



NEWMARK

Market Overview
Broward Office

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 2025. Nationally, employment grew at a slower pace of 0.1% year over year.
- Annual employment gains were uneven, led by other services at 1.7%. Within the office-using sectors, financial activities rose 1.3% while business and professional and information sector declined 0.6% and 1.3%, respectively.
- Office using jobs decreased 0.1% year-over-year to 266,920 jobs decreasing 1.4% from the record high set in September 2025.



Leasing Market Fundamentals

- Annual full-service asking rental rates increased by 3.3% quarter over quarter to a new all-time-high of \$40.27/SF, for the fifth consecutive quarter.
- Vacancy increased by 50 basis points quarter over quarter to 15.1% as demand weakened this quarter.
- There is one 176,000-SF project currently under construction, the office portion of T3 FAT Village East developed by Hines, which is expected to deliver in 2026.
- Total leasing activity for the first quarter was 608,329 SF, reflecting a 19.5% decrease from the previous quarter. The average lease size increased by 46 SF to 2,997 SF during the same time-period.



Major Transactions

- Three of the five largest deals signed this quarter were renewals indicating tenants' increased demand for limited space.
- Class A leasing accounted for 48.8% of all activity this quarter, with Class A deals averaging 4,950 SF, about 65.2% larger than the typical deal signed during the period.
- Two of the largest five deals were signed in the Fort Lauderdale CBD, indicating the demand to be in a centralized area.
- The largest deal of the quarter was DHL renewing their 109,659 SF lease at the Cornerstone II, which serves as their US HQ.



Outlook

- The Broward County office market will continue to see growth, albeit somewhat muted, driven in part by cheaper rents than other South Florida markets and overall growth in the office-using employment sectors.
- Office investment activity will remain low in the near term due to a steeper cost of debt and investors seeking opportunities in markets with higher levels of distress.
- The rent spread between Class A and Class B assets will likely continue to widen as demand for higher-quality product remains strong and new supply has been absent for the past 10 quarters.
- In the near term, when T3 FAT Village delivers this year, then supply is expected to outpace demand.

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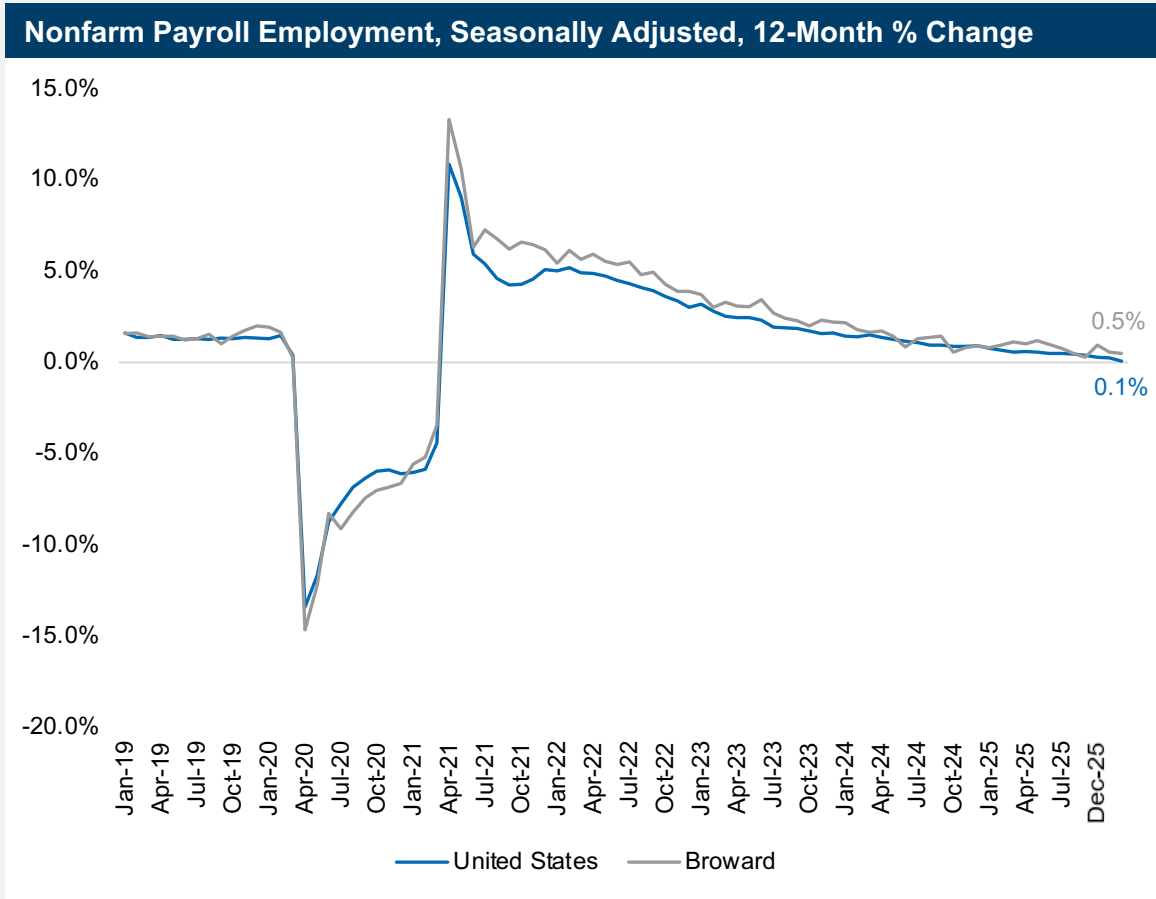
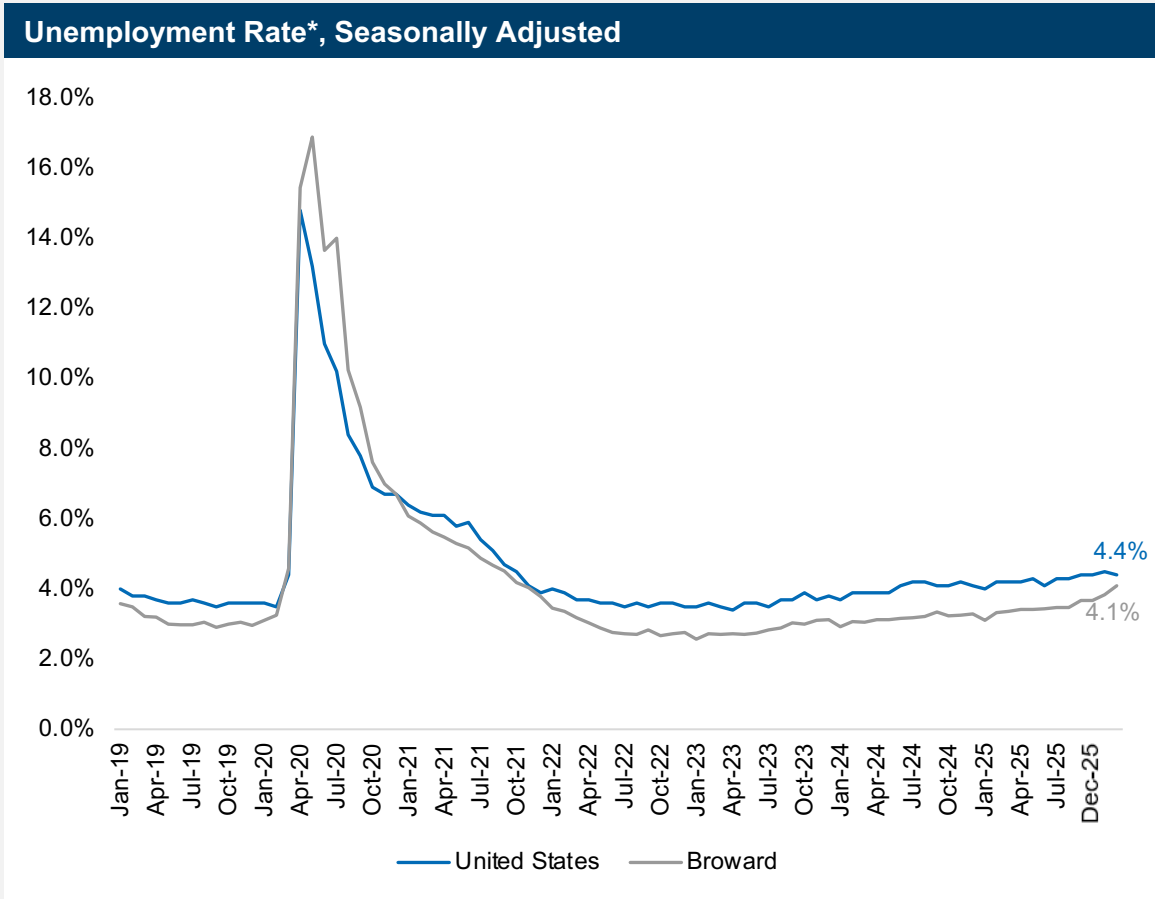
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Economy



