




NEWMARK

*Market Overview*

# Broward Industrial

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1Q26



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# Market Observations



## Economy

- The market's unemployment rate increased by 81 basis points year over year to 4.1% at the end of December 2025 but remains below the national average of 4.4%.
- Job growth increased by 0.5% year over year to 934,400 jobs by the end of December of 2025, outpacing the national rate of 0.1% year over year.
- Annual employment growth remained modest, with gains led by the other services sector at 1.7%. All expanding industries posted increases within a narrow range of 0.6% to 1.7%, reflecting steady but limited momentum. In total, six of the ten major sectors recorded annual growth through December of 2025, pointing to a broadly distributed—though measured—expansion across the market.
- Industrial-using employment in the market showed mixed performance, with manufacturing declining 1.7% year over year and mining and construction down 1.9%. In contrast, the trade/transportation/utilities sector posted modest growth of 0.6% over the same period.



## Leasing Market Fundamentals

- The market saw 94,257 SF of occupancy gains in the first quarter of 2026; the largest positive net absorption recorded since early 2024.
- With zero new deliveries in the first quarter of 2026, tenants absorbed existing inventory, contributing to a modest decline in vacancy. The rate fell 10 basis points quarter over quarter to 5.8%.
- Overall asking rents declined 2.3% quarter over quarter and 6.5% year over year to \$15.17/SF, now sitting 6.7% below the all-time high of \$16.26/SF.
- The under-construction pipeline surged 179.6% quarter over quarter to 753,126 SF in the first quarter of 2026, driven by the addition of Festival Logistics Park, a three-building, 483,806-SF development. At 11.5% currently preleased, the bulk of that space is scheduled to deliver in the coming quarters, which could place upward pressure on vacancy in the near-term as new supply comes online.



## Major Transactions

- Central National Gottesman executed the largest deal of the first quarter of 2026, taking 62,525 SF at Centerpoint Powerline in Pompano Beach submarket.
- The market favored mid-sized space, with all five deals falling within the mid-bay range and averaging 57,945 SF, reinforcing a clear tenant preference for this segment as occupiers continue to prioritize efficiency, flexibility, and functionality in their space decisions.
- The Pompano Beach submarket secured three of the top five deals this quarter, underscoring its strategic positioning along the I-95 corridor and continued appeal for industrial users.
- Class A space represented 16.3% of total leasing activity in the first quarter of 2026, a 102-basis-point drop from the prior quarter. Despite this pullback, flight-to-quality trends kept Class A firmly in focus, with leasing activity remaining elevated.



## Outlook

- Looking ahead, the Broward industrial market is expected to stabilize through 2026 as demand normalizes following the record expansion period between 2021 and 2023.
- Slower growth in key industrial sectors could temper demand if trends persist.
- Rent growth may be muted in the near term as the market continues to digest elevated levels of new supply from 2025.
- New construction starts are expected to remain limited, supporting a gradual rebalancing of supply and demand over the medium term.

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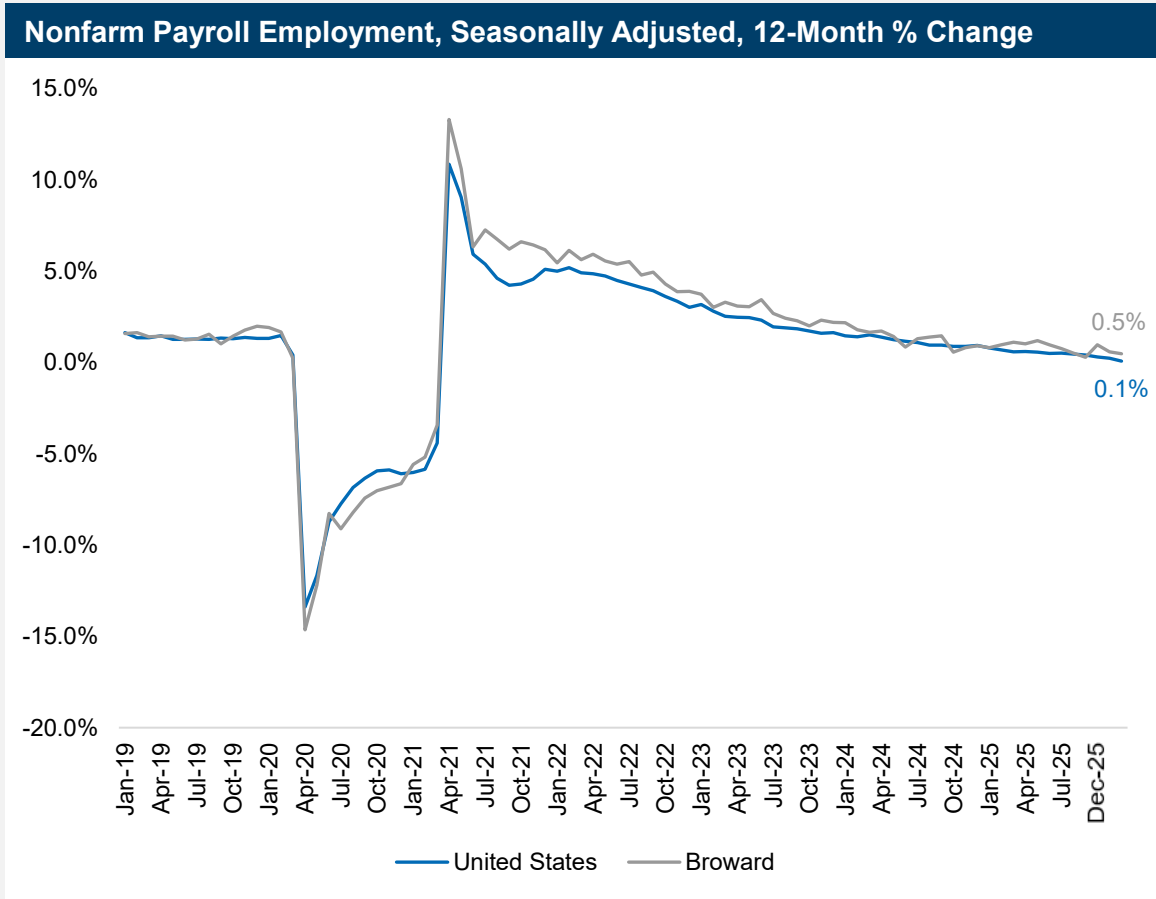
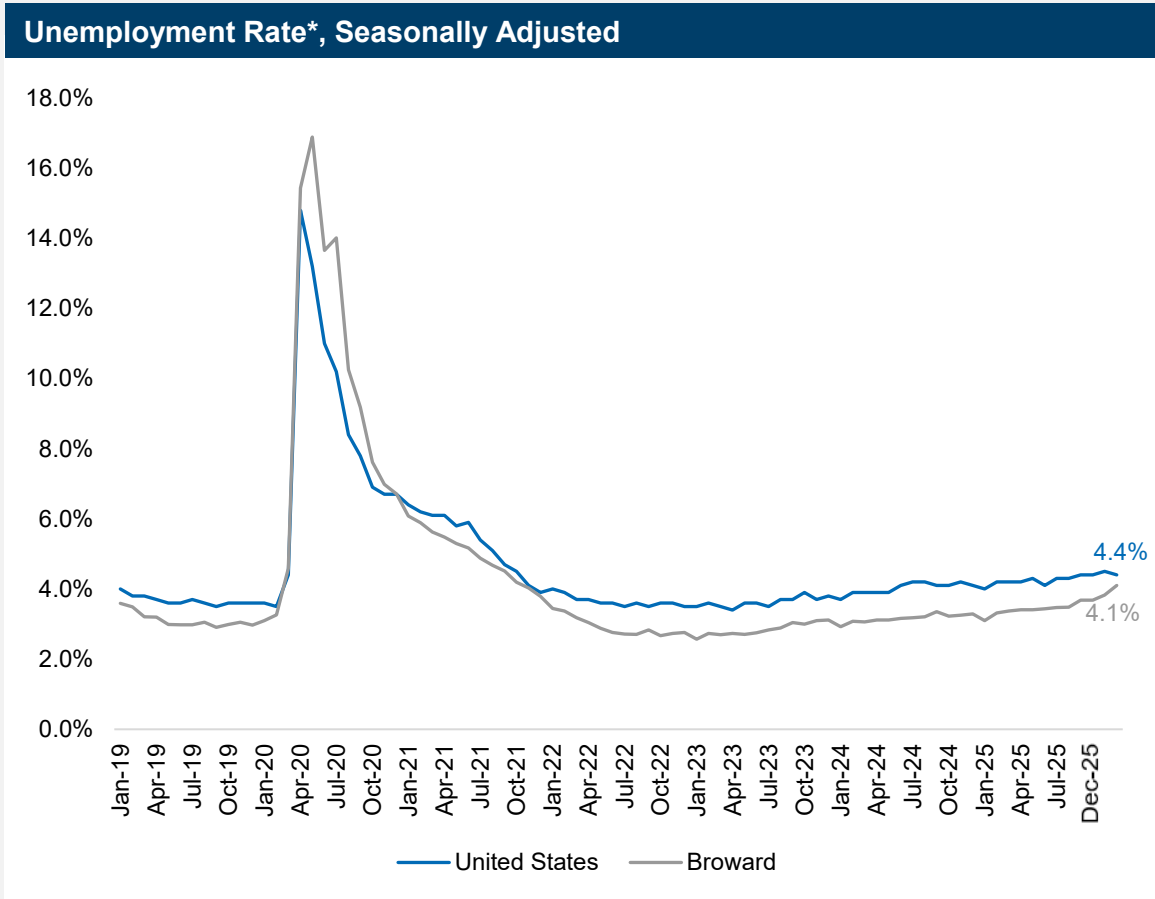
# 01

