

2Q25

Broward County Industrial Market Overview

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Market Observations

Economy

- The market's unemployment rate increased by 29 basis points year over year to 3.4% at the end of May 2025. The rate remains well below the national average of 4.2%.
- Despite recent national economic headwinds, job growth increased by 1.3% year over year to 937,400 jobs by the end of May 2025, overtaking the national average of 1.1% for the first time since September 2024.
- Eight of the 10 major employment sectors posted job gains year over year, led by the other services sector reporting 4.0% growth over the past twelve months.
- Industrial-using jobs in the market experienced mixed results, with mining and construction posting a 1.6% year-over-year contraction. Meanwhile, the manufacturing and trade/transportation/utilities sectors reported growth of 1.8% and 2.1% year over year, respectively.

Major Transactions

- Lowe's Home Centers inked the quarter's largest deal, renewing its 101,966-SF space at Pompano Business Center - Bldg H.
- The quarter's top five largest deals included two new direct leases, two renewals, and one sublease.
- Each of the five largest leases signed occurred in a distinct submarket, underscoring the breadth of demand.

Leasing Market Fundamentals

- The market recorded 227,101 SF of positive absorption in the second quarter of 2025, supported by notable move-ins from Pharmacy Hub and Parts Authority, bringing total demand in the first half of 2025 pushed up to 305,157 SF.
- With no deliveries reported in the second quarter of 2025, demand outpaced supply, leading to a 20-basis-point decline in the vacancy rate to 4.2%.
- Overall asking rental rates in the second quarter of 2025 marginally decreased by 0.2% to \$14.84/SF, remaining just 0.8% below the all-time high of \$14.96/SF.
- In the second quarter of 2025, the under-construction pipeline continued to grow, reaching 1.5 MSF. Projects are currently 12.0% preleased.

Outlook

- The Broward industrial market will likely see modest increases in the under-construction pipeline, driven by low vacancy rates but constrained by ongoing challenges in obtaining financing for new construction.
- Vacancy rates are expected to remain flat in the near to medium term as positive net absorption is counterbalanced by a large delivery pipeline.
- Asking rents are projected to remain relatively flat in the near term, but will likely increase as new, higher-quality supply commanding premium pricing is delivered in late 2025.

1. Economy
2. Leasing Market Fundamentals

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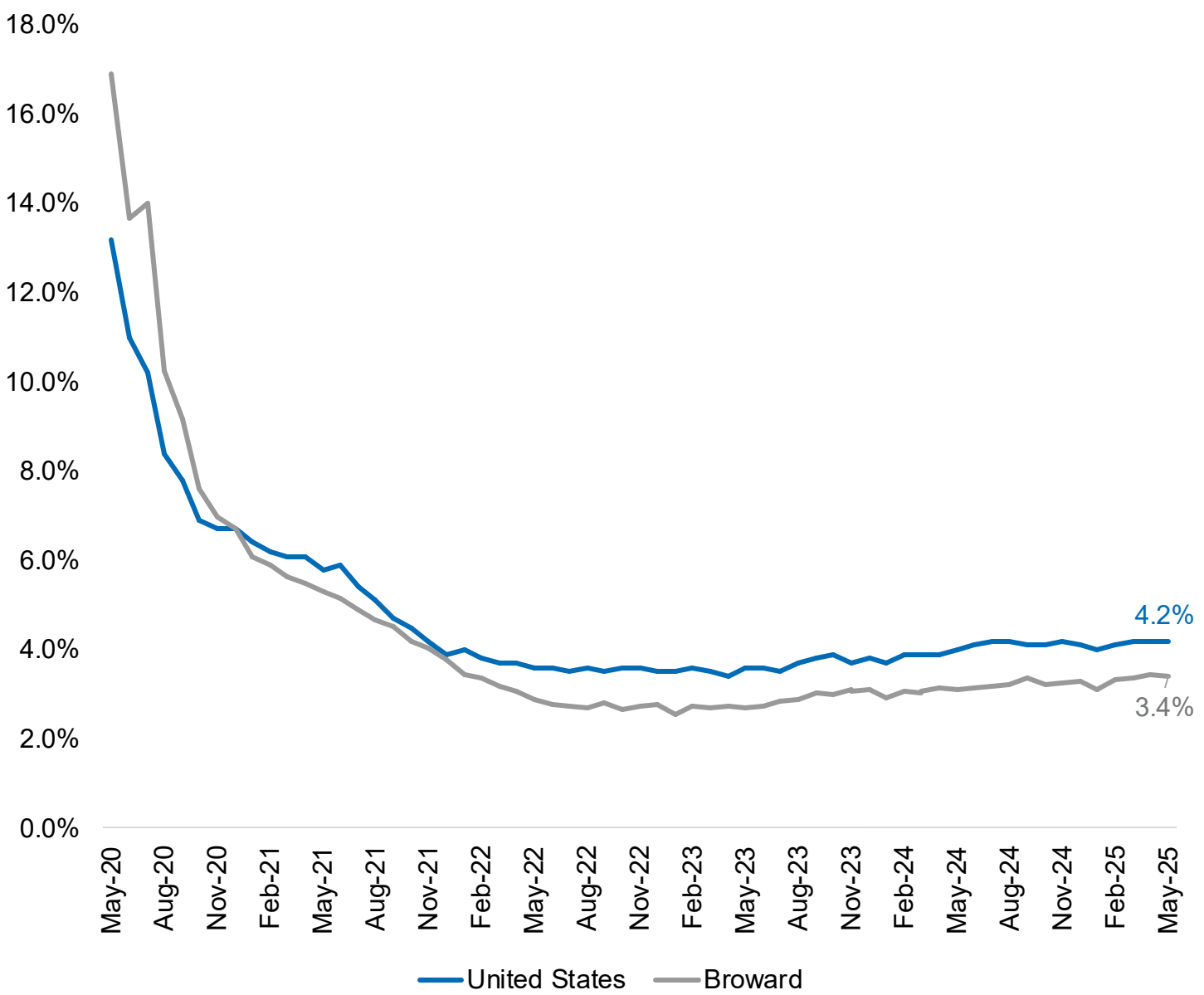
Economy



