NEWMARK



Market Overview

Broward Office

3Q26



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Market Observations

Economy

- The market's unemployment rate rose by 42 basis points year over year to 4.3% in the third quarter of 2026, staying above the national rate of 4.2%.
- Employment fell 0.4% year over year to 919,000 jobs as of the third quarter of 2026, while overall employment on the national level fell by 0.5% over the same period.
- Most sectors lost jobs year over year; only four sectors grew, led by mining and construction at 1.3%. All three office-using sectors declined: business and professional services fell 0.8%, financial by 1.5%, and information by 3.7%.
- Office-using jobs fell 1.2% year over year to 263,800, which is 2.5% below the record high set in the fourth quarter of 2023.

Leasing Market Fundamentals

- Full-service asking rental rates increased by 0.8% quarter over quarter and 6.9% year over year to a new record high of $41.42/SF.
- The vacancy rate dipped by 20 basis points quarter over quarter to 15.6% as occupancy gains of 100,642 SF and no new deliveries caused demand to outpace supply.
- The 176,500-SF office portion of T3 FAT Village East being developed by Hines is the only project under construction. The project is expected to deliver in the first quarter of 2027.
- Leasing volume in the third quarter totaled 599,038 SF, reflecting a 12.3% decrease quarter over quarter and bringing year to date leasing activity to 1.9 MSF. Over the same period, average lease size decreased by 341 SF to 2,880 SF.

Major Transactions

- Three of the five largest deals signed in the third quarter were renewals, indicating that tenants that are satisfied with their current arrangements will stay in place to maintain continuity of operations rather than seeking new space in the market.
- Class A leasing accounted for 46.1% of total leasing activity during the quarter, reflecting continued demand for higher-quality office spaces.
- Four of the five largest deals signed during the quarter were in Class B buildings, indicating that despite the preference for Class A office, the shortage of new Class A space is causing some tenants to have to settle for Class B space.
- The largest deal of the quarter was a renewal signed by Sonny's The CarWash Factory in the West Sunrise submarket, where it has been in place since 2017.

Outlook

- The Broward County office market will continue to see growth, albeit somewhat muted, driven in part by lower rents than other South Florida markets.
- 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 should continue to widen as demand for higher-quality product remains strong and no new office space has been delivered in nearly three years.
- In the near term, supply is expected to outpace demand when T3 FAT Village East delivers early in 2027.

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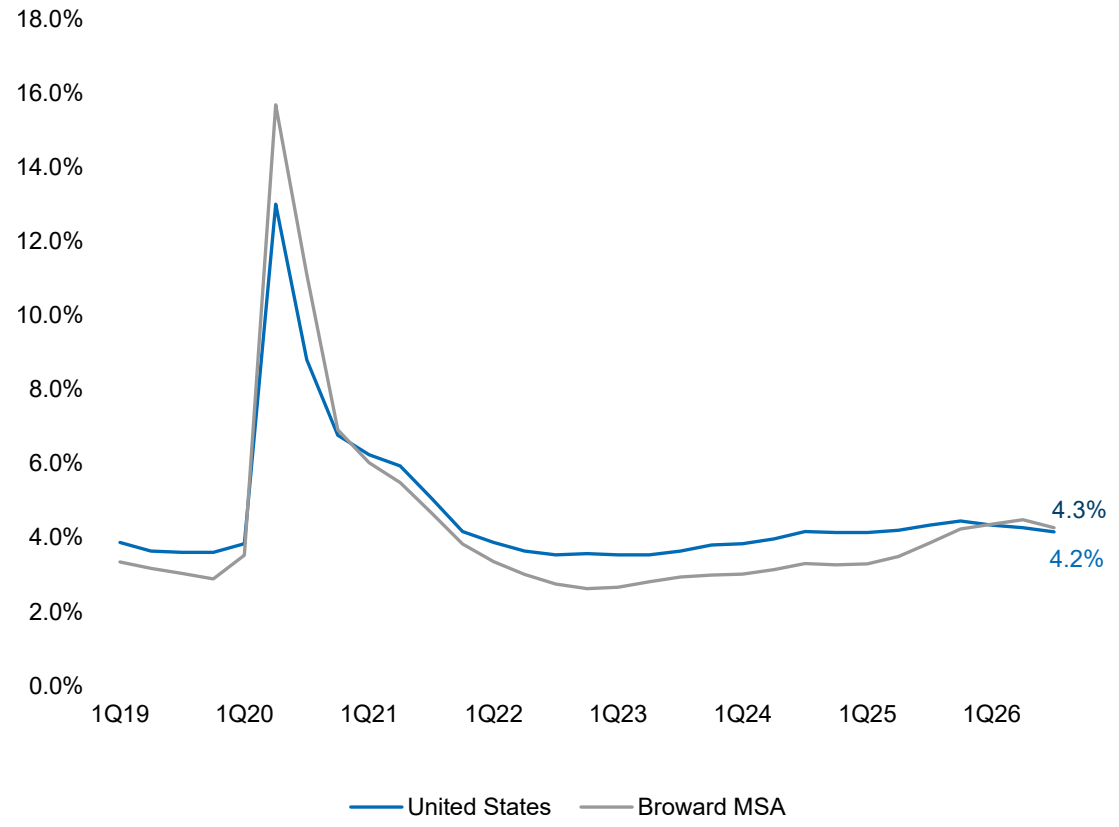
Economy



Labor Market Stabilizes as Unemployment Eases

Historically, Broward County has reported lower unemployment than the national average and outpaced the United States in job growth. That advantage has faded over the past year, as Broward's unemployment rate has been above the national rate since the first quarter of 2026. In the third quarter of 2026, both rates eased: Broward's fell 21 basis points quarter over quarter to 4.3%, and the nation's fell 11 basis points to 4.2%. Broward's annual job growth remained same at −0.4%, but the pace of contraction improved by 45 basis points from the prior quarter. U.S. nonfarm payrolls grew 0.3% year over year.