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.

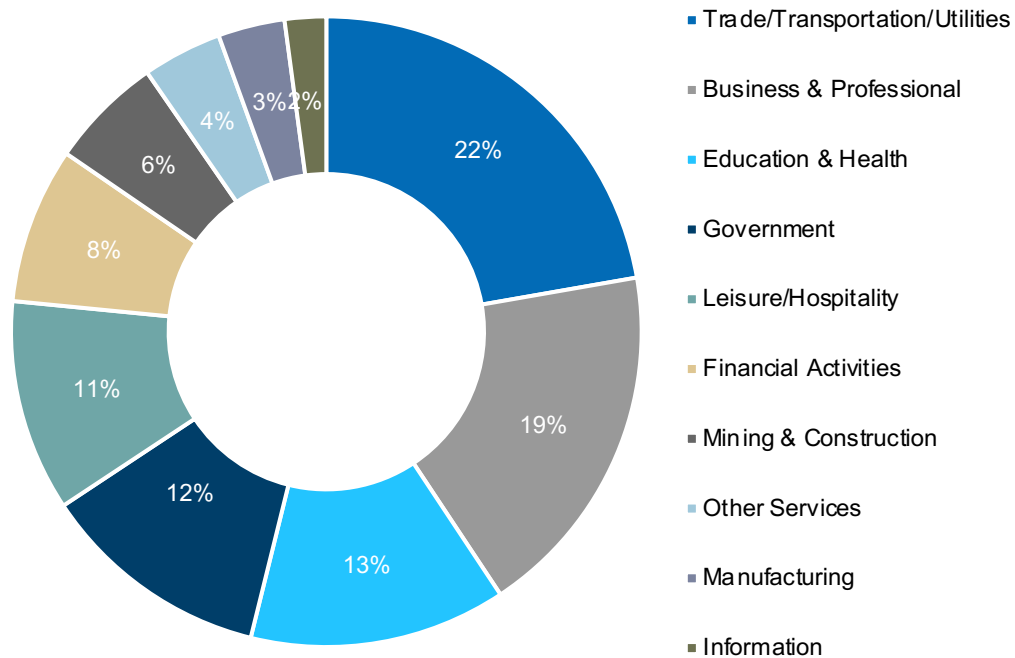


Source: U.S. Bureau of Labor Statistics, Broward County
 *October 2025 government shutdown missing data addressed with duplicating September 2025's data

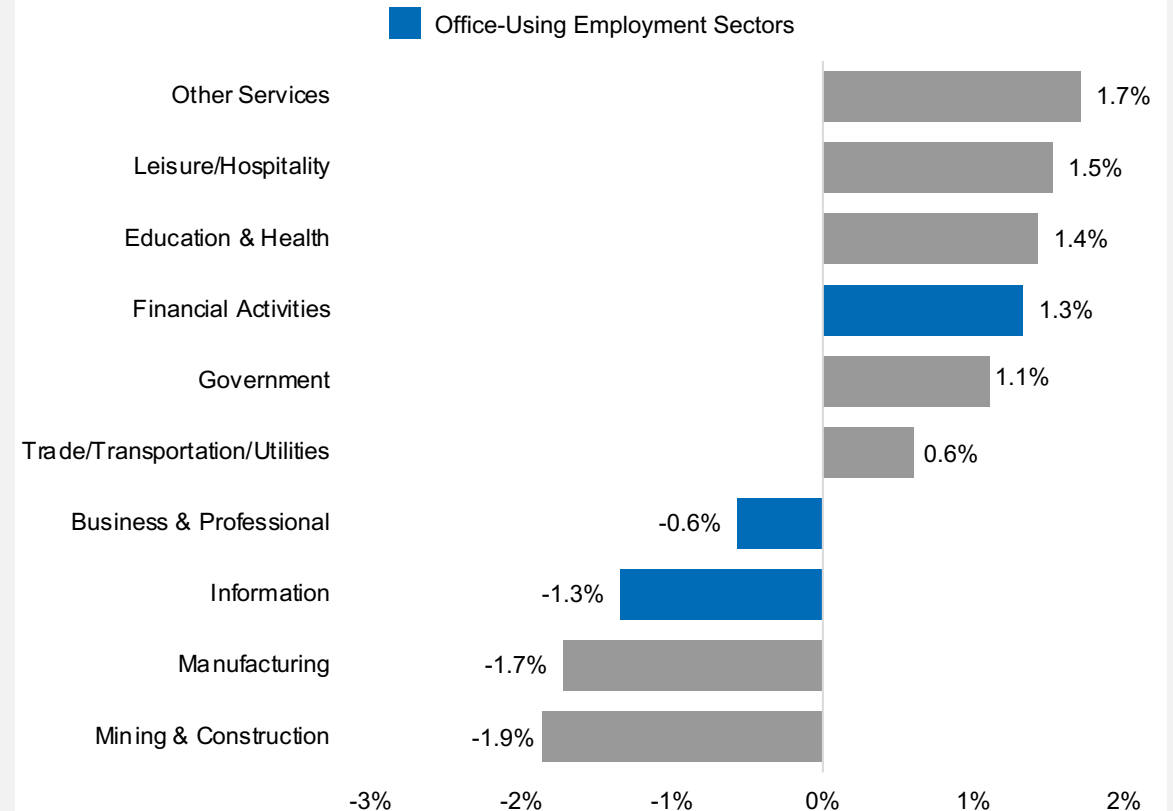
Sector Employment Growth Is Mixed

As of the first quarter of 2026, Broward County's two largest industries accounted for 40.6% of total employment, with the office-using professional and business services sector representing 18.4% of all jobs. Year over year, performance was largely negative across office-using sectors: only financial activities posted growth, up 1.3%, while professional and business services and information contracted by 0.6% and 1.3%, respectively.