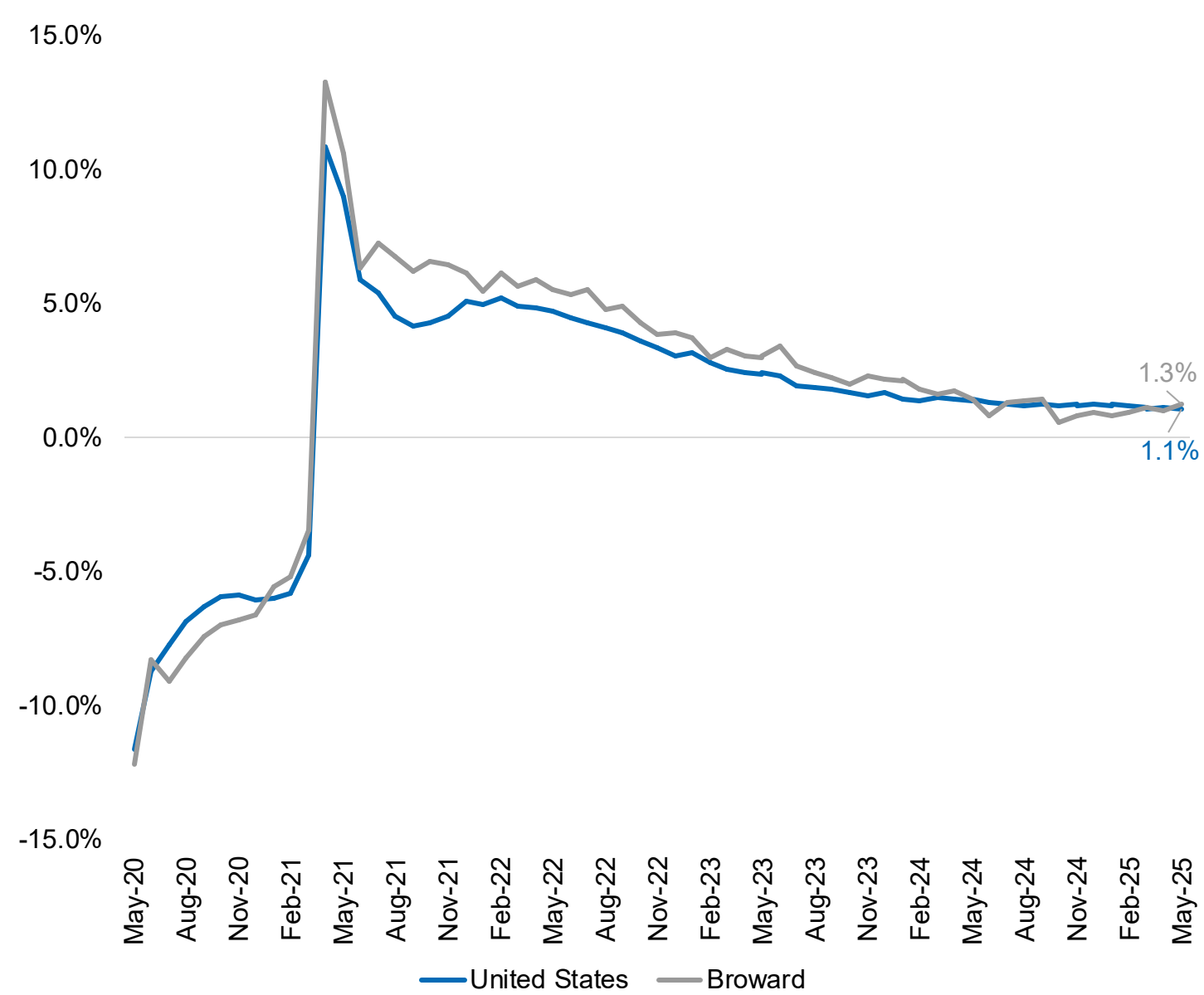
Pace of Broward's Job Growth Overtakes National Average

Broward's unemployment rate has remained below the national average since January 2021, rising by 29 basis points year over year to 3.4% as of May 2025. Broward's employment growth generally outpaces the national average, but since March 2024 has been oscillating around the national growth rate. The market outpaced national employment growth for the first time since September 2024, though its growth rate has dipped by 15 basis points year over year to 1.3%.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

