

MARKET ANALYSIS

INTRODUCTION

The market analysis associated with the Plantation Midtown Mobility Hub represents an initial, high-level market assessment intended to help guide the planning team with an understanding of market-driven development opportunities for the Plantation Midtown area Hub considering a mix of uses and primarily focusing on residential, retail, office, and hotel. It is also intended to assist in identifying the opportunity for transit-oriented development within the Plantation Midtown Hub area. Based upon the potential development opportunities and findings derived from this assessment, and provided as the final component of the market analysis section, the team will be prepared to support conceptual planning by providing an understanding of any market and/or regulatory challenges associated with proposed concepts.

This document is formatted to provide a concise summary of Headline Conclusions, followed by individual sections providing a more comprehensive overview of the research, analysis, and findings undertaken for each of the proposed uses identified herein.

HEADLINE CONCLUSIONS

Plantation Midtown continues to evolve as a vibrant area that provides for a healthy mix of housing, employment, and commercial business/services. The economic and market outlook observed as part of this analysis indicates considerable future demand for housing and commercial redevelopment during the next 10-year period. Notably, the primary Trade Area¹ from which Plantation

Midtown will potentially capture demand for residential and commercial development indicates:

- **Retail:** An estimated to be 235,000 square feet in addition to the 325,000 square feet of repositioning of Sears and Fashion Mall (Plantation Walk). Specific to the Midtown area, retail should be oriented to support mixed-use development, providing a unique mix of retailers and dining/entertainment venues within a pedestrian friendly environment;
- **Office:** The Trade Area has potential office demand for 120,000 to 280,000 square feet of office demand during the next 10-year period, which is in addition to the 250,000 square feet currently being developed and/or planned;
- **Residential:** There is an estimated demand for 1,400 to 1,700 multifamily units, which includes approximately 800 units that is currently in planning and/or proposed; and,
- **Hotel:** An opportunity for 120 to 240 total rooms (2 or 3 select hotels), with the potential to increase this amount if the Midtown area continues to evolve with concentrations of mixed-use activity.

Though the estimated demand encompasses a broader area surrounding the Plantation Midtown district, the district should be in a position to capture a large share of the demand; particularly, considering the scarcity of available in the Trade Area, combined with the fact that areas promoting increased density (as set forth in the Plantation Midtown Master Plan Update) significantly enhance redevelopment opportunities. Furthermore, the potential integration of a Mobility Hub within the Midtown area only adds to support for higher intensity clusters of mixed-use development.

¹ As discussed and illustrated in the Geographic Overview section below, the Trade Area represents a geographic area within which a business enterprise or center of retail or wholesale distribution draws most of its business.

MARKET HIGHLIGHTS FROM PREVIOUS STUDY

The first step of the analysis herein considers analysis from the most recent *Plantation Midtown District 2023: Update of the Conceptual Master Plan* (Master Plan Update) completed in 2016. Namely, it is intended to highlight key observations upon which to consider as part of the Mobility Hub planning process.

As it relates to the market analysis, the Master Plan Update provides a comprehensive overview of the economic and demographic conditions affecting the Midtown area and also, focuses on the residential, retail, and office market sectors. The data collection and analysis are far-reaching and comprise three primary drivetime radii from the Midtown core: 5, 10, and 15 minutes. Accordingly, it provides an overview of real estate market conditions, including planned development, to help outline demand and development/redevelopment opportunities in Midtown.

While the analysis generally agrees with the research and analysis undertaken as part of the market component for Master Plan Update, there are a few areas in which even this high-level analysis warrants further observation, including:

- *Retail:* The level and type of retail goods recommended in the Master Plan Update is generally balanced. Much of the retail demand in Midtown during the foreseeable future will be absorbed through repositioning of existing space (ie. Sears), as well as an opportunity to provide supporting use within mixed use developments, including dining and specialty retail.
- *Office:* While the Master Plan Update is now a few years old, the office market continues to improve, and there continues to be a strong opportunity for office development as part of TOD planning in Midtown.
- *Residential:* It is difficult to ascertain from the Master Plan Update the level of housing demand that exists for the Midtown area since it appears to be

integrated with demand for the Gateway area. In particular, the demand for 3,050 residential units within a 7-year timeframe seems to be on the high side even with the potential of creating transit-oriented development. Accordingly, the mix of residential units in the Midtown Area would likely be more balanced than the recommended 25 percent one bedroom and 65 percent two-bedroom unit mix.

- *Hotel:* The Master Plan Update did not include a hotel demand evaluation.

Overall, the Master Plan Update is supported by market-driven goals and generally suggests increased density and a broadened mix of uses. This is agreeable from a broader perspective, and certainly for the Midtown market area.

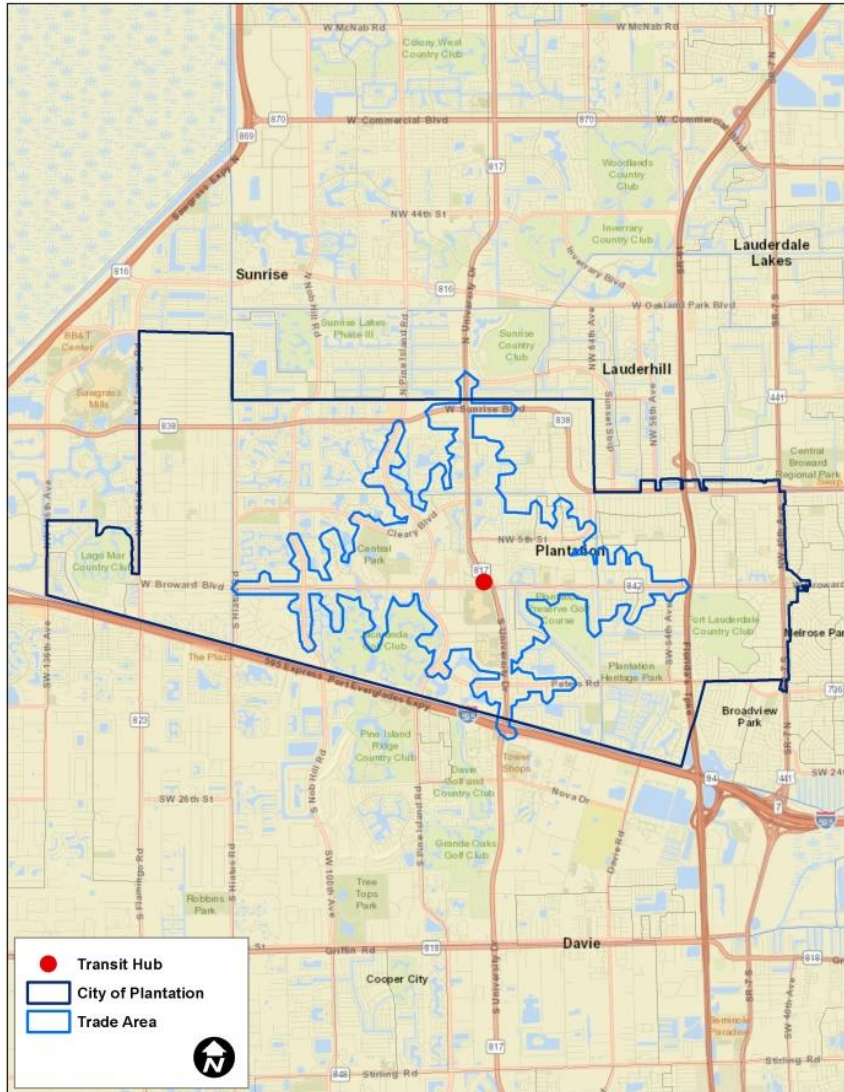
GEOGRAPHIC OVERVIEW

Plantation Midtown is physical center and commercial core of the City, served by several major thoroughfares, including but not limited to: I-595, University Drive and Broward Boulevard.