Employment by Industry, December 2025

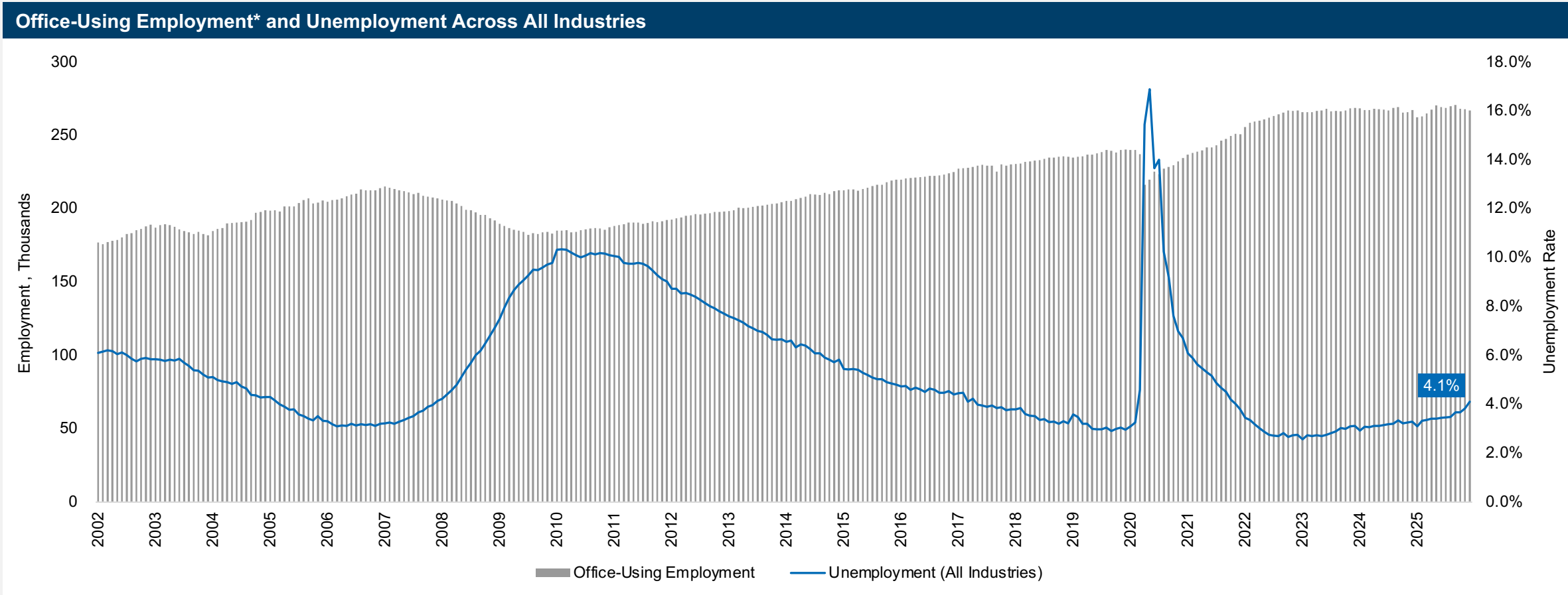


Employment Growth by Industry, 12-Month % Change, December 2025



Office-Using Employment Declines Slightly

As of December 2025, Broward County’s office-using employment decreased by 0.1% year over year to 266,920, falling 1.4% from the record high set in September 2025 of 271,710 employees. The gains in financial activities were offset by the setback reported in the professional and business services and information sectors. The seasonally adjusted unemployment rate was 4.1%, about 81 basis points higher than the same time last year.



Source: U.S. Bureau of Labor Statistics, Broward County
 *Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.
 **October 2025 government shutdown missing data addressed with duplicating September 2025's data

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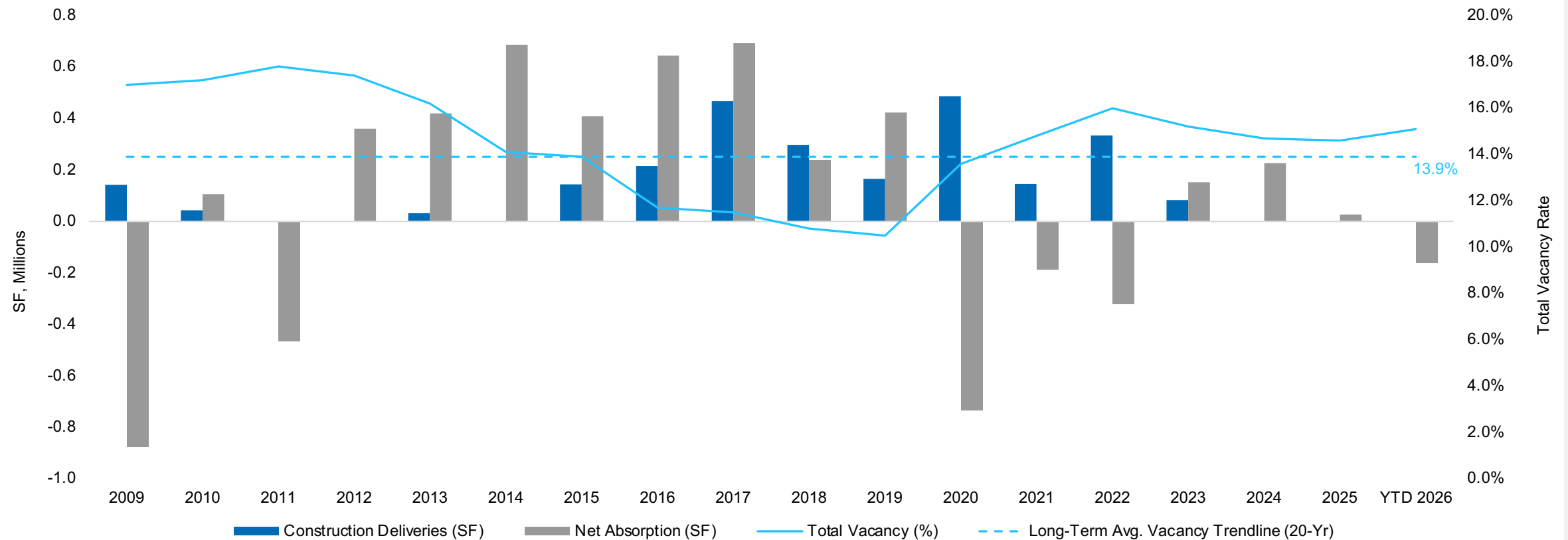
Leasing Market Fundamentals