## Economy



# Unemployment Steadily Increasing But Employment Growth Accelerates

As of December 2025, Broward County's seasonally adjusted unemployment rate was 4.1%, up 81 basis points year over year yet still below the national average of 4.4%. Broward's employment growth has hovered near the national pace since mid-2024 and, by October 2025, moved slightly ahead of it; by December, Broward posted 0.5% year-over-year job growth versus 0.1% nationally, reflecting a 40-basis-point deceleration from a year earlier.

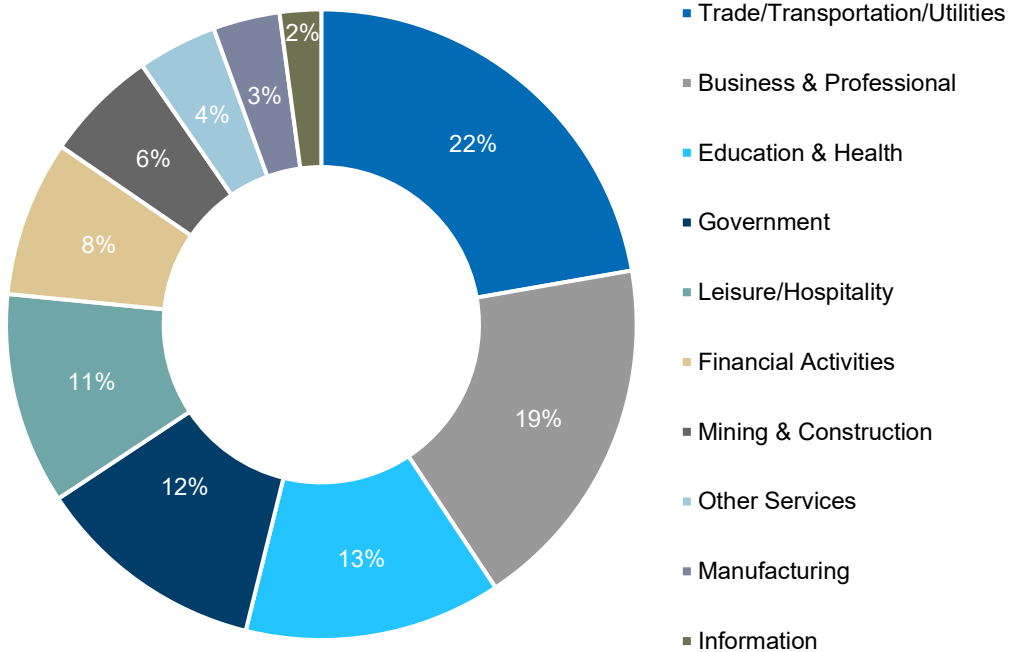


Source: U.S. Bureau of Labor Statistics, Broward County  
 \*October 2025 government shutdown missing data addressed with duplicating September 2025's data

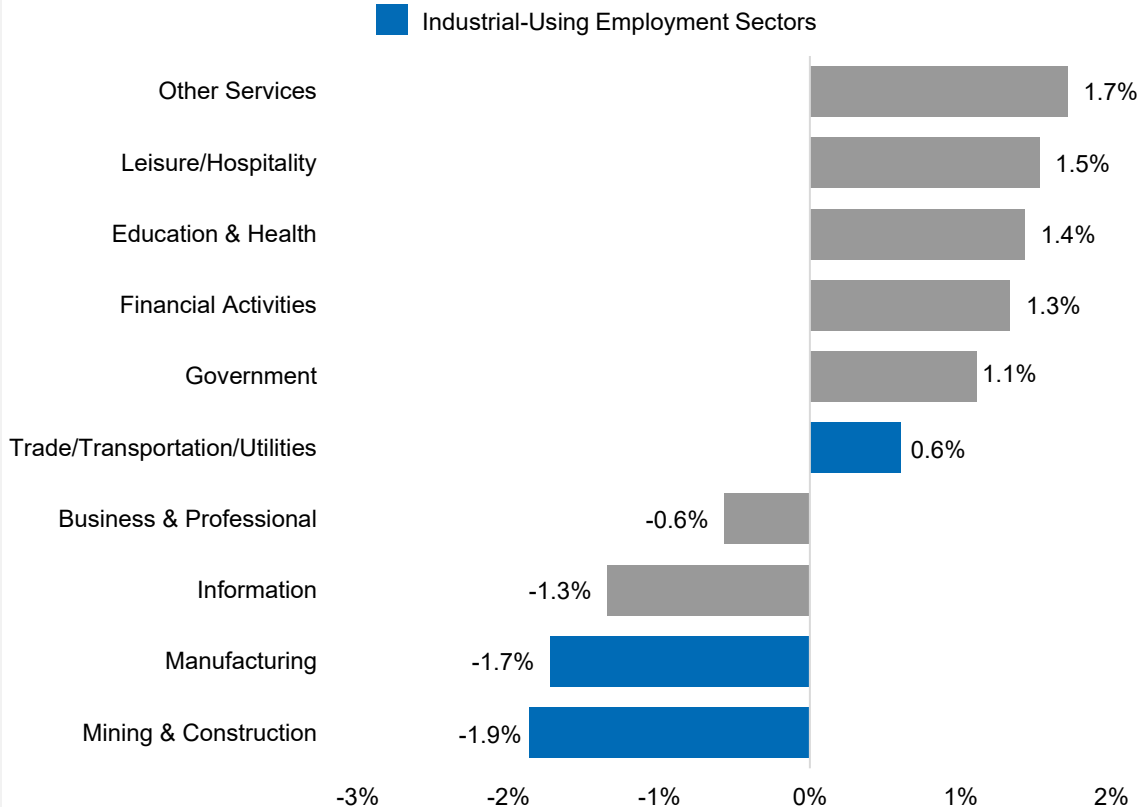
# Industrial-Using Sectors Show Mixed Performance Year Over Year

As of December 2025, Broward County’s two largest industries accounted for 40.7% of total employment, led by the industrial-using trade/transportation/utilities sector at 22.2%. On a year-over-year basis, six of the ten industries expanded, with growth led by other services, while business and professional services, information, manufacturing, and mining and construction recorded declines. Among industrial-using sectors, trade/transportation/utilities posted modest growth of 0.6%, whereas manufacturing and mining and construction contracted by 1.7% and 1.9%, respectively.

