NEWMARK

Market Overview

Broward County Industrial

4Q25

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Market Observations

Economy

- The market's unemployment rate increased by 34 basis points year over year to 3.7% at the end of September 2025 but remains below the national average of 4.4%.
- Job growth increased by 0.3% year over year to 933,100 jobs by the end of September 2025. Nationally, employment grew at a faster pace of 0.8% year over year.
- Annual employment gains were uneven, led by other services at 3.4%. In all, six of the 10 major sectors recorded annual growth for the period ending September 2025.
- Industrial-using jobs in the market experienced mixed results, with manufacturing contracting by 2.0% year over year, while mining and construction declined by 3.3% over the same period. Meanwhile, the trade/transportation/utilities sector was largely flat at 0.2% growth year over year.

Leasing Market Fundamentals

- The market saw 19,673 SF of positive absorption in the fourth quarter of 2025. On an annual basis, demand was also positive at 51,297 SF, compared to the negative 260,541 SF reported in 2024.
- Deliveries totaled 901,885 SF in the fourth quarter of 2025. Due to this influx of supply outpacing demand, the vacancy rate rose 70 basis points quarter over quarter to 5.4%.
- Overall asking rental rates in the fourth quarter of 2025 increased by 1.9% quarter over quarter to $15.53/SF, but is down 4.3% from the all-time high of $16.23/SF.
- In the fourth quarter of 2025, the under-construction pipeline fell 80.7% quarter over quarter to 269,320 MSF.
- Sublease activity has increased 9.1% quarter over quarter and 12.9% year over year.

Major Transactions

- Garmin International signed the largest deal of the fourth quarter of 2025, leasing three buildings totaling 340,547 SF at Miramar Park of Commerce business park in the Southwest Broward submarket.
- The quarter's five largest deals included one new direct lease and four renewals, one of which included an expansion.
- The Southwest Broward and Pompano Beach submarkets each secured two of the top-five deals of the quarter, underscoring their strategic positioning along the I-75 and I-95 corridors, respectively.

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.
- Given the historically low construction pipeline, currently representing 0.2% of total inventory, new groundbreakings may begin to emerge in 2026.
- Rent growth may be muted in the near term as the market continues to digest elevated levels of new supply in 2025.

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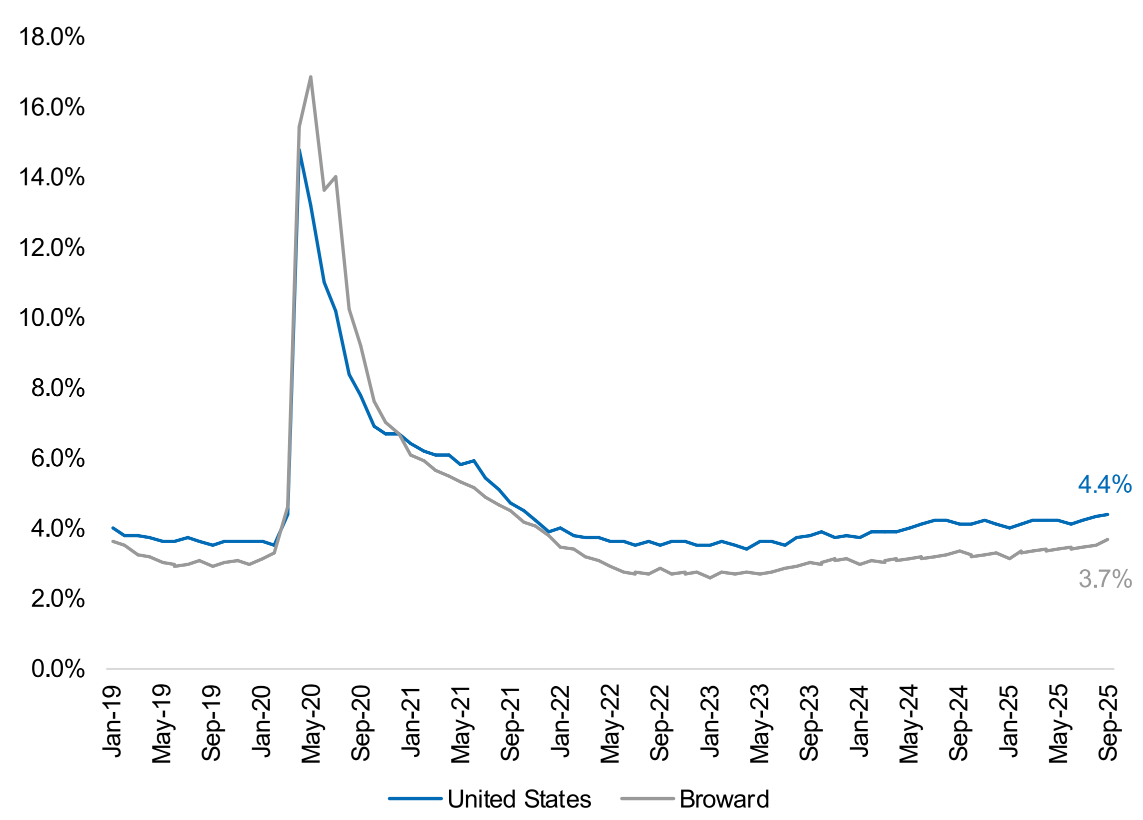
Economy

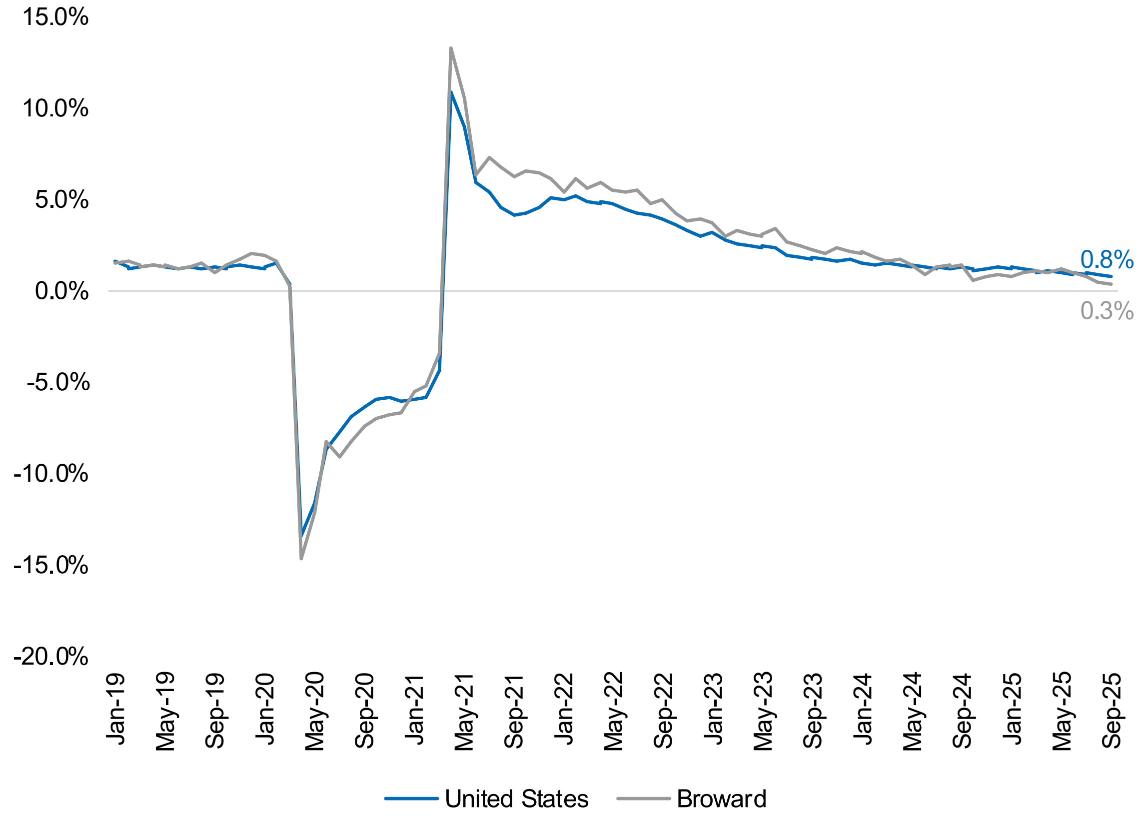
Unemployment Steadily Increasing As Employment Growth Slows

As of September 2025, Broward County's seasonally adjusted unemployment rate was 3.7%, up 34 basis points year over year yet still below the national average. Employment growth, which generally outpaces the U.S., has oscillated around the national rate since March 2024 and recently slipped below it at 0.3% year over year, compared with 0.8% nationally. This reflects a 116-basis-point deceleration in Broward's job growth from a year earlier.