Weakening in Demand Results In An Increase in Vacancy

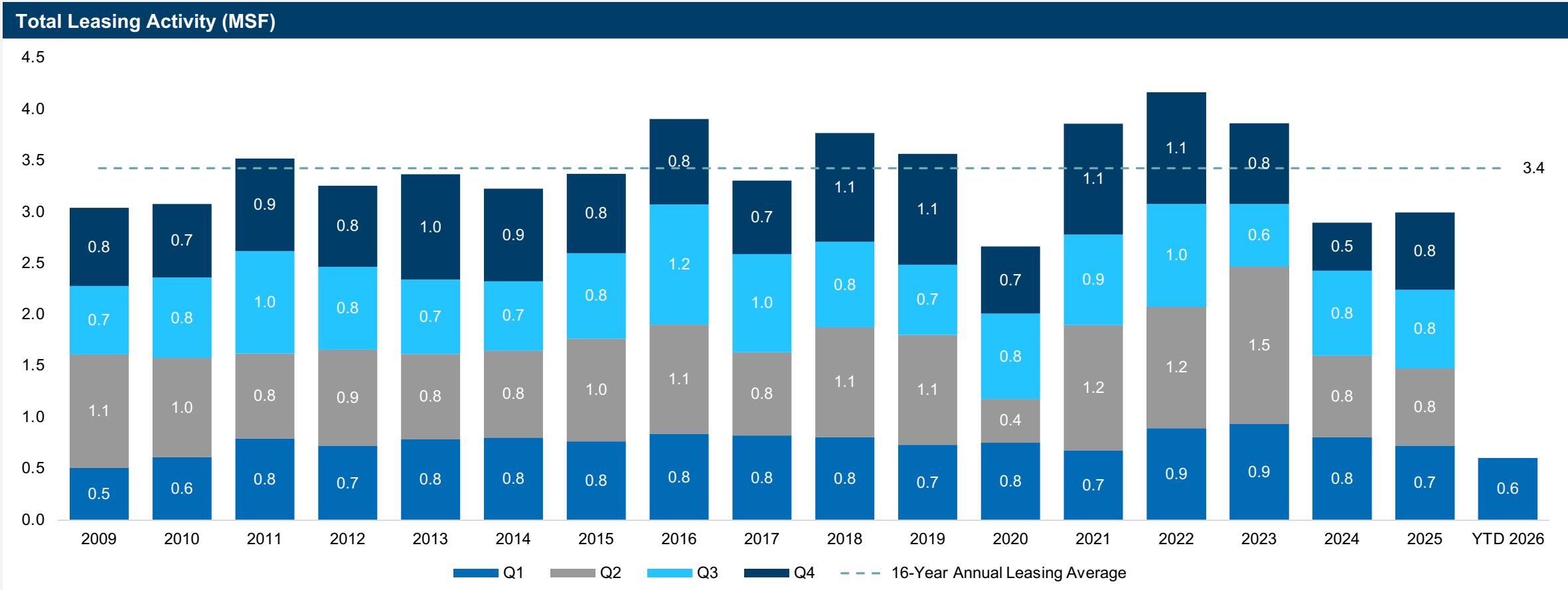
In the first quarter of 2026, the market recorded negative absorption of 161,637 SF, driven largely by the full vacancy of the 1500 Concord Ter building, which alone reduced absorption by roughly 189,000 SF. On the supply side, there has been nearly two years without new office deliveries—though T3 FAT Village Phase I is slated to come online later in 2026—it remains the sole office project underway in Broward County and is fully available. As a result of negative demand and flat supply, vacancy increased by 50 basis points quarter over quarter to 15.1%, remaining above the 20-year average of 13.9%.

Historical Construction Deliveries, Net Absorption, and Vacancy



Leasing Volume Softens

Leasing activity fell 19.5% quarter over quarter in the first quarter of 2026 to 608,329 SF, remaining 22.2% below the 16-year first-quarter average of 782,224 SF and 16.4% below the first quarter of 2025. Together, the first quarters of 2025 and 2026 mark recent periods when leasing slipped below the long-term norm and will likely remain below as premium Class A space remains limited. The average deal size increased modestly to 2,997 SF, up 46 SF from the prior quarter yet still below the pre-pandemic norm of 3,583 SF, signaling tenants' continued preference for smaller spaces.



Class A Vacancy Rises, Availability Builds

Increased County 1's Class A office vacancy rate was 18.7% in the first quarter of 2024, up 1.0% from the previous quarter as corporations continued to right size and others moved space to the market. Class A availability rose 127,000 sq ft over the same period to 26.7%, led by roughly 70,000 sq ft becoming available at 100 Alhambra Circle, reflecting incremental new listings despite muted development activity and limited new construction. This year, Class A developments are expected to remain relatively flat, supported by ongoing flight-to-quality demand for high-density, well-located product.

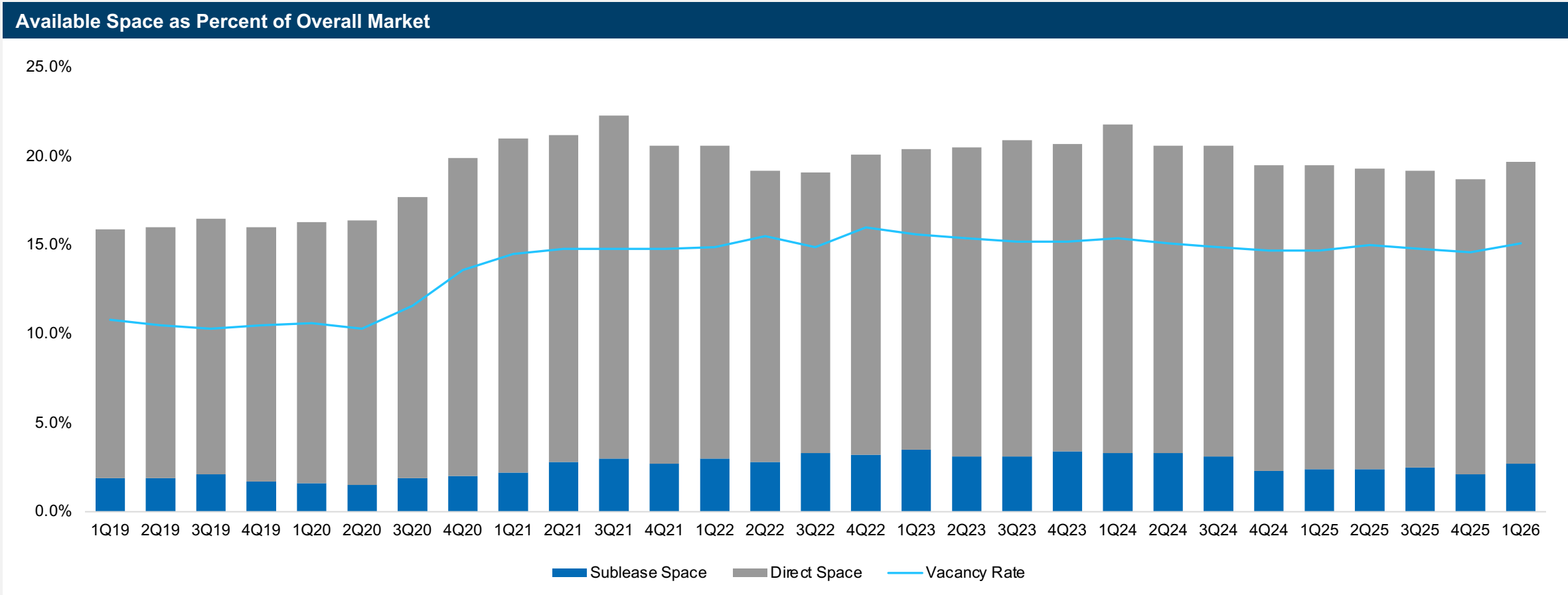
Class A Office Inventory vs. Class A Office Vacancy Rate