**Employment by Industry, December 2025**



**Employment Growth by Industry, 12-Month % Change, December 2025**

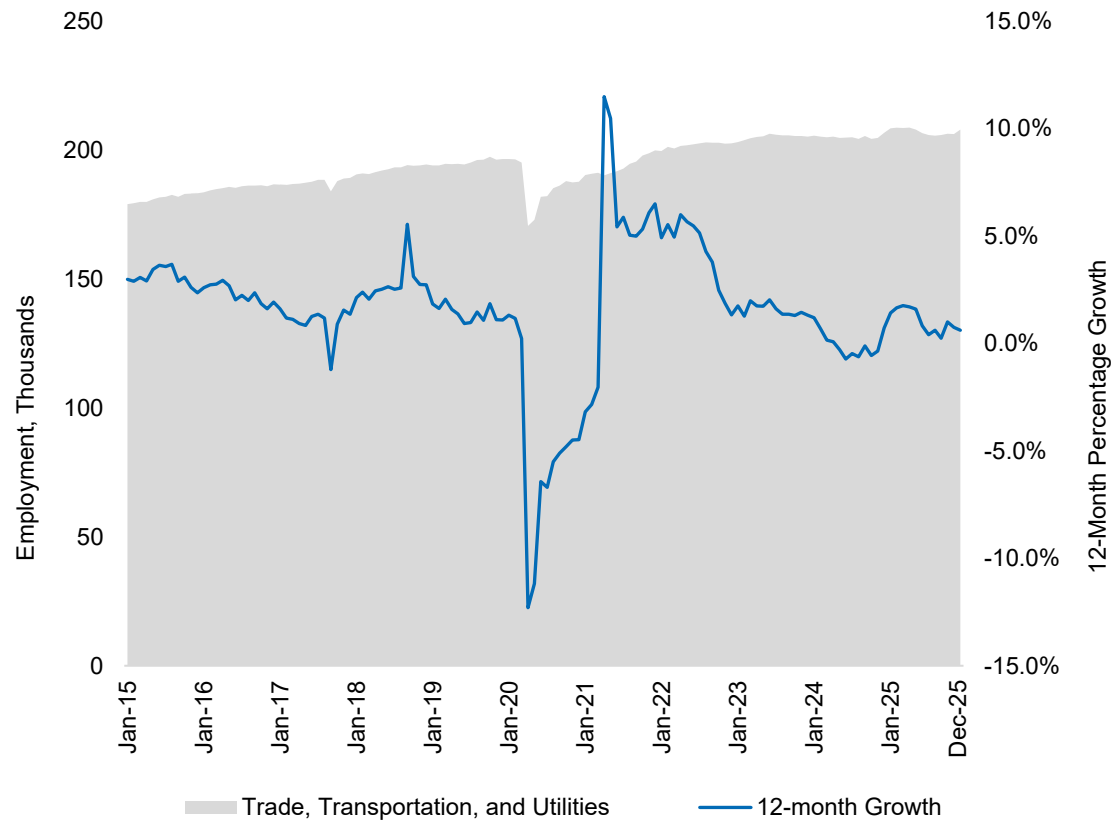


Source: U.S. Bureau of Labor Statistics, Broward County

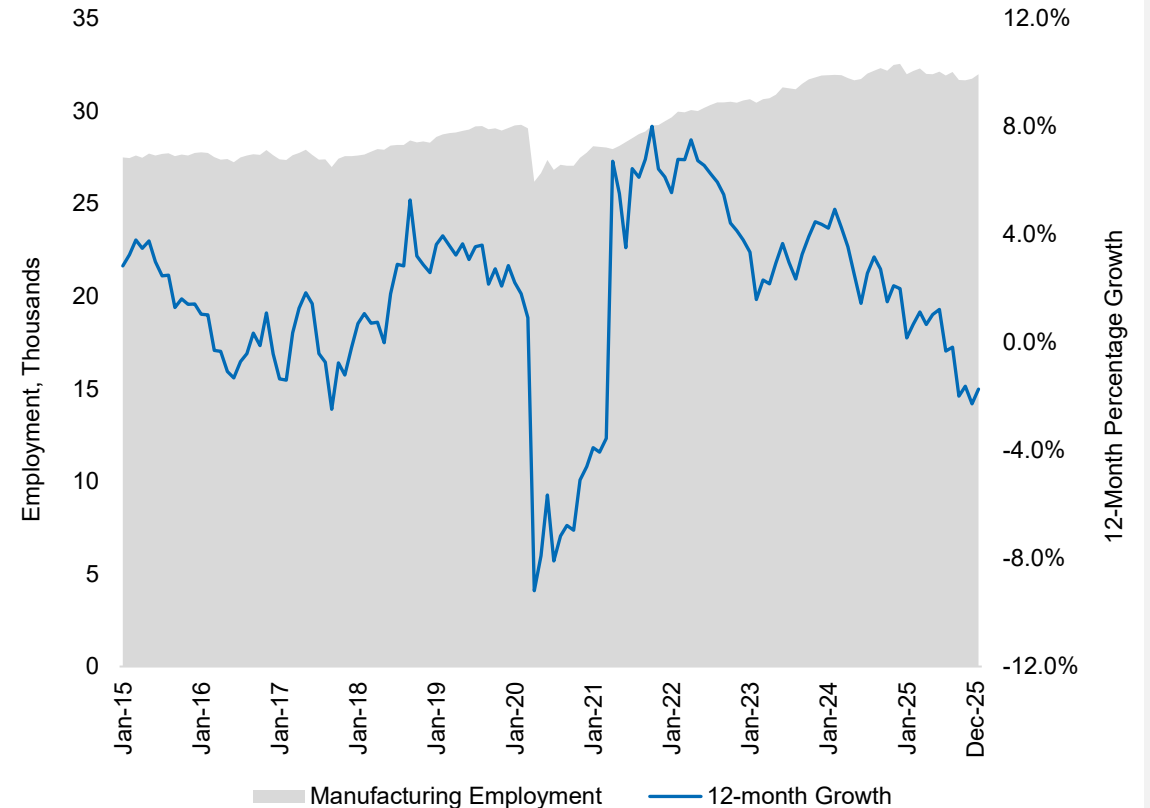
# Annual Trade/Transportation/Utilities Growth Moderates as Manufacturing Contracts

The industrial-using trade/transportation/utilities sector expanded modestly by 0.6% year over year, bringing total employment to 207,900 jobs as of December 2025. Growth has decelerated in recent years, easing 10 basis points from the 0.7% annual increase recorded in 2024 and marking the slowest pace of expansion since year-end 2020. In contrast, the industrial-using manufacturing sector contracted by 1.7% year over year, reducing employment to 31,990 jobs. While local market conditions appear to be normalizing following several years of consistent gains, the divergence between modest growth in trade/transportation/utilities and contraction in manufacturing suggests a cooling, yet still stable, industrial employment base.

**Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities**



**Total Employment and 12-Month Growth Rate, Manufacturing**



# 02

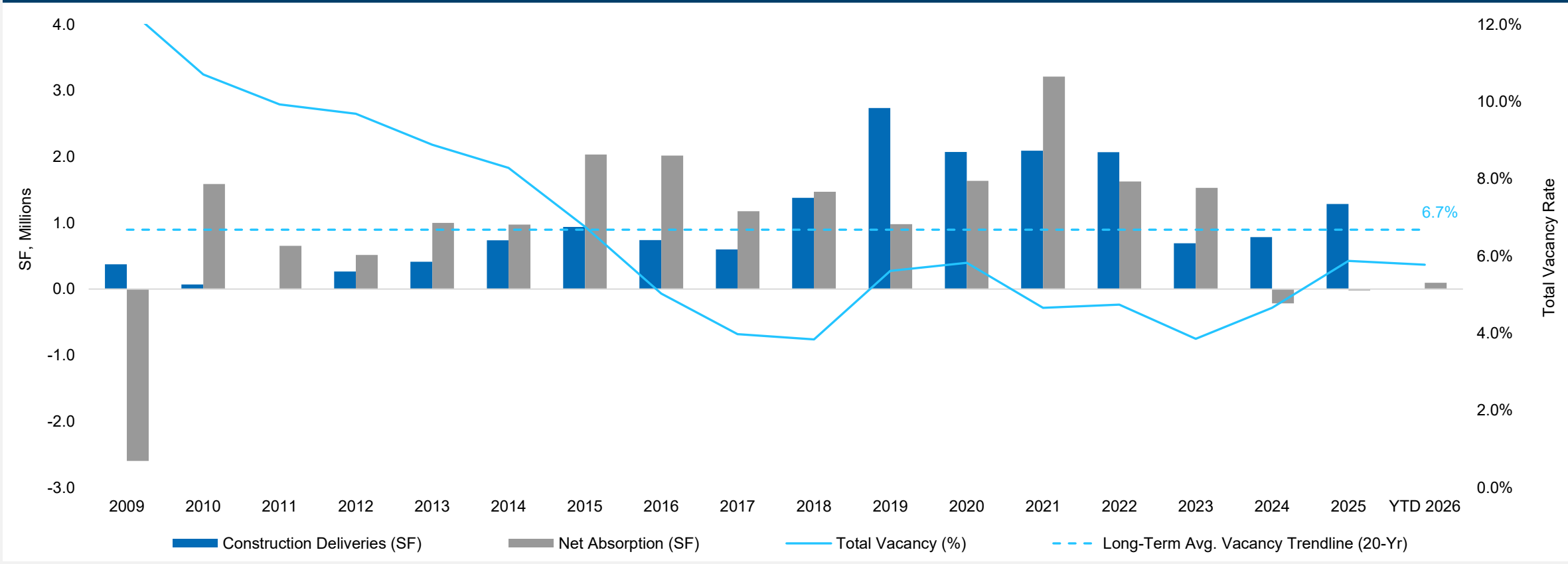
## Leasing Market Fundamentals



# Absorption Surge Lowers Vacancy, But Supply Wave Looms

Broward County recorded 94,257 SF of positive net absorption in the first quarter of 2026, marking the strongest quarterly occupancy gain since early 2024. With zero deliveries during the quarter, tenants were forced to absorb existing inventory, contributing to a modest decline in vacancy. As a result, the vacancy rate fell 10 basis points quarter over quarter to 5.8%. Despite the quarterly improvement, vacancy remains 79 basis points higher year over year, though still 88 basis points below the 20-year average of 6.7%. Looking ahead, vacancy may face upward pressure as 753,126 SF of new supply is expected to deliver in the coming quarters, with just 11.5% currently preleased. The largest project within the pipeline is the three-building, 483,806 SF Festival Logistics Park, which is fully available and could weigh on occupancy upon delivery.

**Historical Construction Deliveries, Net Absorption, and Vacancy**



Source: Newmark Research, CoStar

# Flight-to-Quality Persists Despite Vacancy Uptick

Despite the market's continued growth as Newmark's study reveals strong, with buildings delivered within the past 12 to 18 years continuing to outperform older structures. This segment has consistently been the only subject to post-qualify over-qualify vacancy gaps. In the first quarter of 2024, newer buildings accounted for 50.2% of absorptions, while properties aged 10 to 19 years posted 27.8% of absorptions. Vacancy, mostly 10 years and older recorded 66.4% of quarterly absorptions, making them less quarterly gaps since late 2023. While absorptions in market product has accelerated since its 2022 peak, vacancy has increased 100 basis points over over year to 12.1%, largely driven by 1.7 billion of new supply delivered in 2023. This increase is expected to be temporary however, as market continues to migrate out of older facilities into newer, higher quality space, vacancy in market buildings should improve, reinforcing the ongoing flight-to-quality trend.



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# Smaller Industrial Assets Lead While Larger Segment Softens

Absorption in the first quarter of 2020 shifted toward smaller format spaces, diverging from the typical trend where 100,000 SF to 200,000 SF buildings have historically driven demand. Properties between 10,000 SF and 99,999 SF posted 100,429 SF of net negative space, while the 100,000 SF to 49,999 SF segment added 11,176 SF, resulting in fourth consecutive quarters of positive absorption. In contrast, the 100,000 SF to 200,000 SF segment recorded 117,216 SF of negative absorption. Its second straight quarterly decline, pushing vacancy up to 7.6%. Meanwhile, vacancy improved 50 basis points to 1.9% in the 10,000 SF to 99,999 SF range, while vacancy in the smaller and larger segments increased relatively stable. The shift toward smaller assets points to strong market performance for more efficient and flexible industrial space.

Net Absorption by Size Range (SF)