The analysis considers economic, demographic, and real estate market conditions and trends within Broward County and the City of Plantation, as well the Plantation Midtown Trade Area, as illustrated in Figure 1. The Trade Area is an approximate 5±-minute drive-time radius from the intersection of Broward Boulevard and University Drive² and represents the primary geographic area from which the Mobility Hub may generate the majority of its people for residential and commercial uses. Naturally, the market analysis herein considers the implications of competing supply and demand factors from surrounding/secondary corridors and activity nodes from outside of the primary Trade Area. However, Plantation Midtown has a strong competitive advantage for capturing future growth, given its access, visibility and proximity to the major intersection of Broward Boulevard and University Drive-among the most heavily travelled corridors in central Broward County.

² The 5-minute drive time is calculated by ESRI.com during non-peak periods; therefore, there is a level of variability that needs to be considered for peak and non-peak traffic periods.

FIGURE 1: MIDTOWN PLANATION TRADE AREA



SUMMARY OF GENERAL ECONOMIC & REAL ESTATE MARKET CONDITIONS

The following is a summary of general economic and real estate market conditions that support the planning effort associated with this study for the Plantation Midtown Mobility Hub.

FIGURE 2: DEMOGRAPHIC HIGHLIGHTS

Source: US Census; ACS 2012-2016 (Note: 2000 Census Tract Boundaries Different than 2016)

	Trade Area	City of Plantation	Broward County
Total Population ACS 2016	35,679	90,878	1,863,780
2010 Population	31,304	85,096	1,734,139
2000 Population*	30,595	82,934	1,623,018
Households ACS 2016	14,333	33,652	672,988
Avg. HH Size ACS 2016	2.64	2.68	2.75
Median Age ACS 2016	40.6	40.2	40.0
Median Household Income ACS 2016	\$70,312	\$67,510	\$52,954
Per Capita Income ACS 2016	\$37,494	\$35,945	\$28,987
% Above \$50K ACS 2016	62.7%	63.8%	52.9%
Owner Occupied Households % ACS 2016	51.7%	62.9%	62.8%
Renter Occupied Households % ACS 2016	48.3%	37.1%	37.2%
% Households with Vehicle ACS 2016	NA	95.8%	92.5%

Demographic Highlights

Figure 2 above highlights key demographic characteristics within the study geographies that are mentioned throughout this report and are important factors in considering demand for retail, office, residential and hotel uses. A few notable highlights include:

- The population of the City is 4.9 percent of County, with Trade Area at 1.9 percent;
- Median household income in both the City and Trade Area are notably higher than the County, which bodes well for future economic development;
- Average household size in both the City and Trade Area is modestly lower than the County;
- The Trade Area has a notably higher level of renter households than the City and County, which supportive of continued development of multifamily rental housing; and,
- Nearly 95% of all households in the City own at least one vehicle.

County and City Population Growth Trend/Projections

The following below illustrates population growth from 1990 to 2016 and projected population to 2045, with highlights as follows:

- Between 2000 and 2010, Broward County’s population increased at an average annual rate of 0.66% and at rate of 0.26% for the City
- Based upon American Community Survey (ACS) data, between 2010 and 2016 the County population increased at an average annual rate of 1.2%, and a 1.1% for the City.
 - However, it is important to note that there is variability between decennial census and the interim ACS surveys which are surveys based on five-year averages.
- According to the most recent data from BEBR,³ the County’s population is projected to grow at an average annual rate of 0.78 percent from 2015 to 2030, and 0.62% from 2030 to 2045, while the City is projected to grow at 0.53 percent and 0.61 percent respectively.⁴ This serves as

the basis for population/housing demand discussed in following sections.

FIGURE 3: DEMOGRAPHIC HIGHLIGHTS

Source: US Census; BEBR Broward County and Municipal Population Forecast and Allocation Model (PFAM) 2017

	Population				Projections		
	1990	2000	2010	2017	2015	2030	2045
Trade Area		30,595	31,304	35,679			
City	65,394	82,934	85,096	93,909	86,992	94,157	104,456
County	1,255,488	1,623,018	1,734,139	1,935,878	1,827,367	2,052,432	2,200,492
	Population (Avg. Annual)				Projections (Avg. Annual)		
	1990	2000	2010	2017	2015	2030	2045
Trade Area			71				
City		1,754	216	1,259		478	582
County		36,753	11,112	28,820		15,004	12,438
	Population (% Growth)				Projections (% Growth)		
	1990	2000	2010	2017	2015	2030	2045
Trade Area			0.23%				
City		2.40%	0.26%	1.42%		0.53%	0.61%
County		2.60%	0.66%	1.58%		0.78%	0.62%

Trade Area Employment Profile

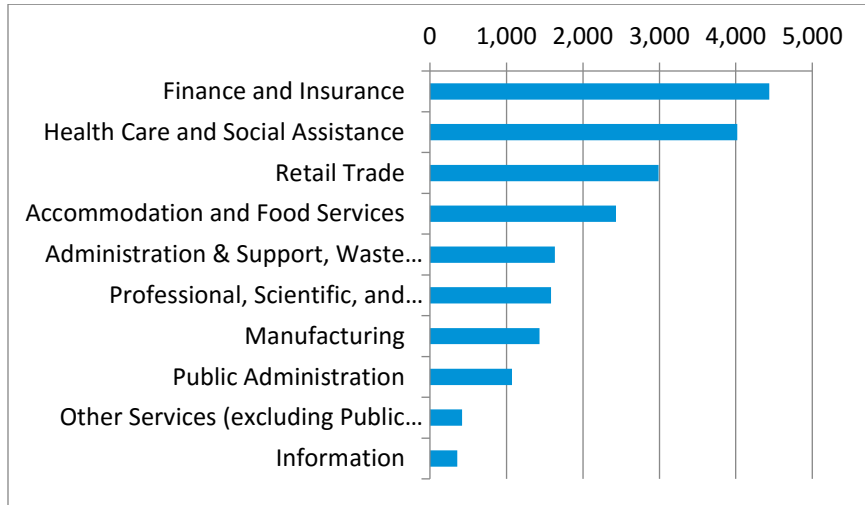
According to Census On the Map, the largest industries in the Trade Area include Finance and Insurance and Health Care & Social Institutions. These sectors generally provide stronger wages, and with it the opportunity to leverage increased retail expenditure, as well as support new housing development.

³ Broward County and Municipal Population Forecast and Allocation Model (PFAM) 2017

⁴ Data not available to do Trade Area analysis

FIGURE 4: TOP 10 EMPLOYMENT BY SECTOR IN TRADE AREA

Source: 2015 Census on the Map



As shown in the following figure, the Trade area benefits from a strong inflow of workers. Of note, only 3.6 percent of workers in the Trade Area actually live in the trade area, which signals potential opportunity for capturing “pent up” housing demand for those who would desire housing closer to work. This provides a significant level of daytime population, which is beneficial to higher density mixed-use development as a result of a more balanced mix of daytime (worker) and evening (resident) retail expenditure and housing demand.