Unemployment Rate, Seasonally Adjusted



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

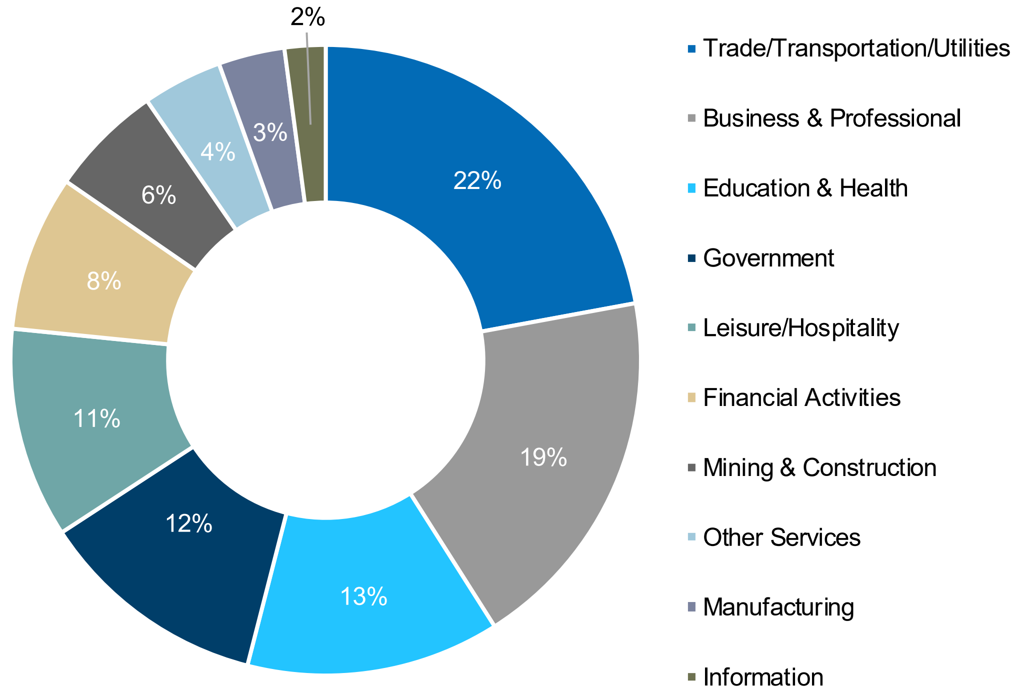


Source: U.S. Bureau of Labor Statistics, Broward County

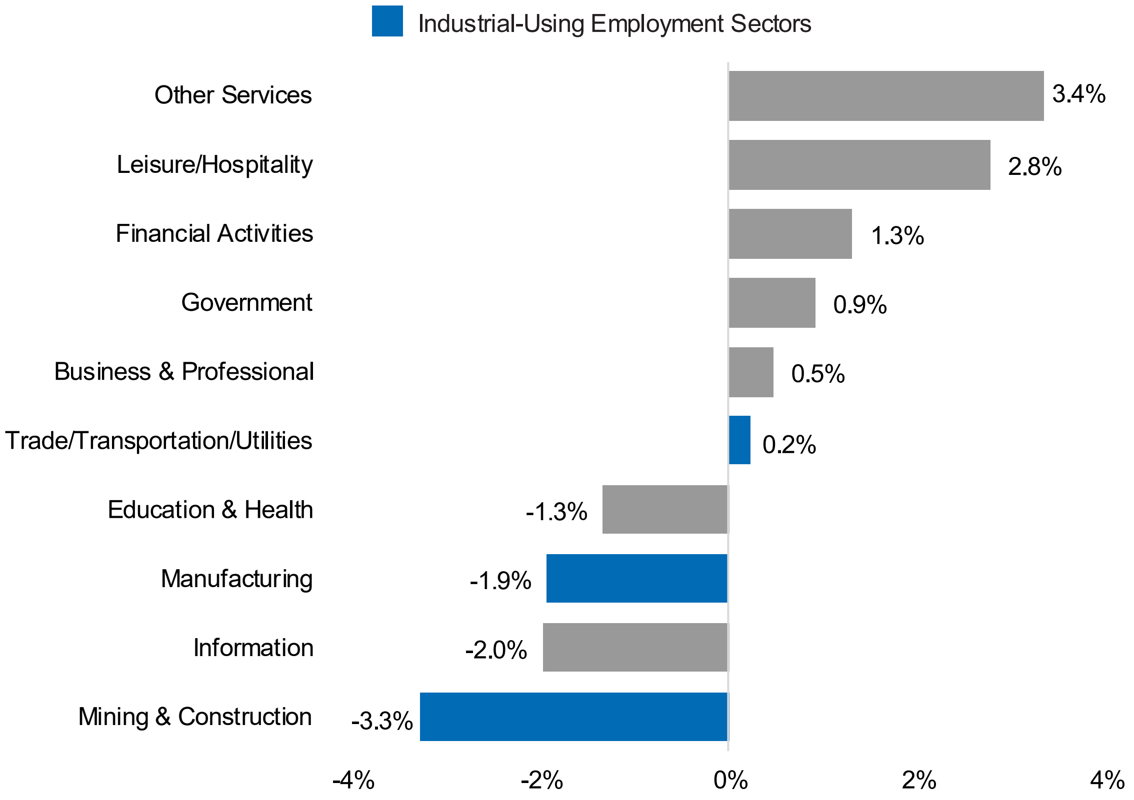
Sector Employment Growth Is Mixed

As of the fourth quarter of 2025, Broward County's two largest industries accounted for 41.0% of total employment. Trade/transportation/utilities is the market's largest employment industry at 22.1%. Year over year, most sectors expanded; except the education and health, manufacturing, information, and mining and construction sectors. Within industrial-using sectors, the trade/transportation/utilities sector had reported annual growth of 0.2%, while the manufacturing and mining and construction sectors declined by 1.9% and 3.3%, respectfully.