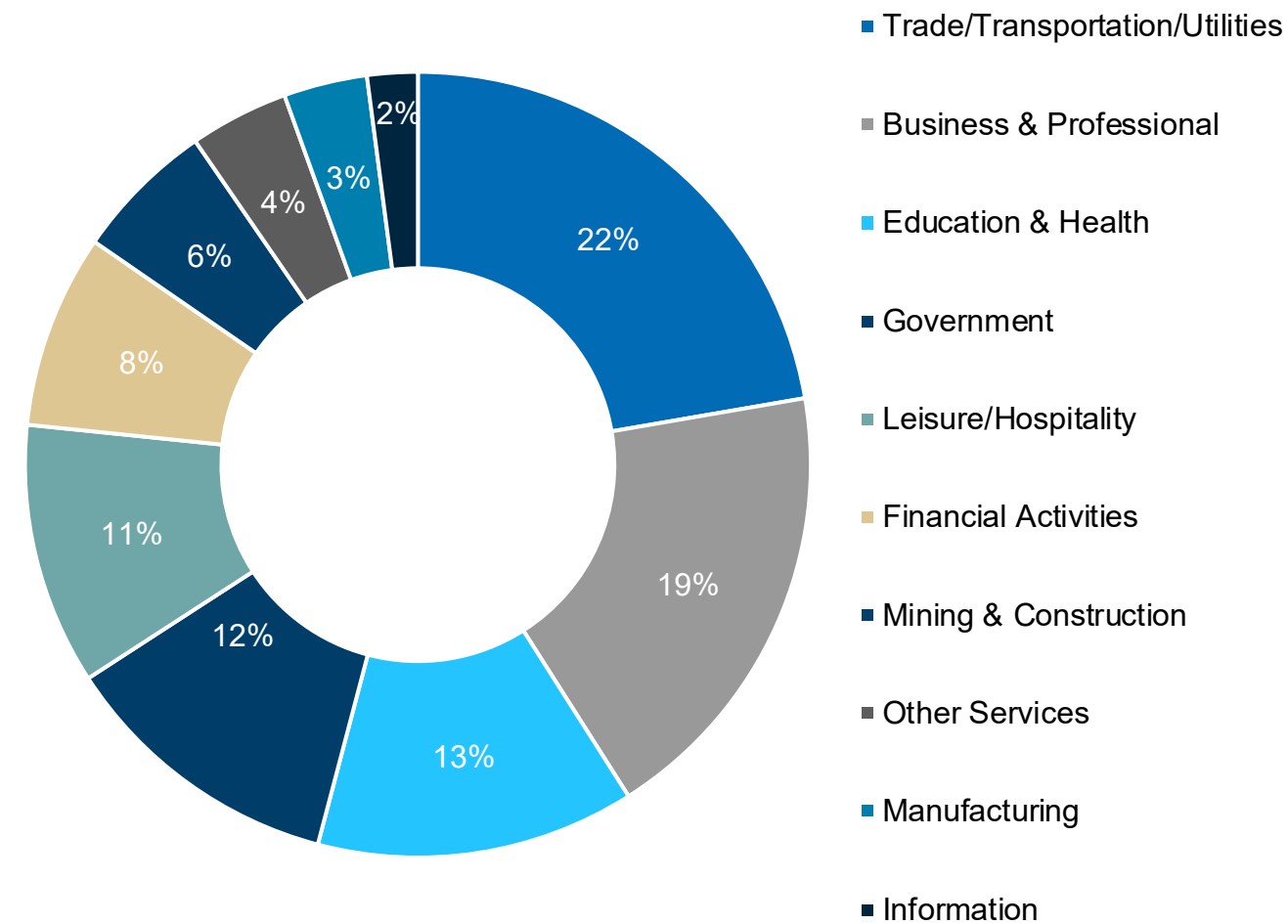


Source: U.S. Bureau of Labor Statistics, Broward County

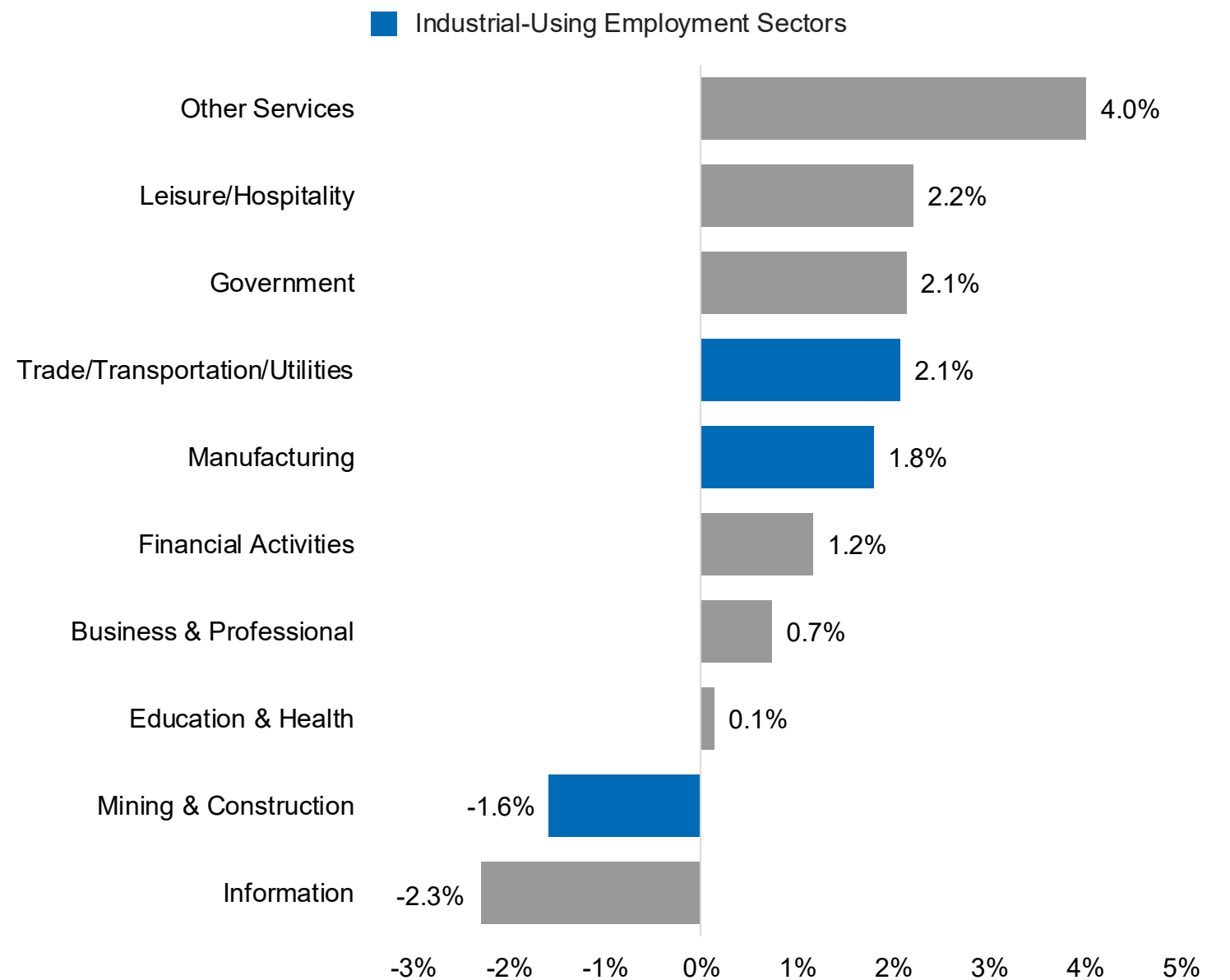
Most Industrial-Using Sectors Report Employment Growth

The Broward market’s top two industries account for 41.0% of the market’s employment share. The industrial-using trade/transportation/utilities sector is the largest at 22.3%. Eight out of 10 employment sectors reported growth except for the mining and construction and information sectors. The industrial-using mining and construction contracted by 1.6% year over year. Meanwhile, the manufacturing and trade/transportation/utilities sectors reported employment expansion of 1.8% and 2.1% year over year, respectively.