FIGURE 5: INFLOW / OUTFLOW OF EMPLOYMENT IN TRADE AREA

Source: Census On The Map



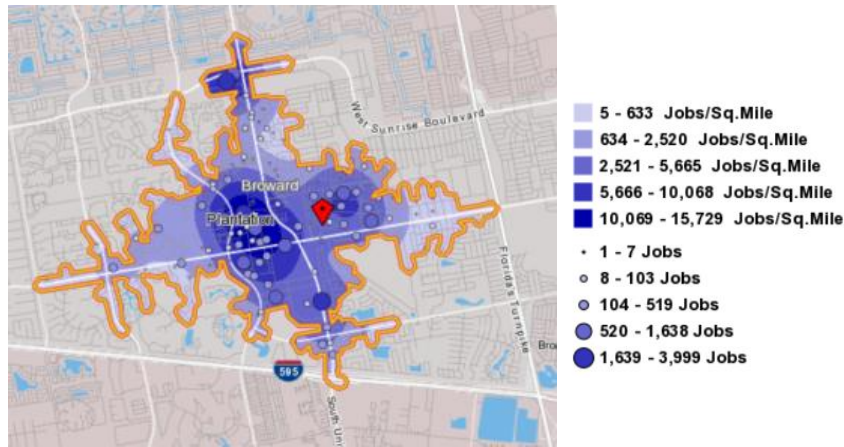
Inflow/Outflow Job Counts 2015

	Count	Share
Employed in the Selection Area	21,936	100%
Employed in the Selection Area but Living Outside	21,138	96.4%
Employed and Living in the Selection Area	798	3.6%
Living in the Selection Area	11,906	100%
Living in the Selection Area but Employed Outside	11,108	93.3%
Living and Employed in the Selection Area	798	6.7%

Employment density is more concentrated in the center of the Trade area with 10,000 to 15,000 jobs per square mile. This provides a strong basis for increasing clusters of higher density development in the Midtown area, upon which improved transit/mobility hub potentially enhances this opportunity.

FIGURE 6: EMPLOYMENT DENSITY IN TRADE AREA

Source: Census OntheMap



Economic/Demographic Headlines

Based upon the data summarized above, there are a few key economic trends affecting the study area:

- Local and regional population growth is anticipated to be stable, albeit more modest than historical trends;
- Income levels in both the City and Trade Area are relatively strong compared to the broader region;

- The Plantation trade area benefits from relatively strong influx of workers and, particularly within the higher wage Finance and Healthcare sectors. This creates an opportunity to leverage off of increased retail expenditure in the area; and,
- With only a modest amount of Trade Area workers actually living in the Trade Area, the potential to capture this “pent up” demand provides added support for housing demand.

RETAIL MARKET HIGHLIGHTS

The retail market profile highlights historic, current and foreseeable growth trends within the County, City and/or Trade Area.

The following provides key market indicators within the City and Trade Area. As noted above the Trade Area represents an approximate 5 minute drive time radius from the intersection of Broward Boulevard and University Drive and represents the primary geographic area from which the mobility hub may generate the majority of its retail demand. Importantly the demand modeling undertaken herein also takes into account inflow and outflow resident expenditure factors for areas outside of the primary trade area. The data assembled for the retail supply analysis herein is based upon Costar⁵ and other published resources.

HIGHLIGHTS – CITY OF PLANTATION

- There are 104 Buildings ranging from <1,000 sf to 794,000 sf
- There is a total 3.8 million square feet of space, with an average building size of 37,700± square feet;

⁵ Costar is recognized as international leading commercial real estate research and data company.

- There has been approximately 1.0 million square feet of retail built in past 20 years, the largest of which include Plantation Town Square, The Fountains, and Plantation Promenade.
- Plantation retail development since 2010 has slowed considerably compared to prior 2 decades
 - From 1990 to 2010, 60,000± sf avg. annually
 - 100,000 sf total built past 8 years
- Retail occupancy is strong at 96+%
- The City overall has average Lease Rates of \$29.06/sf, and modestly higher than Broward County (\$28.26/sf)
 - premium locations above \$45/sf net,
 - \$25-\$35/sf, net for inline space (buildings in fair to good condition)
- Net Absorption was 197,800 sf over the past 5 years, which is directly in line with proportionate share of County’s retail inventory (or 5±%)
- Plantation Walk (Midtown) is only major new retail planned (500K sf)
 - Aldi’s in site review #6 in Figure 8
 - Sear’s redevelopment in site review #5 in Figure 8

HIGHLIGHTS – TRADE AREA

- There are 115 Buildings ranging from <1,000 sf to 794,000 sf
- Total 3.9 million sf, with average building at 31,000± sf
- 478,000 sf built in past 20 years the largest of which include Plantation Town Square, and The Fountains
- Occupancy is strong at 96+%
- Overall average lease rates of \$29.85/sf, higher than the City and County. The Trade Area (and City) lost approximately 600,000 square feet of retail with the closure of Fashion Mall.

Lastly, the Trade Area is well served by big box retailers, national chains and grocers. The Westfield Broward Mall comprises about 1 million square feet of space in the heart of the study area. The Sears location is currently under site review for redevelopment as noted further below.