Employment by Industry, September 2025



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

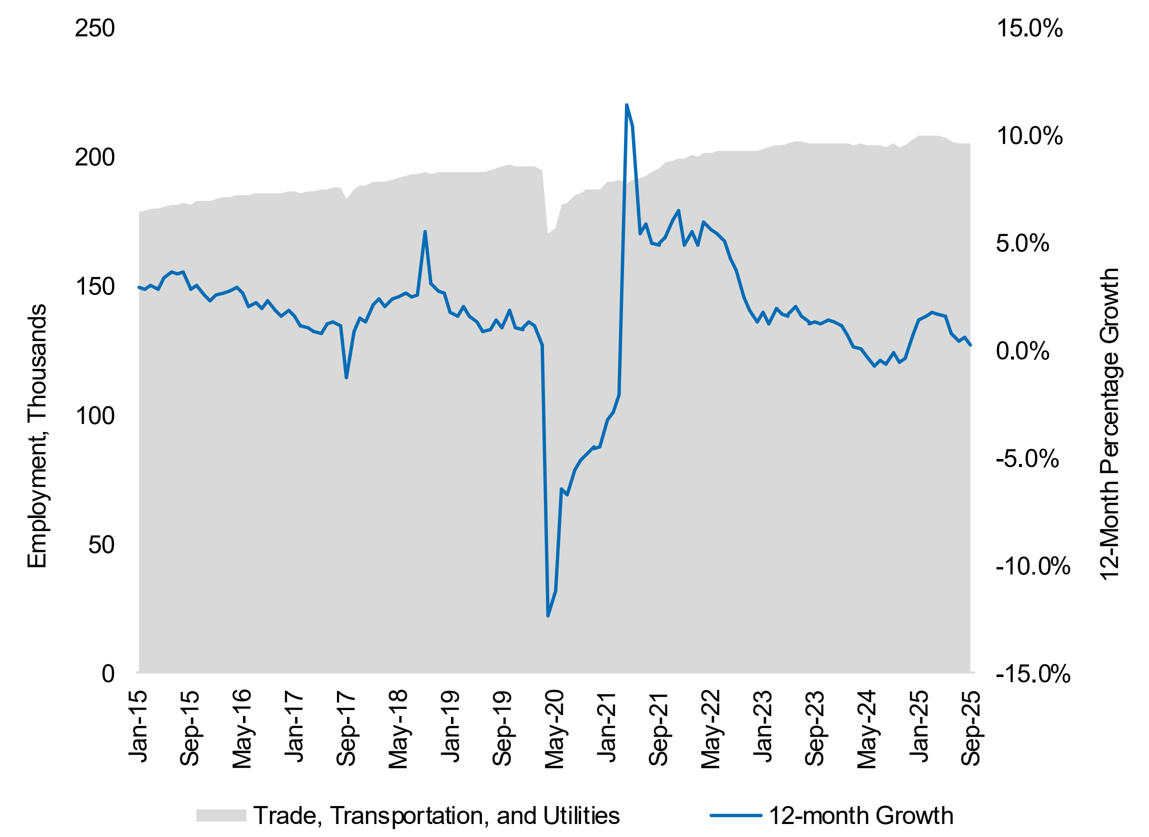


Source: U.S. Bureau of Labor Statistics, Broward County

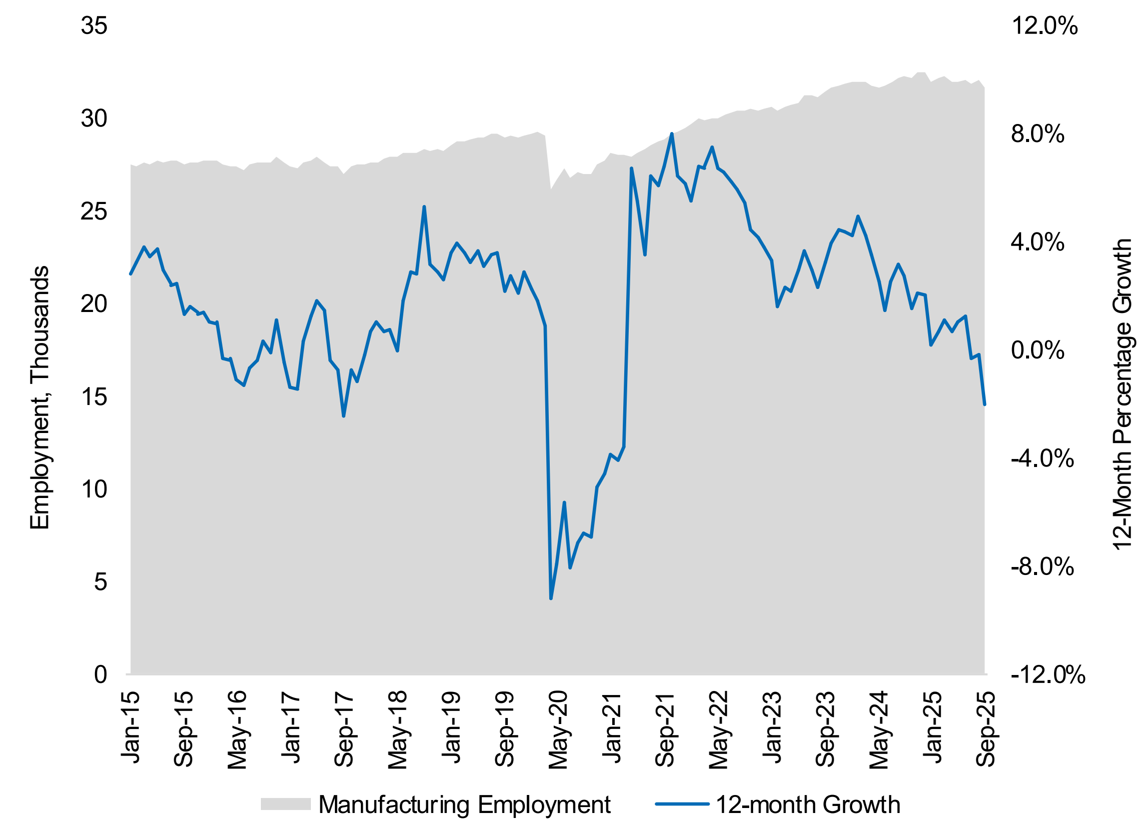
Annual Trade/Transportation/Utilities Employment Growth Remains Steady

Trade/transportation/utilities sector employment in Broward increased slightly in September 2025 to 205,840 jobs, an annual increase of 0.2%, which is just 1.4% below the peak of 208,670 jobs reported in April 2025. Manufacturing employment in the same period reported 31,680 employees, reflecting a 2.0% decrease year over year and remains 2.7% below the all-time high reported in December 2024. The trends indicate that while most industrial-using employment remains near historic peaks, growth has become more muted.