Unemployment Rate, Seasonally Adjusted



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

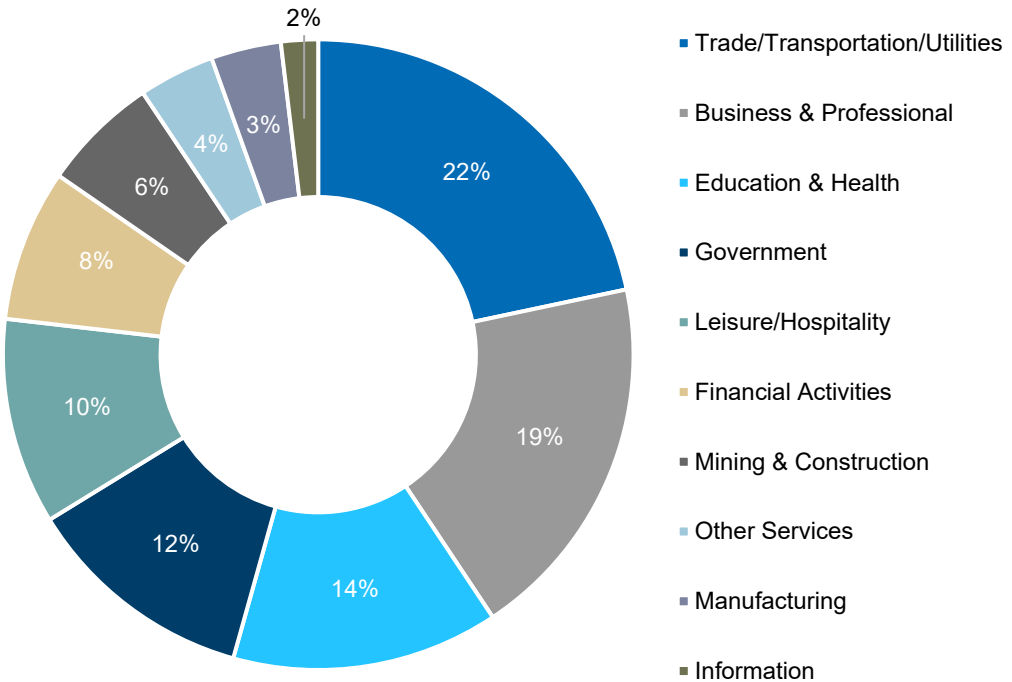


Source: Oxford Economics, Fort Lauderdale-Pompano Beach-Sunrise MSAD

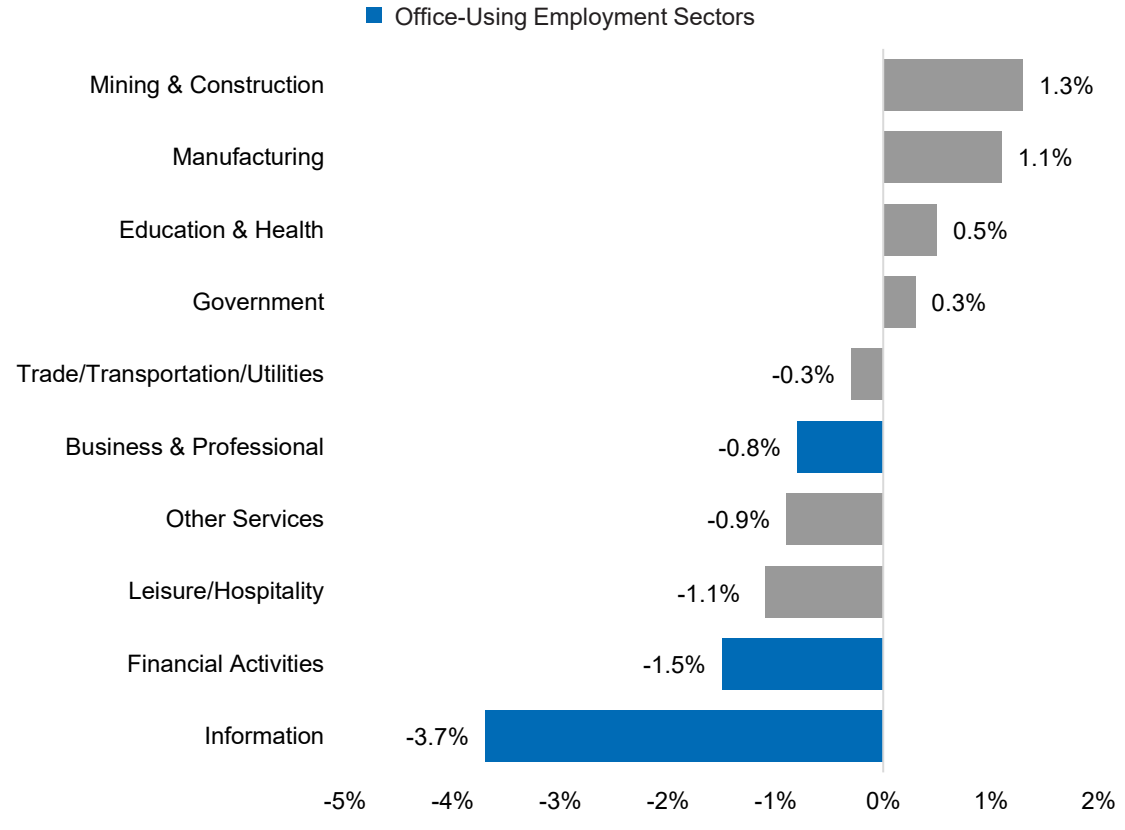
Office-Using Sectors Lead Broward's Job Losses

Broward County's top three employment industries, trade/transportation/utilities, business and professional services, and education and health make up 54.4% of total employment in the area. The trade/transportation/utilities sector represents the largest industry at 21.7%, while business and professional services—the largest driver of office-using employment in the metro—comprises 19.0% of total employment, and education and health make up 13.7% of all jobs. Just four out of the ten main employment sectors reported job growth: mining and construction showed 1.3% annual growth, manufacturing expanded by 1.1%, and the education and health and government sectors grew by 0.5% and 0.3%, respectively. All office-using employment sectors reported annual job losses. Business and professional services contracted by 0.8%, financial activities by 1.5%, and the information sector by 3.7%.

Employment by Industry, 3Q26



Employment Growth by Industry, 12-Month % Change, 3Q26

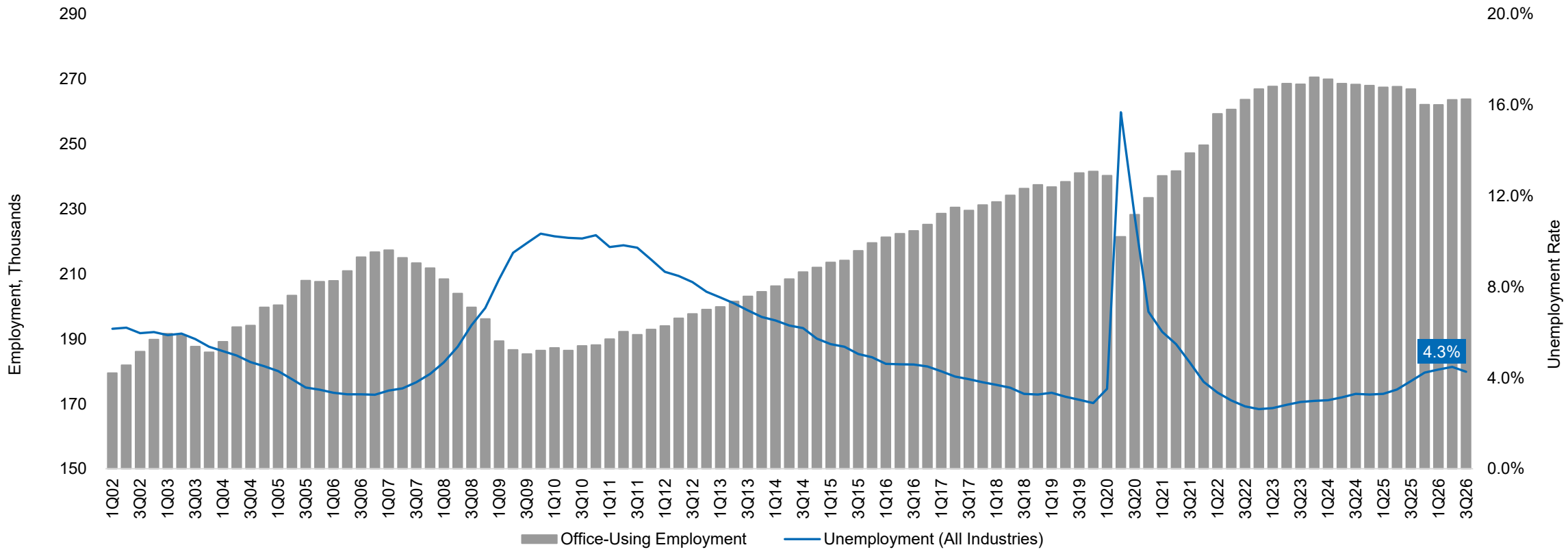


Source: Oxford Economics, Fort Lauderdale-Pompano Beach-Sunrise MSA

Office-Using Employment Holds Steady

Despite annual job losses, Broward County's office-using employment totaled 263,800 jobs in the third quarter of 2026, up 0.1% from the prior quarter. This marked the second straight quarterly gain, following a 1.8% drop in the fourth quarter of 2025 and a flat first quarter of 2026. On a year over year basis, office-using employment is still down 1.2%, or about 3,100 jobs, with all three office-using sectors losing jobs and the information sector falling the most, contracting by 3.7%. The total sits 2.5% below its fourth-quarter 2023 peak but 9.2% above pre-pandemic levels. The market's overall seasonally adjusted unemployment rate fell 21 basis points from the prior quarter to 4.3%, though it is still 42 basis points higher than a year ago.

