

MARKET ANALYSIS

INTRODUCTION

Prepared based on the conditions as of March 2019, The market analysis associated with the Pembroke Pines 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 Pembroke Pines Mobility Hub area 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 Pembroke Pines Mobility 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 support the 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

After many years of planning, Pembroke Pines' City Center area is now well underway with its phased, mixed-use development. The redevelopment represents a major investment within the City's core area that envelopes residential, commercial municipal and cultural facilities and should encourage investment within the surrounding area during the next several years. The economic and market outlook observed as part of this analysis indicates

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.

considerable future demand for housing and commercial redevelopment during the next 10-year period. Notably, the primary Trade Area¹ from which the City Center area will potentially capture demand for residential and commercial development indicates:

- **Retail:** There is an estimated 325,000+ square feet of retail demand in the Trade Area. However, there is already 260,000± square feet of space planned in the Trade Area, and mostly situated within the City Center development. That would indicate net new demand for 65,000 square feet of retail. From one perspective, this net new demand is seemingly modest, which is largely the result of the relatively low population projection growth for the Trade Area which is a large driver of future retail demand. Nonetheless, and as it relates to mobility hub planning, the characteristic of most retail development in the area should not be focused on competing with the area's regional centers; rather, to be oriented primarily to smaller/mid-size retail accommodating a pedestrian friendly environment with a unique mix of business, including dining/entertainment venues;
- **Office:** Expanding office inventory City-wide should be a focus of planning on-going efforts, and equally as important to broaden the office mix in the City Center area. There is estimated demand for 225,000 to 300,000 square feet of office during the next 10-year period (City-wide), and from which the City Center area can potentially capture a measurable percentage;
- **Residential:** There is an estimated demand for 700+ multifamily units within the Trade Area over the next ten years, which should serve the City Center area well for steady resident growth;

• **Hotel:** In addition to the currently proposed hotel development in the City Center area, there may be opportunities to plan for one smaller (100 to 150 room) additional select service hotel development during the next 10 years.

As City Center progresses toward build-out, the opportunity to leverage off of this momentum should continue to grow for surrounding properties; especially, along the north side of Pines Boulevard. Though City Center has generally maintained relatively modest density-levels, it is encouraged that future planning efforts for the area promote higher density within mixed-use commercial development and, specifically, around transit hubs.

MARKET HIGHLIGHTS FROM PREVIOUS STUDY

The first step of the analysis herein considers analysis from the City's most recent 2014-2019 Economic Development Strategic Plan (Strategic Plan) completed in 2014. Namely, it is intended to highlight key observations upon which to consider as part of the Mobility Hub planning process.

The Strategic Plan is a comprehensive document that incorporates extensive demographic data, industry sector analysis, and benchmark assessments to develop an action plan for the City's economic growth.

From an economic and market perspective, the data collection and analysis was quite thorough. The analysis did not provide forecasting for the key real estate uses supporting the strategic plan, however. Nonetheless, there were a few key observations that align with the market analysis and mobility hub planning undertaken herein, including:

- *Expanding the Professional Services Workforce:* As highlighted in the Strategic Plan, there is a community desire and need to diversify the City's economy with corporate headquarter/regional offices and

technology. As set forth herein, Mobility Hub planning should support the promotion of office development.

- *Focusing on City Center:* At the time of the study, City Center was in its early development stages. The Strategic Plan identified economic tools to ensure City Center becomes a major component to the City's redevelopment efforts. Presently, City Center is evolving into a mixed use residential and retail/entertainment destination with plans to expand with one hotel. Leveraging City Center to continue redevelopment throughout the larger area is now critical.
- *Improving Transportation:* The Strategic Plan indicates that a threat to the City's economic development is transportation challenges. In that regard, Mobility Hub planning can take a major step toward envisioning improved transportation conditions and therefore enhanced redevelopment opportunities; especially, the ability to broaden the economic base.

GEOGRAPHIC OVERVIEW

Pembroke Pines City Center a centrally located and emerging commercial core of the City, served by several major thoroughfares, including Pines Boulevard and Palm Avenue, and is situated less than 10 miles south of I-595 and between the Florida Turnpike and I-95.

The analysis considers the economic, demographic, and real estate market conditions and trends within Broward County and the City of Pembroke Pines, as well as one other key geography as illustrated in Figure 1 depicting the Pembroke Pines Mobility Hub Trade Area (Trade Area). This is an approximate 5±-minute drive-time radius,² and represents the geographic area from which the Mobility Hub may generate the majority of its activity for residential and commercial uses. Naturally, the market analysis herein considers the implications of competing supply and demand factors from surrounding corridors and activity nodes. However, the Trade Area has a strong competitive advantage given its proximity to the municipal complex/cultural venue for

