln, Oakland Park								
Jackson Street Apartments	9/23/18	\$3,300,000	\$184.24	\$137,500	5.55%	24	17,911	1969
2019 Jackson St, Hollywood								
Davie Triangle	7/3/18	\$9,630,000	\$114.16	\$133,750	7.01%	72	84,000	2014
3800 Davie Road Ext, Davie								
35th Street Apartments	6/1/18	\$2,250,000	\$122.32	\$93,750	7.60%	24	18,395	1950
410-530 NW 35th St, Pompano Beach								
Adam Street Apartments	5/10/18	\$2,598,500	\$165.02	\$99,942	7.99%	26	15,747	1963
2324-2331 Adams St, Hollywood								
Coral Ridge Isale Apartments	4/30/18	\$5,575,000	\$177.82	\$168,939	4.40%	33	31,352	1975
1400 NE 53rd Ct, Fort Lauderdale								
Country Club Apartments	4/20/18	\$3,500,000	\$162.33	\$140,000	5.70%	25	21,561	1965
1515 S 14th Ave, Hollywood								
North East 20th Street Apartments	4/6/18	\$2,470,000	\$155.03	\$137,222	5.75%	18	15,932	1969
530 NE 20th St, Wilton Manors								
Highgate Townhomes	3/30/18	\$3,350,000	\$137.07	\$167,500	5.81%	20	24,440	1986
4301-4339 NW 115th Ave, Coral Springs								
Van Buren Apartments	3/9/18	\$2,500,000	\$183.61	\$92,592	6.00%	27	13,616	1951
2222 Van Buren St, Hollywood								
			\$152.58	\$131,952.88	6.10%			