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

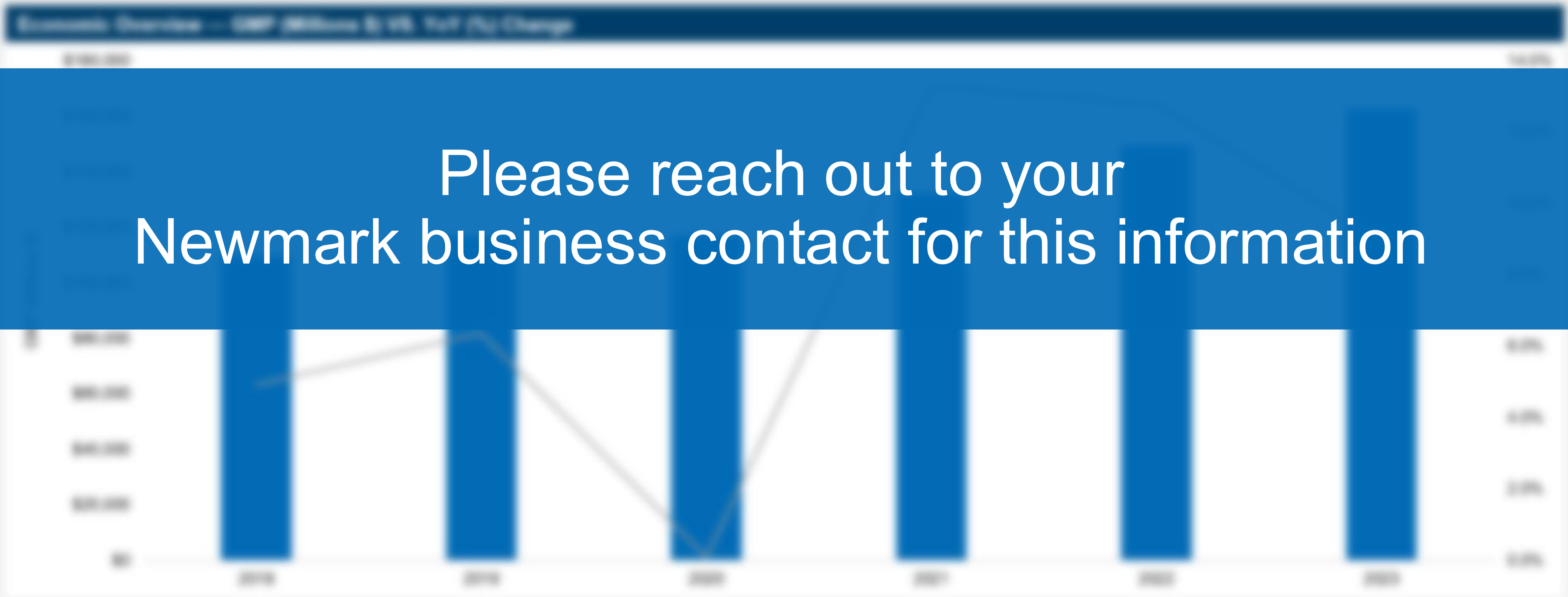


Total Employment and 12-Month Growth Rate, Manufacturing



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

Broward Gross Metropolitan Product



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Source: Moody's

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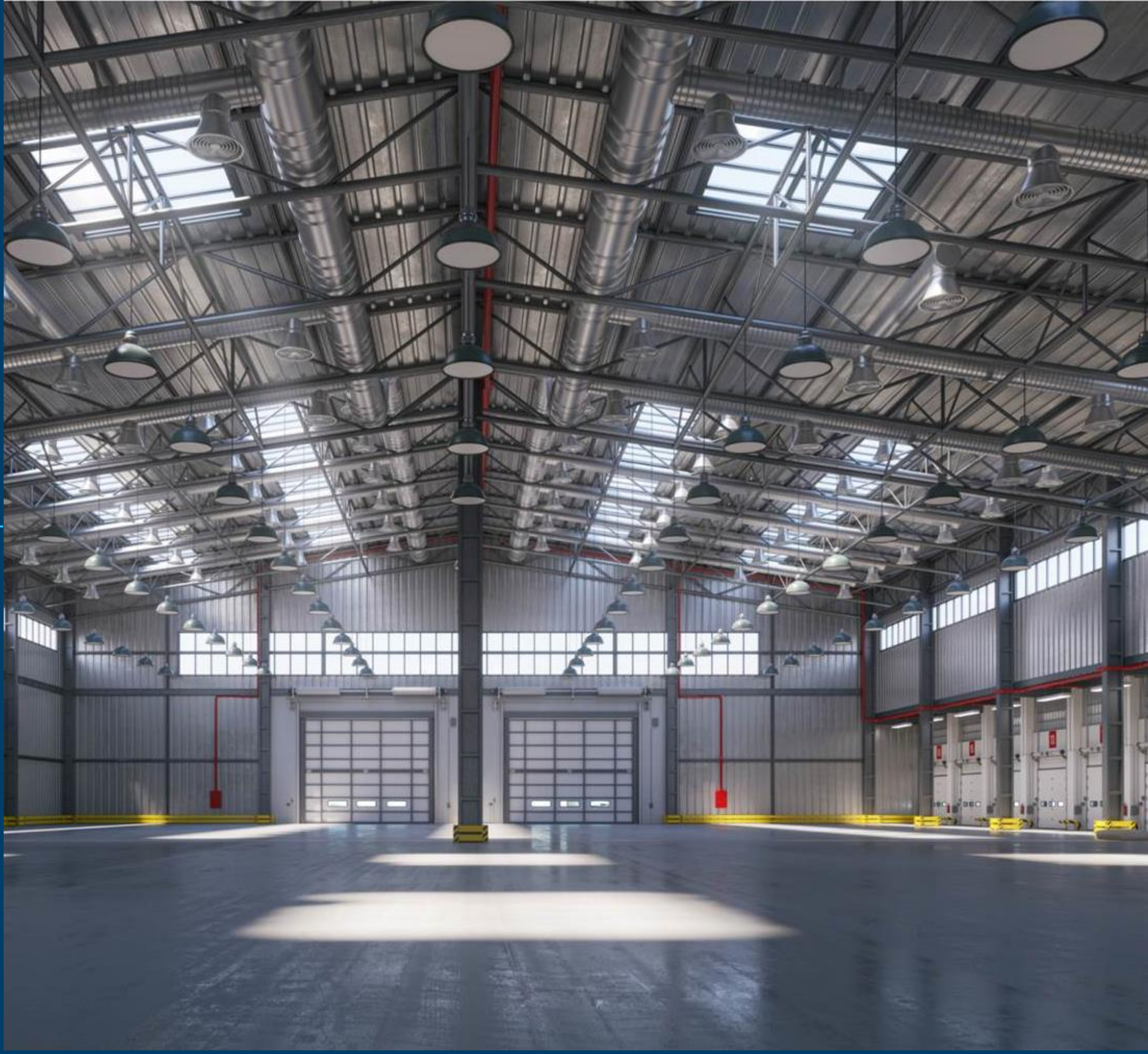
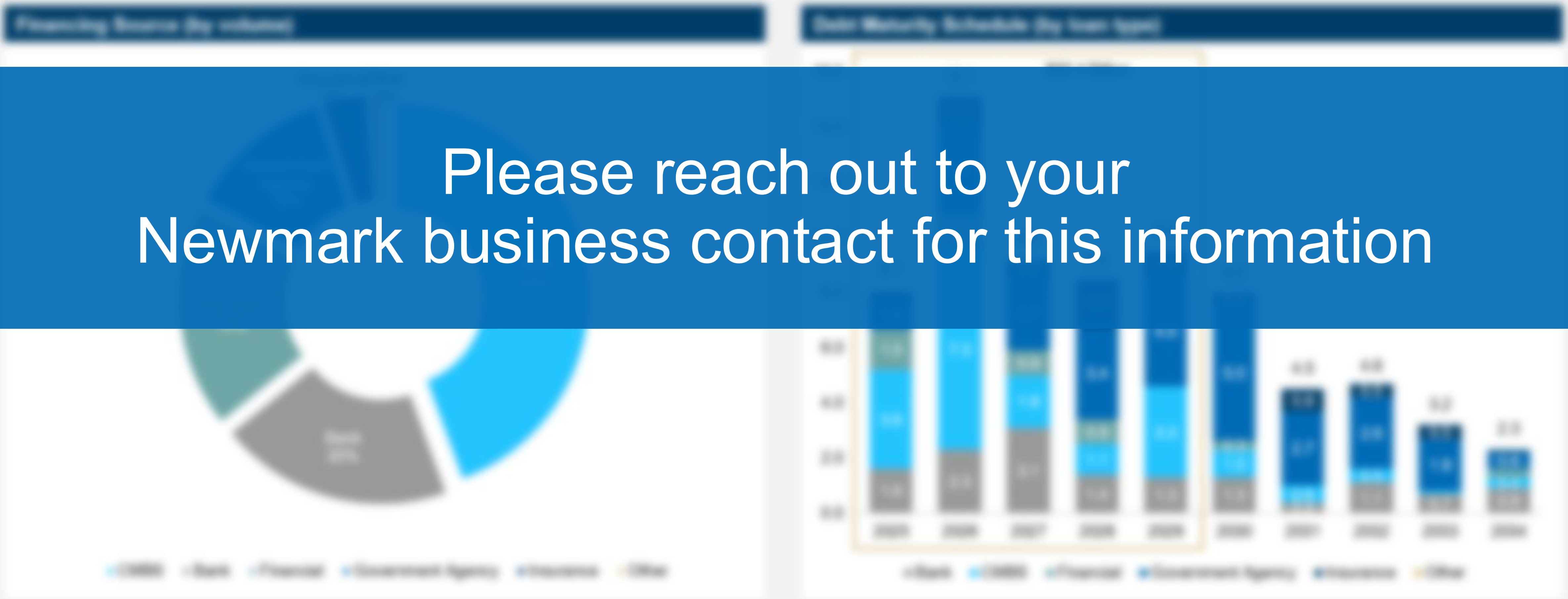
Debt/Capital Markets