Office-Using Employment* and Unemployment Rate Across All Industries



Source: Oxford Economics, Fort Lauderdale-Pompano Beach-Sunrise MSAD

*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

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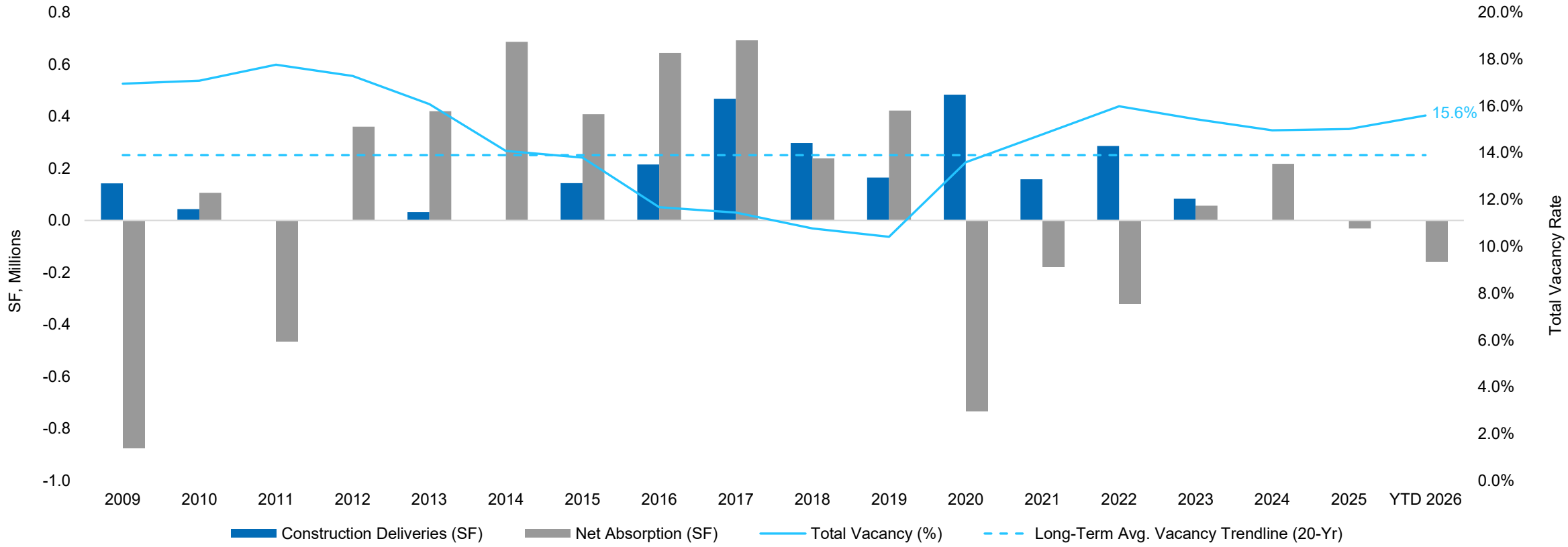
Leasing Market Fundamentals



Office Demand Rebounds, Driving Quarterly Decline in Vacancy

Demand in the Broward office market bounced back after two consecutive quarters of occupancy losses, posting positive absorption of 100,642 SF in the third quarter of 2026 and bringing the year-to-date total to negative 159,053 SF. On the supply side, the market has gone nearly three years without any new office deliveries. However, that is expected to change in the coming months as T3 FAT Village East is expected to deliver 176,500 SF in the first quarter of 2027. As demand turned positive in the quarter, the vacancy rate declined 20 basis points quarter over quarter to 15.6%, remaining above the market's 20-year average of 13.9%.

Historical Construction Deliveries, Net Absorption, and Vacancy

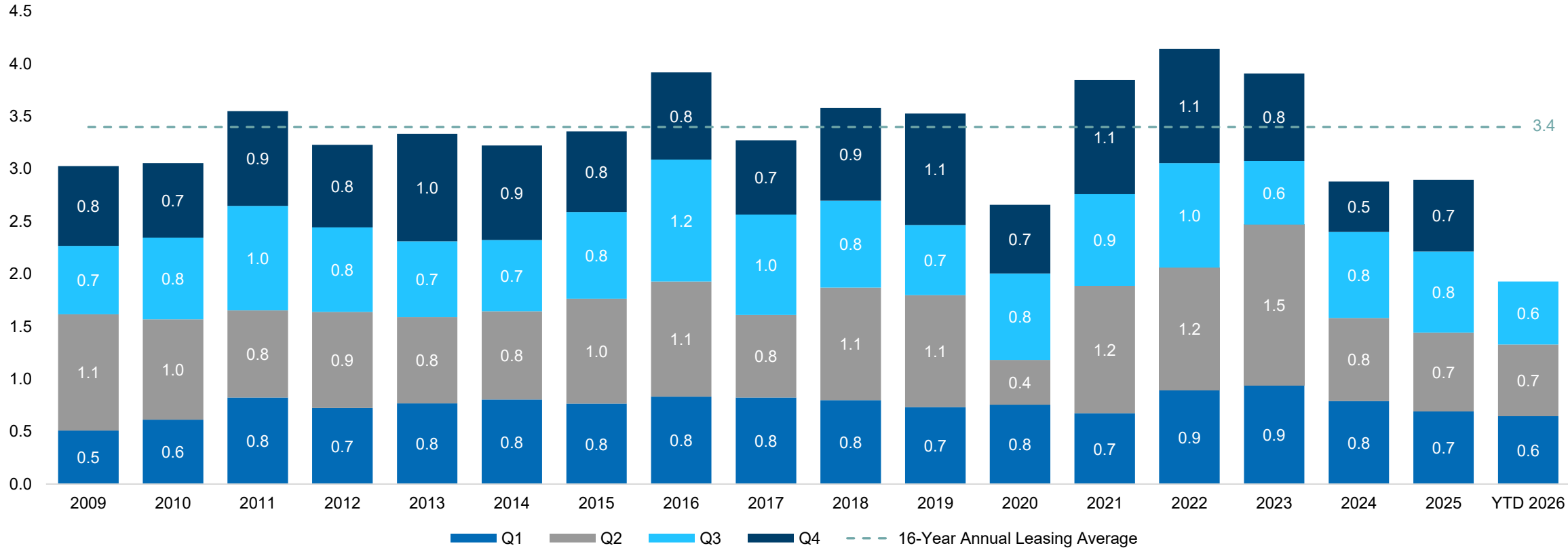


Source: Newmark Research, CoStar

Leasing Volume Slows Quarter Over Quarter

As of the third quarter of 2026, leasing volume dipped 12.3% quarter over quarter to 599,038 SF. Third-quarter leasing activity remained 27.9% below the 16-year third-quarter average of 830,931 SF and 22.3% below the third-quarter volume reported in 2025. Deal count fell by just four transactions quarter over quarter to 208, marking the fourth consecutive quarter of declining deal activity. Smaller deals drove most of the quarterly decline: average deal size fell by 341 SF to 2,880 SF, well below the pre-pandemic average of 3,588 SF. Leasing is now running below its long-term norm and is likely to remain constrained as supply remains limited.