Vacancy Rates by Size Range

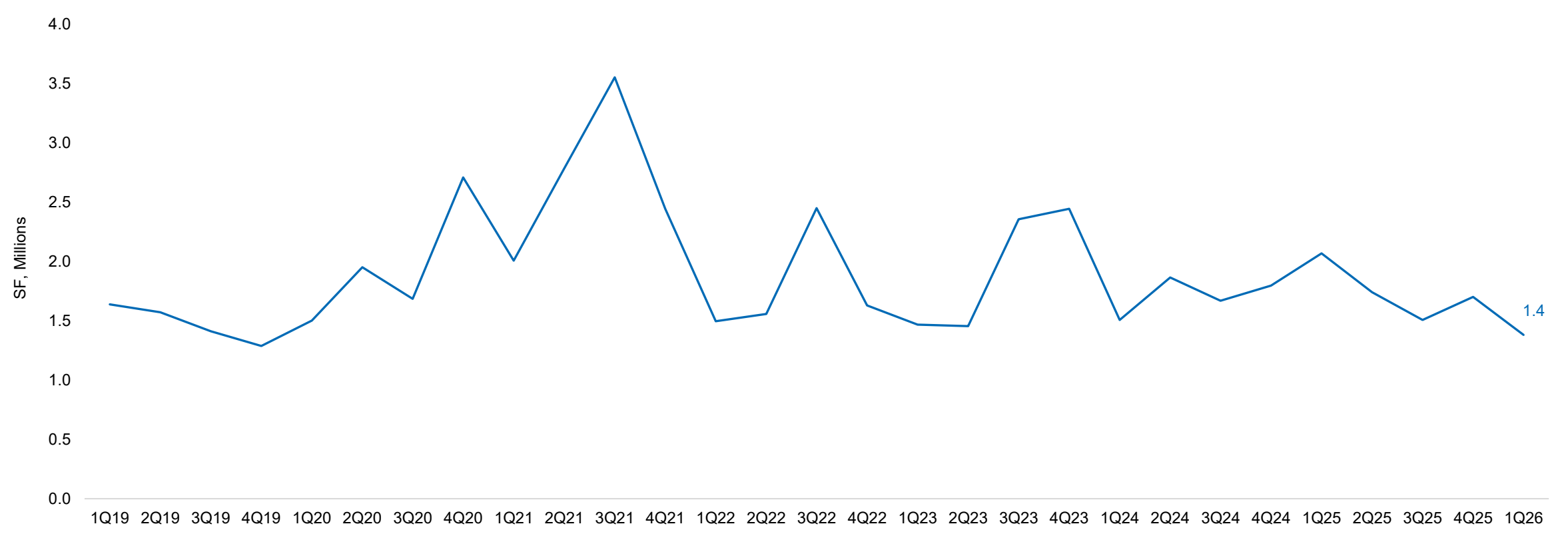
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# Leasing Activity Takes a Breather Ahead of New Deliveries

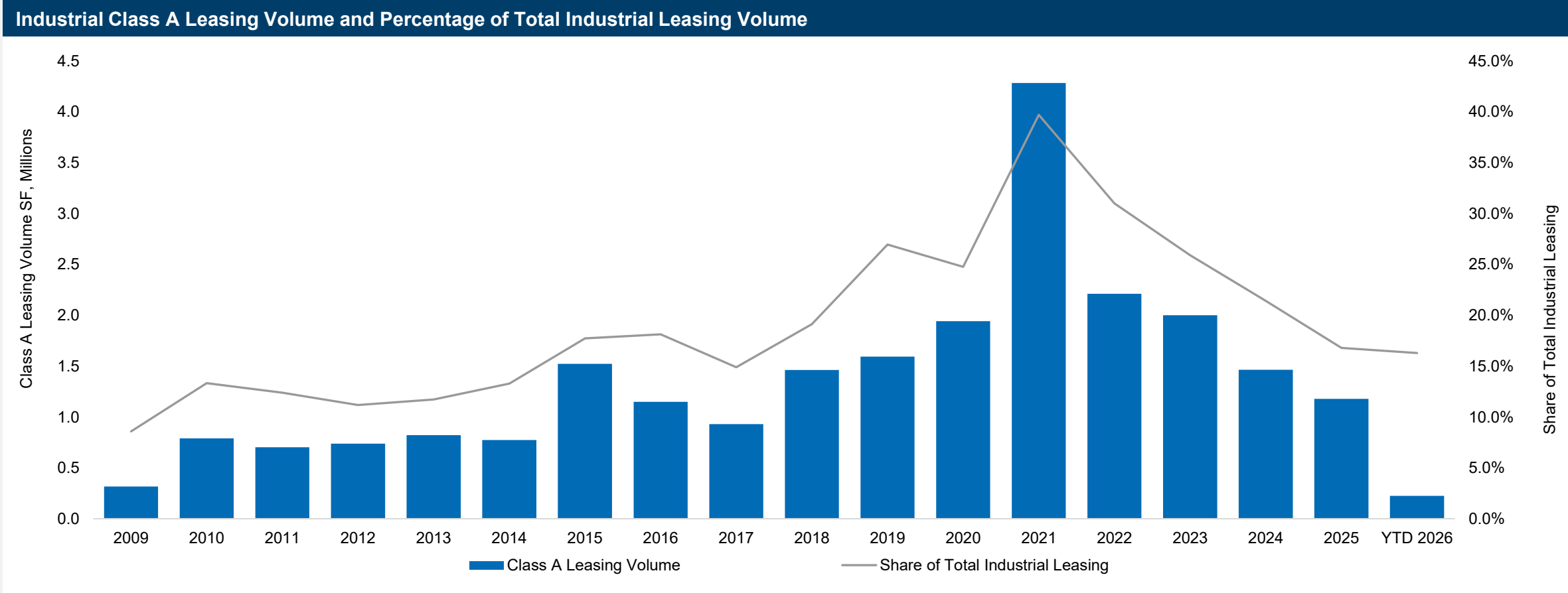
Leasing activity in Broward County moderated in the first quarter of 2026, declining 18.9% quarter over quarter and 33.3% year over year to 1.4 MSF. While this marks the lowest quarterly total since late 2019, the slowdown appears to be timing-driven rather than demand-driven, with tenants likely delaying decisions. Average deal size also trended lower, with tenants securing smaller footprints at 5,229 SF—down 1,144 SF from the prior quarter. Notably, the pullback occurred during a period with no new deliveries, suggesting some tenants may be waiting for higher-quality space set to deliver in the coming quarters. As new product comes online, leasing activity is expected to regain momentum, supported by continued demand for modern, amenity-rich space.

**Total Leasing Activity (SF)**



# Class A Warehouse Leasing Activity Slows, but Demand for Larger Spaces Holds

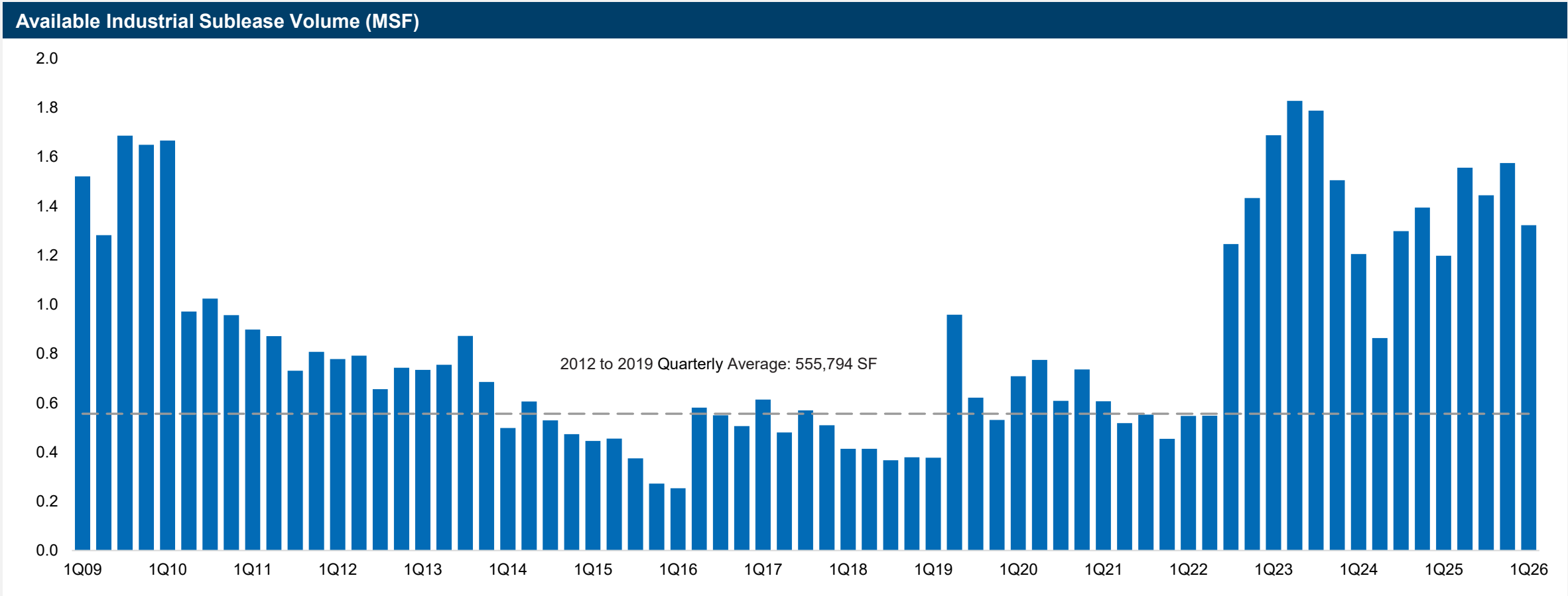
Broward County’s Class A Warehouse leasing activity slowed notably in the first quarter of 2026, totaling 224,756 SF, marking the lowest quarterly volume since 2022. This reflects a 23.7% decline quarter over quarter and a 41.9% drop year over year. Despite the pullback in overall leasing volume, Class A’s share of total activity remained largely in line with its 2025 annual average, declining just 51 basis points to 16.3%. Tenant preference for high-quality space also remained evident. The average Class A deal size reached 44,951 SF, an increase of 8,152 square feet from the prior quarter and 39,722 SF above the overall market average deal size in the first quarter of 2026. While activity has moderated, the data indicates that demand continues to concentrate in larger, top-tier Class A industrial spaces.