Highest Loan Volume Due in 2026



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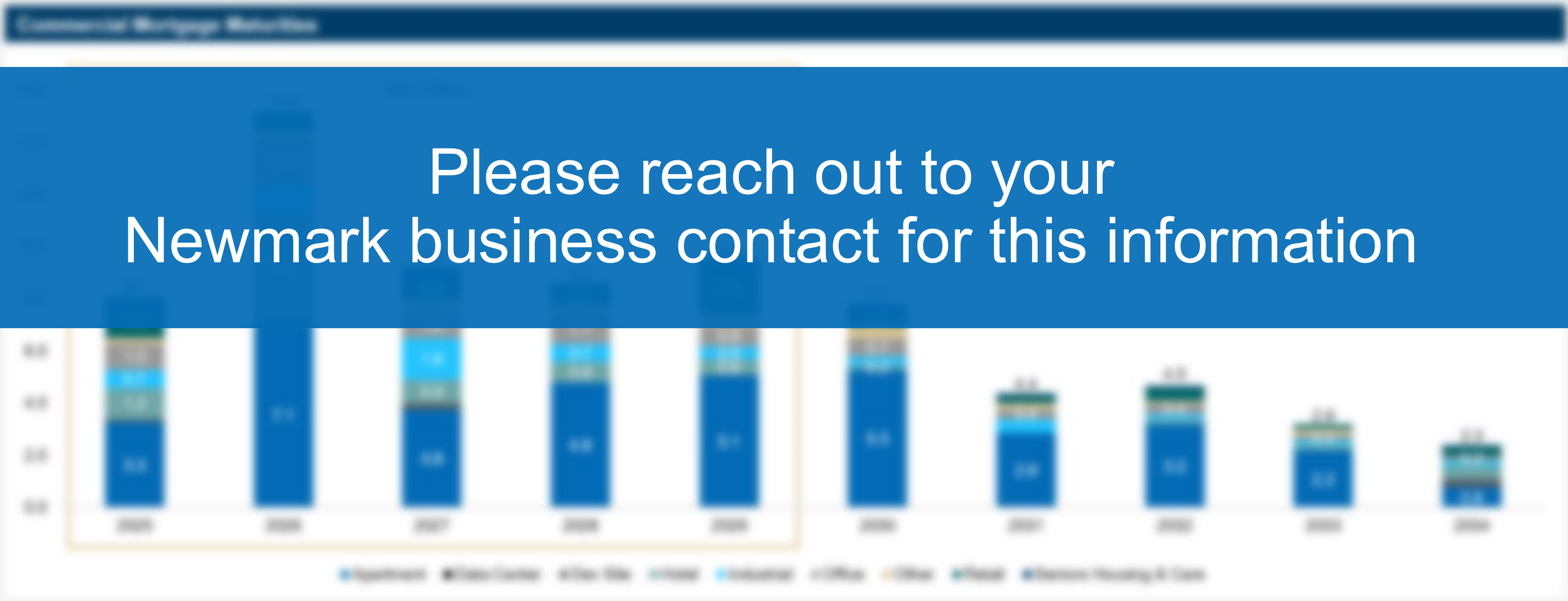
Source: RCA, Newmark Research

Multifamily Maturities Particularly Elevated Through 2029, Office Not So Much



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Source: RCA, Newmark Research

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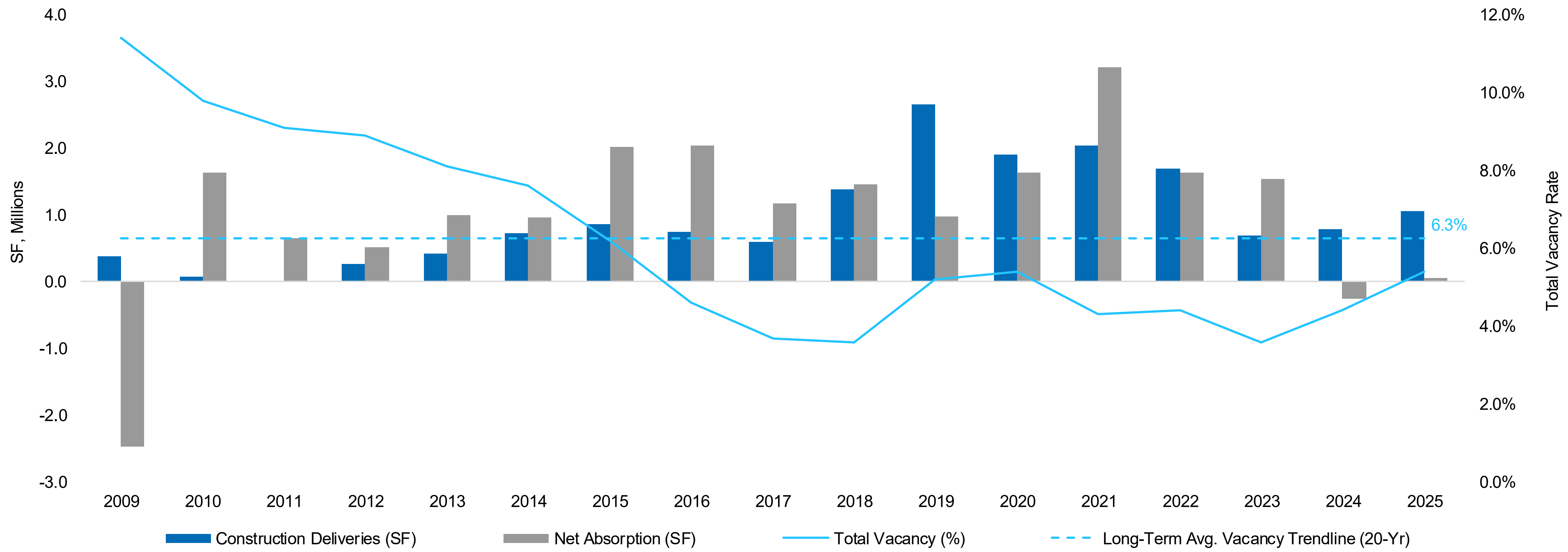
Leasing Market Fundamentals

Total Vacancy Increases as Supply Picks Back Up

Net absorption in the fourth quarter of 2025 totaled 19,673 SF, marking the second consecutive period of positive demand. Five buildings delivered during the quarter, adding 901,885 SF of new supply to the market, the largest volume delivered in a single quarter since the second quarter of 2021. As a result of supply outpacing demand, the vacancy rate increased by 70 basis points quarter over quarter to 5.4%. Despite this, the vacancy rate remains 107 basis points below the 20-year average of 6.3%. Net absorption for 2025 was 51,297 SF, a reversal to the negative 260,541 SF reported in 2024. Deliveries, meanwhile, were 1.0 MSF over the same period, in line with the annual average of 926,426 SF reported between 2010 and 2024.