Total Leasing Activity (MSF)



Source: Newmark Research, CoStar

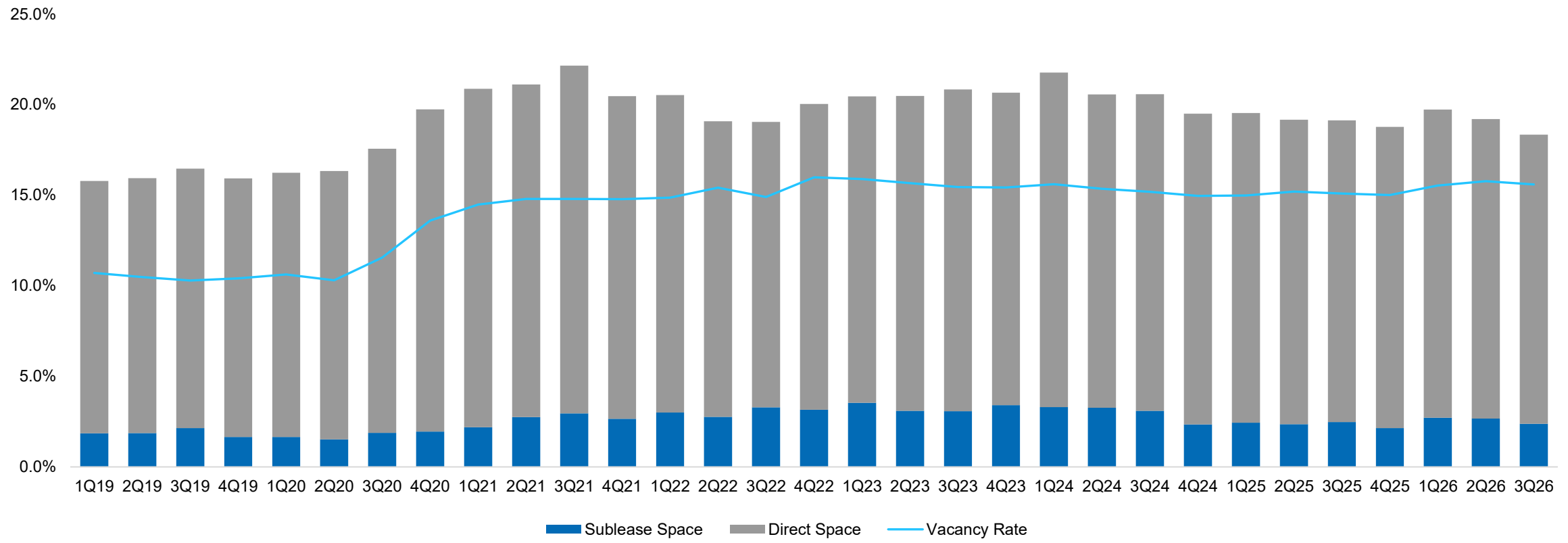
Class A Vacancy Rises as Availability Dips

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Office Availability Declines as New Supply Remains Limited

As of the third quarter of 2026, Broward County's direct availability declined by 60 basis points quarter over quarter to 16.0% and sublease availability declined by 30 basis points to 2.4%. Over the same period, total availability in the market declined to 18.3% from the prior quarter, marking a 90-basis-point decline. As a result of the decline in availability, the market's vacancy rate dipped 20 basis points quarter over quarter to 15.6%. 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 East delivers, before gradually declining as the project is leased.

Available Space as Percent of Overall Market

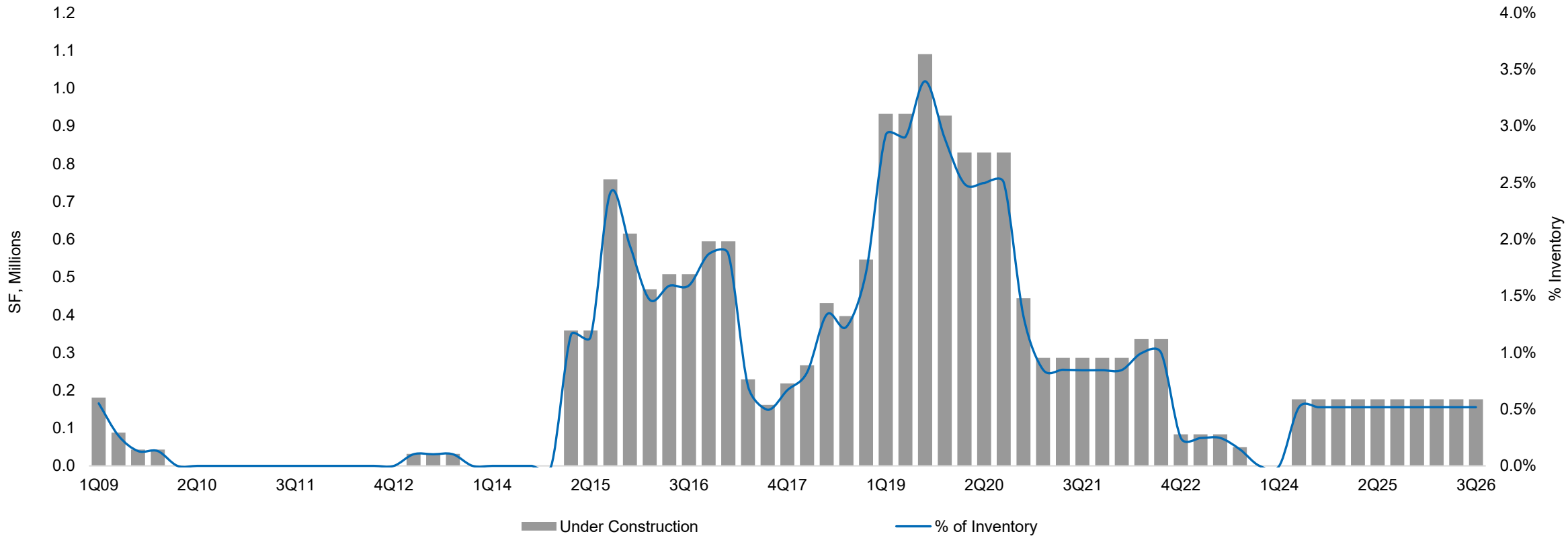


Source: Newmark Research, CoStar

Development Activity Remains Muted

There is currently 176,500 SF of office space under construction, or 0.5% of the market's total inventory, in Broward County as of the third quarter of 2026 – a level that has remained unchanged since mid-2024. The sole project underway is T3 FAT Village East being developed by Hines in the Fort Lauderdale CBD, which is expected to deliver in early 2027. Absent new starts, its completion would reduce the active construction pipeline to zero, a level not seen since the first quarter of 2024. However, a potential Phase II of T3 FAT Village East could reinvigorate development activity, subject to timing and approvals.