Source: Newmark Research, CoStar

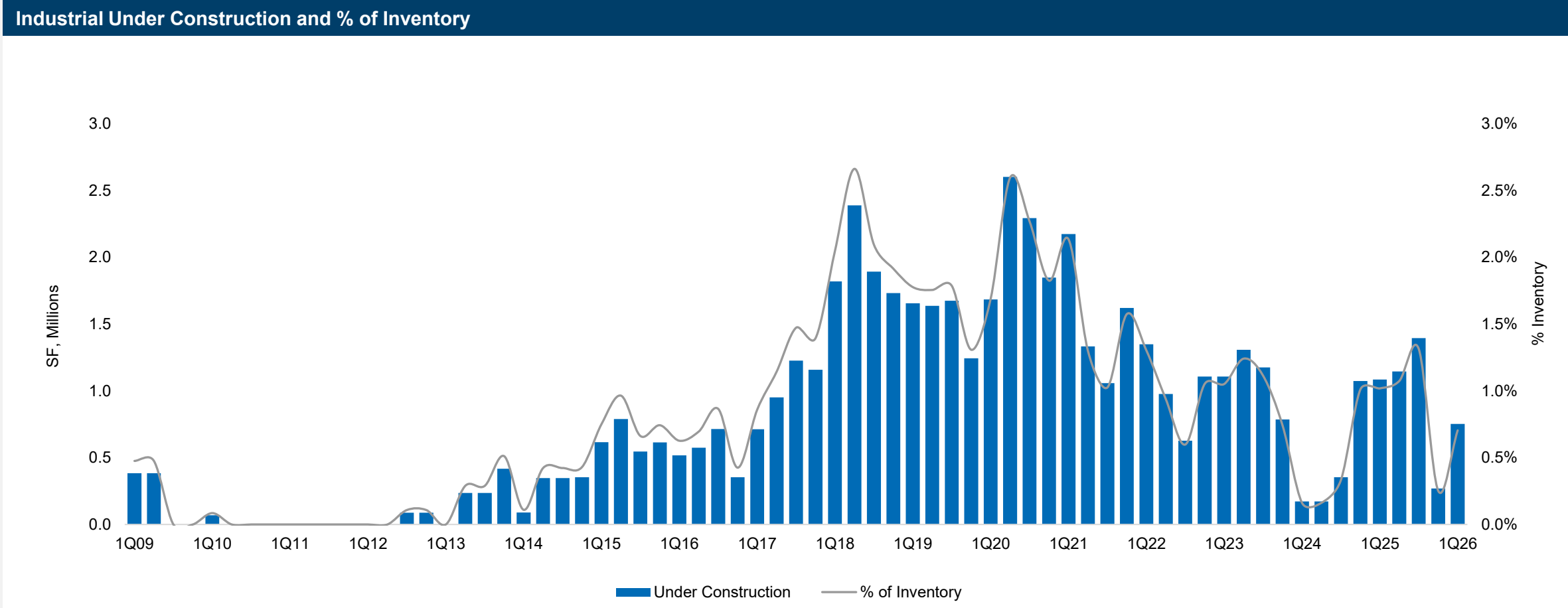
# Sublease Volume Remains Elevated Despite Quarterly Decline

In the first quarter of 2026, sublease volume in Broward County declined 16.0% quarter over quarter but increased 10.4% year over year to 1.3 MSF. Despite the quarterly pullback, volume remains significantly elevated, nearly three times the pre-pandemic quarterly average of 555,794 SF recorded between 2012 and 2019. Sublease availability has stayed above 1.0 MSF since late 2022, dipping below that threshold only once in early 2024. This sustained elevation highlights a continued trend of tenants reassessing space needs, often placing excess space on the market while transitioning into more efficient, higher-quality properties.



# Festival Logistics Park Drives Pipeline Spike, But Momentum May Be Short-Lived

The under-construction pipeline expanded sharply in the first quarter of 2026, increasing 179.6% quarter over quarter to 753,126 SF. The surge was driven by the launch of the three-building, 483,806-SF development at Festival Logistics Park in the Pompano Beach submarket. As a result, the share of space under construction rose 45 basis points to 0.7% of total inventory in the market. All six projects currently underway are slated for delivery in 2026. However, with new construction starts slowing, the pipeline could begin to contract in the coming quarters absent a fresh wave of development activity. This suggests near-term supply pressure will be limited, potentially reinforcing demand for existing high-quality space as tenants compete for a relatively constrained pool of new deliveries.



# Pompano Beach Positioned to Lead Next Wave of Deliveries

In the first quarter of 2025, Pompano Beach recorded significant growth in the industrial sector with the most space under construction, totaling 107,000 SF and accounting for 75.0% of the pipeline. The shift was driven by the launch of the new building, 403,000 SF Festival Logistics Park. Pompano Beach has emerged as a preferred location for industrial development due to its proximity to Port Everglades, direct access to I-95 and the Florida Turnpike, and its ability to efficiently serve diverse population centers – positioning it well for both regional distribution and last-mile logistics. Meanwhile, Southwest Broward has delivered the most space over 2025, totaling 1.1 MM SF. Its activity has steadily tapered. With no projects currently underway following its last delivery in early 2025, the data suggests developer momentum may be shifting toward more strategically positioned submarkets like Pompano Beach.