Historical Construction Deliveries, Net Absorption, and Vacancy

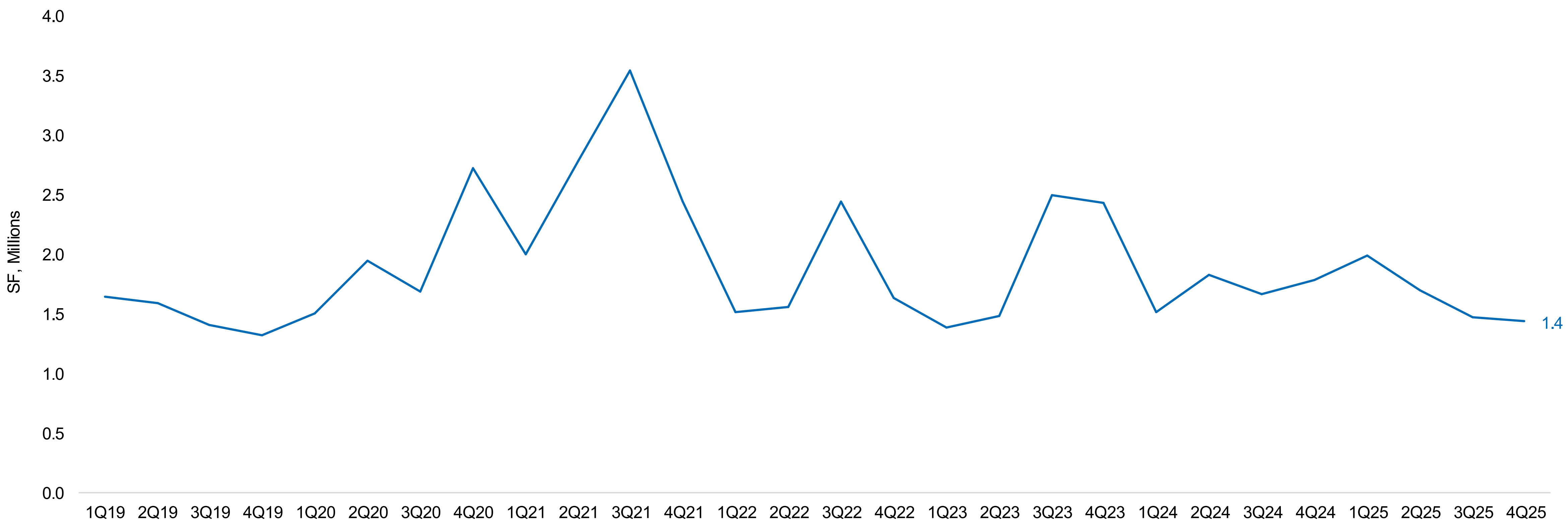


Source: Newmark Research, CoStar

Leasing Activity Declines

Leasing activity in the fourth quarter of 2025 declined by 2.2% quarter over quarter to 1.4 MSF, extending the gradual moderation observed throughout the year. Full-year leasing totaled 6.6 MSF, modestly below the 6.8 MSF recorded in 2024. While activity trended lower on a quarterly basis, 2025 leasing volumes remain broadly in line with pre-pandemic norms, reflecting a market that is recalibrating after the elevated activity levels recorded in 2021 and 2022.

Total Leasing Activity (SF)