Office Under Construction and % of Inventory

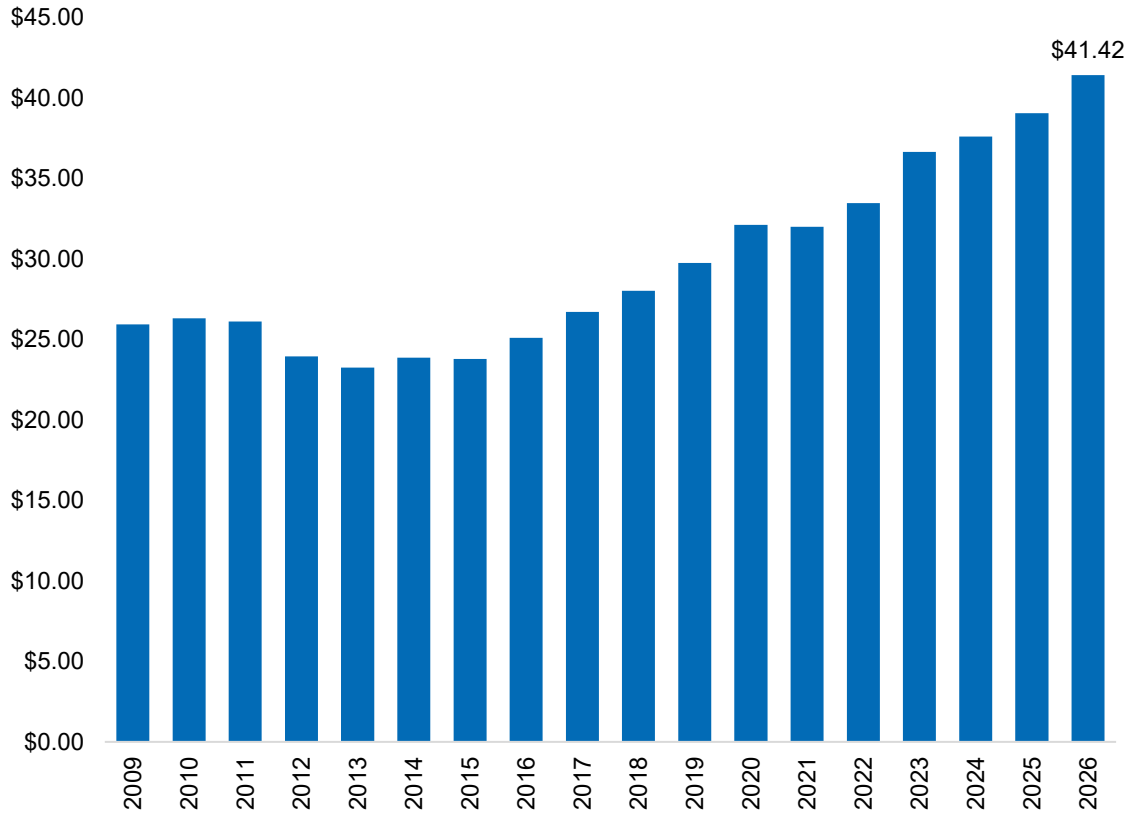


Source: Newmark Research, CoStar

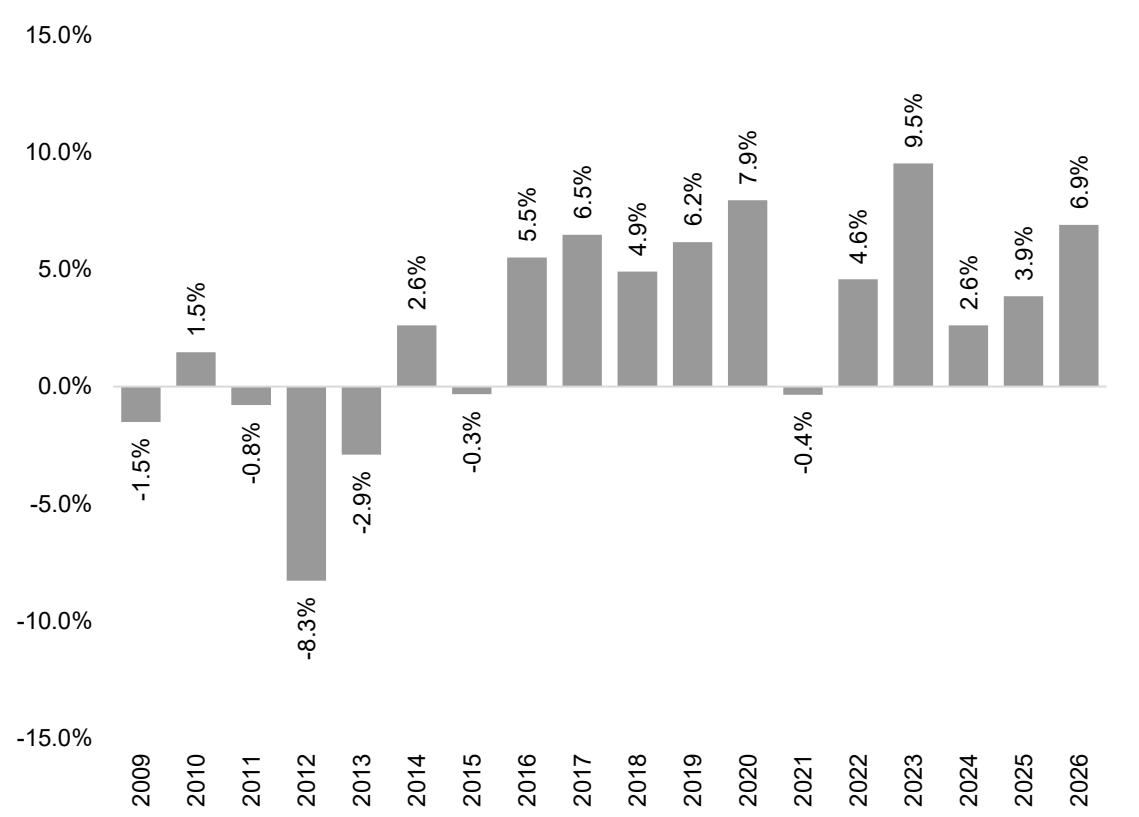
Asking Rents Hit Record High as Supply Remains Limited

As of the third quarter of 2026, asking rents rose to a new all-time high of $41.42/SF, marking quarter over quarter and year over year increases of 0.8% and 6.9%, respectively. Broward County's constrained supply of office space, combined with a declining availability rate for existing product has pushed overall rents higher and are likely to keep pressure on pricing, with only one project remaining in the development pipeline.