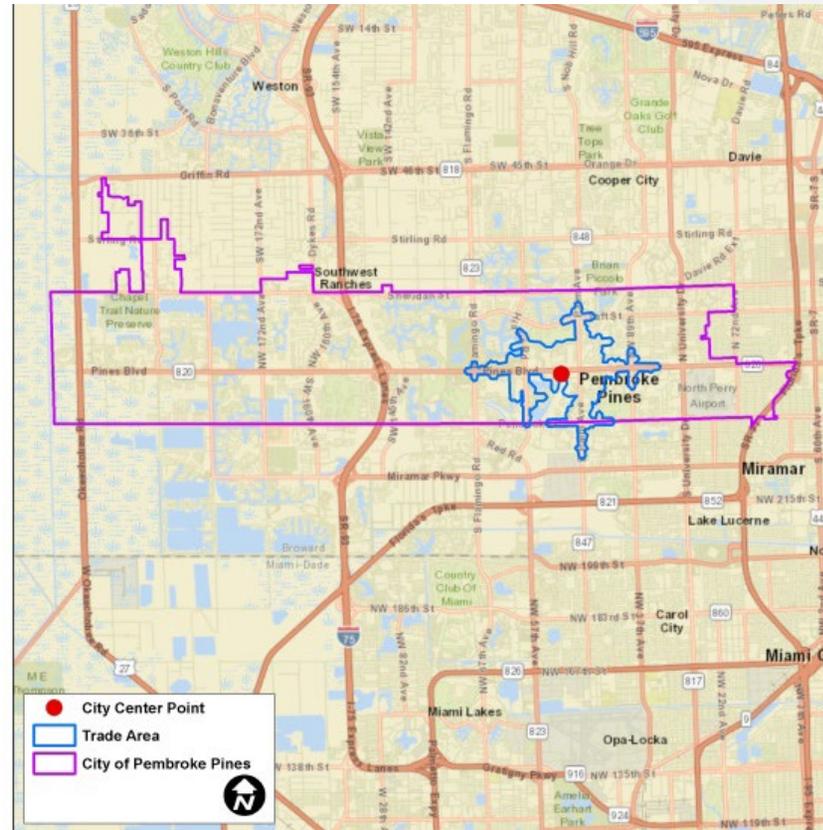
² The 5±-minute drive time is calculated by ESRI.com during non-peak periods; therefore, we recognize there is a level of variability that needs to be considered for peak and non-peak traffic periods.

Pembroke Pines Mobility Hub Master Plan



capturing future growth, and the intersection of Pines Boulevard and Palm Avenue serves as a key focal point for a potential Mobility Hub.

FIGURE 1: PEMBROKE PINES CITY CENTER TRADE AREA



SUMMARY OF GENERAL REAL ESTATE AND 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 Pembroke Pines Mobility Hub.

FIGURE 2: DEMOGRAPHIC HIGHLIGHTS

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

	Trade Area	City of Pembroke Pines	Broward County
Total Population ACS 2016	25,362	164,753	1,863,780
2010 Population	23,712	152,366	1,734,139
2000 Population*	25,945	137,427	1,623,018
Households ACS 2016	9,274	56,035	672,988
Avg. HH Size ACS 2016	2.74	2.89	2.75
Median Age ACS 2016	38.7	39.9	40.0
Median Household Income ACS 2016	\$53,622	\$62,702	\$52,954
Per Capita Income ACS 2016	\$25,893	\$28,845	\$28,987
% Above \$50K ACS 2016	57.3%	60.4%	52.9%
Owner Occupied Households % ACS 2016	60%	72.2%	62.8%
Renter Occupied Households % ACS 2016	40%	27.8%	37.2%
% Households with Vehicle ACS 2016	NA	93.8%	92.5%

Demographic Highlights

Figure 2 above, highlights key demographics 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 8.8 percent of the County, and the Trade Area is 1.4 percent;
- Median household income in the City is notably higher than the Trade Area and County. Though the Trade Area is lower than the City's income levels, they are stronger than the County and supportive of future economic development in the City Center area; and,
- There is a considerably higher proportion of renter households in the Trade Area than the City and County, which has positive implications for continued development of multifamily rental housing;
- The Trade Area includes the new City Center, which is positioned to attract younger resident and visitor base; and,
- Nearly 94% of households in the City have at least one vehicle.

County and City Population Growth Trend/Projection

The table below illustrates population growth from 1990 to 2016 and projected population to 2045. A few notable highlights include:

- Between 2000 and 2010, Broward County's population increased at an average annual rate of 0.66 percent and at rate of 1.04 percent for the City.
- The Trade Area, however, actually shows a small loss in population growth during the period;
- Based upon American Community Survey (ACS) data, between 2010 and 2016, the County population shows a modest uptick in average annual growth rate at 1.2 percent, while the City is 1.3 percent and the Trade Area at 1.1 percent.

- 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 BEBR,³ the County's population is projected to grow at an average annual rate of 0.62 percent from 2015 to 2045, while the City is projected to grow at 0.23 percent annually⁴. Although the information is not available at the TAZ level, it is assumed that the Trade Areas population forecast will align with the cities overall growth projection. 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		25,945	23,712				
City	46,713	137,427	152,366	170,712	155,736	158,099	166,758
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			(223)				
City		9,071	1,494	2,621		158	367
County		36,753	11,112	28,820		15,004	12,438
		Population (% Growth)			Projections (% Growth)		
	1990	2000	2010	2017	2015	2030	2045
Trade Area			-0.90%				
City		11.39%	1.04%	1.64%		0.10%	0.23%
County		2.60%	0.66%	1.58%		0.78%	0.62%

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

⁴ Data not available to do Trade Area analysis

Trade Area Employment Profile

According to Census On the Map, the strongest industries in the Trade Area with more than 1,000 jobs present in the area include: Retail Trade and Accommodation and Food Services. These two sectors are by far the most dominant in the area, with the heaviest employment activity along Pines Boulevard and North Palm Avenue.

FIGURE 4: TOP 10 EMPLOYMENT BY SECTOR IN TRADE AREA

Source: 2015 Census on the Map



These sectors generally have more modest wages than other sectors such as FIRE (Finance, Insurance, and Real Estate) and Professional Business. Therefore, the opportunity to broaden the area’s employment base with these higher wage sectors should be a focus of on-going economic development efforts – and discussed further below.

Furthermore, enhancing the FIRE and Professional Business sector creates greater opportunity within the office segment, which increases the level of daytime expenditure within the area and supporting continued growth in the retail sector.