Please reach out to your Newmark business contact for this information



Availability Increases as Demand Weakens Slightly

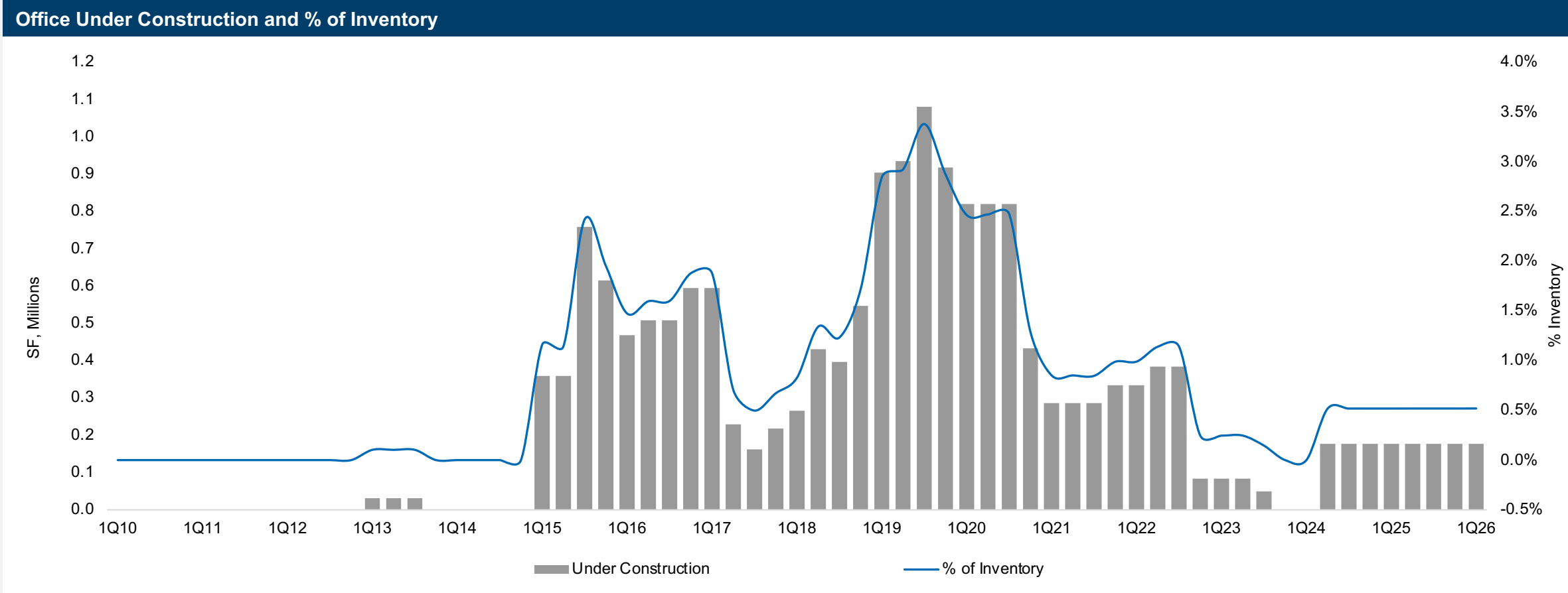
Broward County’s direct availability increased by 40 basis points quarter-over-quarter to 17.0% in the first quarter of 2026, and sublease availability increased by 60 basis points to 2.7% over the same period. As a result, total availability increased by 100 basis points to 19.8%. The vacancy rate increased by 50 basis points quarter over quarter to 15.1%. Constrained supply will limit future availability as only one project remains in the pipeline. As a result, availability is expected to grow in the CBD when T3 FAT Village delivers and gradually decrease as tenants lease up space.



Source: Newmark Research, CoStar

Construction Activity Remains Unchanged For Almost Two Years

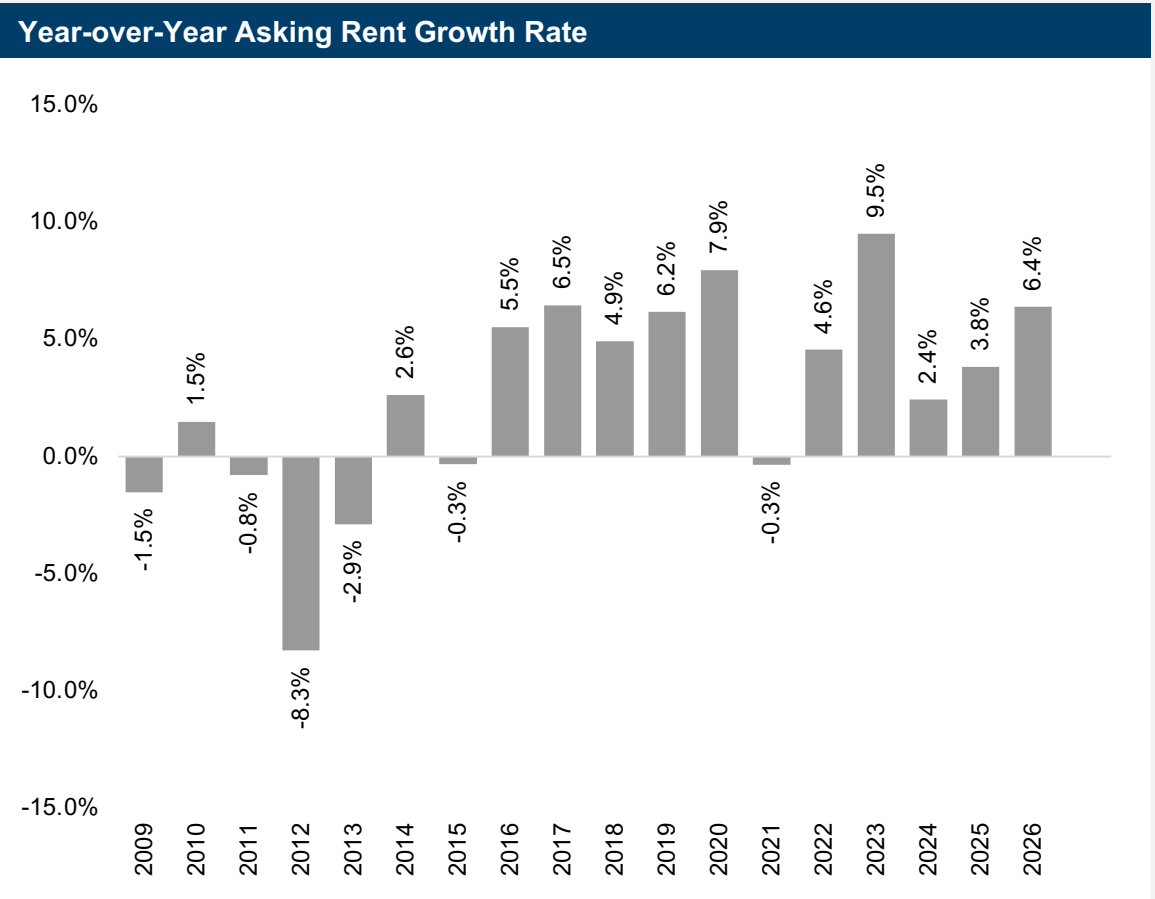
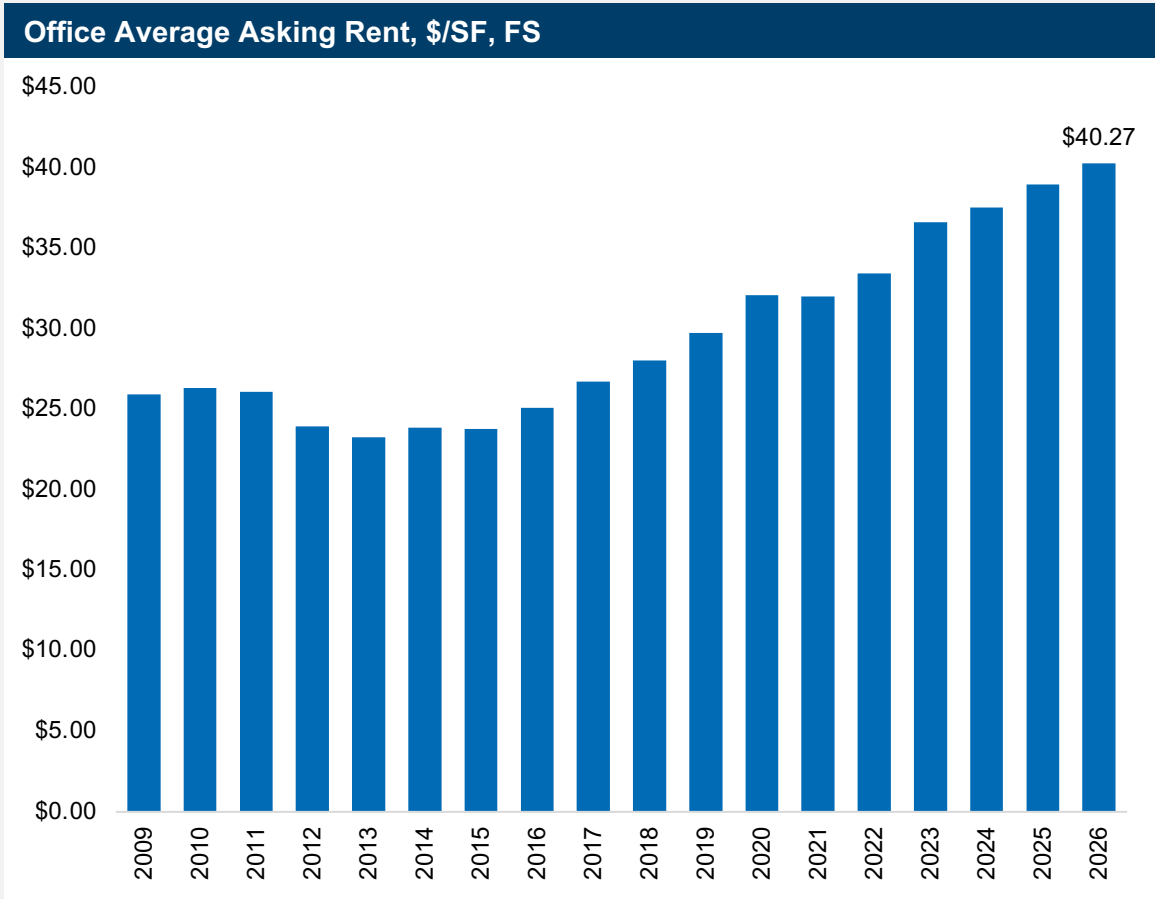
Broward County has 176,500 SF of office space under construction, as of the first quarter of 2026, a level that has remained unchanged for nearly two years. The sole active project is Hines' T3 FAT Village East in the Fort Lauderdale CBD, which is expected to deliver in 2026. Absent new starts, its completion would reduce the active construction pipeline to zero, though a potential Phase II of T3 FAT Village could eventually reinvigorate development activity, subject to timing and approvals. Currently, the office space at T3 FAT Village East remains available as the building is not released.