Employment by Industry, May 2025



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

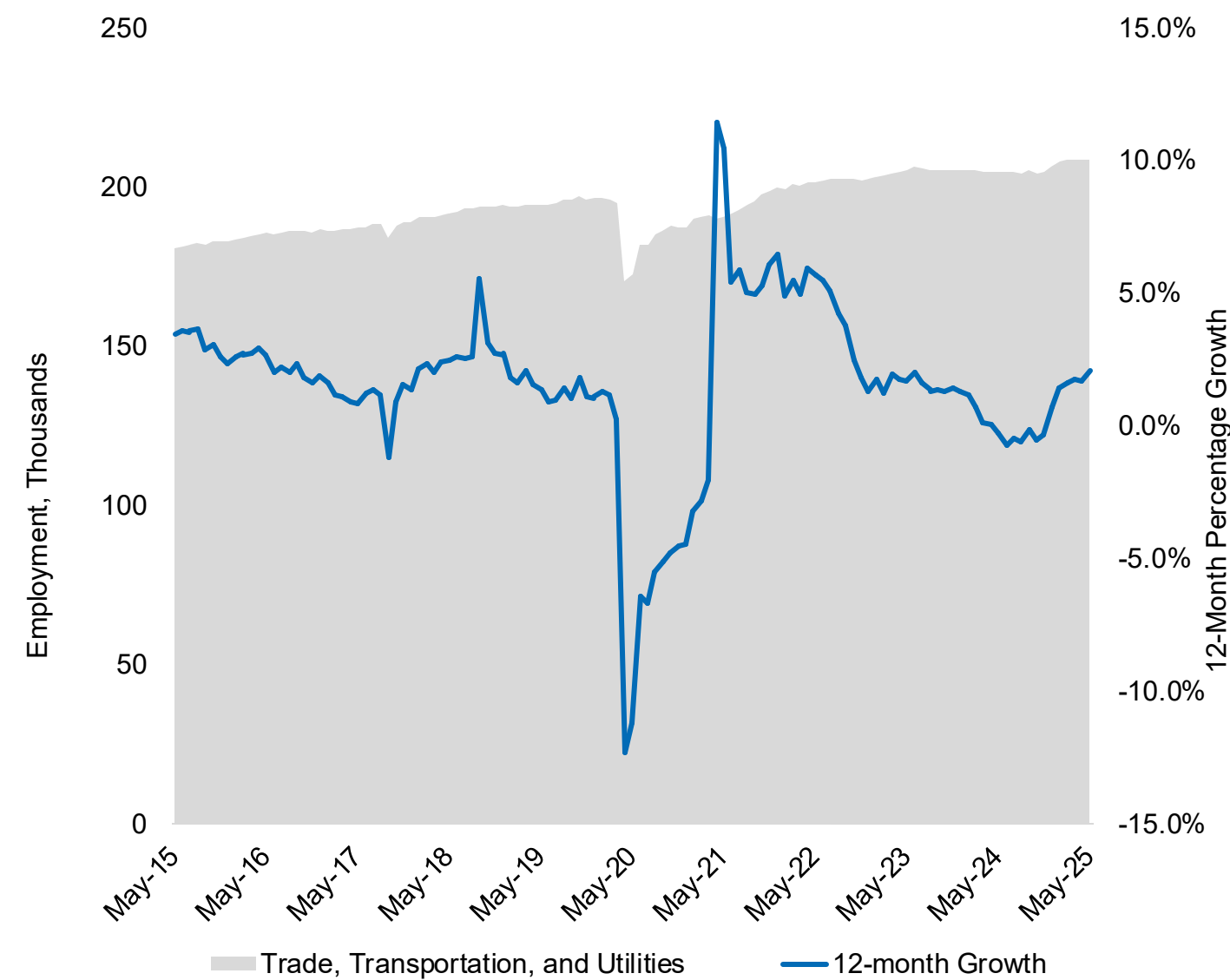


Source: U.S. Bureau of Labor Statistics, Broward County

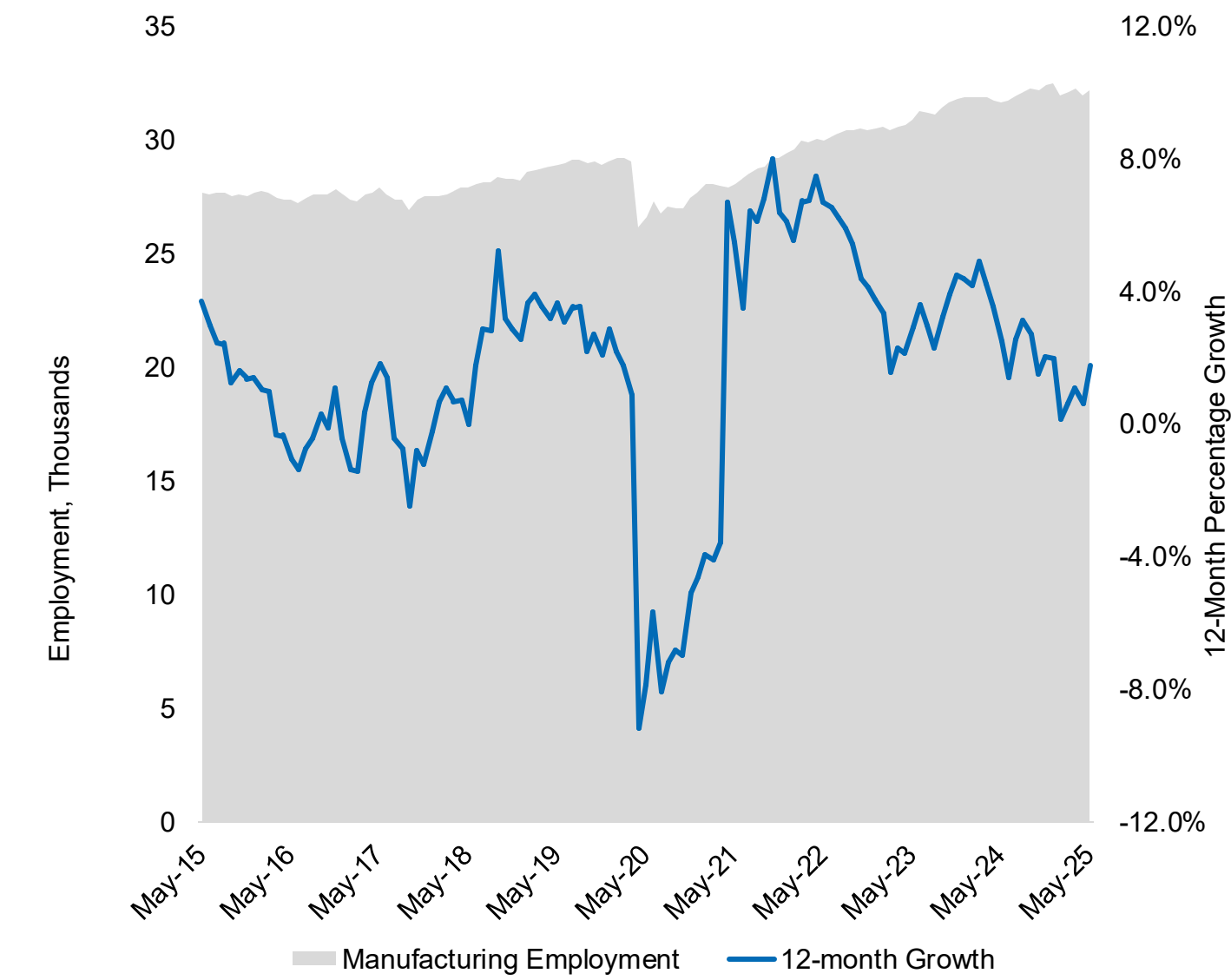
Trade/Transportation/Utilities Employment Reaches All-Time High

Trade/transportation/utilities sector employment in Broward increased by 2.1% year over year to a historical high of 208,930 jobs as of May 2025. Manufacturing employment in the same period reported 32,240 employees, reflecting a 1.8% increase year over year and remains only 1.0% below the all-time high reported in December 2024. The trends indicate that while most industrial-using employment remains not only remains near historic peaks but is also generally continuing to grow.

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



Total Employment and 12-Month Growth Rate, Manufacturing



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

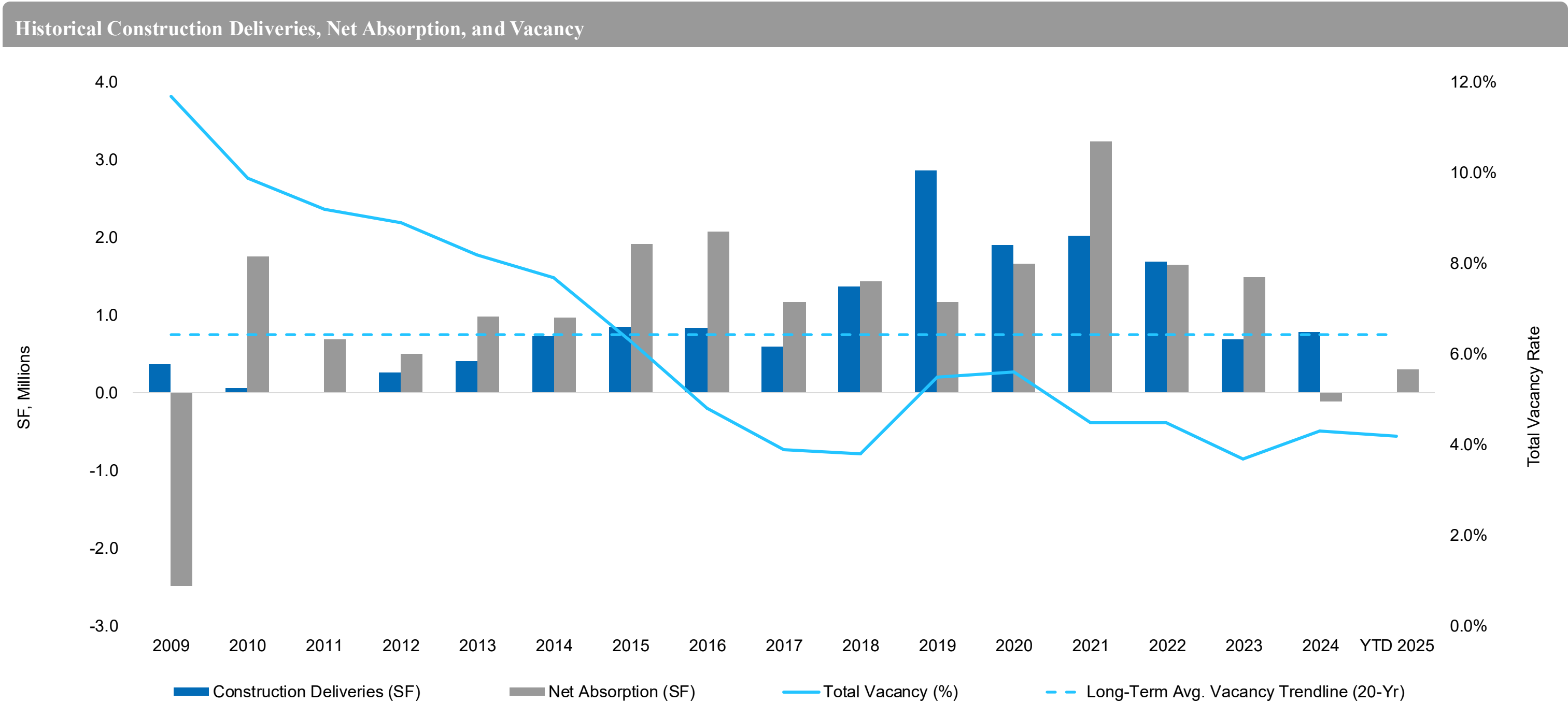
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Leasing Market Fundamentals