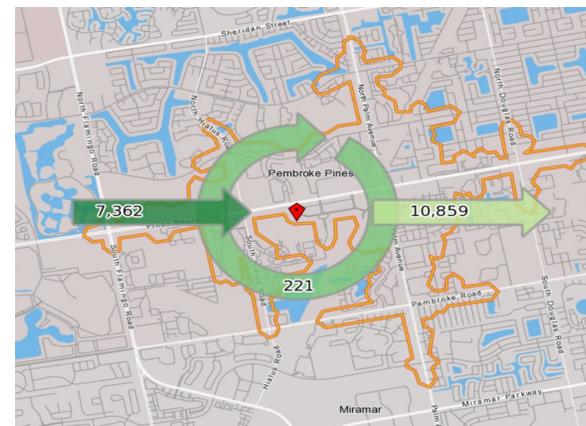
Trade Area Employment Migration

The Trade area benefits from a strong inflow of workers that do not live inside the trade area but sees a decrease in daytime population. As a majority of workers

are residents from other areas the majority of residents are employed outside of the trade area, only 3 percent of residents in the area actually work in the trade area. This metric is relatively low compared to numerous areas studied in the South Florida region, and signals potential opportunity for capturing “pent up” housing demand for those workers who would find housing opportunities closer to work appealing.

FIGURE 5: INFLOW / OUTFLOW OF EMPLOYMENT AT A 5 MIN DRIVING DISTANCE

Source: Census On The Map



Inflow/Outflow Job Counts 2015

	Count	Share
Employed in the Selection Area	7,583	100%
Employed in the Selection Area but Living Outside	7,362	97.10%
Employed and Living in the Selection Area	221	2.90%
Living in the Selection Area	11,080	100%
Living in the Selection Area but Employed Outside	10,859	98%

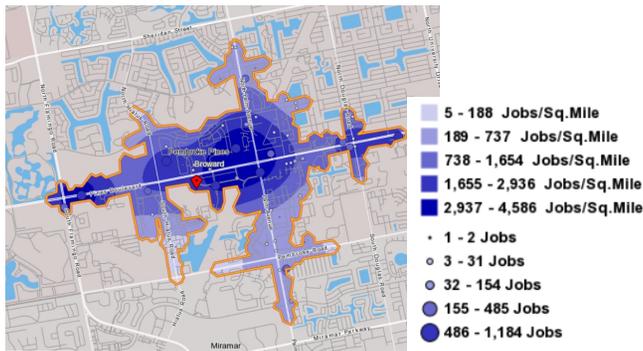
Living and Employed in the Selection Area 221 2%

Trade Area Employment Density

Employment density is more concentrated in the center of the Trade area with 3,000 to 4,500 jobs per square mile.

FIGURE 6: EMPLOYMENT DENSITY IN TRADE AREA

Source: Census On The Map



Economic / Demographic Headlines

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

- Though local and regional population growth are anticipated to be modest compared to historical trends, the Trade Area benefits from a relatively strong influx of workers, which creates an opportunity to leverage retention for area worker housing since some of those workers may prefer to live closer to work.
- The Retail and Accommodation/Food Services sectors dominate the Trade Area, and any opportunity to broaden the employment mix with

FIRE and Business Services should be beneficial to housing and office redevelopment in the area, as well as for further strengthening the retail sector.

RETAIL MARKET HIGHLIGHTS

The retail market profile highlights historic, current and foreseeable growth trends within 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 Pembroke Pines City Center and represents the primary geographic area from which the mobility hub may generate the majority of its retail demand. Importantly the demand modeling undertaken here in 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 PEMBROKE PINES

- There are 342 Buildings ranging from <1,000 sf to 1 million sf
- There is a total 9.5 million square feet of space, with average size building at 28,000± square feet;
- 3.3 million square feet of retail has been built in the past 20 years, the largest of which include Boulevard Square, Lowes, and Home Depot.
- Pembroke Pines retail development in the past decade has slowed considerably compared to prior 2 decades
 - From 1990 to 2010, 300,000± sf avg. annually
 - 300,000 sf total being built since 2010.
- Significant amount of retail attributed to Mall and large (Big Box) centers
- Retail occupancy is above the County average.
- The City overall has average Lease Rates of \$28.47/sf, modestly higher than Broward County (County average of \$28.26/sf)

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

- Net absorption of retail was 424,000 sf during the past five years, which is 13% of the County total and almost directly proportionate to the City's share of County's total retail inventory (14%).
- City Center and Pines Market Place represent 2 primary retail developments under construction/planning