Figure 7: MAP OF MAJOR RETAIL IN TRADE AREA

Source: Costar

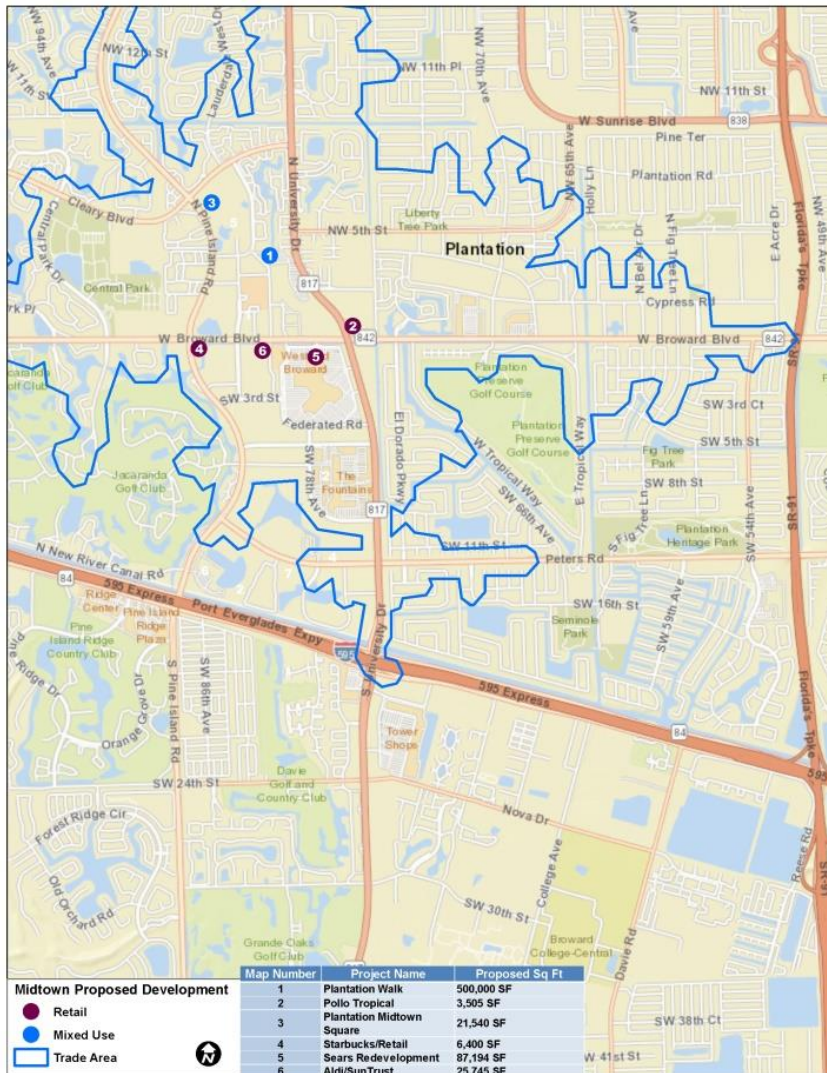


RETAIL PROJECTS IN PLANNING

There are several new retail and mixed use projects in planning in the Midtown area, including the repositioning of Sears and Plantation Walk (see Figure 8).

FIGURE 8: MAP OF RETAIL PROJECTS IN PLANNING

SOURCE: CITY OF PLANTATION



There is approximately 325,000+ square feet of retail currently planned in the Midtown area. However, nearly 250,000 square feet represents the repositioning of the Fashion Mall (now Plantation Walk) and the repositioning of the Sear’s store (87,000 square feet). Therefore, the Trade Area and Midtown retail will actually have an overall net loss of retail when these projects are completed.

RETAIL DEMAND SUMMARY

To estimate retail demand for the Trade Area and Mobility Hub, the *Retail Trade Model* was applied, which utilizes a variety of data sources and a series of models that estimate expenditures within the Trade Area and translate them into demanded square feet of retail space by merchandise category. It takes into account expenditures by residents, workers and visitors within and outside of the Trade Area. It is important to note, however, that determining retail demand within a relatively small Trade Area is challenging without comprehensive research to measure inflow and outflow factors beyond the scope completed as part of this high-level assessment; particularly, when the Trade Area is home to some of the region’s largest shopping destinations (including Broward Mall). Nonetheless, our preliminary estimates indicate approximately 275,000 square feet of retail demanded in the Trade Area over the next 10-year period. This is considered to be net new demand above what is planned in the area; and, primarily, Plantation Walk and Sear’s, which is technically a repositioning of existing retail. In all, the net new retail demand is a relatively modest increase in total existing retail inventory (3.9 million square feet) within the Trade Area.

In terms of mobility hub retail potential, the analysis does not envision new retail development as competitive to existing regional destinations like the Mall (or other regional big box retailers). Instead, the focus is to leverage potential position the retail within mixed use development and create unique “lifestyle center” environments that have seen growing success. These are generally pedestrian friendly destinations such as Town Centers and Main Streets that provide an eclectic mix of retailers, including dining/entertainment venues.

OFFICE MARKET HIGHLIGHTS

The office market profile highlights historic, current and foreseeable growth trends within Plantation and the Trade Area, according to Costar data and input from local industry representatives.

HIGHLIGHTS – CITY OF PLANTATION

- 182 buildings ranging from <1,000 sf to 240,000 sf
- Total 5.6M sf, with average building at 33,500± sf
- 1.7 million sf (36 properties) built in past 20 years
- City's office development since 2010 notably lower than previous decades
 - 110,000± sf average annual from 1990 to 2010
 - Less than 200,000 sf since 2010
- Occupancy is strong at 93%
- Average lease rates at \$29/sf full service for premium, with premium space in range of \$35/sf
- Over the last 5 years there has been 525,000 sf of net absorption, or 10% of County's total net absorption.

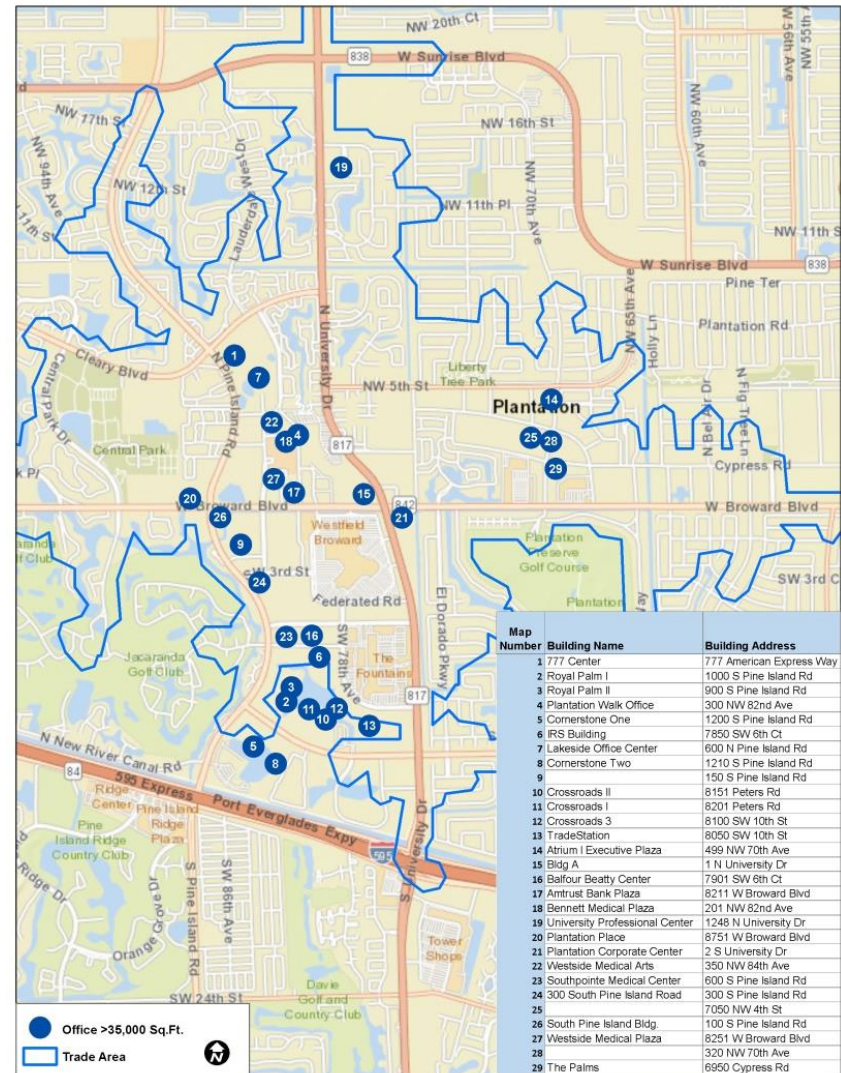
HIGHLIGHTS – TRADE AREA

- 136 buildings ranging from <1,000 sf to 388,000 sf
- Total 4.3 million sf, with average building at 32,000 ± sf
- 1.5 million sf (33 properties) built in past 20 years
- Limited office development since 2010, but 200,000 sf planned and/or under construction
- Occupancy estimated to be 92%
- Average lease rates at \$30/sf (full service), which is 10% higher than 2015
- Over the last 5 years there has been 286,500 sf of net absorption, which accounts for the loss of American Express. The Trade Areas net absorption is considerably lower than its proportionate share than the City's total office inventory.

