

MARKET ANALYSIS

INTRODUCTION

The market analysis associated with the Coral Springs 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 Hub area surrounding the intersection of University Drive and Sample Road, which reflect the City’s CRA boundary (see Figure 1). The analysis considers a mix of uses and primarily focuses on residential, retail, office, and hotel. It is also intended to assist in identifying the opportunities for transit-oriented development within the Coral Springs Hub area. Based upon the potential development opportunities and findings derived from this assessment, the market analysis team will be prepared to support conceptual planning by providing an understanding of any market and/or regulatory challenges associated with proposed Hub concepts.

This document provides 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 four use types identified for consideration.

HEADLINE CONCLUSIONS

After several years of planning, Coral Springs’ downtown area is beginning to gain traction from recent completion of the municipal complex and the Master Plan for Downtown Coral Springs. These developments helped create the groundwork for 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 (approximately 2020-

2030). Notably, the primary Trade Area¹ (defined herein as the City’s boundaries) from which the Hub area will potentially capture demand for residential and commercial development indicates:

- **Retail:** There is estimated demand for upwards 500,000 square feet of retail city-wide during the next 10-year timeframe; noting, that some of this demand will be absorbed by older existing space that is either vacant and/or well beyond its useful life. As currently planned, Cornerstone, located at the southwest corner of University and Sample, proposes approximately 200,000 square feet of retail and entertainment development. This level of proposed development, if built, will likely absorb most of the demand within the Hub area over a 10-year horizon. However, there should be an opportunity to absorb an additional 50,000 square feet in the Hub area within ground floor retail in other new development. Specific to the Hub 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 City has potential office demand for 350,000 to 550,000 square feet during the next 10-year period, which includes the replacement/absorption of supply resulting from the Financial Plaza demolition (145,000 square feet). We believe there is an opportunity to incorporate in the range of 150,000+ square foot of office in multiple phases within the Hub area during the next 10 years. However, financial viability may be tested during the short-term given relatively modest lease rates in the area.
- **Residential:** There is an estimated demand for 1,250 to 1,500 multifamily units City-wide during the next 10 years, which includes approximately 450 units that are currently in planning at Cornerstone. The Hub area should be in a position to absorb an additional 250 to 300 units over a ten-year horizon.
- **Hotel:** There is an opportunity for 200 to 300 total rooms (2 or 3 select service hotels) in the City. As planned, Cornerstone contemplates the development of one hotel of approximately 150 rooms. This new hotel will likely serve the

¹ As discussed, and illustrated in the vs. 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.

demand for the Hub area during the foreseeable future (approximate 10-year timeframe).

Though the estimated demand (by use) outlined above is city-wide, and an area much broader than the Hub area, the Hub area will be in a strong position to capture a measurable share of the overall demand, particularly, as the focus of redevelopment within the CRA continues to evolve and benefit from potential funding incentives to incentivize growth. Furthermore, the potential integration of a transit facility within the downtown area only adds to support for higher intensity clusters of mixed-use development.

MARKET HIGHLIGHTS FROM PREVIOUS STUDY

The first step of the analysis herein considers the most recent *Coral Springs Community Redevelopment Master Plan* (CRA Master Plan) completed in 2014 and encompassing the Hub area. Namely, it is intended to highlight key observations to consider as part of the Mobility Hub planning process.

From a broad perspective, the CRA Master Plan aimed to establish the University Drive/Sample Road intersection (Hub area) as a downtown area with sub-areas defining each quadrant of the intersection. The plan envisioned a new municipal facility, educational uses, and mixed-use private development comprising: 2,100 residential units, 215,000 square feet of retail, and 35,000 square feet of office.

As it relates to the market assessment, the CRA Master Plan provides a comprehensive overview of the challenges within the area including several parcels that are under-utilized from a highest and best use perspective, as well as the need to add new residential and commercial development within the area. The data collection and analysis are far-reaching and comprise three primary drivetime radii from the core: 5, 10, and 15 minutes. The Plan provides a high-level overview of real estate market conditions, including planned development, to help outline demand and development/redevelopment opportunities in the CRA (for approximately 2015-2025). However, the Plan does not provide the detailed background for the estimates of demand noted above.

Overall, we generally concur with the CRA Master Plan's findings with additional input, including:

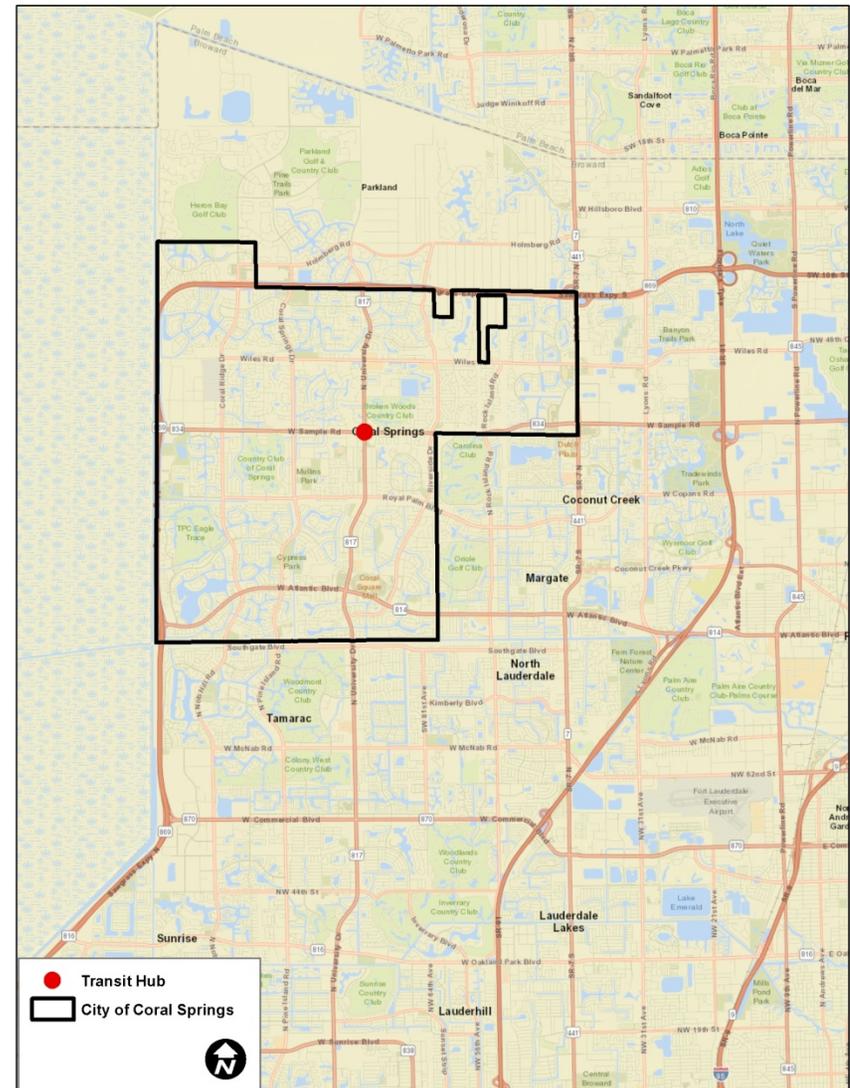
- **Retail:** During the initial two phases of development within the downtown core area, the Plan indicates upwards of 200,000 square feet of retail, with an additional 100,000 square feet demand in later phases (and likely near the end of, or slightly beyond, a 10-year horizon).
- **Office:** We believe the Plan was light on potential office demand, which was estimated to be 35,000 square feet. At the time, vacancy in the area was high, and much due to the outdated Financial Plaza building. Since that time, Financial Plaza has been taken out of the market and the market overall has continued to improve. It is our observation that planning for upwards of 150,000 square feet of office in the Hub area over a 10-year horizon is warranted.
- **Residential:** The Plan estimated nearly 1,700 units of demand in the downtown core; however, this appears to be a long-term forecast beyond a 10-year timeframe. Extending the estimates outlined herein to a 15 to 20-year timeline, and the analyses are generally correlated.
- **Hotel:** The Plan indicated up to 230 rooms demanded in the CRA, which is aligned with the analysis herein.

GEOGRAPHIC OVERVIEW

The analysis considers economic, demographic, and real estate market conditions and trends within Broward County and the City of Coral Springs. For this analysis, we have determined that the city is the primary geographic area (Trade Area, as illustrated in the figure above) 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 city. However, Coral Springs has a strong competitive advantage for capturing future growth, given its access, visibility and proximity to the major intersection of Sample

Boulevard and University Drive, among the most heavily travelled corridors in central Broward County.

FIGURE 1: CITY OF CORAL SPRINGS BOUNDARY MAP



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 Coral Springs Mobility Hub.

FIGURE 3: DEMOGRAPHIC HIGHLIGHTS

Source: US Census; ACS 2013-2017 (Note: 2000 Census Tract Boundaries Different than 2016)

	City of Coral Springs	Broward County
Total Population ACS 2017	130,110	1,890,416
2010 Population	121,096	1,734,139
2000 Population*	117,549	1,623,018
Households ACS 2017	41,259	675,828
Avg. HH Size ACS 2017	3.15	2.77
Median Age ACS 2017	36.8	40.1
Median Household Income ACS 2017	\$70,768	\$54,895
Per Capita Income ACS 2017	\$31,727	\$30,109
% Above \$50K ACS 2017	66.2%	54.2%
Owner Occupied Households % ACS 2017	60.2%	62.3%
Renter Occupied Households % ACS 2017	39.8%	37.7%
% Households with Vehicle ACS 2017	95.6%	92.7%

MARKET CONDITIONS

Economic and Demographic Highlights

The figure 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 6.8 percent of the County,
- Median household income in the City is notably higher than the County, which bodes well for future economic development;
- Average household size in the City is higher than the County, and largely the result of the amount of low-density/single family development built during the past several years;
- The City has a higher level of renter households than the County, which is supportive of continued development of multifamily rental housing; and,
- Nearly 96% 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 2017 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 0.3% for the City.
- Based upon American Community Survey (ACS) data, between 2010 and 2017 the County population increased at an average annual rate of 1.2%, and a 1.0% 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 BEBR² (see Figure 4) the County’s population is projected to grow at an average annual rate of 0.78 percent from 2015 to 2030, and 0.62 percent from 2030 to 2045, while the city’s

population is projected to grow at 0.17 percent and 0.44 percent respectively. This serves as the basis for population/housing demand discussed in following sections.