Currently Under Construction Industrial Activity by Submarket

Historical Submarket Deliveries, 2020 - 1Q 2025 (SF)

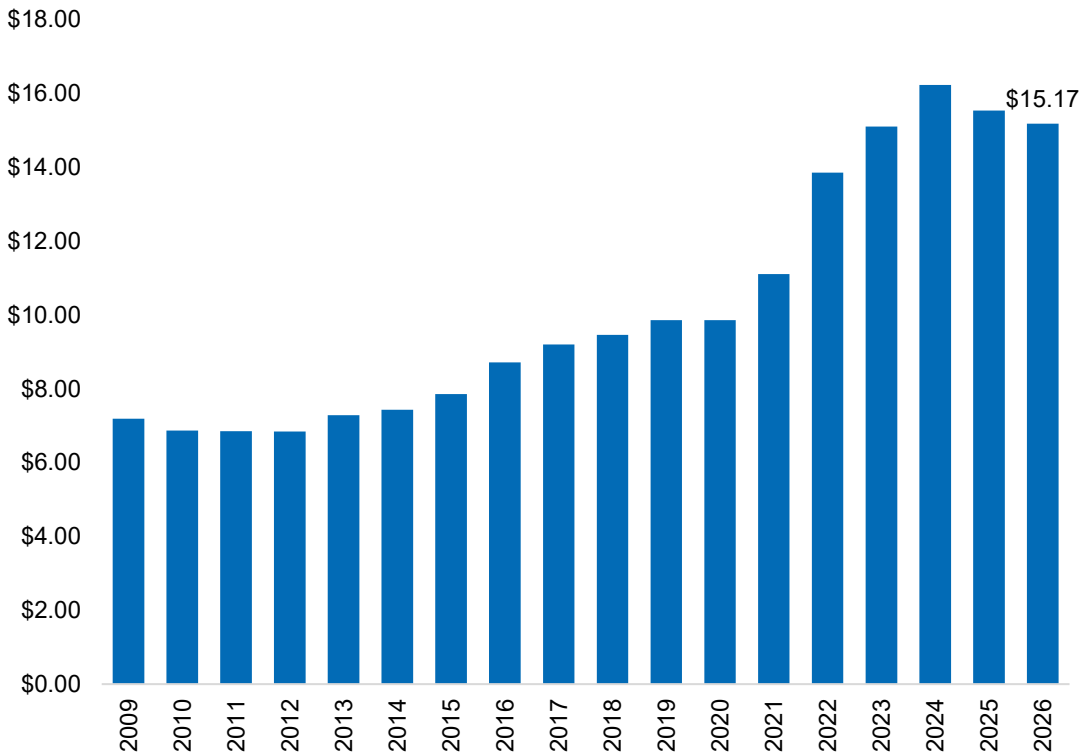
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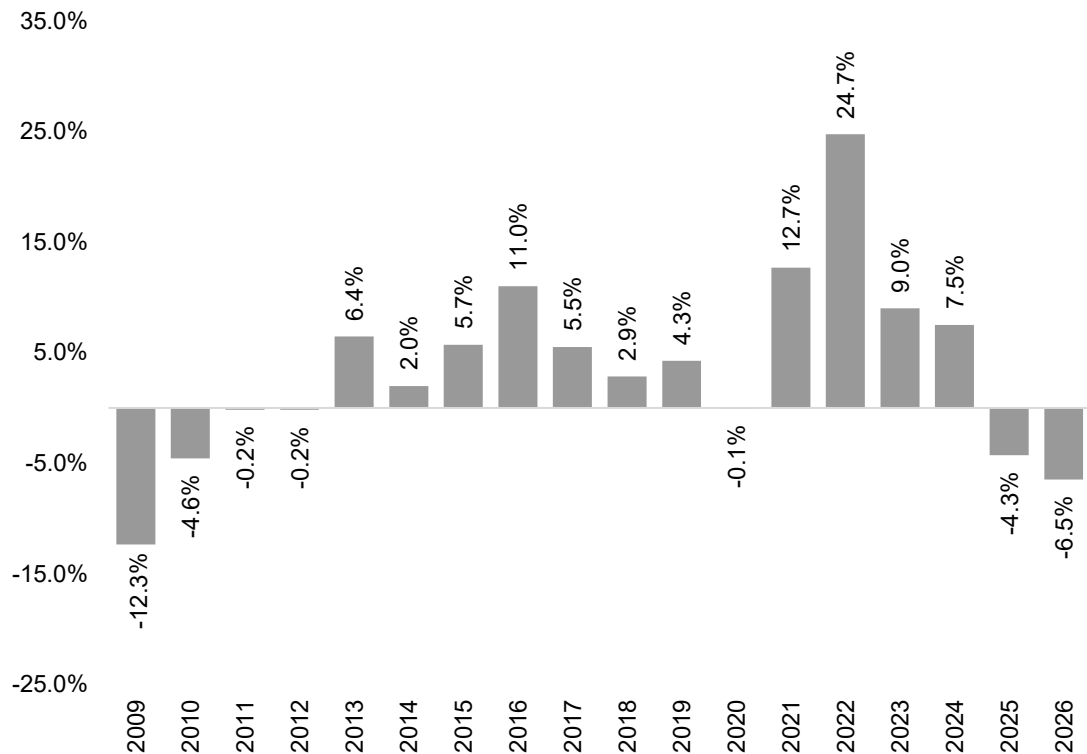
# Decelerating Rent Growth Signals Market Stabilization

Asking rents in Broward declined 2.3% quarter over quarter and 6.5% year over year to \$15.17/SF in the first quarter of 2026, easing from the market’s recent peak levels reached in early 2025. The pullback extends a broader trend of decelerating rent growth following the sharp run-up seen in prior years. At the end of 2022, annual rent growth peaked at 24.7%, driven by strong absorption of newly delivered, high-quality space that pushed pricing to elevated levels. However, a wave of new supply delivered in 2025 introduced additional availability at a time when demand was beginning to normalize. As a result, rent growth slowed significantly, turning negative in 2025 for the first time in five years, with pricing pressures continuing to soften into the first quarter of 2026.

Industrial Average Asking Rent, \$/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



# Five Largest Deals Done by Industry Type

December growth has been a consistent driver of top trading activity, appearing among the five largest deals in each quarter since late 2022. The sector added a 16,000 sq ft base in the first quarter of 2024 – its fourth consecutive quarter as the top deal – bringing its cumulative total to 324,000 sq ft. Logistics & Distribution led this quarter, accounting for three of the top five deals totaling 171,000 sq ft, highlighted by Central National Commerce Inc.'s 140,000 sq ft deal at CrossPoint Promenade. The sector's resurgence again mirrored demand tied to Newmark's distribution advantages. Professional & Business services, another consistent top deal contributor, also recorded activity this quarter. With manufacturing – typically a leading driver of large transactions – absent this quarter, the top deal mix is especially compelling, as broad-based demand from other sectors continued to sustain trading at the market's high end.

Five Largest Deals Done by Industry Type

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# Leasing Activity Concentrates in Mid-Sized Space and Pompano Beach

In the first quarter of 2026, Broward industrial leasing totaled 1.4 MSF, with the top five deals accounting for 289,725 SF, or 21.0% of quarterly volume. Deal sizes were tightly clustered, averaging 57,945 SF, reinforcing strong tenant demand for mid-sized industrial space. Three of the top five transactions occurred in Pompano Beach, which currently leads the construction pipeline and delivered the most supply in 2025—further highlighting the submarket’s continued appeal among both tenants and developers.