Quarterly Demand Continues to Outpace New Supply

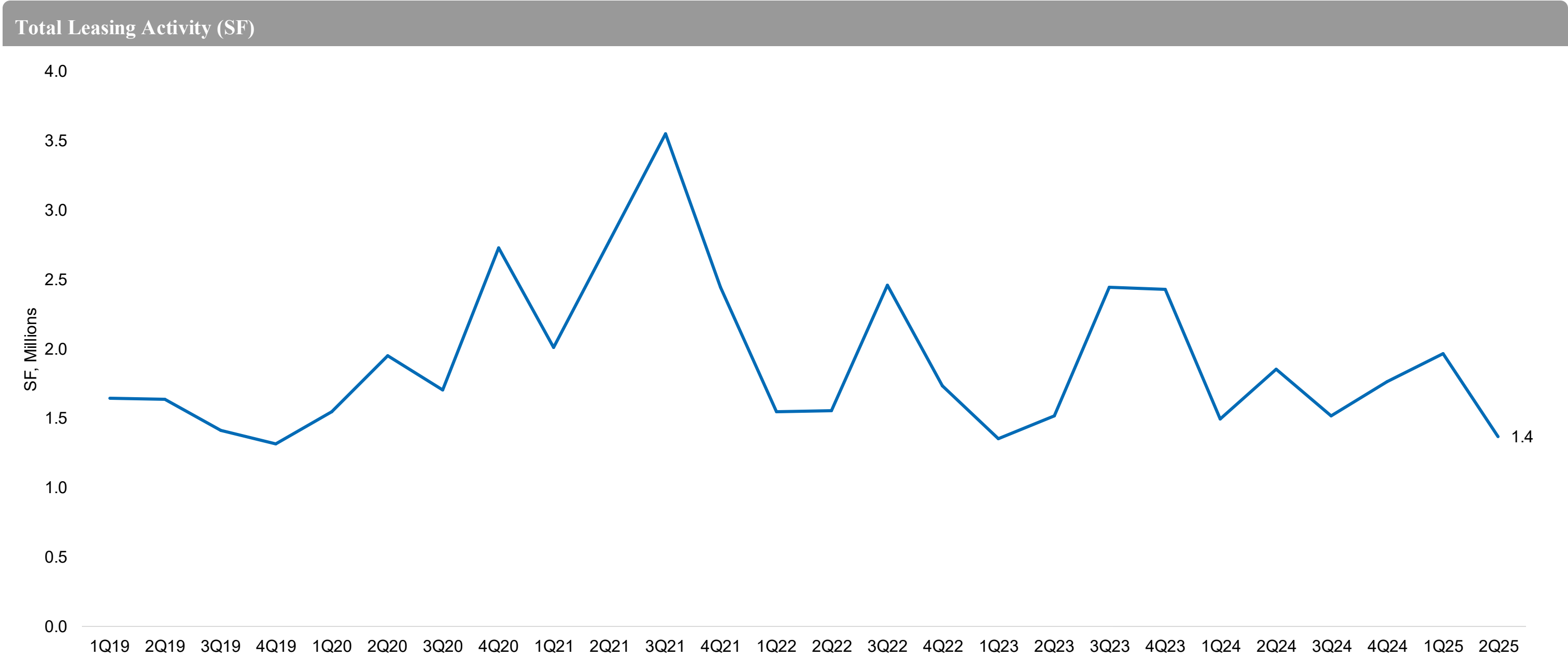
In the second quarter of 2025, demand outpaced supply for the second consecutive quarter. Net absorption totaled 227,101 SF, supported by notable move-ins from Pharmacy Hub and Parts Authority with 98,012 SF and 88,042 SF, respectively. With no new product delivered during the quarter, the vacancy rate declined by 20 basis points quarter over quarter to 4.2%, remaining 220 basis points below the 20-year historical average of 6.4%. Year-to-date net absorption stands at 305,157 SF, with no deliveries recorded through the first half of the year.