FIGURE 4: 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
City	79,580	117,549	121,096	130,110	125,102	128,271	142,885
County	1,255,488	1,623,018	1,734,139	1,890,416	1,827,367	2,052,432	2,200,492
	Population (Avg. Annual)				Projections (Avg. Annual)		
	1990	2000	2010	2017	2015	2030	2045
City		3,797	355	1,288		211	593
County		36,753	11,112	22,325		15,004	12,438
	Population (% Growth)				Projections (% Growth)		
	1990	2000	2010	2017	2015	2030	2045
City		3.98%	0.30%	1.03%		0.17%	0.44%
County		2.60%	0.66%	1.24%		0.78%	0.62%

City/Trade Area Employment Profile

According to Census On The Map, the largest industry in the Trade Area is Retail at 22 percent, which typically represents more modest annual wages. However, Finance/Insurance and Real Estate and Professional Business Services collectively represent approximately 15 percent of total employment (see Figure 5). These sectors generally provide stronger wages, and with it the opportunity to leverage increased retail expenditure, as well as support new housing development.

² Broward County and Municipal Population Forecast and Allocation Model (PFAM) 2017

FIGURE 5: 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. Notably, 80 percent of the workers in the City/Trade Area actually live outside of 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 6: INFLOW / OUTFLOW OF EMPLOYMENT IN CITY

Source: Census on The Map

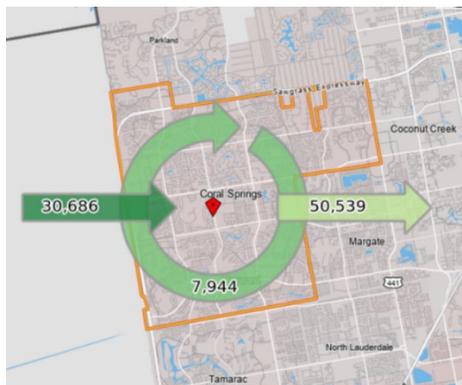


FIGURE 7: INFLOW / OUTFLOW JOB COUNTS IN CITY

Source: Census On The Map

	Population				Projections		
	1990	2000	2010	2017	2015	2030	2045
City	79,580	117,549	121,096	130,110	125,102	128,271	142,885
County	1,255,488	1,623,018	1,734,139	1,890,416	1,827,367	2,052,432	2,200,492
	Population (Avg. Annual)				Projections (Avg. Annual)		
	1990	2000	2010	2017	2015	2030	2045
City		3,797	355	1,288		211	593
County		36,753	11,112	22,325		15,004	12,438
	Population (% Growth)				Projections (% Growth)		
	1990	2000	2010	2017	2015	2030	2045
City		3.98%	0.30%	1.03%		0.17%	0.44%
County		2.60%	0.66%	1.24%		0.78%	0.62%

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 the City are relatively strong compared to the broader region;
- Coral Springs benefits from relatively strong influx of workers, particularly within the higher wage Finance & Professional Business sectors, creating an opportunity to leverage increased retail expenditure in the area; and,
- With only a modest number of workers actually living in the City, 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 and City/Trade Area.

The following provides key market indicators within the City/Trade Area. As noted above the Trade Area represents the primary geographic area from which the mobility hub may generate the majority of its retail demand. 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 Costar³ and other published resources.

- premium locations above \$40/sf net,
- \$25-\$30/sf net for inline space (buildings in fair to good condition)
- Net Absorption citywide was 650,000 sf over the past 5 years, which is 11% of the County total, and actually quite a bit higher than its proportionate share of County's retail inventory (or 7±%)
- The Hub area, and primarily those properties surrounding the Sample Road and University Drive intersection, comprises a total 160,000 square feet of retail, with only 10,000 square feet being added in the past 10 years (Village Green).

HIGHLIGHTS – CITY OF CORAL SPRINGS & HUB AREA

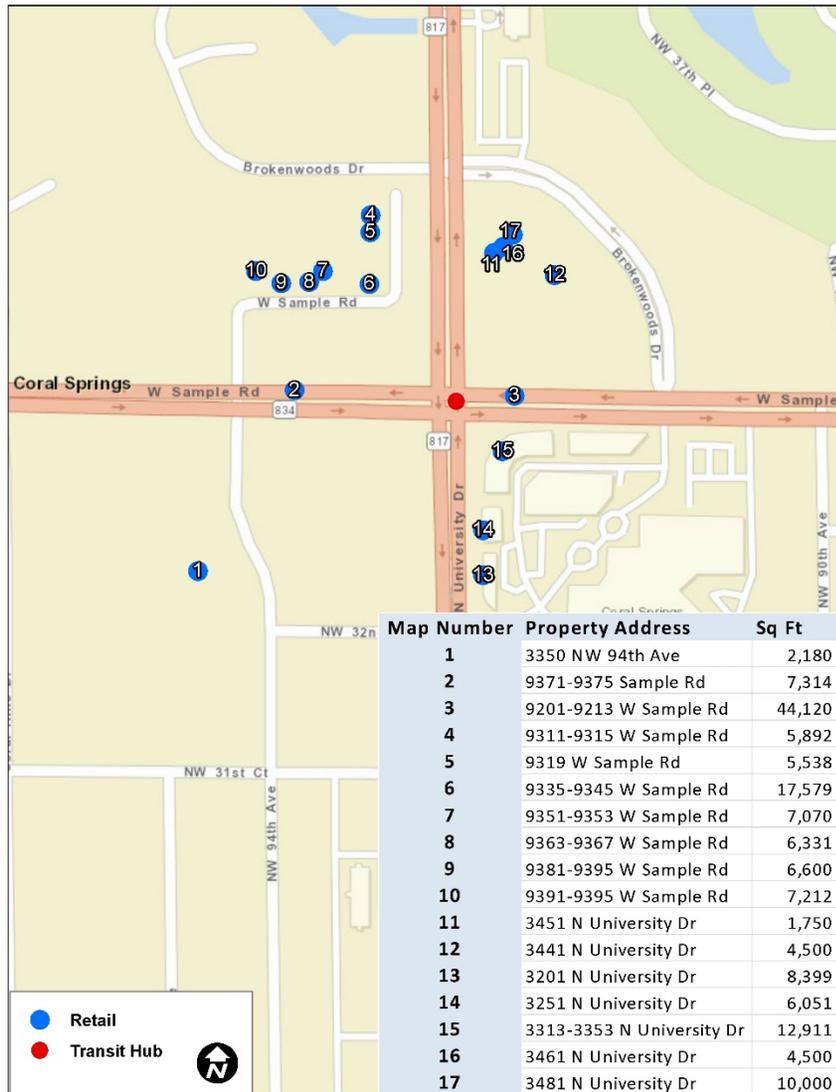
- Citywide, there are more than 375 retail buildings ranging from <1,000 sf to 200,000+ square feet
- Citywide, there is a total 7.5± million square feet of space, with an average building size of 21,500± square feet. This represents approximately 7 percent of the County's inventory which is closely aligned with its proportional share of population.
- Citywide, more than 2.0 million square feet of retail has been built in past 20 years, including two Super Walmart's, Lowe's, and Costco (totaling nearly 600,000 square feet). North Springs Plaza (170,000 square feet), and the Shoppes at Heron (130,000 square feet) are the largest multi-tenant shopping centers built during the period.
- Coral Springs' citywide retail development since 2010 has slowed considerably compared to prior 2 decades
 - From 1990 to 2010, 170,000± sf avg. annually
 - 53,000 sf total built past 10 years
- Citywide retail occupancy is strong at 96+% and directly in line with the County.
- The city overall has average net Lease Rates of \$21.68/sf, and modestly lower than Broward County (\$22.80/sf)