Source: Newmark Research, CoStar

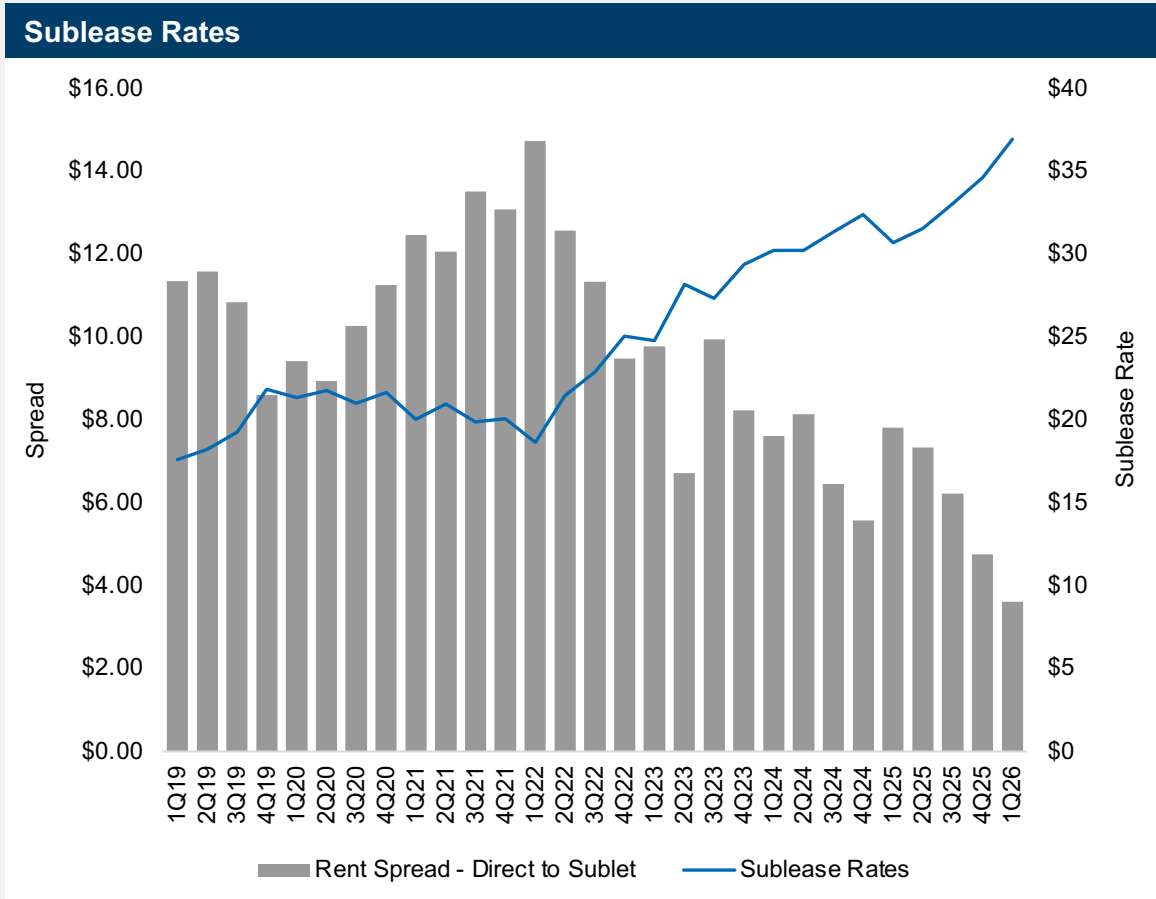
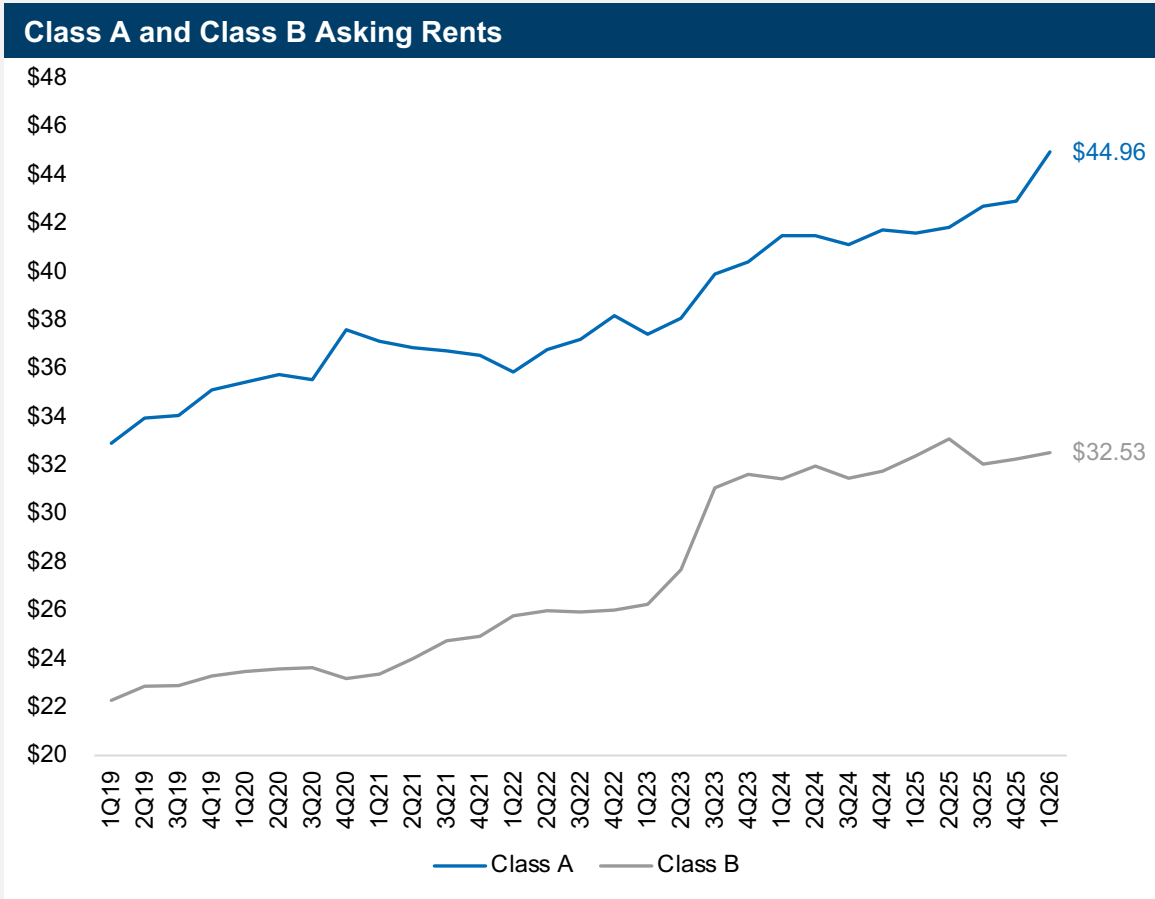
Asking Rents Increase To New High For the Fifth Quarter in A Row