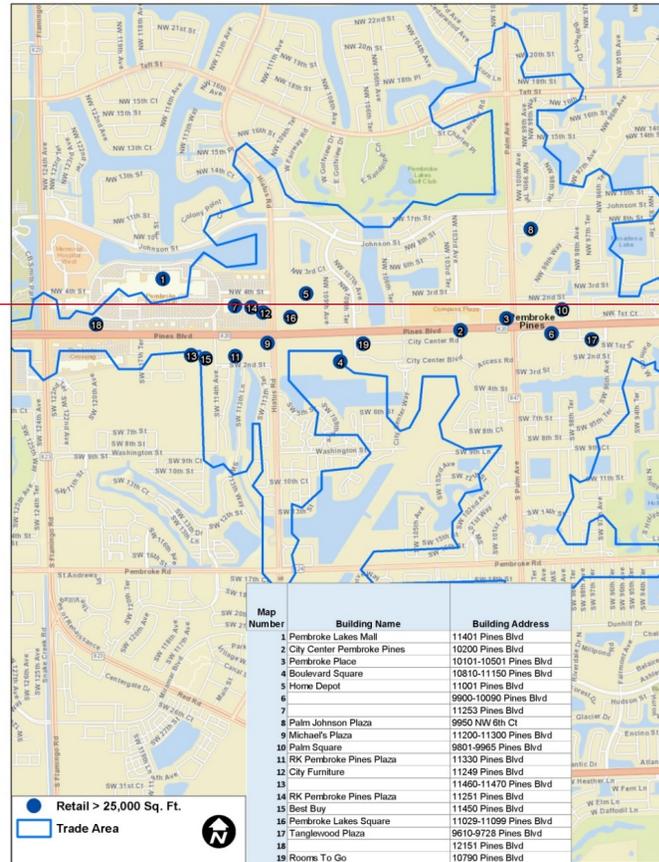
HIGHLIGHTS – TRADE AREA

- There is a total 3.3 million square feet of retail space, with an average size building or 46,000 square feet.
- 775,000 sf built in past 20 years the largest of which include Home Depot and Boulevard Square
- Occupancy is above the County average however, there was only a very modest 12,000 sf of net absorption of retail during the past 5 years which includes the City Center development space which has been built to date.
- Overall average retail lease rates of \$30.95/sf are notably higher than the City and County – both of which are in the \$28 per sf range.

Lastly, the broader Trade Area is well served by big box retailers, national chains and grocers. The Pembroke Lakes Mall, 1.5 miles west of the Hub area is the largest single retail destination in the Trade Area with 1.1 million square feet. Retail activity is dispersed along Pines Boulevard both east and west of the Hub Area, though primarily west.

FIGURE 7: MAP OF MAJOR RETAIL IN TRADE AREA

Source: Costar



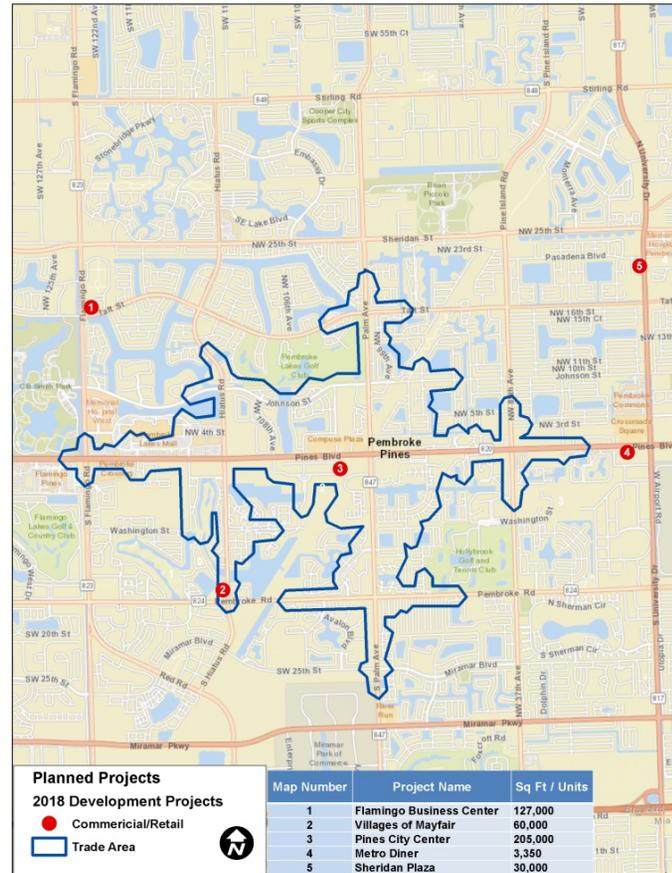
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RETAIL PROJECTS IN PLANNING

Based upon information from the City of Pembroke Pines, there are several new retail projects in planning adding up to more than 425,000 square feet anticipated by 2020, there is 260,000 square feet planned in the Trade Area.

FIGURE 8: MAP OF RETAIL PROJECTS IN PLANNING

SOURCE: CITY OF PEMBROKE PINES



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.

The model 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 and commercial corridor.

Preliminary analysis herein indicates an estimated demand for approximately 325,000 square feet of retail in the Trade Area over the next 10-year period. However, as noted, there is already 260,000 square feet of space planned in the Trade Area, and situated within the City Center development. That would indicate net new demand for 65,000 square feet of retail beyond what is already in planning. From one perspective, this net new demand is seemingly modest, which is largely the result of the relatively low population projection growth for the Trade Area which is a large driver of future retail demand. Nonetheless, considering the significant regional draw to the Trade Area as a result of the Mall and Big Box centers attracting residents well beyond the Trade Area (and referred to as the secondary and tertiary markets) there should be a higher level of demand than what the models indicate. This requires a more comprehensive analysis of supply and demand that should be undertaken as part of subsequent planning efforts.

Regardless, as it relates to on-going redevelopment in the City Center area, and mobility hub specifically, the analysis does not envision new retail development as competitive to existing regional destinations (or other regional big box retailers). Instead, the focus is to leverage potential mixed-use opportunities that may be created by regulatory modifications, whereby retail is a supporting use with the potential to create a unique destination. 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 Pembroke Pines and the Trade Area, according to Costar data and input from local industry representatives.