³ Costar is recognized as a leading international commercial real estate research and data company.

A map of retail developments within the Hub core area is provided below.

Figure 8: MAP OF RETAIL WITHIN THE HUB CORE AREA

Source: Costar

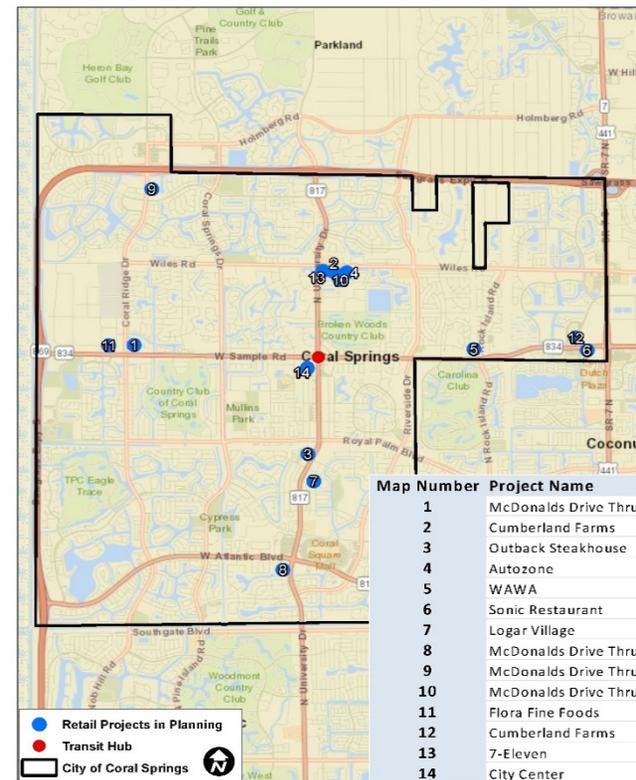


RETAIL PROJECTS IN PLANNING

There are several retail projects currently in planning, the majority of which are fast food restaurants and convenience stores. Although not currently listed within the City's planning records, Cornerstone proposes upwards of 200,000 square feet of retail, entertainment and commercial space at the southwest corner of Sample and University that is anticipated to be completed in 2022/23.

FIGURE 9: MAP OF RETAIL PROJECTS IN PLANNING – CITY OF CORAL SPRINGS

Source: City of Coral Springs



Based upon this information provided by the City, it is estimated that there is approximately 250,000 square feet of retail currently planned in the city which includes the upwards of 200,000 square feet of retail, entertainment and commercial space planned at Cornerstone.

RETAIL DEMAND SUMMARY

To estimate retail demand for the City/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 defined Trade Area is challenging without comprehensive research to measure inflow and outflow factors beyond the scope of this high-level assessment; particularly, when the Trade Area is home to some of the region’s largest shopping destinations (including multiple big box stores). Nonetheless, our preliminary estimates indicate approximately 500,000 square feet of retail demanded in the City/Trade Area over the next 10-year period; or an annual average of 50,000. This is considered to be new demand inclusive of what is planned at City Center. In all, the net new retail demand is a relatively modest increase in total existing retail inventory (7.5 million square feet) within the City; however, it is directly in line with development patterns of the past decade.