Source: Newmark Research, CoStar

Leasing Activity Declines, Remains on Pace to Match 2024 Volume

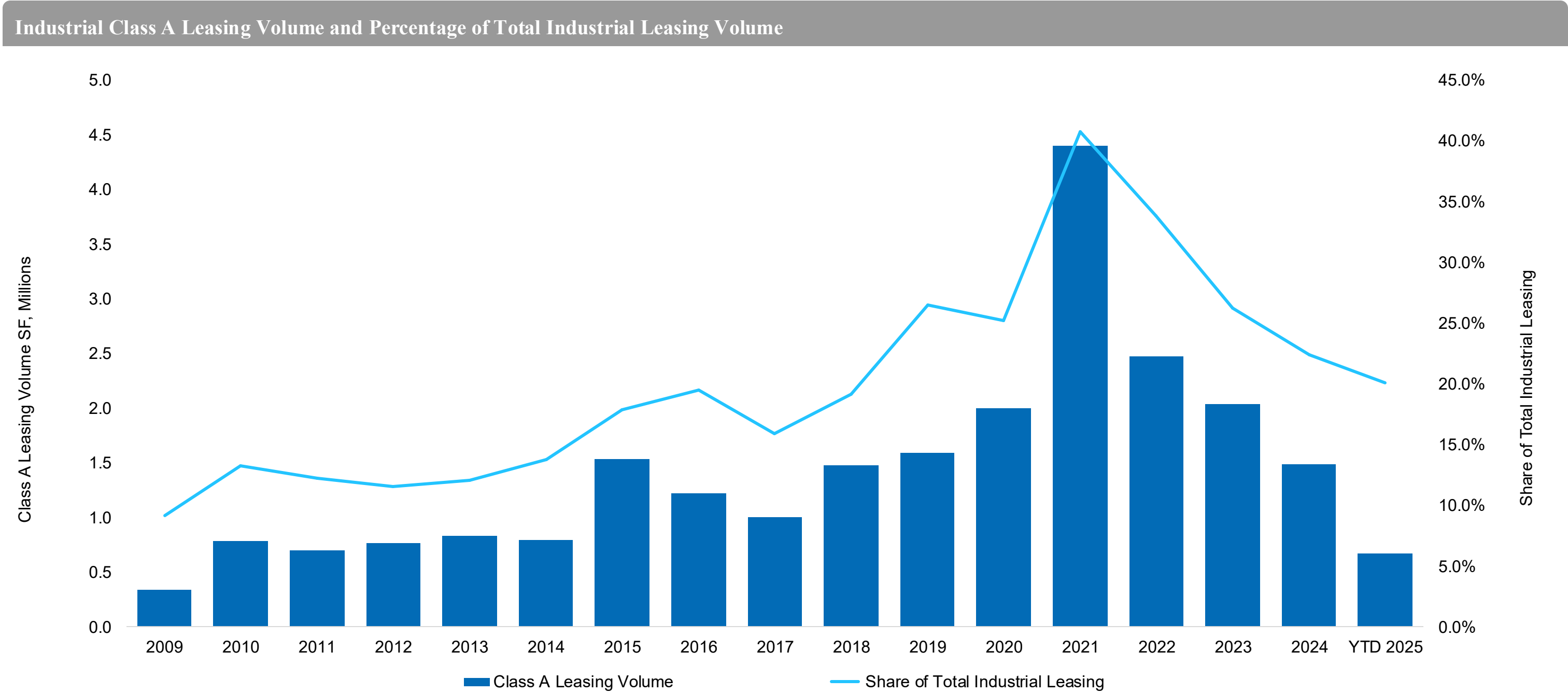
Leasing activity in the second quarter of 2025 declined by 30.2% quarter over quarter to 1.4 MSF, marking a reversal following two consecutive quarters of growth. Despite the slowdown, leasing volume in the first half of 2025 totaled 3.3 MSF, just 0.4% below the 3.4 MSF recorded during the first half of 2024. The limited amount of new product is likely a contributing factor to lower leasing volume, with leasing activity expected to pick up in the second half of the year as new, higher-quality product is delivered.



Source: Newmark Research, CoStar

Class A Warehouse Leasing Continues to Decline

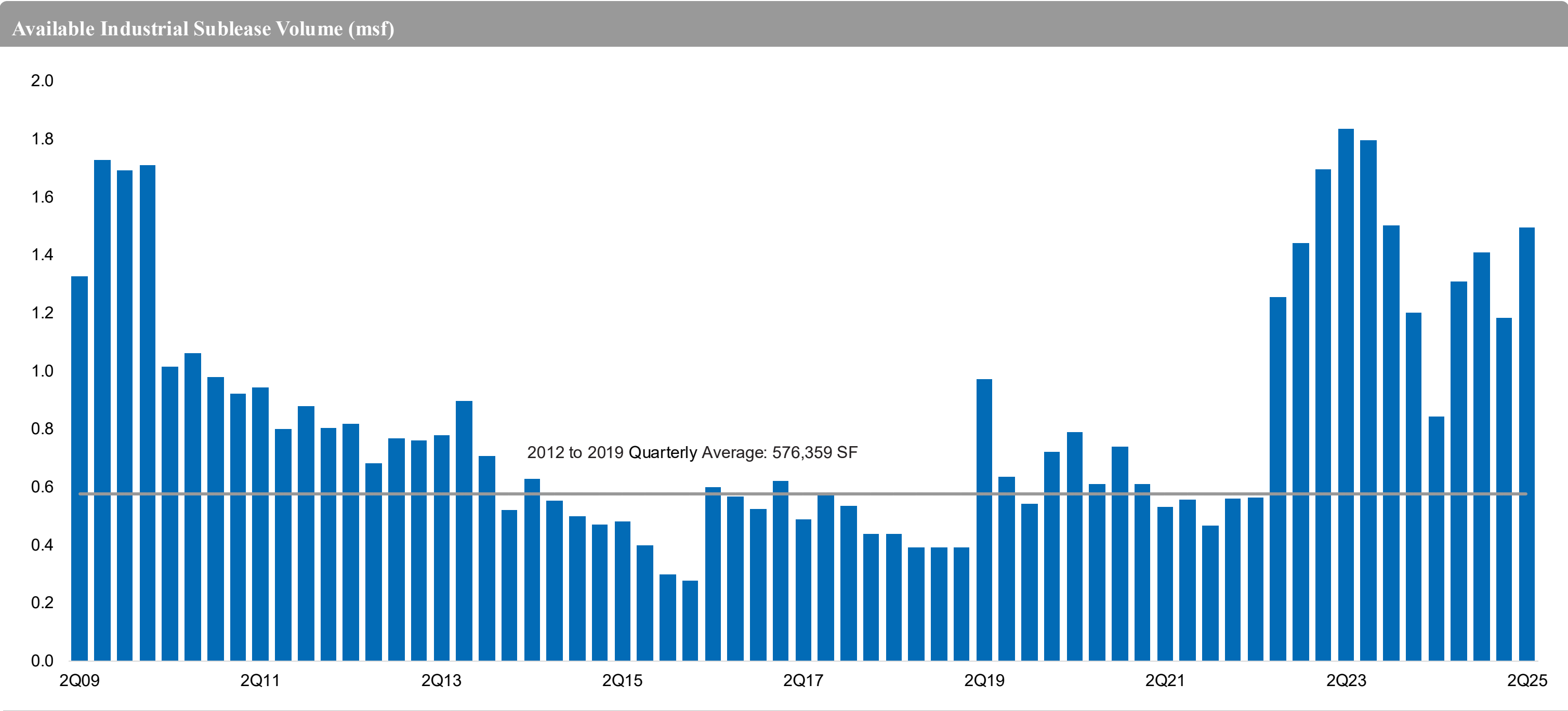
Yearly Class A warehouse leasing activity, on both a square-foot basis and as a percentage of overall annual activity, has decreased following a major spike in 2021. In the second quarter of 2025, Class A leasing activity declined by 26.6% quarter over quarter to 283,726 SF. While the share of Class A volume increased by 101 basis points quarter over quarter, the year-to-date 2025 share fell to 20.1%, down from 22.5% at year-end 2024. Activity should pick up in the second half, as new supply increases the availability of high-quality space for occupiers.