Office Average Asking Rent, $/SF, FS



Year-over-Year Asking Rent Growth Rate

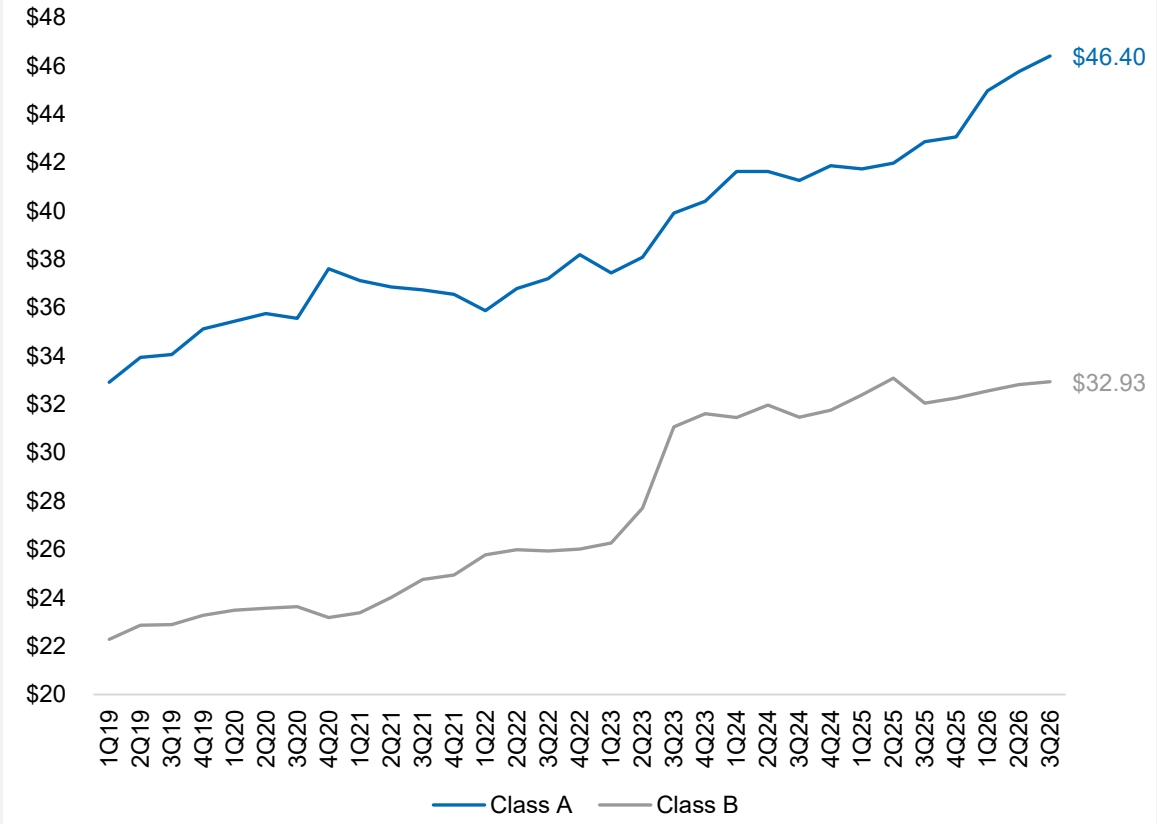


Source: Newmark Research, CoStar

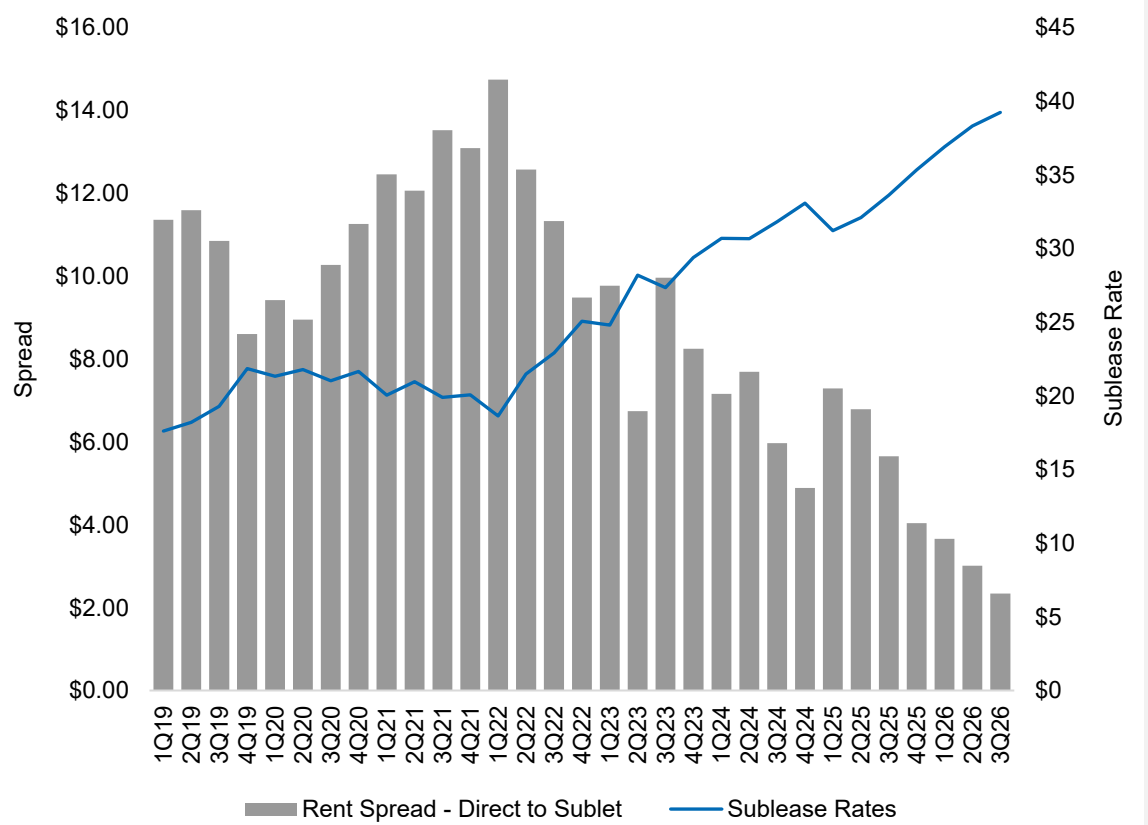
Class A Office Rents Reach New High, Widening Premium Over Class B

Class A average asking rents in the Broward County office market reached a new record high for the sixth consecutive quarter in the third quarter of 2026, rising 1.4% quarter over quarter to $46.40/SF. Class B asking rents also rose quarter over quarter, albeit more modestly, climbing 0.3% to $32.93/SF. The gap between Class A and Class B rents continues to widen, reaching an all-time high of $13.47/SF. At the same time, sublease asking rents climbed 2.4% to $39.24/SF, narrowing the gap with direct asking rents to $2.34/SF as sublease pricing continued to strengthen. In the near term, Class A rents are expected to remain elevated as demand continues to concentrate in higher-quality product, and the supply of this space remains tight.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research, CoStar

Larger Deals Drive Growth in Class A Leasing Activity

Class A leasing volume in the Broward County office market totaled 276,206 SF in the third quarter of 2026, accounting for 46.1% of the market's 599,038 SF of total activity. Class A volume increased 43.6% quarter over quarter, while the number of transactions ticked up slightly, rising from 56 in the previous quarter to 57 in the third quarter, indicating that larger deals drove the growth rather than the overall number of deals done. Additionally, the average Class A deal size rose 41.1% in the quarter, climbing from 3,434 SF in the second quarter to 4,846 SF in the third quarter.

Notable 3Q26 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
U.S. General Services Administration	8501 W Sunrise Blvd	Plantation	Renewal	56,311
The United States General Services Administration renewed its existing lease for 56,311 SF in Broward County's Plantation submarket.				
GXO Logistics	T3 FAT Village East	Downtown Fort Lauderdale	Direct New	35,300
Greenwich, Connecticut-based global third-party logistics company GXO Logistics leased 35,300 SF at the soon-to-be-delivered T3 FAT Village in the Downtown Fort Lauderdale submarket. The contract logistics specialists will occupy their space upon completion of the building, which is projected to be in March 2027				
Venture X	Sawgrass Lake Center	Sawgrass Park	Direct New	24,921
The co-working and flexible-office operator leased 24,921 SF at Sawgrass Lake Center, marking an expansion of their presence in the Broward County market.				
USI Insurance Services	Caostal Tower	Fort Lauderdale	Renewal	22,165
Insurance brokerage and consultancy firm USI Insurance Services signed a lease renewal for their 22,165-SF space which they have occupied since 2014.				
Calvin Giordano and Associates	Eller Drive Building	Southeast Broward	Renewal	20,483
Calvin Giordano and Associates—a Fort Lauderdale-based engineering and community development firm—renewed its existing lease at the Eller Drive building in the Southeast Broward submarket.				