In the first quarter of 2026, average asking rents rose 3.3% quarter over quarter to \$40.27/SF, marking a new all-time high for the fifth consecutive quarter. Rents were up 6.4% year over year, 260 basis points faster than the pace of rental growth in the prior year. Constrained supply and reducing availability rate on existing product has pushed overall rents up and will likely continue to increase as supply pipeline only has one project.



Consecutive Record-High Class A Rents with Class B Rates Moving Higher

In the first quarter of 2026, Class A average asking rents reached a new all-time high for the second consecutive quarter, rising 4.8% quarter over quarter to \$44.96/SF. Class B asking rents also moved higher, rising by 0.8% to \$32.53/SF, and widening the rent spread by 16.8% quarter over quarter to \$12.43/SF. Sublease asking rents climbed 6.6% to \$36.94/SF. In the near term, Class A rents are expected to remain elevated as demand continues to concentrate in higher-quality product and supply for higher-quality product remains constrained.



Total Deal Size Increases, But Deal Volume Falls

Total leased square footage reached 608,329 SF in the first quarter of 2026, down 19.5% quarter over quarter as both volume and deal count softened. The number of transactions declined from the prior quarter, while the average deal size edged up by 46 SF to 2,997 SF. Class A leasing accounted for 48.8% of all square footage completed this quarter, with the typical Class A deal averaging 4,950 SF—about 65.2% larger than the overall market average.

Notable 1Q26 Lease Transactions

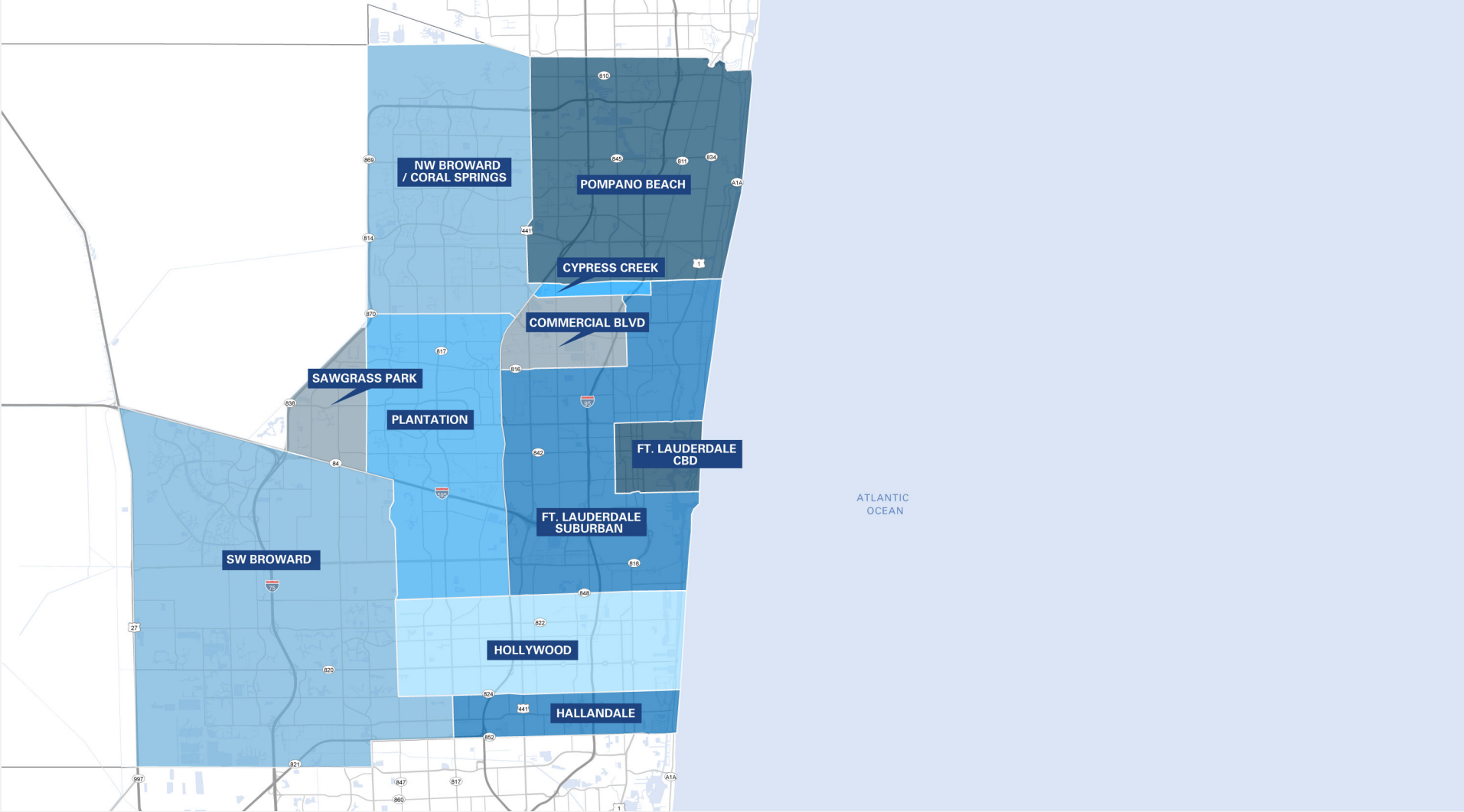
Tenant	Building(s)	Submarket	Type	Square Feet
DHL Express	Cornerstone II	Plantation	Renewal	109,659
<i>The logistics company renewed their lease at this location where they occupy 100% of the building. This location serves as their primary United States HQ, and they have been at this location since 2005.</i>				
Uniforms Direct	Tower 101	Fort Lauderdale CBD	Renewal	25,924
<i>Uniforms Direct inked a renewal of their HQ at this location where they have been a tenant since 2016, they will now be occupying 8.5% of the building.</i>				
Broward Metropolitan Planning Organization	Trade Centre South	Cypress Creek	Renewal	20,126
<i>The organization has renewed their space at this location where they have been a tenant since 2010. The Broward Metropolitan Planning Organization occupies 9.3% of the building and has roughly 40 employees on site.</i>				
ReturnPro	Onyx Tower	Hallandale	New Lease	15,206
<i>The logistics SaaS developer has inked a lease to secure roughly 5.3% of the space in the building.</i>				
City of Fort Lauderdale	Tower 101	Fort Lauderdale CBD	Renewal/Expansion	12,920
<i>The City of Fort Lauderdale moved into this location in 2024 and has since increased their footprint at this location by 12,920 SF for a total of 44,653 SF or roughly 14.4% of the building.</i>				