In terms of Mobility Hub retail potential, the planned City Center is a strong representation of the type of retail envisioned for the Hub, which is integrated into mixed use development. It presents a unique “lifestyle center” environment that has seen growing success throughout the region. 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

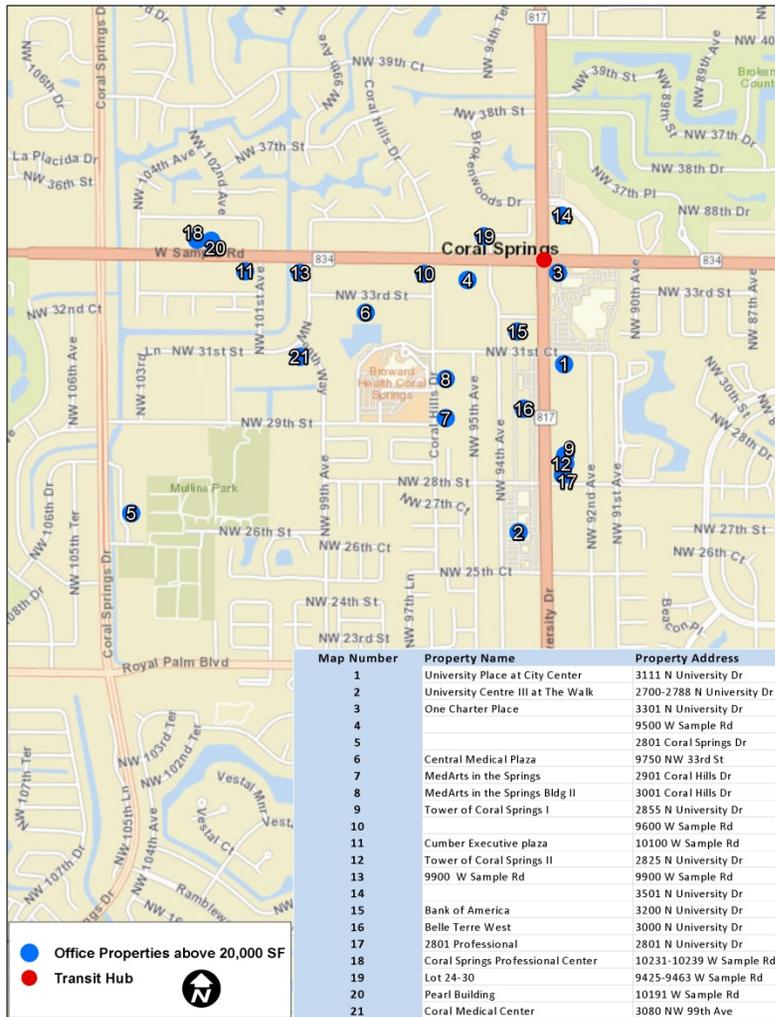
The office market profile highlights historic, current and foreseeable growth trends within the city, according to Costar data and input from local industry representatives.

HIGHLIGHTS – CITY OF CORAL SPRINGS & HUB AREA

- The City has 160± office buildings totaling 3.3 million square feet and ranging from <1,500 sf to 200,000± sf and an average building size of 21,400. The County as an average building size of 17,750 sf.
- The City’s office sector represents 4.5 percent of the County
- There has been more than 1.3± million square feet of office built in past 20 years citywide, and a total of three building of which are greater than 100,000 square feet. The Coral Springs Financial Center (145,000 sf), a landmark property for many years, is being demolished for the Coral Springs Cornerstone development.
- Coral Springs’ citywide office development since 2010 has slowed considerably compared to prior 2 decades
 - From 1990 to 2010, 65,000± sf avg. annually
 - 15,000 sf total built past 10 years
- Citywide office occupancy is relatively strong at 91+% and directly in line with the County.
- The city overall has average gross Lease Rates of \$26.80/sf, and notably lower than Broward County (\$30.25/sf). Newer properties in the city are achieving gross lease rates higher than \$30 per sf
- Net Absorption citywide was 320,000 sf over the past 5 years, which is 7.5% of the County total, and actually quite a bit higher than its proportionate share of County’s office inventory (or 4.5±%)
- The core of the Hub area, and primarily those properties bounding Sample Road and University Drive around the intersection, comprises a total 115,000 square feet of office, including Charter Place with 80,000 square feet built in 2007. Village Green will add medical offices.
- Within a roughly one-mile radius of the Hub core, there are 1.3 million square feet of office, 440,000 square feet of which was built in the past 20 years

FIGURE 10: MAP OF LARGER OFFICE LOCATIONS WITHIN ONE-MILE OF the HUB CORE area (> 25,000 sf)

Source: Costar



OFFICE PROJECTS IN PLANNING

There is no new office development of note currently planned within the City.

OFFICE DEMAND SUMMARY

The basis for determining office demand within the City/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 2020-2030

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

Code	Title		Empl. 2020	Empl. 2030	Change
51	Information	90%	18,582	19,764	1,182
52	Finance and Insurance	100%	38,001	39,622	1,622
53	Real Estate and Rental and Leasing	85%	19,179	20,463	1,284
54	Professional, Scientific, and Technical Services	100%	62,451	71,754	9,303
55	Management of Companies and Enterprises	100%	8,952	10,122	1,170
56	Administrative and Support and Waste Management	100%	89,134	102,684	13,550
62	Health Care and Social Assistance	50%	51,024	58,243	7,220
813	Membership Associations and Organizations	100%	13,597	14,754	1,157
Total Office Employment Sectors		75%	300,919	337,406	36,487