As highlighted in the following figure, the Midtown area in Plantation contains a majority of the office buildings in the Trade Area.

FIGURE 9: MAP OF MAJOR OFFICE LOCATIONS IN TRADE AREA

Source: Costar

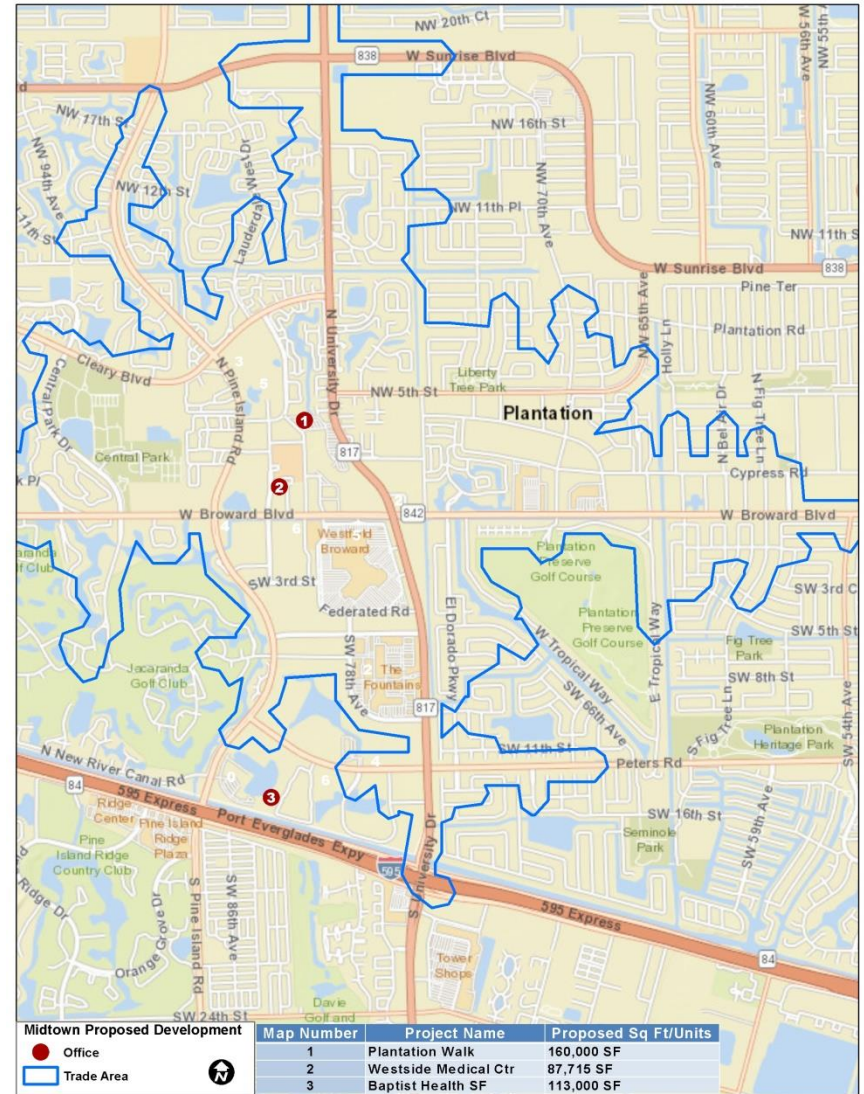


OFFICE PROJECTS IN PLANNING

There is approximately 360,000+- square feet of office development currently under construction in the Trade Area including Westside Medical Center in Midtown as well as Baptist Health 113,000+- sf located just outside of the Trade Area.

FIGURE 10: MAP OF OFFICE PROJECTS IN PLANNING

Source: City of Plantation



OFFICE DEMAND SUMMARY

The basis for determining office demand within the Trade Area considers office sector employment projections, along with current and prospective office market conditions at the local and regional level.

FIGURE 11: OFFICE DEMAND PROJECTIONS 2019-2029

Source: Florida Department of Economic Opportunity (FDEO) Employment Projections (2018-2026)

Code	Title		Empl. 2019	Empl. 2029	Change	
51	Information	90%	18,490	19,646	1,157	
52	Finance and Insurance	100%	38,001	39,386	1,385	
53	Real Estate and Rental and Leasing	85%	19,179	20,340	1,162	
54	Professional, Scientific, and Technical Services	100%	62,451	71,326	8,875	
55	Management of Companies and Enterprises	100%	8,952	10,062	1,110	
56	Administrative and Support and Waste Management	100%	89,134	102,071	12,937	
62	Health Care and Social Assistance	50%	51,024	57,896	6,872	
813	Membership Associations and Organizations	100%	13,597	14,666	1,069	
Total Office Employment Sectors			75%	300,827	335,394	34,568

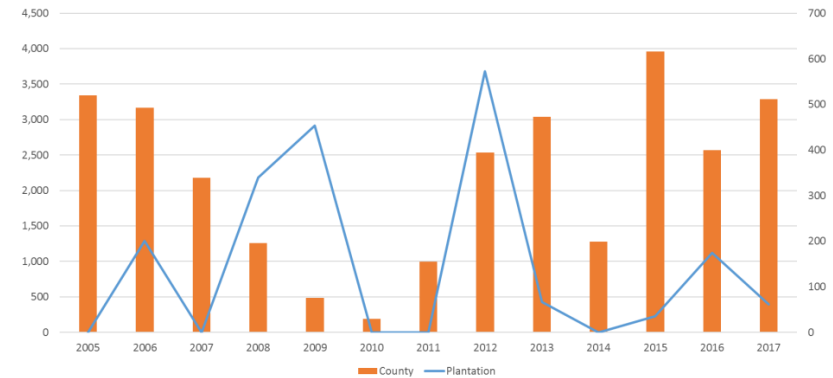
	Total	Avg. Annual
Total Change Office Demand Employment 2019-2029:	34,568	3,457
Total Demand @ 215 Sq. Ft./Employee:	7,432,027	743,203
Trade Area Capture of County - Modest (@ 5.0%)	371,601	37,160
Trade Area Capture of County - Upper (@ 7.0%)	520,242	52,024

Presently, the Trade Area comprises approximately four percent of the County's total office inventory. However, during the past five years, the Trade Area actually captured almost 6 percent of the County's net office absorption. The recent 5.7 percent capture of the County's office demand during the past five years, the analysis assumes the Trade Area has potential office demand for 370,000 to 520,000 square feet of office demand during the next 10-year period. As noted above, there is 250,000 square feet of space currently under-construction/in-planning in the Trade Area; therefore, net of this development, there is additional demand for 120,000 to 280,000 square feet of office within the Trade Area during the next 10 years. This is a relatively marginal increase to the markets 4.8 million square feet of existing office.

MULTIFAMILY HOUSING MARKET HIGHLIGHTS

As highlighted in the Figure below, the County's multifamily permitting activity improved significantly following the Great Recession in 2007/8, with very solid activity occurring during the past three years.