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Market Statistics & Map



Broward Office Submarket Map



Broward Office Submarket Overview—All Classes

Submarket Statistics – All Classes								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Direct Asking Rent (Price/SF)	Class B Direct Asking Rent (Price/SF)	Direct Average Asking Rent (Price/SF)
Ft. Lauderdale CBD	5,691,230	176,500	16.6 %	48,119	48,119	\$59.58	\$40.15	\$56.61
Commercial Blvd	1,908,657	0	11.3 %	2,303	2,303	\$35.04	\$27.47	\$29.66
Cypress Creek	4,236,851	0	13.6 %	43,415	43,415	\$38.38	\$30.79	\$34.88
Ft. Lauderdale Suburban	2,934,044	0	10.2 %	-7,530	-7,530	\$34.27	\$28.18	\$30.54
Hallandale	792,093	0	19.4 %	3,991	3,991	\$66.50	\$40.11	\$57.54
Hollywood	2,403,732	0	9.9 %	12,297	12,297	\$44.20	\$38.30	\$38.65
NW Broward/Coral Springs	1,636,003	0	11.1 %	-22,537	-22,537	\$39.74	\$34.26	\$37.49
Plantation	4,638,876	0	13.0 %	-37,598	-37,598	\$42.77	\$36.17	\$39.17
Pompano Beach	2,157,753	0	13.3 %	9,675	9,675	\$37.75	\$31.81	\$32.80
Sawgrass Park	3,305,797	0	28.4 %	-184,860	-184,860	\$39.81	\$28.57	\$36.46
SW Broward	4,300,234	0	15.9 %	-28,912	-28,912	\$39.58	\$38.25	\$38.43
Suburban	28,314,040	0	14.7 %	-209,756	-209,756	\$40.51	\$32.08	\$36.57
Market	34,005,270	176,500	15.1 %	-161,637	-161,637	\$45.71	\$32.67	\$40.55

Broward Office Submarket Overview—Class A

Submarket Statistics – Class A						
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Direct Asking Rent (Price/SF)
Ft. Lauderdale CBD	4,626,774	176,500	17.6 %	52,486	52,486	\$59.58
Commercial Blvd	264,430	0	25.5 %	-2,630	-2,630	\$35.04
Cypress Creek	1,891,018	0	11.9 %	26,646	26,646	\$38.38
Ft. Lauderdale Suburban	904,540	0	8.1 %	-8,368	-8,368	\$34.27
Hallandale	377,227	0	32.0 %	7,852	7,852	\$66.50
Hollywood	749,033	0	17.0 %	-2,786	-2,786	\$44.20
NW Broward/Coral Springs	690,236	0	19.0 %	-28,201	-28,201	\$39.74
Plantation	2,005,566	0	17.3 %	-85,096	-85,096	\$42.77
Pompano Beach	429,500	0	20.4 %	12,561	12,561	\$37.75
Sawgrass Park	2,089,476	0	29.6 %	-161,008	-161,008	\$39.81
SW Broward	2,553,376	0	17.7 %	-21,780	-21,780	\$39.58
Suburban	11,954,402	0	18.8 %	-262,810	-262,810	\$40.51
Market	16,581,176	176,500	18.5 %	-210,324	-210,324	\$45.71

Broward Office Submarket Overview—Class B

Submarket Statistics – Class B							
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class B Direct Asking Rent (Price/SF)	
Ft. Lauderdale CBD	744,542	0	14.2 %	-4,367	-4,367	\$40.15	
Commercial Blvd	1,498,527	0	9.5 %	4,394	4,394	\$27.47	
Cypress Creek	2,027,154	0	16.1 %	20,549	20,549	\$30.79	
Ft. Lauderdale Suburban	1,333,587	0	15.1 %	-15,938	-15,938	\$28.18	
Hallandale	258,000	0	7.0 %	390	390	\$40.11	
Hollywood	964,311	0	5.4 %	19,924	19,924	\$38.30	
NW Broward/Coral Springs	664,336	0	5.7 %	3,281	3,281	\$34.26	
Plantation	2,334,059	0	10.3 %	31,710	31,710	\$36.17	
Pompano Beach	1,390,258	0	12.1 %	-5,686	-5,686	\$31.81	
Sawgrass Park	1,173,869	0	27.4 %	-23,852	-23,852	\$28.57	
SW Broward	1,504,790	0	11.5 %	-5,757	-5,757	\$38.25	
Suburban	13,148,891	0	12.8 %	29,015	29,015	\$32.08	
Market	13,893,433	0	12.9 %	24,648	24,648	\$32.67	

1Q26 South Florida Office Market Overview



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1Q26 Submarket	Q1	1Q25	Q4
Office Leasing Rate (2025)	88.00	88.00	88.00
Market Leasing Rate (2025)	88.00	88.00	88.00
Triple Leasing Office Rate (2025)	88.00	88.00	88.00

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Supplemental Information



Broward Office Market



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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 1.2% year over year to reach a new all-time high of roughly \$171 billion, despite the pace of growth stabilizing from 11.2% in 2021.



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Loan Maturities Scheduled to Peak This Year

CMBB's research on the leading sources of debt financing in early 2020, accounting for 47.8% of total volume. CMBB's estimates are heavily leveraged, with \$1.1 trillion scheduled to come due over the next five years, or 49.8% of all CMBB debt maturing through 2025. Across all debt sources, maturities are expected to peak in 2024 at \$1.1 trillion, underscoring the need to closely monitor upcoming maturities as an indicator of future market volatility. The concentration of near-term maturities, particularly in CMBB, elevates refinancing risk in a higher rate environment and reinforces the importance of credit quality and proactive capital planning over the next cycle.

Financing Source by volume

Debt Maturity Schedule by year type

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