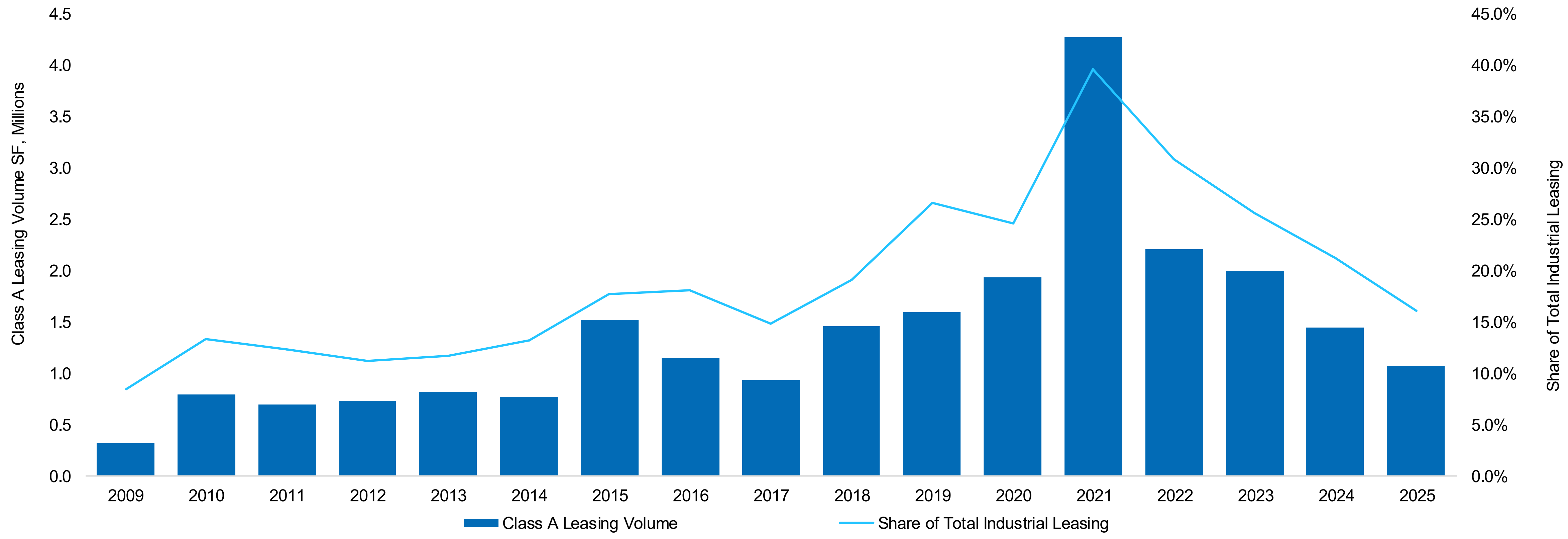


Source: Newmark Research, CoStar

Class A Warehouse Leasing Trends Lower Following Post-Pandemic Peak

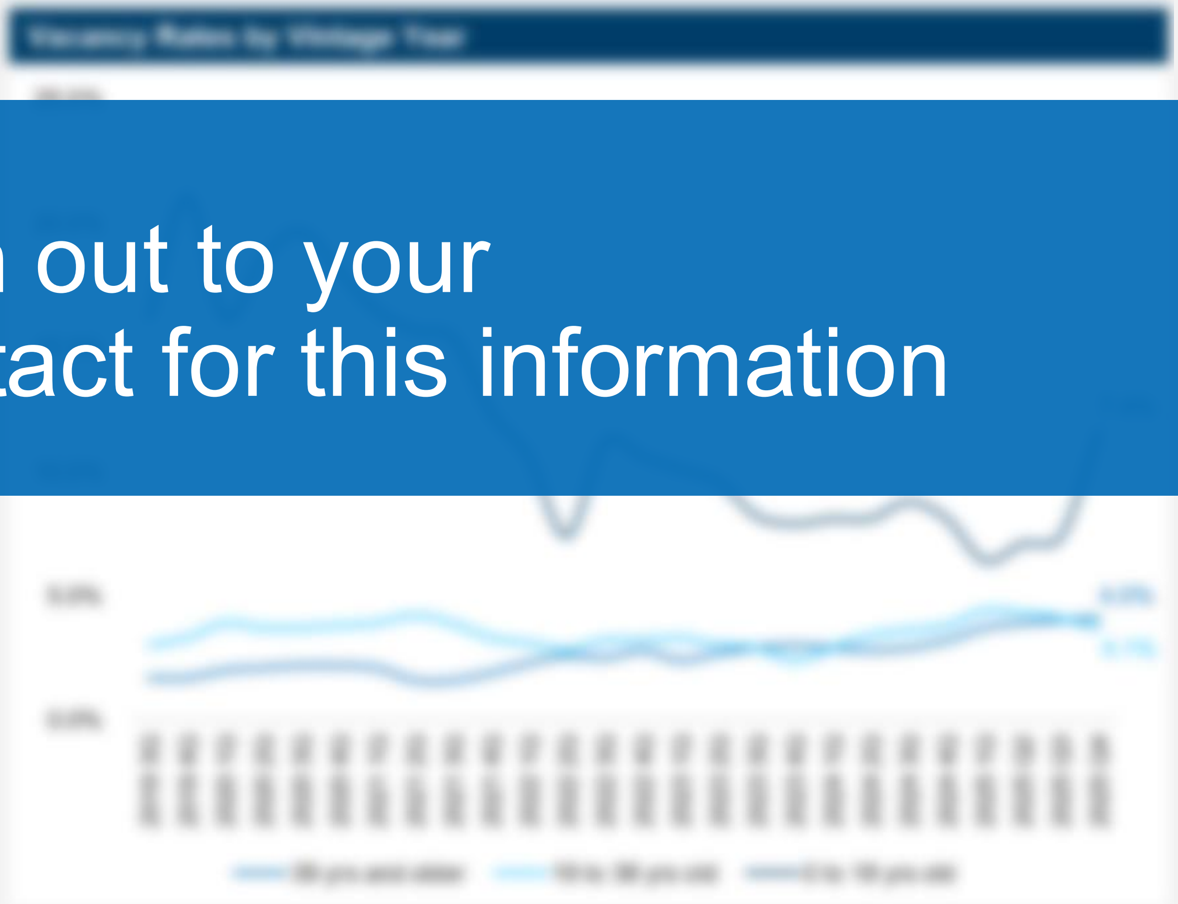
Annual Class A warehouse leasing activity, both in total square footage and as a share of overall industrial leasing, has moderated following the elevated levels recorded in 2021. In the fourth quarter of 2025, Class A leasing volume increased 63.3% quarter over quarter to 183,440 SF, reflecting improved late-year tenant activity. Despite the quarterly gain, Class A leasing accounted for 16.2% of total industrial leasing in 2025, down from 21.2% in 2024, as tenants continued to exhibit a more measured approach to higher-quality space.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume



Source: Newmark Research, CoStar

Preference for Modern Industrial Buildings Drives Demand



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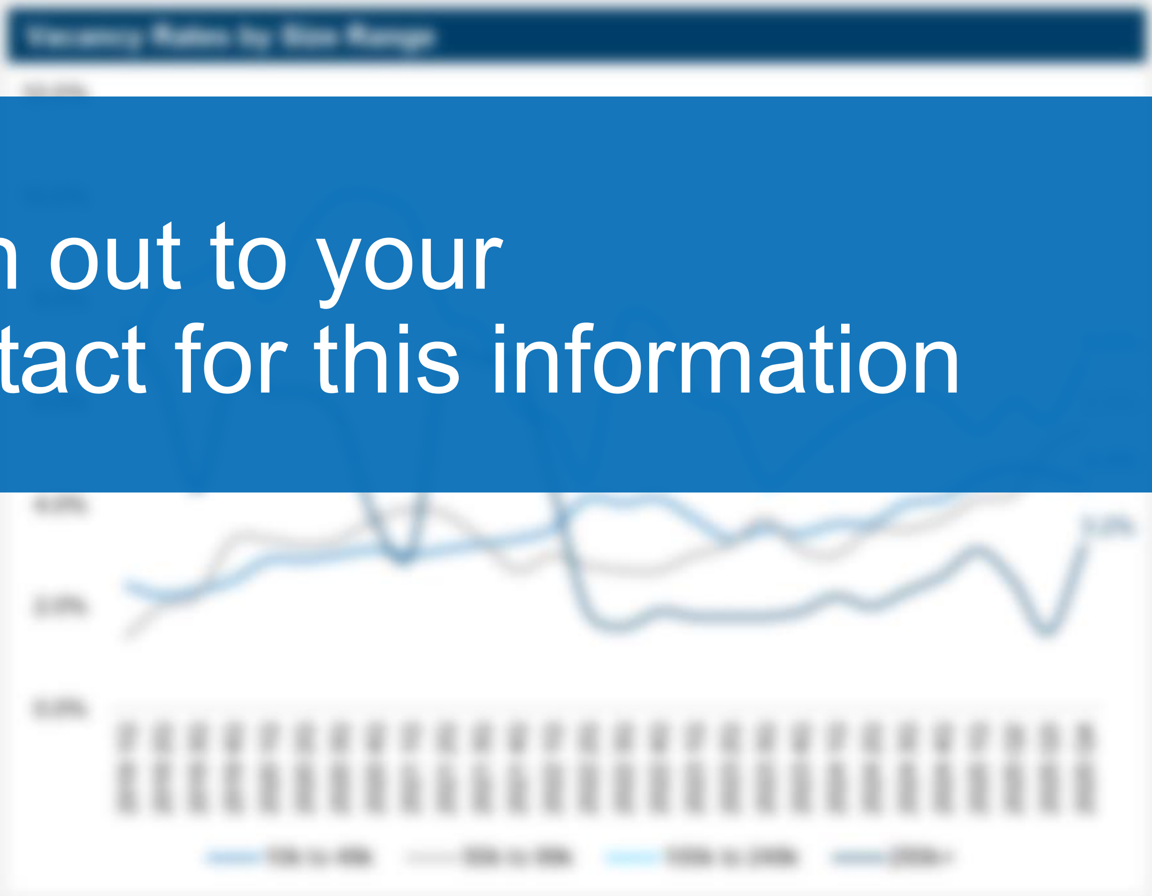
Source: Newmark Research, CoStar

Large Buildings Continue to Drive Absorption as Vacancy Rates Decline



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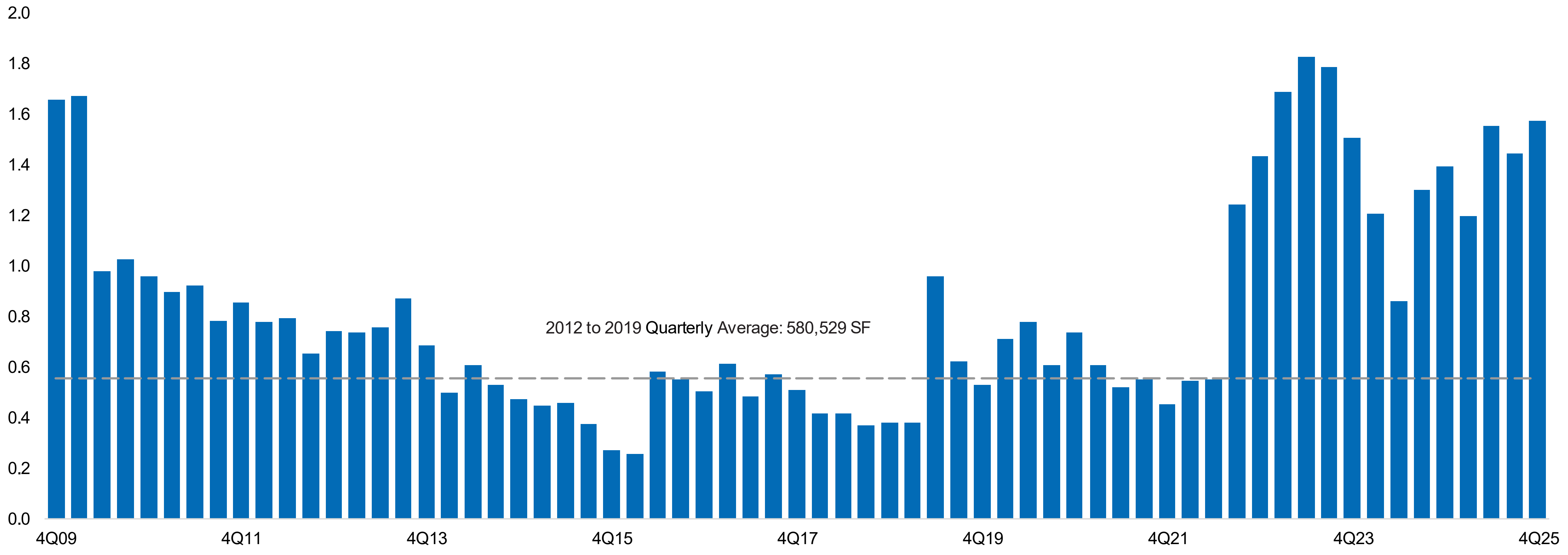
Source: Newmark Research, CoStar

Sublease Inventory Remains Elevated but Below Peak

Sublease volume ended the fourth quarter of 2025 at 1.6 MSF, reflecting increases of 9.1% quarter over quarter and 12.9% year over year. Over the past five years, availability has more than doubled from the 735,490 SF recorded in the fourth quarter of 2020, following a post-pandemic surge that peaked at 1.8 MSF in the second quarter of 2023. The year-over-year increase reflects ongoing portfolio rationalization as occupiers continue to shed underutilized space.