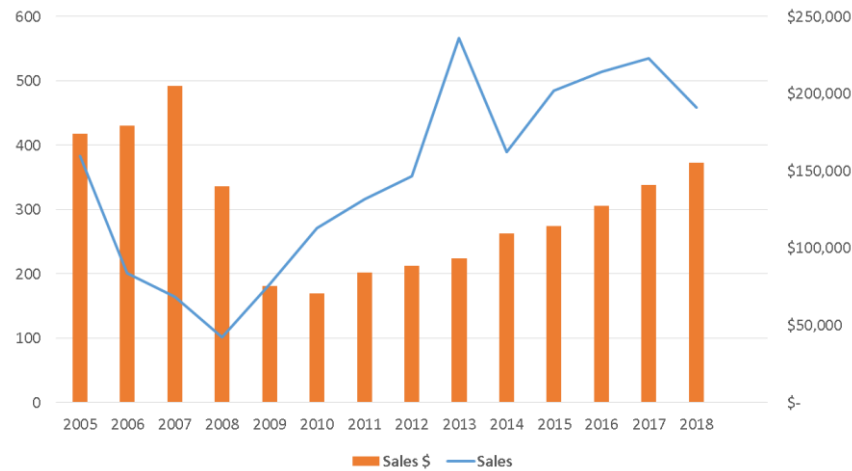
FIGURE 12: BROWARD COUNTY, PLANTATION MULTIFAMILY PERMIT ACTIVITY



The City's multifamily permit activity rebounded shortly after the Great Recession, though activity has been relatively modest during much of the past five years.

Relative to the condominium market, there has been no new development within the City in more than 10 years. However, activity within the existing condo market has experienced strong growth in terms of both sales volume and pricing during the past eight years. However, recent pricing and/or sales activity has not rebounded to the levels of 2006/7.

FIGURE 13: CITY OF PLANTATION CONDOMINIUM SALES ACTIVITY



HIGHLIGHTS – CITY OF PLANTATION AND TRADE AREA MULTIFAMILY RENTAL MARKET

- As set forth in previous sections, the Trade Area has notably higher renter households than City and County
 - Supports on-going demand for multifamily rental market
- An analysis from Costar indicates a survey of more there are more than 6,600 units (28 buildings) identified in City and 5,200 in Trade Area (19 buildings). Properties range from duplex to communities of more than 500 units
- The City had 1,730± units delivered since 2000, or roughly 85 units per average per year
 - Roughly half of this development occurred within the Trade Area

⁶ Costar

FIGURE 14: COUNTY, CITY & TRADE AREA RENTAL APARTMENT SNAPSHOT⁶

	Avg. Unit Size (SF)	Avg. Month Rent	Avg. Rent Per SF	Avg. Annl. Δ (past 5 yrs)	Vacancy
BrowardCounty	963	\$1,473	\$1.53	4.75%	4.70%
Plantation	970	\$1,642	\$1.57	3.30%	4.80%
Trade Area	1,028	\$1,611	\$1.57	2.88%	5.30%

- Occupancy in both the city and Trade Area is approximately 95%, which is a modest decrease from the past few years.
- The average size of rental units in the City is approximately 970 square feet, but notably larger in the Trade Area at 1,000± sf.
- Average monthly rental rates in both the City and Trade Area are considerably stronger than the County
 - Recent rental rate growth has been strong for the City and Trade Area, and even more so for the County
- According to Reinhold P. Wolff data, the Plantation rental submarket comprises: 33% one-bedrooms; 53% two-bedrooms; and, 15% three-bedroom units.

FIGURE 15: MAP OF MAJOR MULTIFAMILY DEVELOPMENT IN TRADE AREA

Source: Costar

MULTI FAMILY PROJECTS IN PLANNING

There are nearly 800 units currently under-construction/in permitting in the Trade Area, with an additional 1,613± units approved/proposed. The Cornerstone/Millcreek development is actually just outside of the Trade Area.

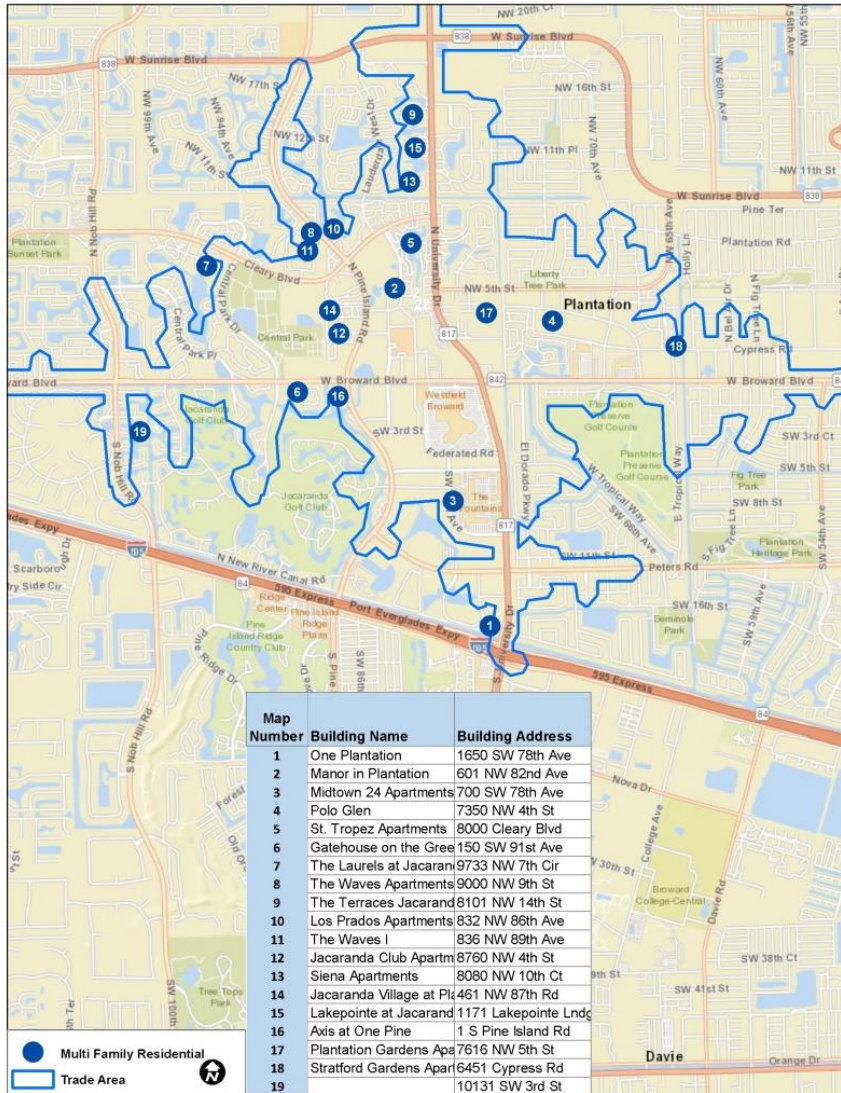
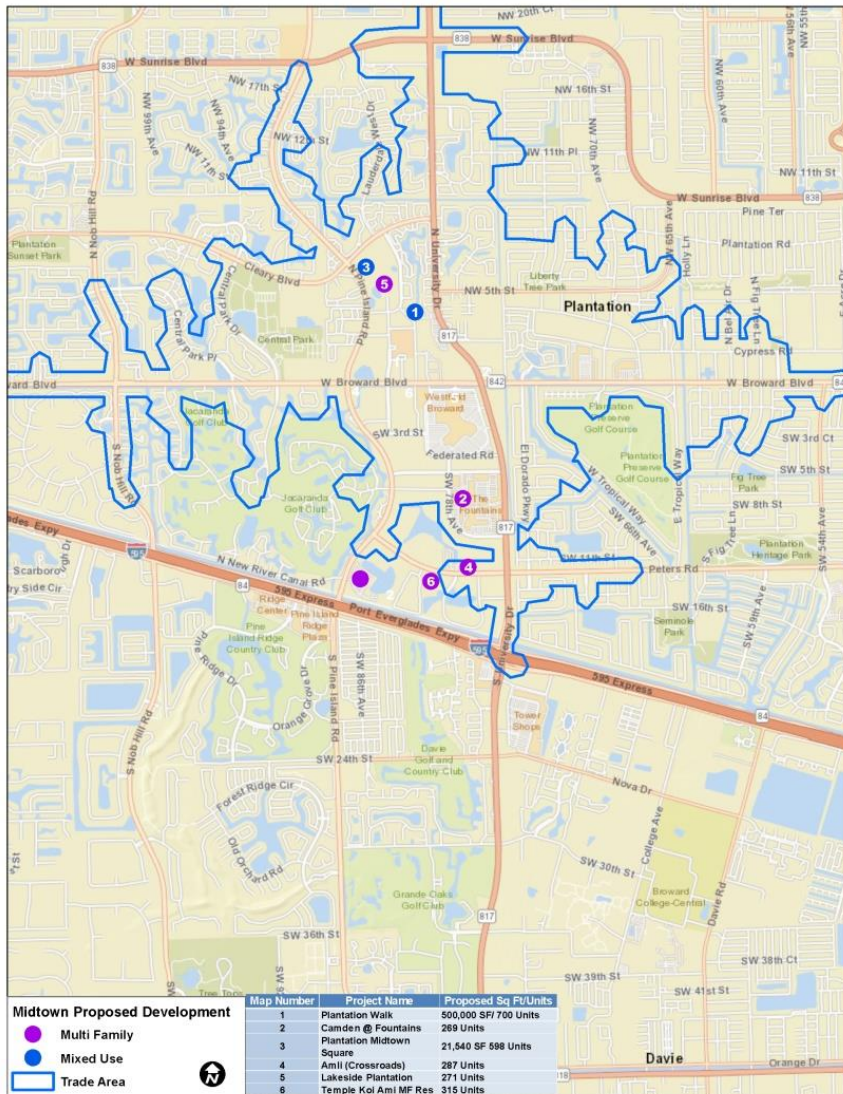