HIGHLIGHTS - CITY OF PEMBROKE PINES

- 95 buildings ranging from <1,000 sf to 925,000 sf
- Total 2.8M sf, with average building at 30,000± sf
 - Note, for a city of population size, the amount of office space is relatively low when compared to other similar sized municipalities like Hollywood, Miramar and Coral Springs – all of which have more than 20% more office than Pembroke Pines
- 1± million sf (40 properties) built in past 20 years
- City's office development since 2010 notably lower than previous decades
 - 320,000± sf total since 2010
- Occupancy is strong at 96%
- Lease rates at \$32.29/sf full service, which is notably higher than the County (\$28.80) and City (\$25.50) and partly attributed to more costly medical office space
- Over the last 5 years there has been 186,000 sf of net absorption, which is proportionate to its overall share of County office inventory (3%)

HIGHLIGHTS - TRADE AREA

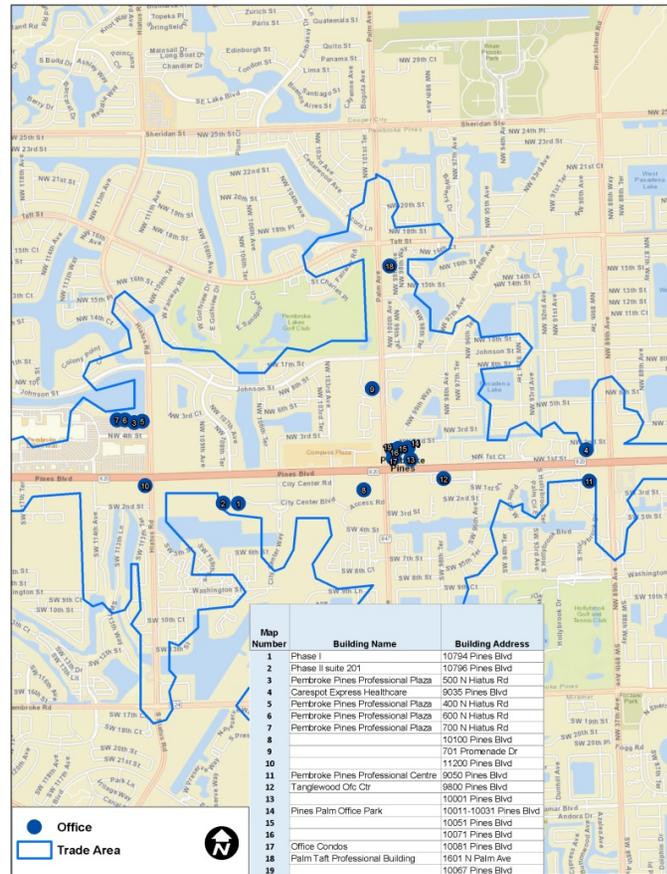
- 19 buildings ranging from <1,000 sf to 96,000 sf
- Total 495,000 sf, with average building at 26,000 ± sf
- 139,000 sf (7 properties) built in past 20 years
- Occupancy estimated to be 92%
- Average lease rates at \$25.14/sf (full service) and in-line with the City

- Over the last 5 years there has been 8,300 sf of net absorption, which is far lower than its 20% share of the City's total office inventory

The City Center area contains a large share of the office buildings in the Trade Area, though it is a relatively modest 250,000± square feet in total.

FIGURE 9: MAP OF MAJOR OFFICE LOCATIONS IN TRADE AREA

Source: Costar

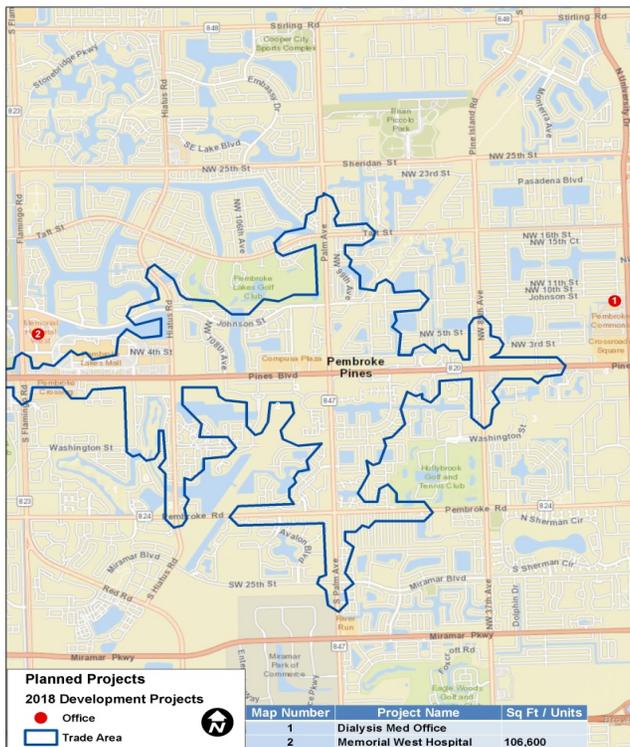


OFFICE PROJECTS IN PLANNING

Based upon information from the City of Pembroke Pines, there currently no office projects in planning within the Trade Area, however city wide there are two notable projects (200,000+ sf including The Edison and Century Medical.

FIGURE 10: MAP OF OFFICE PROJECTS IN PLANNING

Source: City of Pembroke Pines



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

Source: Broward County, Pembroke Pine Office Demand Projections (2019-2029)

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	14,656	1,059	
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 (@ 3.0%)	222,961	22,296
Trade Area Capture of County - Upper (@ 5.0%)	297,281	29,728

Presently, the Trade Area comprises only 500,000 square feet of office space, or 20 percent of the City's total inventory. The analysis considered demand projections at the City level, and the demand from which the Mobility Hub will potentially capture. Considering City's recent 3.0 percent of the County's office demand, which is also the amount of net absorption during the past five years, the analysis assumes the City has potential office demand for 225,000 to 300,000 square feet of office demand during the next 10-year period. This is a relatively modest increase in total existing retail inventory (3.0 million square feet) City-wide.