## Notable 1Q26 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Central National Gottesman Inc	Centerpoint Powerline—Building 1	Pompano Beach	Direct New	62,525
<i>Central National Gottesman Inc., a global distributor and supply chain company, is expanding into South Florida after executing the market's largest lease this quarter. The 62,525 SF deal at the 172,927-SF Class A warehouse secures a three-year commitment at the property.</i>				
Doormark	400 Goolsby Blvd	Northeast Broward	Renewal	59,200
<i>The single-family rental investment and operations platform Doormark renewed its lease at 400 Goolsby Blvd, reinforcing its long-standing presence in the submarket. The company has operated within the Goolsby industrial complex for over a decade, utilizing the space as a regional operations hub.</i>				
Smith Imports	Prologis Seneca Park	Southeast Broward	Direct New	58,865
<i>Smith Imports, a luxury automotive dealer based in Hollywood, expanded its footprint into the 186,105-SF Building 1100 in Prologis Seneca Park to support its growing operations. The move represents a shift from a purely retail dealership model to a more scalable platform, utilizing industrial space for vehicle storage, inventory management, and distribution.</i>				
Traveller Sedona USA Holdings	Copans Business Park—Building 6	Pompano Beach	Direct New	54,950
<i>Traveller Sedona USA Holdings, an import and distribution company, signed a 54,950 SF lease at Copans Business Park, marking a significant expansion within the Pompano Beach submarket. Located approximately seven miles from its existing Prologis Park Central facility, the new space adds capacity to support growing inventory and distribution operations.</i>				
Access Information Management Corporation	Prologis Pompano Park	Pompano Beach	Renewal	54,185
<i>Access Information Management Corporation, a records and information management provider, renewed its lease at Prologis Pompano Park. The company has operated at the 81,692-SF facility since at least 2017, when the space was occupied by Retrievox prior to its acquisition by Access. Since then, the facility has continued to support secure document storage, digitization, and records management services.</i>				

# 03

## Market Statistics & Map



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## Broward County Industrial Submarket Map



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# Broward County Industrial Submarket Overview

Submarket Overview - All Classes								
	Total Inventory (SQ FT)	Net Absorption (SQ FT)	Net Vacancy (%)	2023 Inventory (SQ FT)	2024 Inventory (SQ FT)	Average Asking Rent (PSF)	2023 Average Asking Rent (PSF)	2024 Average Asking Rent (PSF)
Overall Market	1,000,000	0	0%	1,000,000	1,000,000	\$10.00	\$10.00	\$10.00

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Submarket A	1,000,000	0	0%	1,000,000	1,000,000	\$10.00	\$10.00	\$10.00
Submarket B	500,000	0	0%	500,000	500,000	\$10.00	\$10.00	\$10.00
Market	1,000,000	0	0%	1,000,000	1,000,000	\$10.00	\$10.00	\$10.00

# 1Q26 South Florida Industrial Market Overview



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Market Deliveries	\$	\$71.00	\$
FFO Deliveries	\$	\$71.00	\$
Direct Leasing Rate (2025)	\$11.01	\$11.00	\$11.00
Market Leasing Rate (2025)	\$11.00	\$11.01	\$11.00
Total Leasing Rate (2025)	\$11.01	\$11.01	\$11.00

# 04

## Supplemental Analysis



# Broward Industrial Market

## Supply

- Supply remains high primarily in Miami and Fort Lauderdale offering access to key South Florida markets
- The region boasts major highways, airports, and ports
- The market has seen recent demand increase to spaces between 100,000 - 200,000 square feet

## Demand

- Demand growth has continued and will likely remain robust because of temporary needs and demand increases
- While a struggle to see growth, it remains healthy and diversified thanks to other building
- Industrial jobs are remaining steady or slightly in decline
- Economic fluctuations are impact industrial demand and building activity, industrial using jobs

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- Increasing needs of sustainable and energy efficient facilities presents new business opportunities
- Landlords are offering generous lease incentives to attract tenants
- Strategically located between Miami and Fort Lauderdale attractiveness for logistics and distribution companies

- Companies continue to show long-term business plans from Broward
- Strong construction costs and tight financing conditions create headwinds for landlords
- Tight economy and global trade uncertainties could impact industrial demand

# Gross Metropolitan Product Continues to Rise

The gross metropolitan product in Broward County continues to increase despite economic headwinds, albeit at a slower rate. Most recently, the gross metropolitan product rose 1.1% over one year to reach a new all-time high of roughly \$171 billion.



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# Loan Maturities Scheduled to Peak This Year

CMBB increased the trailing volume of debt financing in early 2020, accounting for 47.0% of total volume. CMBB maturities are heavily debt funded, with \$11.4 billion dollars scheduled to come due over the next five years, or 59.0% of all CMBB debt maturing through 2025. Across all debt sources, maturities are expected to peak in 2020 at \$11.7 billion dollars, underscoring the need to closely monitor operating performance as an indicator of future market ability. The concentration of near-term maturities, particularly in CMBB, demands vigilant risk in a higher rate environment and reinforces the importance of credit quality and proactive capital planning over the next cycle.

Operating Volume by Source

Debt Maturity Schedule by Year

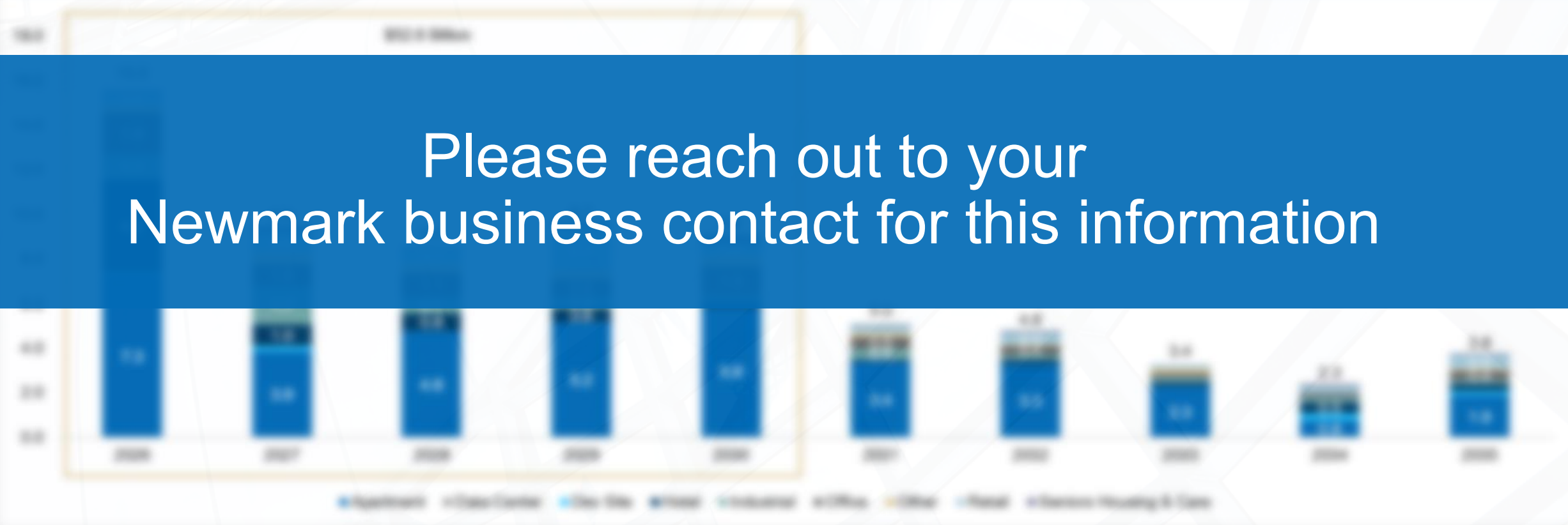
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# Multifamily Maturities Particularly Elevated Through 2030, Industrial Not So Much

As of the first quarter of 2024, multifamily loans comprise 6.2% of the \$112.4 billion in loans submitted since the start of the year, making 55th among property types. This relatively modest share reflects the sector's solid fundamentals and continued access to capital. By contrast, multifamily accounts for the largest portion at 11.1% of submissions through 2020, highlighting its consistent performance and strong track record. Together, these trends underscore capital markets' ongoing preference for stable, high-quality assets.

## Commercial Mortgage Maturities



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