FIGURE16: MAP OF MULTI FAMILY PROJECTS IN PLANNING



MULTI FAMILY DEMAND SUMMARY

According to the most recent population projections set forth above, the City’s population is forecast to increase an average 0.61 percent per year during the next several years; and, generally assume this will apply to the Trade Area.

Using traditional demand modeling, as shown below, this level of growth creates demand for 700 to 800 multifamily units in the Trade Area during the next 10-year period.

FIGURE 17: TRADE AREA MULTIFAMILY HOUSING DEMAND PROJECTION

Trade Area	2019	2021	2023	2025	2027	2029	Change
Total Households	14,422	14,598	14,777	14,958	15,141	15,326	904
% MF Dwelling	49.0%	49.5%	50.0%	50.5%	50.5%	51.0%	
Total Demand for New MF Dwelling Units	7,067	7,226	7,388	7,554	7,646	7,816	750

However, as previously noted, there is already more than 800 units under-construction, with an additional 1,600+ units proposed/approved within the Trade Area - and most of which is within the Midtown area.

While it is very difficult to assess how many of the units that are proposed and/or in planning will actually come to fruition, the fact is there is a notable discrepancy between BEBR forecasts and what is likely to occur over the next ten years. Importantly, this is not unique to Plantation, as this trend is similar in many South Florida markets.

Therefore, for this analysis, it is assumed that at least 50± percent of the units currently planned/proposed within the Trade area will be built in addition to the demand projected using the housing forecast above; or, a range of housing demand for the Trade Area of 1,400 to 1,700 multifamily units during the next 10-year period, which is a modest increase to the Trade Area’s total existing housing. Considering this, Plantation Midtown should be in a strong position to capture a large share of this demand.

In regard to mobility hub housing plans, new residential development within a mixed-use environment that is proximate to transit, should continue to attract a wide range of tenants from young, single households to retiree. As such, it is recommended that the City promote a more balanced mix of units than what

currently exists in Plantation overall, and namely to increase the level of one bedroom units. Therefore the proposed mix should represent: 40-45% one-bedroom units; 40-45% two-bedroom units; and, 10-15% three-bedroom units.

HOTEL MARKET HIGHLIGHTS

HIGHLIGHTS – CITY OF PLANTATION AND TRADE AREA

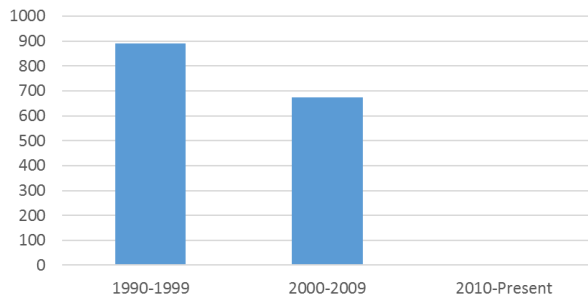
Broward County’s tourism continues to be robust, with 12.8 million visitors in 2017 – an increase of 4.6 percent over the prior year.⁷ The County’s hotel market continues to strengthen, reaching 77.5 percent annual occupancy and \$150 average daily rate (ADR) – up 7.8 percent from the prior year. According to the CVB, the region’s hotel demand growth next year (at 2.6 percent) is forecast to outpace supply (2.1 percent). Some of the strongest hotel demand has been in the Upper Midscale category (or properties such as Hampton Inn, Holiday Inn) and Upscale category (or properties such as Hyatt Place, Courtyard).

There is a total 1,870 hotel rooms (12 hotels) in the Trade Area, with no new development having occurred since 2002 (Renaissance).

FIGURE 18: ROOMS BUILT

Source: STR⁸

Rooms built by Period

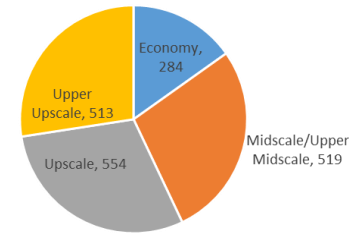


⁷ Greater Ft. Lauderdale Convention and Visitors Bureau

Upscale hotels make up the largest portion of hotels in the trade area at 30%, Midscale/Upper 28%, Upper Upscale 27%, and Economy 15%.