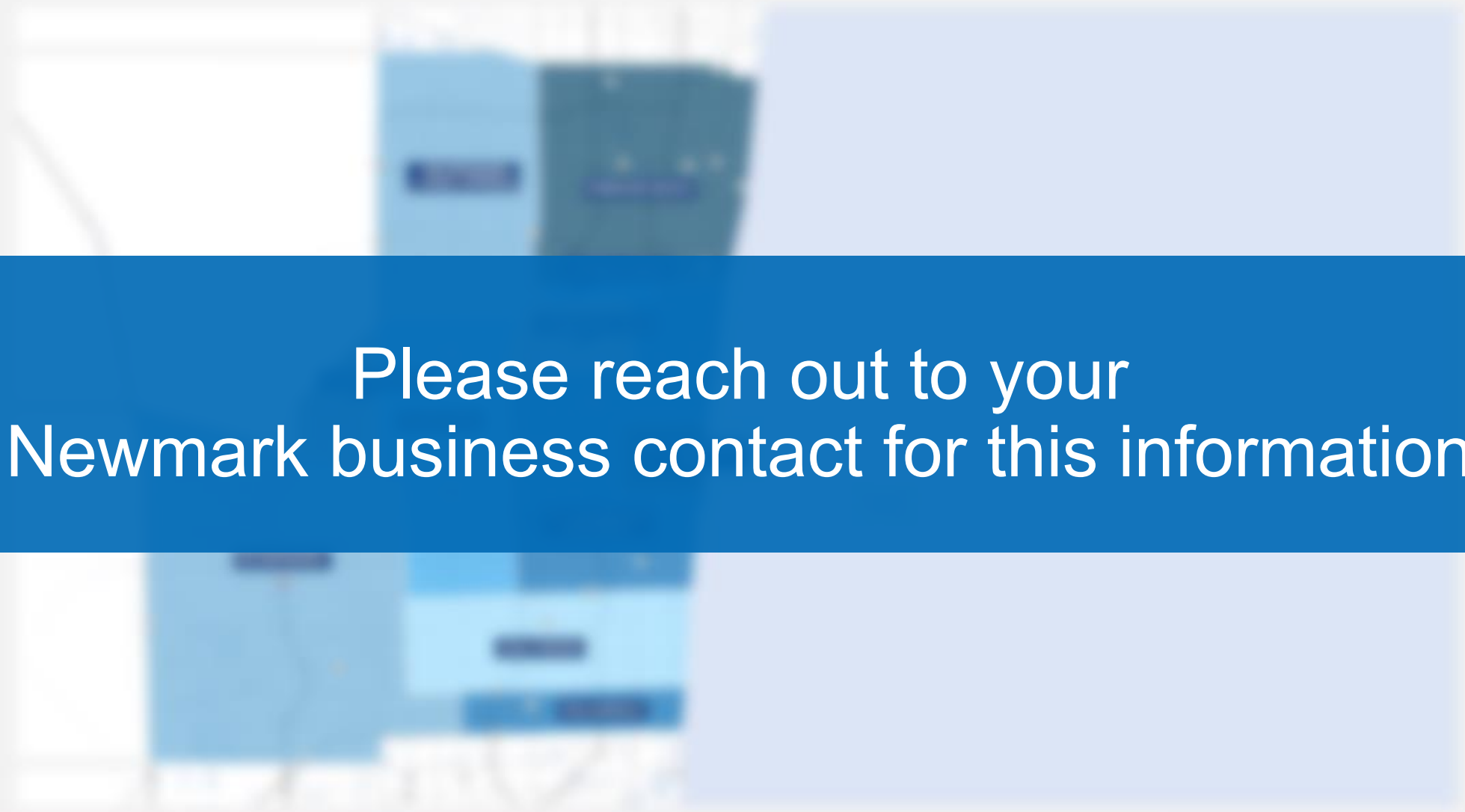
Source: Newmark Research, CoStar

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Market Statistics & Map

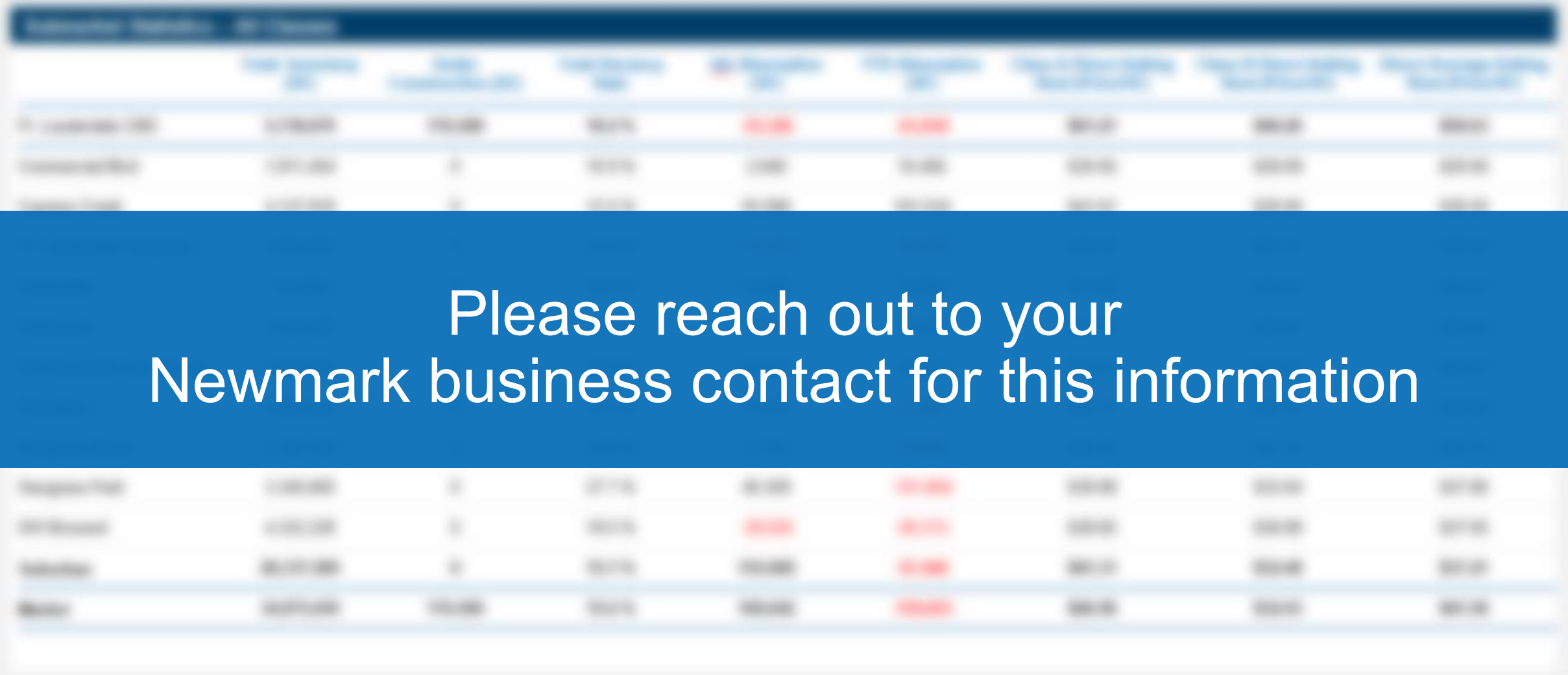


Broward Office Submarket Map



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Broward Office Submarket Overview—All Classes

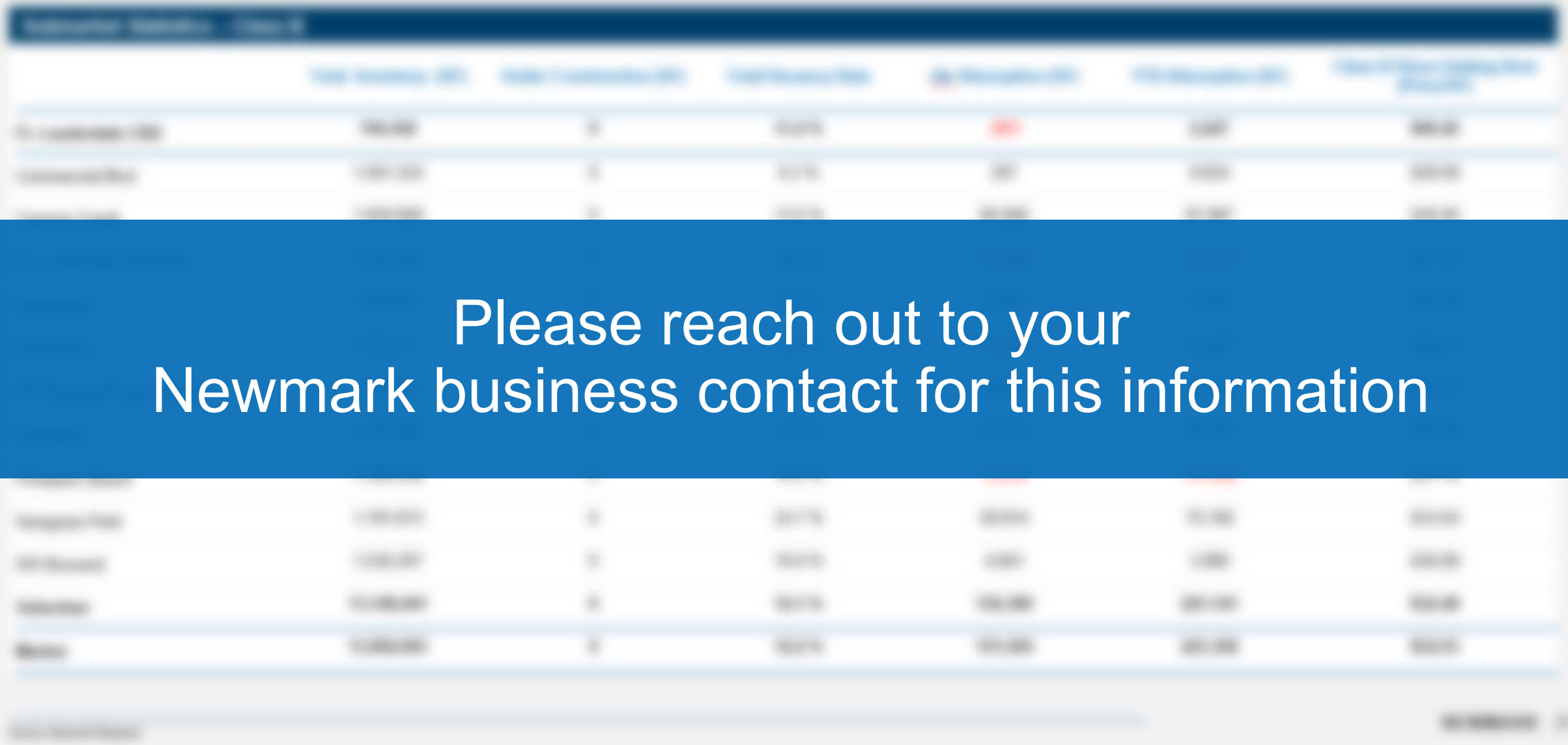


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Broward Office Submarket Overview—Class A