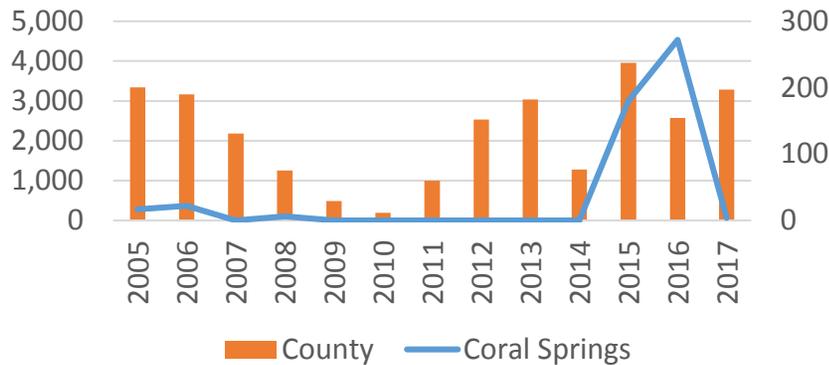
	Total	Avg. Annual
Total Change Office Demand Employment 2020-2030:	36,487	3,649
Total Demand @ 215 Sq. Ft./Employee:	7,844,809	784,481
Trade Area Capture of County - Modest (@ 4.5%)	353,016	35,302
Trade Area Capture of County - Upper (@ 7.0%)	549,137	54,914

Presently, the City/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 7.5 percent of the County's net office absorption. Based upon these trends and as illustrated above, the analysis assumes the City/Trade Area has potential office demand for 350,000 to 550,000 square feet of office demand during the next 10-year period. Note, this includes the demand from the displacement of the Financial Plaza building (145,000 square feet). The Hub area should be in a strong position to capture a measurable portion of the demand, particularly, leveraging improved transit, the new City Hall and activity at Cornerstone.

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.

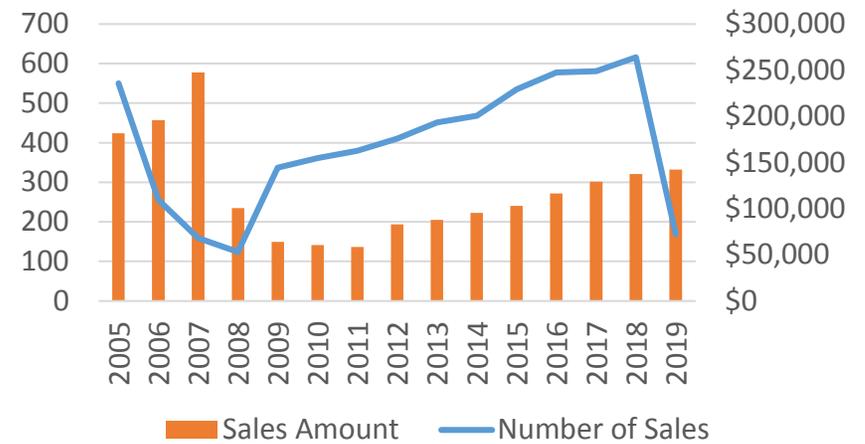
FIGURE 12: BROWARD COUNTY, CORAL SPRINGS MULTIFAMILY PERMIT ACTIVITY



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.

There has been no new condominium 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. In spite of this recent growth pricing and/or sales activity has not rebounded to the levels of 2006/7.

FIGURE 13: CITY OF CORAL SPRINGS CONDOMINIUM SALES ACTIVITY



HIGHLIGHTS - CITY OF CORAL SPRINGS AND HUB AREA MULTIFAMILY RENTAL MARKET

- The City has more than 8,330 multifamily apartment units in nearly 200 buildings, or, an average 40± units per building.
 - Properties range from duplex to communities of more than 500 units; however, here are only 20 properties with more than 200 units
 - The County has an average building size of more than 270 units
- The City had 1,730± units delivered since 2000, or roughly 85 units per year