FIGURE 19: HOTEL BY CLASSIFICATION (AS DEFINED BY STR)

Hotel by Classification (STR)



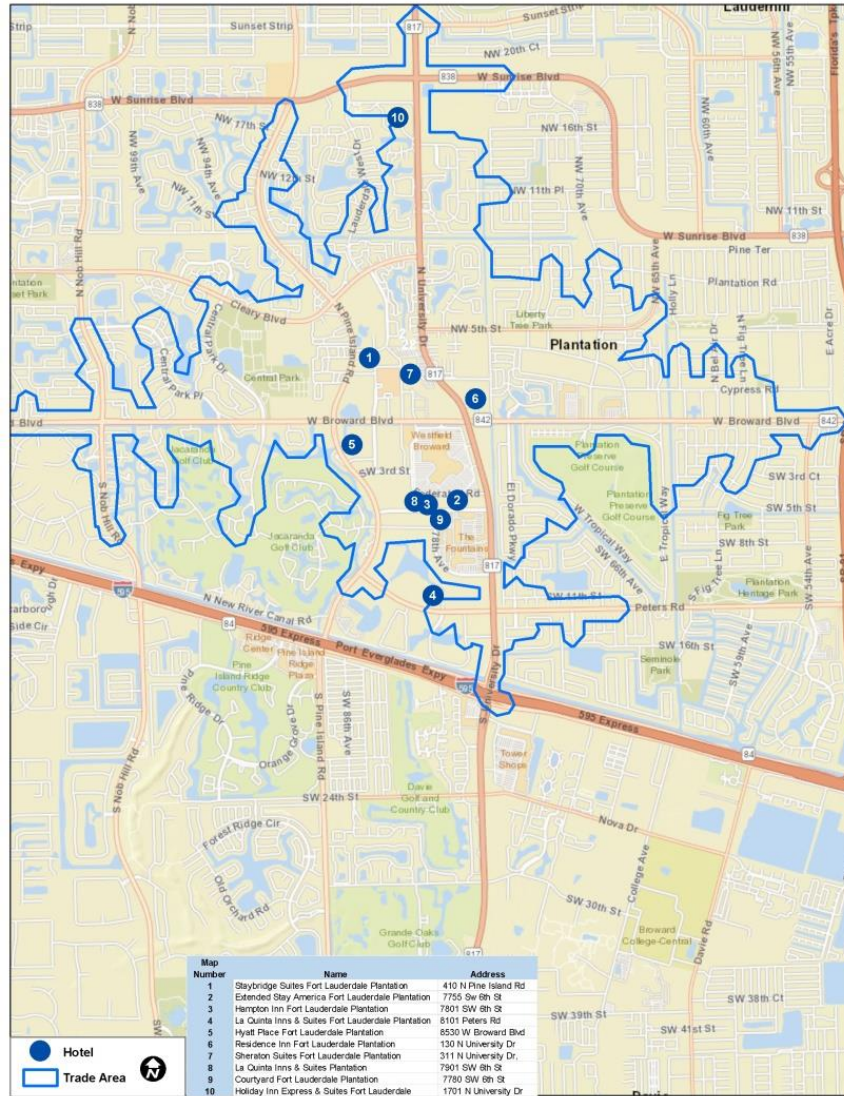
Based upon a cursory profile of the area hotels, occupancy is estimated to be in the mid- to 70 percent range, with ADR at \$120 to \$130.

Following is a map identifying hotels within the Trade Area. There is no new hotel development currently planned.

⁸ A world leading resource for hotel supply and demand data

FIGURE 20: MAP OF HOTELS IN TRADE AREA

Source: STR



HOTEL MARKET DEMAND SUMMARY

Though the only new hotel development occurring in the County at this time is mostly along coast or proximate to the airport, the analysis believes that if occupancies within the Trade Area remain stable, and ADR continues to strengthen over time, there should be an opportunity to plan for at least one, and possibly two, select service hotel developments during the next 10 years; or, 120 to 240 total units; especially, if the Midtown area continues to evolve with mixed use and transit-oriented development.

STAKEHOLDER INTERVIEW INSIGHTS

As part of the research associated with the market analysis, stakeholders including property owners, developers, and/or brokers were interviewed. General findings on a collective basis are highlighted below.

- More intensified mixed use development should continue be the focus in the Midtown area – it’s already happening
 - Demand among residential, office and retail look promising during the long-term
- The area near the intersection of Broward Boulevard and University Drive is underutilized and represents opportunity for repositioning (like what is taking place at Plantation Walk); but traffic needs to be addressed if more development proposed
- Plantation is among the strongest office submarkets in County
 - Likely to remain strong for future with headquarter office, small business (office) and retail projects
- Office leasing (especially Class A) is very competitive compared to downtown Fort Lauderdale
 - Lease rates have increased for the last 8 quarters
 - Class B properties, low rise smaller buildings, are not performing nearly as well with sub-80% occupancy
- Interested to understand how bus transit will measurably change redevelopment planning for the area.

SUMMARY OF FINDINGS & RECOMMENDATIONS

Based upon the analysis of economic, demographic and real estate market conditions above, the following are summary headlines, along with recommendations for Plantation Midtown Mobility Hub planning efforts:

- *Economic/Demographic:* Though the City and Trade Area population forecast indicates a measurable slowdown from historical growth trends, current development under-construction, planned and/or proposed indicate that modeling forecasts warrant updates or modification.

Nonetheless, the income and employment characteristics in the Trade Area and City (as highlighted in previous sections), portends well for on-going economic development and investment within the Midtown area.

- *Retail:* In spite of changing conditions and trends in the broader retail market, there is relatively strong market support for retail development within mixed-use development; and, estimated to be 235,000 square feet in addition to new development currently in planning. For the Midtown area, retail should be oriented to support mixed-use development, providing a unique mix of retailers and dining/entertainment venues within a pedestrian friendly environment.
- *Office:* The County’s office market continues to be strong, and tight occupancy in the City and Trade Area indicate market potential for new office supply. The Trade Area has potential office demand for 120,000 to 280,000 square feet of office demand during the next 10-year period, which is in addition to the 250,000 square feet currently being developed and/or planned. Plantation Midtown benefits from strong representation of financial, business services and healthcare (medical) sectors, which should continue during the foreseeable future. In particular, office space within potential mixed-use development can be introduced in 50,000 to 100,000± square foot increments which is beneficial to ensuring a relatively quick absorption of space. The timing of absorption is important to supporting new development from a financial perspective.
- *Residential:* The City and Trade Area are anticipating significant multifamily development during next few years adding to the additional regional concentration. There is an estimated demand for 1,400 to 1,700 multifamily units in the Trade Area during the next 10-year period, including developments in planning and/or proposed. The Plantation Midtown market is in a strong position to capture a large share of this demand, particularly if increased density is allowed on key sites.
- *Hotel:* As noted above, there should be an opportunity to plan for at least one, and possibly two, select service hotel developments during

the next 10 years; or, 120 to 240 total units. This potential is increased, if the Midtown area continues to evolve with concentrations of mixed use activity.

As previously noted, the estimates of demand among all of the uses is relatively modest in relation to total existing inventory, and this incremental development will likely occur regardless of any proposed improvements to transit within the area. Although this level of incremental growth on its own has limited impact on the need for large-scale transit investment in the area, it will provide stable household and employment growth necessary to promote on-going economic development and infill redevelopment within the Midtown area. Moreover, the type and mix of uses identified herein should support clusters of higher density mixed-use development on strategic sites within the Midtown area, and sets the basis for subsequent phases of the mobility hub's strategic planning initiatives.