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Broward Office Submarket Overview—Class B



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3Q26 South Florida Office Market Overview







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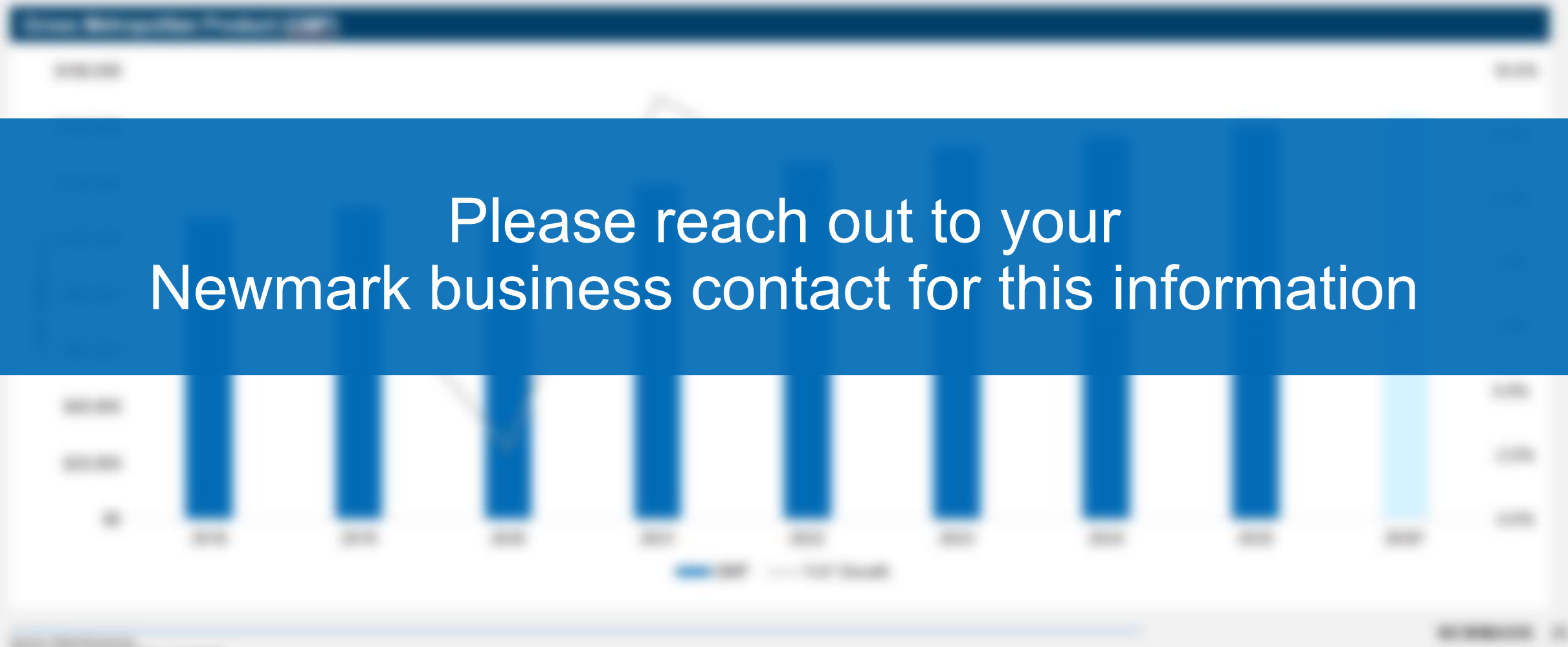
Supplemental Information



Broward Office Market

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Broward County Gross Metropolitan Product Reaches All-Time High

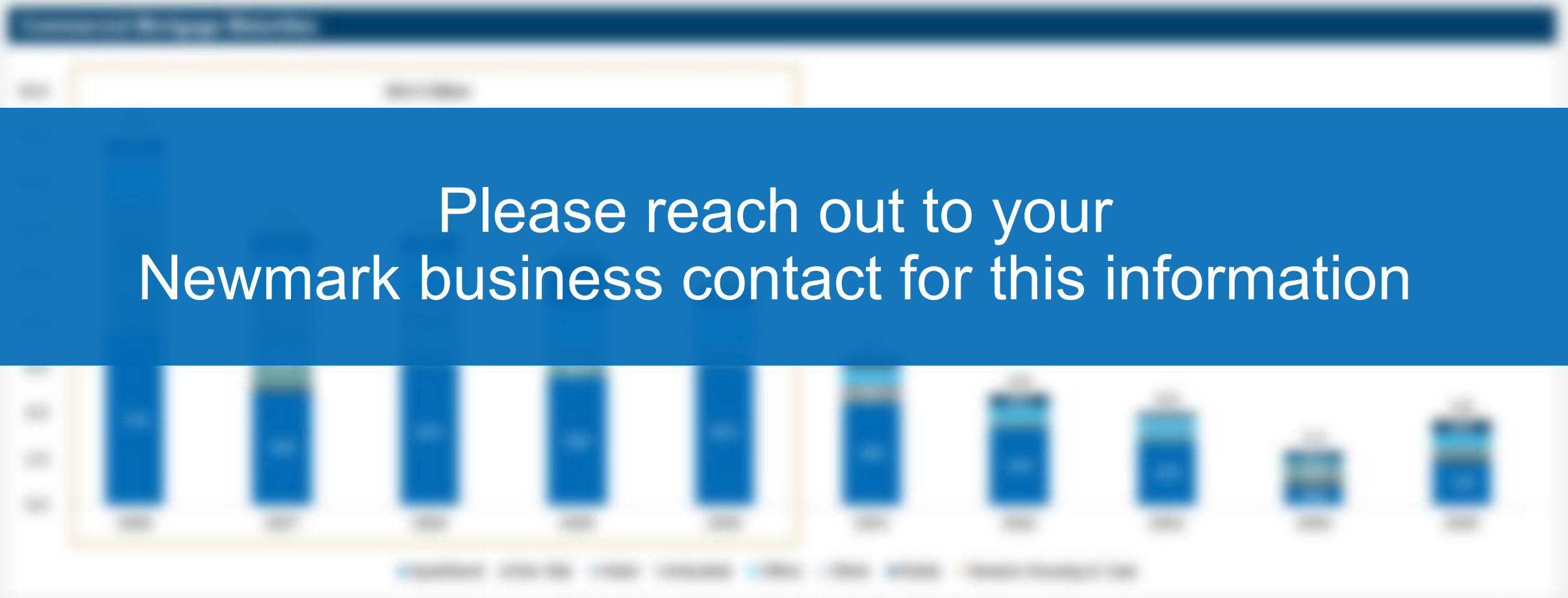


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Loan Maturities Scheduled to Peak This Year

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Multifamily Maturities Particularly Elevated Through 2030, Office Not So Much



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