Source: Newmark Research, CoStar

Sublease Inventory Climbs Back to Near Peak Levels

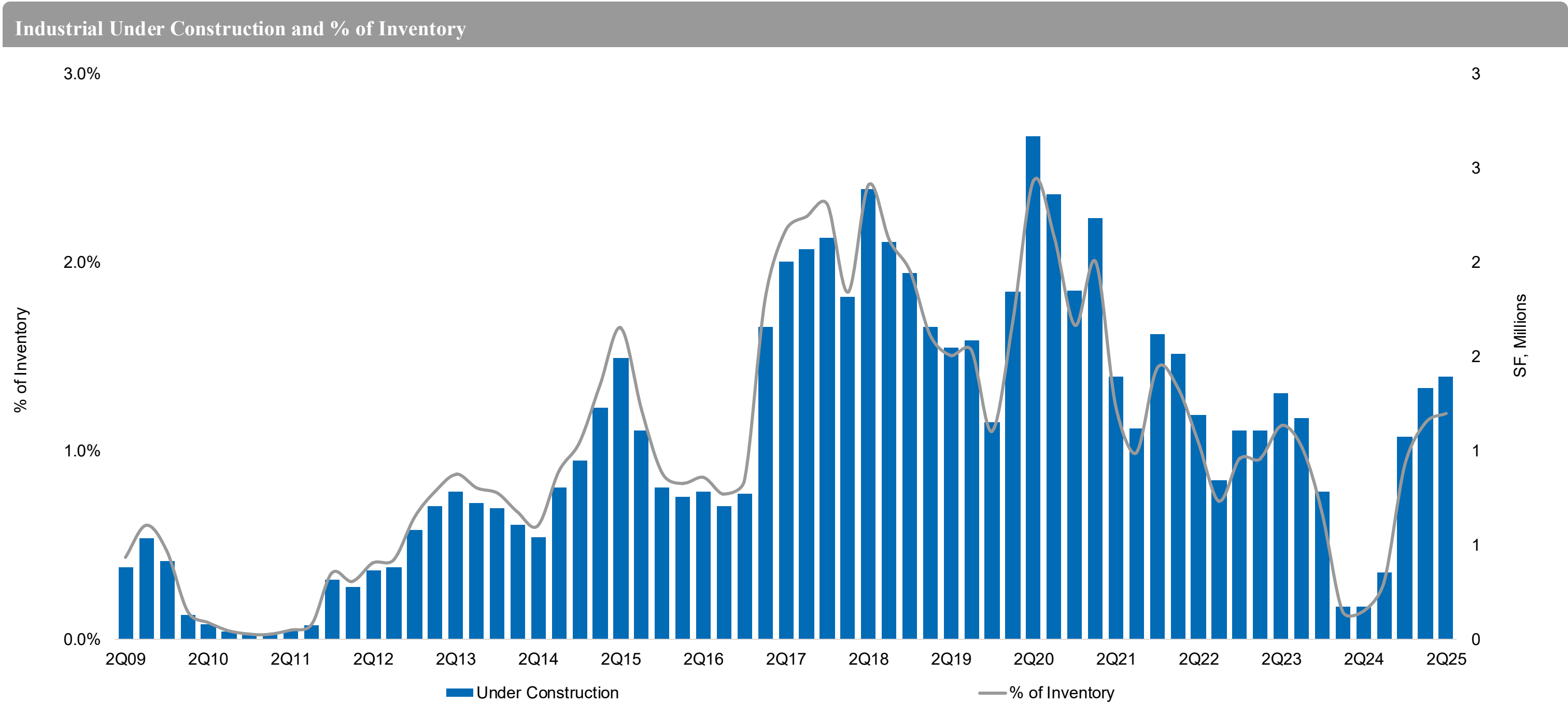
Sublease volume ended the second quarter of 2025 at 1.5 MSF, reflecting a 26.3% increase quarter over quarter and a 77.4% increase year over year. This marks a reversal of the general declines reported since the peak of 1.8 MSF in mid-2023, with the most recent trough occurring in the second quarter of 2024 at 843,039 SF. Some firms continue to pursue cost-control strategies through supply chain optimization and consolidation, placing excess or underutilized space back on the market.



Source: Newmark Research, CoStar

Under-Construction Pipeline Continues to Grow

The under-construction pipeline rose to 1.5 MSF at the end of the second quarter of 2025, reflecting a 4.5% quarter over quarter increase driven by the 59,912-SF Pompano Business Center breaking ground. Along with the 620,740-SF Race Track project that broke ground in the fourth quarter of 2024, recent starts have pushed the pipeline to 1.2% of Broward’s total inventory. The increased volume of new product, most of which is expected to deliver by year-end, could help ease future supply constraints as economic conditions improve in late 2025, particularly given the limited availability of Class A space.