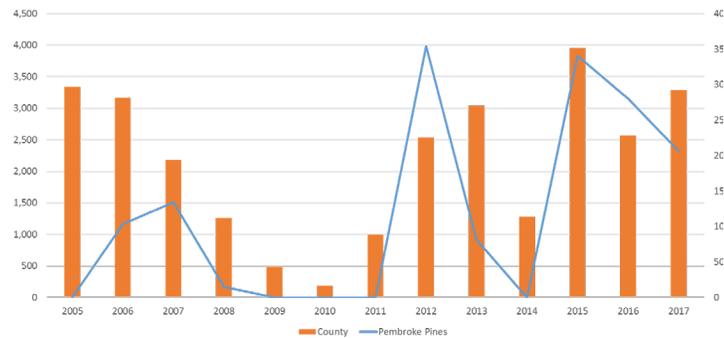
The Trade Area should be in a strong position to capture a decent amount of the City's office demand; particularly, as a strong supporting use in mixed-use development. However, office lease rate sensitivity, at least during the next few years, presents some challenges to the financial viability of supporting new office development. Nonetheless, the City should continue to focus on attracting and

supporting growth within the Finance, Insurance, and Real Estate (FIRE) and Business Service sectors – and discussed further in following sections.

MULTI FAMILY 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.

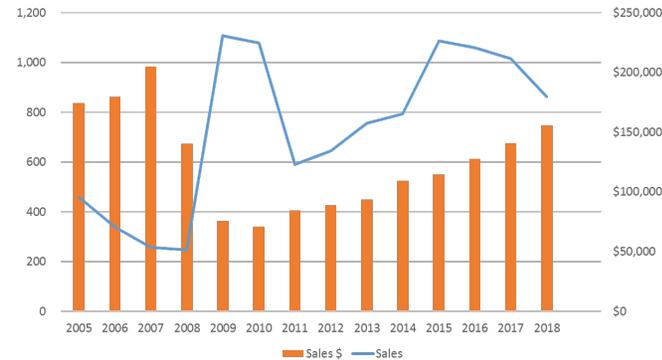
FIGURE 12: BROWARD COUNTY, PEMBROKE PINES MULTIFAMILY PERMIT ACTIVITY



The City's multifamily permit activity rebounded shortly after the Great Recession, and has remained relatively strong during much of the past six to seven years.

Relative to the condominium market, there has been one new development (150 units) in the past 12 years. However, activity within the existing 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 yet to rebound to the levels of 2006/7.

FIGURE 13: CITY OF PEMBROKE PINES CONDOMINIUM SALES ACTIVITY



HIGHLIGHTS - CITY OF PEMBROKE PINES AND TRADE AREA

- As noted in preceding sections, the Trade Area has a higher renter proportion of households than City and County, which is a positive sign for on-going multifamily rental opportunity
- An analysis from Costar data indicates a survey of more than 8,400 multifamily rental units in 44 buildings ranging from duplex to more than 1,000 units in a complex
- The City had 3,600± units delivered since 2000, or roughly 200 units per average per year
 - Approximately 50% of this development occurred within the Trade Area

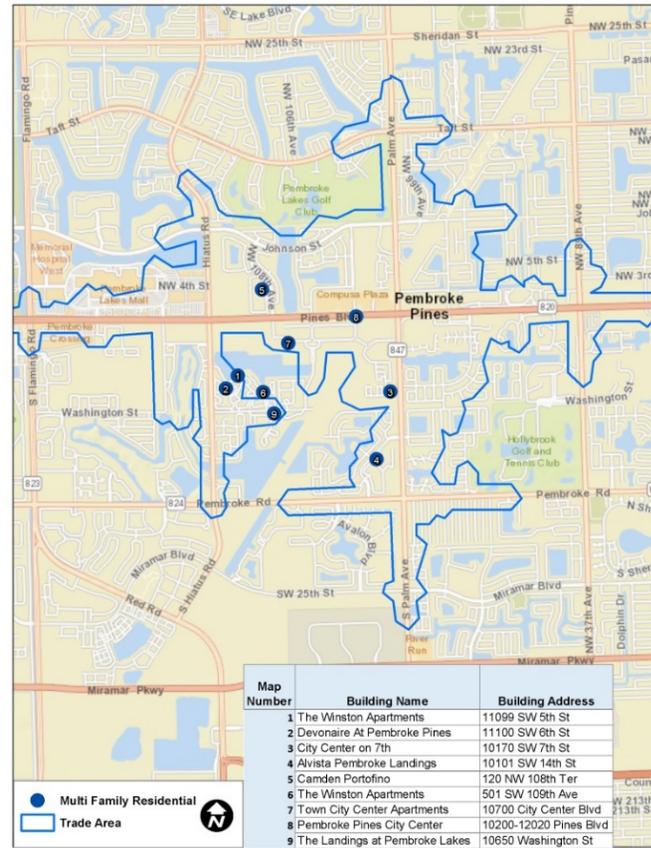
FIGURE 14: COUNTY, CITY & TRADE AREA RENTAL APARTMENT SNAPSHOT⁶

	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%	4.7%
Pembroke Pines	1,031	\$1,719	\$1.64	4.70%	6.7%
Trade Area	1,115	\$1,780	\$1.60	4.0%	3.5%

- Occupancy in both the city and Trade Area is approximately 95-96%, which is a very slight decline from peak occupancy of 97% in 2015/6
- The average size of rental units in the City is approximately 1,013 square feet, and marginally larger in the Trade Area at 1,115± 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 generally in-line with the County
- According to Reinhold P. Wolff data, the Pembroke Pines rental submarket comprises: 28% one-bedrooms; 51% two-bedrooms; and, 21% three-bedroom units.