FIGURE 14: COUNTY & CITY RENTAL APARTMENT SNAPSHOT⁴

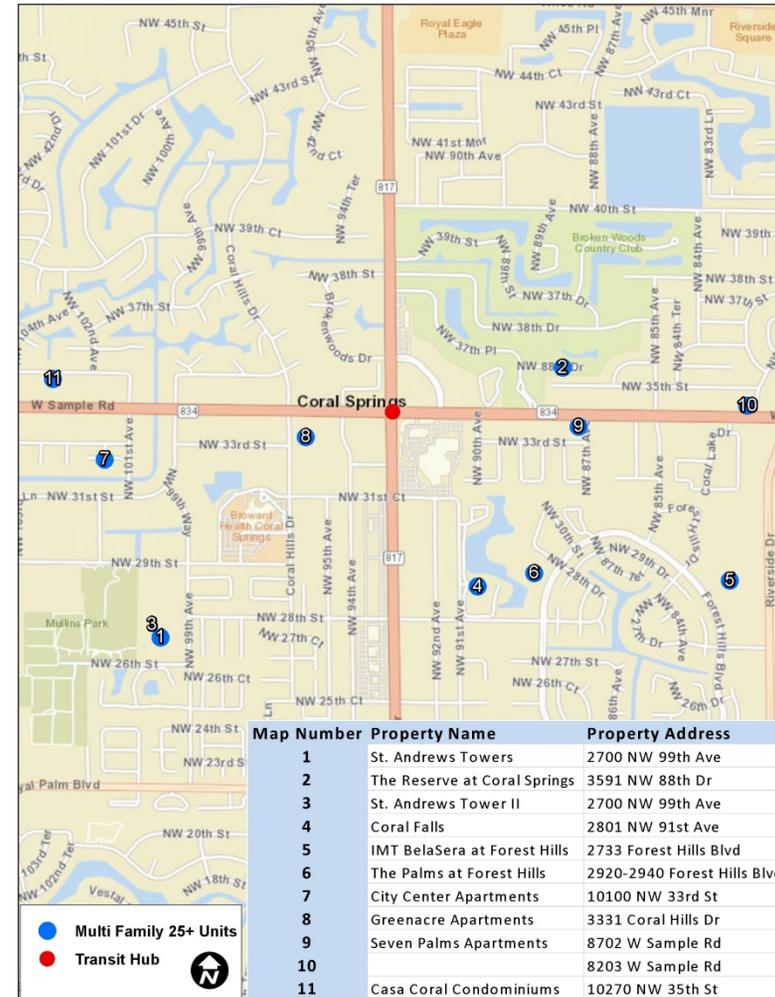
Source: Costar

	Avg. Unit Size (SF)	Avg. Month Rent	Avg. Rent Per SF	Avg. Annl. Δ (past 5 yrs)	Avg. Annl. Vacancy
Broward County	968	\$1,510	\$1.57	2.60%	5.20%
Coral Springs	1,118	\$1,615	\$1.44	4.00%	5.40%

- Occupancy in both the city and County remain relatively strong at 95+%; however, the city and County experienced a modest uptick in vacancy during the past 12 months
- The average size of rental units in the city is approximately 1,118 square feet, which is higher than the County average (968 sf)
- Average monthly rental rates in the city are slightly higher than the County, though the County has a higher per square foot rental rate as a result of average unit size
 - Recent rental rate growth has been strong for the city, outpacing the County
- According to Costar data, the city’s rental market comprises 28% one-bedrooms, 45% two-bedrooms, and, 27% three-bedroom units. The ratio of three bedroom to total units (27%) in Coral Springs is considerably higher than the County’s 15% range. This correlates to the larger average unit size, as well as the larger average family size – noted in sections above.
- There are more than 2,080 units within one mile of the Hub core. However, only 382 units have been built since 2000.

FIGURE 15: MAP OF LARGER MULTIFAMILY DEVELOPMENT WITHIN ONE-MILE OF HUB CORE (>25 UNITS)

Source: Costar



⁴ Costar

MULTI FAMILY PROJECTS IN PLANNING

The only major rental development planned in the City is Cornerstone which proposes 450 rental units that are anticipated to be completed in 2021/22.

MULTI FAMILY DEMAND SUMMARY

According to the most recent population projections set forth above, the city's population is forecast to increase an average 0.44 percent per year during the next several years.

Using traditional demand modeling, as shown below, this level of growth creates demand for 800 to 1,000 multifamily units in the city during the next 10-year period. This is in addition to the 450 units planned at Cornerstone. Therefore, there is total demand for 1,250 to 1,500± units in the city during the next 10 years.

FIGURE 16: CORAL SPRINGS MULTIFAMILY HOUSING DEMAND PROJECTION

Trade Area	2020	2022	2024	2026	2028	2030	Change
Total Households	41,507	41,873	42,242	42,615	42,991	43,370	1,863
% MF Dwelling	35.0%	35.0%	35.0%	35.5%	35.5%	35.5%	
Total Demand for New MF Dwelling Units	14,527	14,656	14,785	15,128	15,262	15,396	869

With regard to mobility hub housing plans, Cornerstone will be the first new residential development within a mixed-use environment. With improved transit and continued potential growth among office and retail sectors in the area, the Hub should be in a strong position to attract a wide range of tenants from young, single households to retirees. As such, it is recommended that the City promote a more balanced mix of units than what currently exists in Coral Springs overall, and namely to increase the proportion of one-bedroom units. The proposed mix should represent 40-45% one-bedroom units, 40-45% two-bedroom units, and, 10-15% three-bedroom units.

⁵ Greater Ft. Lauderdale Convention and Visitors Bureau

HOTEL MARKET HIGHLIGHTS

HIGHLIGHTS – CITY OF CORAL SPRINGS AND HUB AREA

Broward County's tourism continues to be robust, with 14 million visitors in 2018 – an increase of 9 percent over the prior year.⁵ 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 are 682 hotel rooms (5 hotels) in the city, with no new hotel development having occurred since 2002 (Courtyard). There is one full-service property, the Coral Springs Marriott and Conference Center.

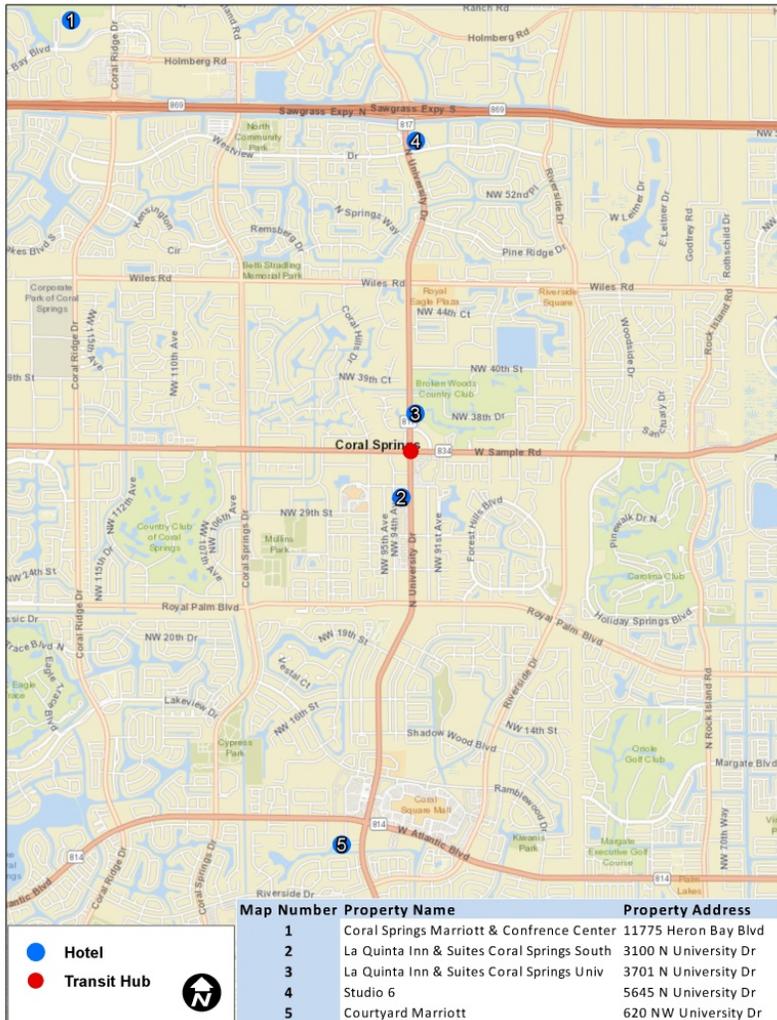
There is one Courtyard, two La Quinta's and a Studio 6. Based upon a cursory profile of the area hotels, occupancy is estimated to be in the mid- to 70 percent range, with ADR at \$135.