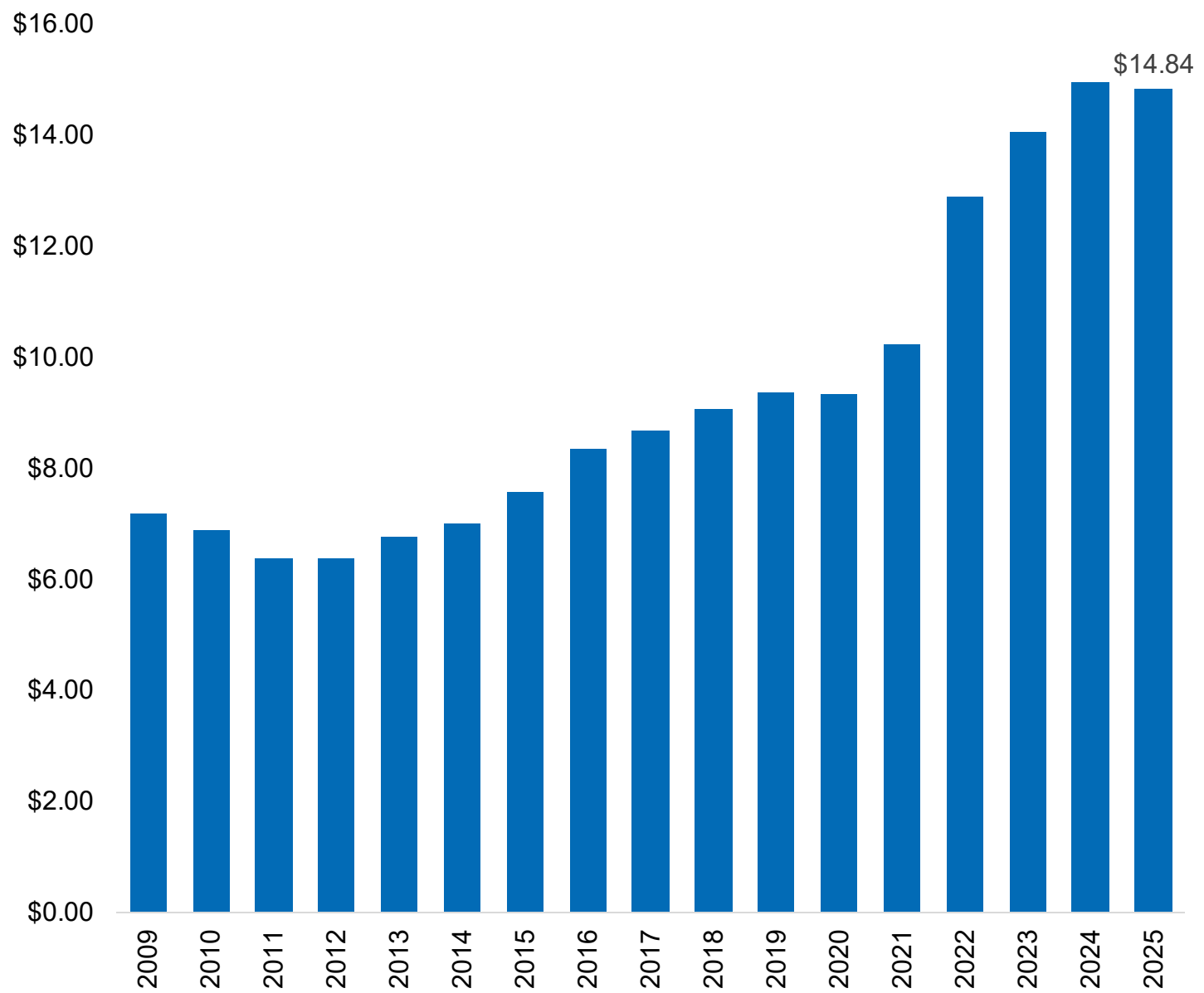


Source: Newmark Research, CoStar

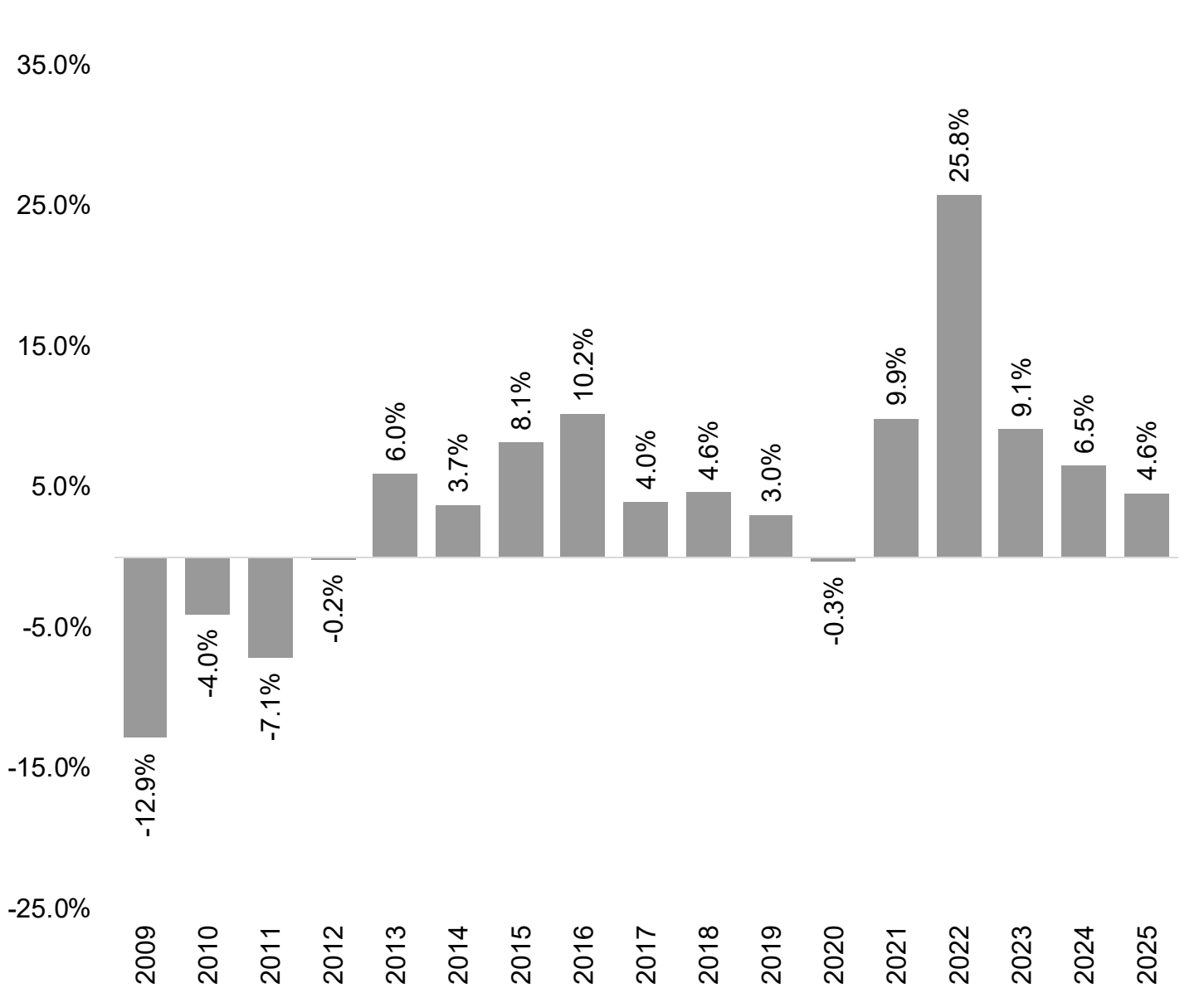
Asking Rents Remain Near All-Time Highs

Industrial asking rents reached \$14.84/SF in the second quarter of 2025, marginally decreasing by 0.2% quarter over quarter, but remain just 0.8% below the historical high of \$14.96/SF reported in the fourth quarter of 2024. Rent growth is expected to remain slow in the near term due to softer-than-average leasing demand but will likely pick up as the majority of the new, higher-quality 1.4 MSF of supply delivers in late 2025.

Industrial Average Asking Rent, \$/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Second Quarter Activity Mix of New Deals, Renewals and a Sublease

The quarter’s top five deals included two new direct leases, two renewals, and one sublease. Each of the top five deals occurred in a distinct submarket, underscoring the breadth of demand across the county. As of the end of the second quarter of 2025, projects under construction were 12.0% preleased.

Notable 2Q25 Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
Lowe's Home Centers <i>The home improvement retailer renewed its full-building lease. The company has been a tenant at the location since 2020.</i>	Pompano Business Center - Bldg H 2004-2028 NW 25th Ave	Pompano Beach	Renewal	101,966
The Pharmacy HUB <i>The company provides fulfillment service for prescription products. The sublease accounts for 33.7% of the building developed by Bridge Industrial.</i>	Bridge Point 595 - Bldg 2 2750 Bridge Way	Southwest Broward	Sublease	98,012
Event Service Group Real Estate, LLC <i>Event Service Group is a full-service event production company. The new lease represents a bigger footprint compared to its current space in nearby Coral Springs.</i>	Prospect Park III 5400 NW 35th Ave	Central Broward	Direct New	66,075
Proponent, Inc. <i>Proponent is an independent aircraft parts distributor. The California-based company originally moved into Westpoint Industrial Center II in 2015.</i>	Westpoint Industrial Center II 10601 State St	West Sunrise	Renewal	40,951
Hypower <i>The company is a general contractor specializing in utility contracting. It operates several locations throughout Florida, with the headquarters at 5913 NW 31st Avenue in Fort Lauderdale, approximately 23 miles from the new space.</i>	Prologis Seneca Park - Bldg 600 2301 SW 32nd Ave	Southeast Broward	Direct New	40,630

Source: Newmark Research

Broward County Industrial Submarket Overview



Please reach out to your Newmark business contact for this information

Source: Newmark Research

Broward County Industrial Submarket Map

A blurred map of Broward County, Florida, showing various industrial submarkets. The map is divided into several colored regions, with some areas highlighted in blue and others in light blue. The text "Please reach out to your Newmark business contact for this information" is overlaid on a solid blue horizontal band across the center of the map.

Please reach out to your
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