FIGURE 15: MAP OF MULTI FAMILY IN TRADE AREA

Source: Costar



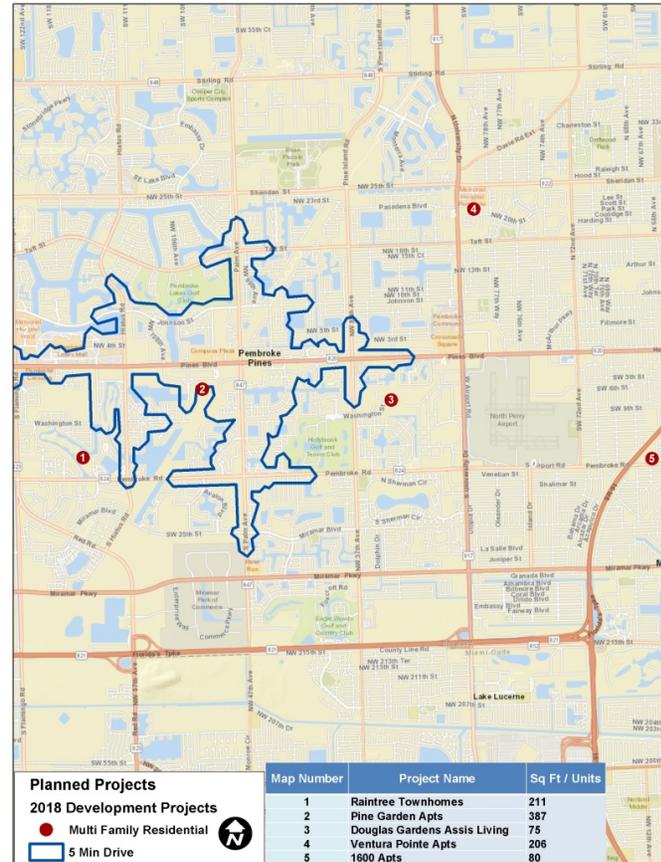
⁶ Costar

MULTI FAMILY PROJECTS IN PLANNING

Based upon information from the City of Pembroke Pines, there are 670 units of new multi-family in planning City-wide, with 387 units planned within the Trade Area.

FIGURE 16: MAP OF MULTI FAMILY PROJECTS IN PLANNING

Source: City of Pembroke Pines



MULTI FAMILY DEMAND SUMMARY

According to the most recent population projections set forth above, the City's population is forecast to increase an average 0.10 percent from 2015 to 2030 and 0.23 percent from 2030 to 2045, which the analysis largely assumes is the pattern for the Trade Area. For the Trade Area's estimated household base of 9,300±, this yields on average less than 30 total multifamily housing units demand per year (or 300± over a ten year period) which differs with current development under-construction or in planning.

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 the level of planning that is currently in place will likely exceed BEBR forecasts. This trend is not unique to Pembroke Pines, this discrepancy has been observed in many South Florida markets which would lead to the assumption that BEBR is quite conservative in their forecast.

For this analysis, if the rate of BEBR's population growth is adjusted upward to roughly 0.5 percent average annual, multifamily housing demand in the Trade Area is estimated to be at least 300± in addition to the 387 currently planned; or, upwards 700 residential units in total. This considers the potential to capture the "pent-up" up demand from Trade Area workers living outside of the area as discussed above. The Pembroke Pines City Center area 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 Pembroke Pines 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.

⁷ Greater Ft. Lauderdale Convention and Visitor Bureau

HOTEL MARKET HIGHLIGHTS

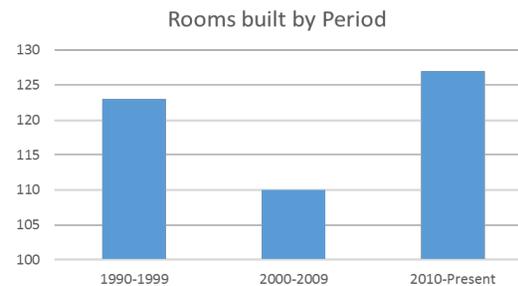
HIGHLIGHTS - CITY OF PEMBROKE PINES AND TRADE AREA

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 Greater Ft Lauderdale Convention and Visitors Bureau, 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 a total 490 hotel rooms (4 hotels) in the City, and two of which were built in the past 10 years (Fairfield Inn, Holiday Inn Express). There is no hotel inventory currently in the Trade Area.