Below is a map identifying hotels within the trade area. There is a 150-room hotel proposed as part of the master plan for Cornerstone, slated to be completed by 2022/32.

⁷ STR - A world leading resource for hotel supply and demand data.

FIGURE 17: MAP OF HOTELS IN TRADE AREA

Source: STR



HOTEL MARKET DEMAND SUMMARY

The only new hotel development that is under construction or in the late planning phases in the County at this time is along the coast or proximate to the airport. Based upon the analysis herein, and assuming the market occupancy and ADR continue to strengthen, there is an opportunity for two limited service hotels (200 to 300 rooms in total), of which the Hub area should capture one hotel, of which the Hub area is in a strong position to capture one of these hotels and likely, the hotel that is currently proposed at Cornerstone.

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.

- The City's effort to create a downtown area as a destination is long overdue. There is a need for more dining and entertainment venues.
- The vast majority of recent retail development in Coral Springs has been big box (such as Costco and Walmart).
- The area near the intersection of Sample and University Drive could benefit from improved transit. But the impact would be more on office and residential than retail.
- The office market has been growing over the last 10 years and it continues to strengthen in both occupancy and rates.
 - Continues to be a secondary market with primarily a local tenant base made up of small professional offices.
 - There is a need for newer office space on Sample Road as the existing spaces are smaller and becoming outdated.
- Transit, depending on where it connects to and from, could have an impact on the office market. If transit were to bring people from the Fort Lauderdale and I-95 area, it would be most impactful.

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 the Coral Springs Mobility Hub planning efforts:

- Economic/Demographic:** Though the City's population forecast indicates a measurable slowdown from historical growth trends, steady 0.5%+ average annual growth during the next several years provides adequate support for growth in both the residential and commercial sectors. The income and employment characteristics in the city (as highlighted in previous sections) provide added support for on-going economic development and investment within the Hub area.
- Retail:** In spite of changing conditions and trends in the broader retail market, there is a relatively strong market support for retail development within mixed-use development. There is estimated demand for upwards 500,000 square feet of retail city-wide during the next 10-year timeframe; noting, that some of this demand will be absorbed by older existing space that is either vacant and/or well beyond its useful life. As currently planned, Cornerstone, located at the southwest corner of University and Sample, proposes approximately 200,000 square feet of retail and entertainment development. This level of proposed development, if built, will likely absorb most of the demand within the Hub area over a 10-year horizon. However, there should be an opportunity to absorb an additional 50,000 square feet in the Hub area within ground floor retail in other new development. The Hub 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 indicates market potential for new office supply. The city has potential demand for 350,000 to 550,000 square feet of office during the next 10-year period. The Coral Springs office market should

continue to benefit from strong representation of financial, business services and healthcare (medical) sectors, which should continue during the foreseeable future. The Hub area is estimated to have demand for approximately 150,000 square feet during the next 10 years which would likely be phased in 50,000 to 100,000 square foot increments. The timing of absorption is important to supporting new development from a financial perspective.

- Residential:** The city is anticipating significant multifamily development during next few years adding to the additional regional concentration. There is an estimated demand for 1,250 to 1,500 multifamily units in the city during the next 10-year period, including Cornerstone (450 units already planned). The Hub area should be in a position to absorb an additional 250 to 300 units over a ten-year horizon.
- Hotel:** As noted above, there is an opportunity for 200 to 300 total rooms (2 or 3 select service hotels) in the City. As planned, Cornerstone contemplates the development of one hotel of approximately 150 rooms. This new hotel will likely serve the demand for the Hub area during the foreseeable future (approximate 10-year timeframe).

In all, the prospective economic and market fundamentals for residential and commercial development within the City of Coral Springs remain relatively strong during the next several years. The downtown area of Coral Springs, in particular, is anticipating significant redevelopment. For the foreseeable 10-year timeframe, Cornerstone (if built) is positioned to capture the majority of demand for residential and commercial development in the Hub area. However, as noted in the demand analysis above, there should be opportunities for additional development in surrounding properties; particularly, as the area gains momentum from a growing resident and visitor base, as well as from improvements to mobility as a result of a transit Hub. Moreover, the type and mix of uses identified herein should support clusters of higher density mixed-use development on strategic sites within the Coral Springs Hub area, setting the basis for subsequent longer-term phases of Mobility Hub strategic planning.