FIGURE 17: ROOMS BUILT

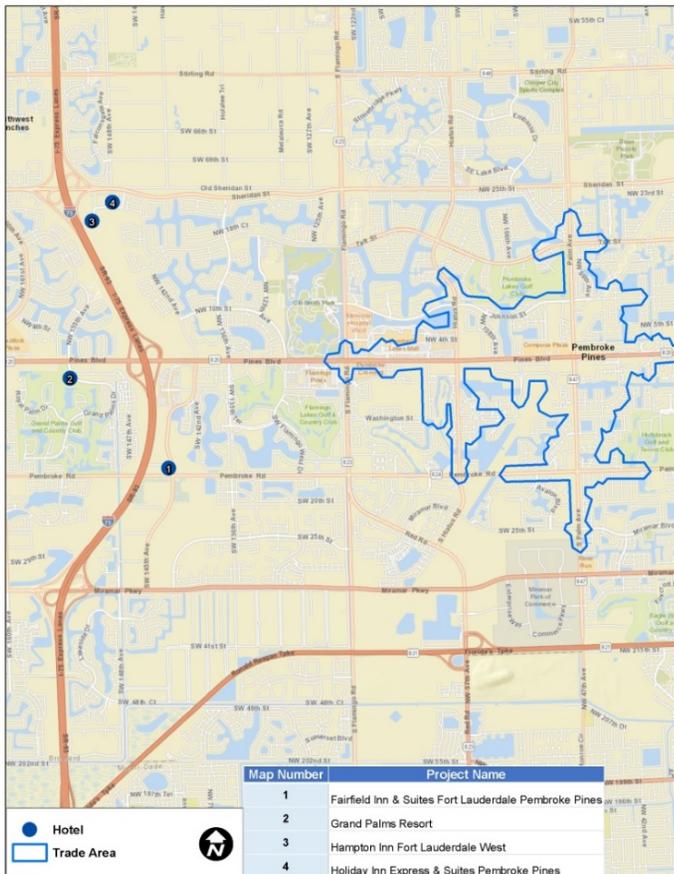
Source: STR⁸



⁸ A world leading resource for hotel demand and supply data

FIGURE 18: MAP OF HOTELS IN TRADE AREA

Source: STR



HOTEL MARKET DEMAND SUMMARY

Though preliminary at this point, there has been discussion of potential hotel development within the City Center area. It is presumed that the hotel will be a select service property between 100 and 150 rooms. This hotel would likely absorb Trade Area demand for hotel during the foreseeable ten-year timeframe; however, from a more aggressive standpoint, and presuming the market benefits from improved transit and potential Mobility Hub, there may be an opportunity to plan for one additional select service hotel development toward the latter end of the forecast period; particularly, if new office development is added during the foreseeable time frame.

STAKEHOLDER INTERVIEW INSIGHTS

As part of the research and analysis associated with the market analysis, stakeholders including developers, brokers and/or real estate industry representatives were interviewed. In this regard, the City has already undertaken considerable efforts to understand motivations, perceptions, and attitudes related to the City's business climate. This was done as part of a Business Opinion Study in 2018 that surveyed more than 500 businesses within the City and comprising a diverse mix of industries. There were two key takeaways from the survey that may be helpful to the Mobility Hub planning process, including:

- More than two-thirds of all businesses employ less than 5 persons. As it relates to prospective office development, this challenges the ability to support office development of larger scale (or buildings greater than 100,000 square feet) from a financial perspective, since it requires a considerable amount of time to lease large blocks of space from smaller companies alone.
- One of the strengths noted by respondents was accessibility to major thoroughfares, while one of the noted challenges was lack of public transportation.

As a result of the stakeholder interviews completed as part of this analysis, there are a few general findings to highlight:

- The core area around City Center should provide for higher and more intensified development
- City Center continues to evolve and is becoming the “upper-end” residential and retail product in the area
- The market needs more office, and perhaps that may drive a need for increased transit

SUMMARY OF FINDINGS & RECOMMENDATIONS

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

- *Economic/Demographic:* Though the City and Trade Area population forecast indicates a measurable moderation from historical growth, current development under-construction, planned and/or proposed indicate that modeling forecasts warrant updates or modification. Though the Trade Area has more modest income than the City, the income is higher than the County and considered to be relatively stable and supportive of new housing development. Accordingly, with the Trade Area’s notably higher proportion of renter households than the City and County, it portends well for multifamily rental housing development as the population has more renters.

Employment within the Trade Area is dominated by Retail and Accommodation/Food Services, and there should be a concentrated effort to balance area employment with other sectors such as FIRE, Healthcare and Professional Business which enhances support for office development, as well as provide industries with higher wages to support housing and retail growth.

- *Retail:* In spite of changing conditions and trends in the broader retail sector, Pembroke Pines has one of the most robust retail markets in the County. There is enough projected retail demand to provide additional support to what is already planned in the Trade Area (and namely City

Center area). However, as it relates to mobility hub planning, the characteristic of retail development should not be focused on competing with the area’s regional centers; rather, to be oriented to more a pedestrian friendly environment with a unique mix of retailers, including dining/entertainment venues.

- *Office:* It is important for the City to continue enhancing and broadening its office sector. The County’s office market continues to be strong, and the FIRE and Business Services sectors are among the leading segments of future growth. Based upon regional employment projections and capture rates, the City has potential office demand for 225,000 to 300,000 square feet of office demand during the next 10-year period, and from which the City Center area can potentially capture a measurable percentage.
- *Residential:* The City and Trade Area are anticipating relatively strong multifamily development during next few years. For the Trade Area, this is estimated to be at least 700+ units during the next ten years, and upon which the City Center area is in a strong position to capture a large share of this demand.
- *Hotel:* In addition to the currently proposed hotel development in the City Center area, there may be opportunities to plan for one smaller (100 to 150 room) additional select service hotel development during the next 10 years should the area continue to evolve in a mixed use pattern.

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 does contribute notably to on-going economic development and infill redevelopment within the City Center area.

Pembroke Pines Mobility Hub Master Plan



However, one critical piece to consider for the mobility hub planning initiative for the City Center area is the need to emphasize any opportunity to broaden the City and Trade Area's economic base; namely, leveraging upon the County's growing FIRE and Business Services sectors. The mobility hub can be an instrumental tool to accomplishing this goal. The Florida Department of Economic Opportunity (FDEO) together with Enterprise Florida have made significant grant funding available for both capital improvements/infrastructure and job creation for higher wage qualified targeted industries (QTI). These specific industries can be identified in the Enterprise Florida website: http://www.enterpriseflorida.com/wp-content/uploads/SL_Targeted_Industries.pdf

In light of these funding opportunities the consideration for integrating office development as part of mobility hub planning can present a compelling element of a grant funding submission and an approach that should be further explored as the mobility hub planning progresses.