Available Industrial Sublease Volume (msf)

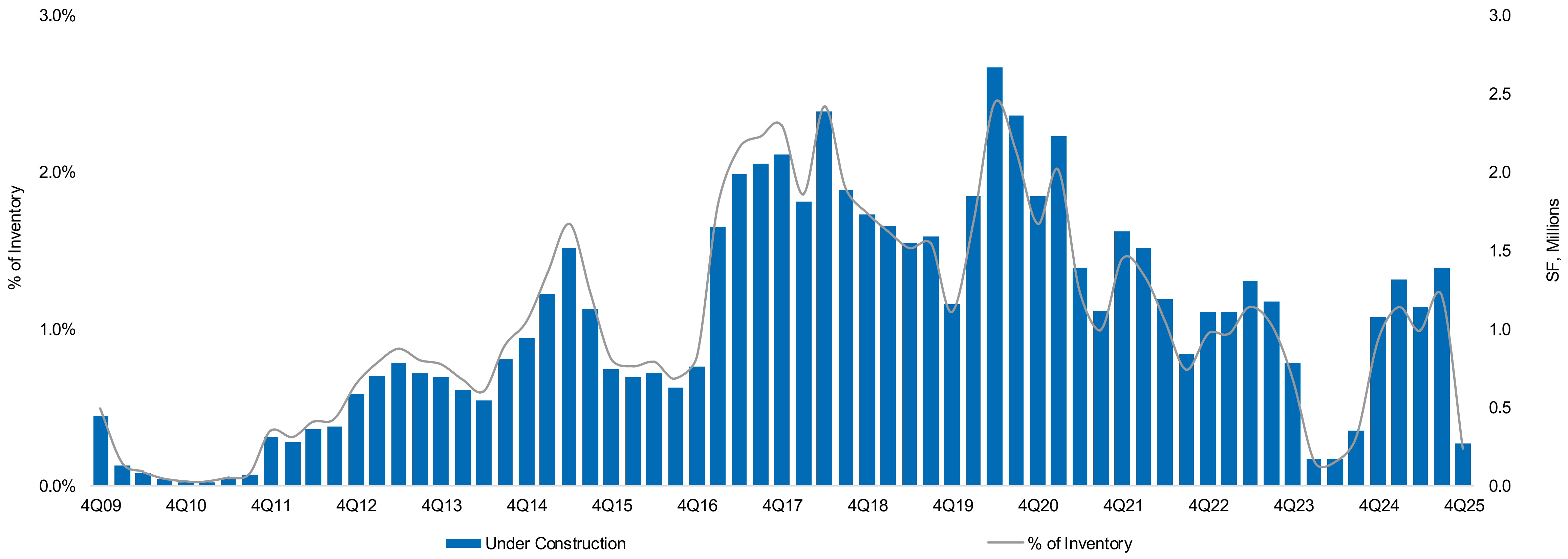


Source: Newmark Research, CoStar

Construction Pipeline Slows from Yearly Gains

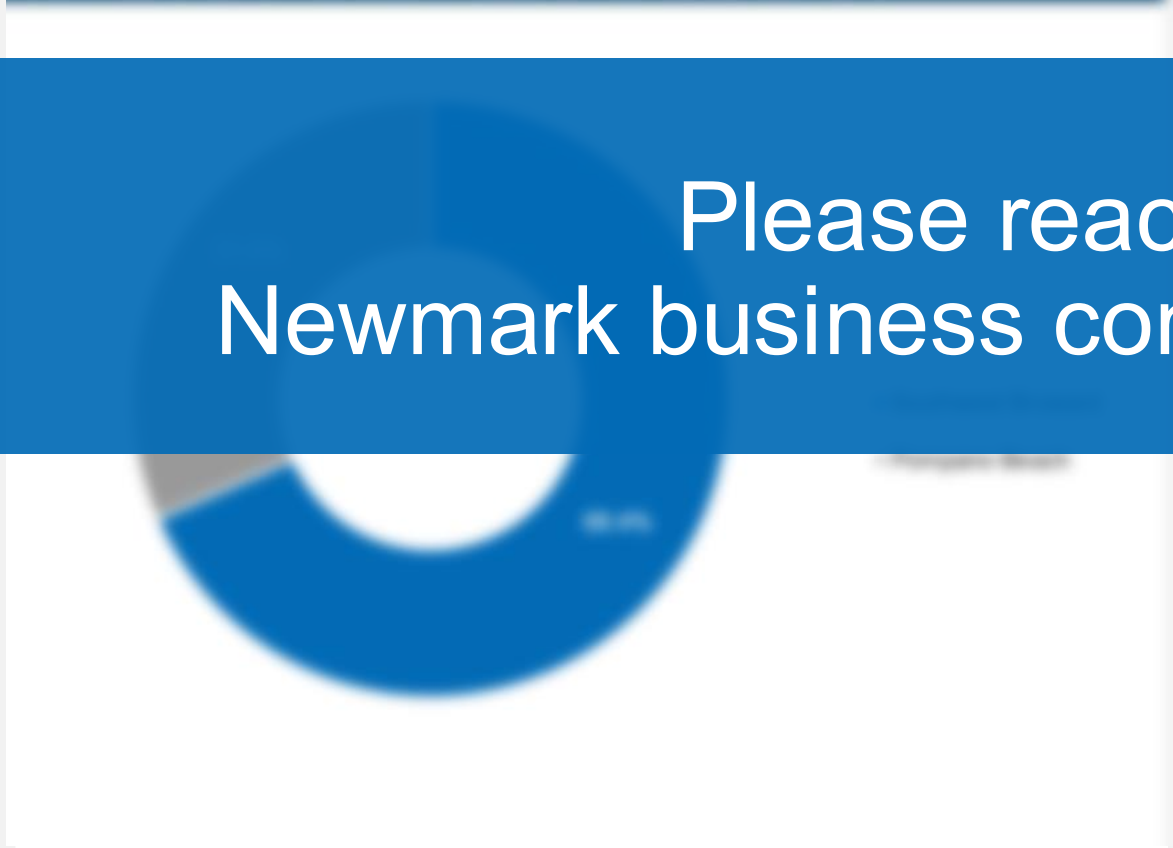
The under-construction pipeline fell to 269,320 SF at the end of the fourth quarter of 2025, reflecting an 80.7% quarter-over-quarter decrease. Three projects are slated to be completed in the first quarter of 2026: Andrews Logistics, a fully leased 84,000 SF building, and two buildings at Apex Logistics Park totaling 182,000 SF. The upcoming pipeline represents just 0.2% of existing industrial supply, a notable pullback from the 1.2% average recorded between the first and third quarters of 2025.

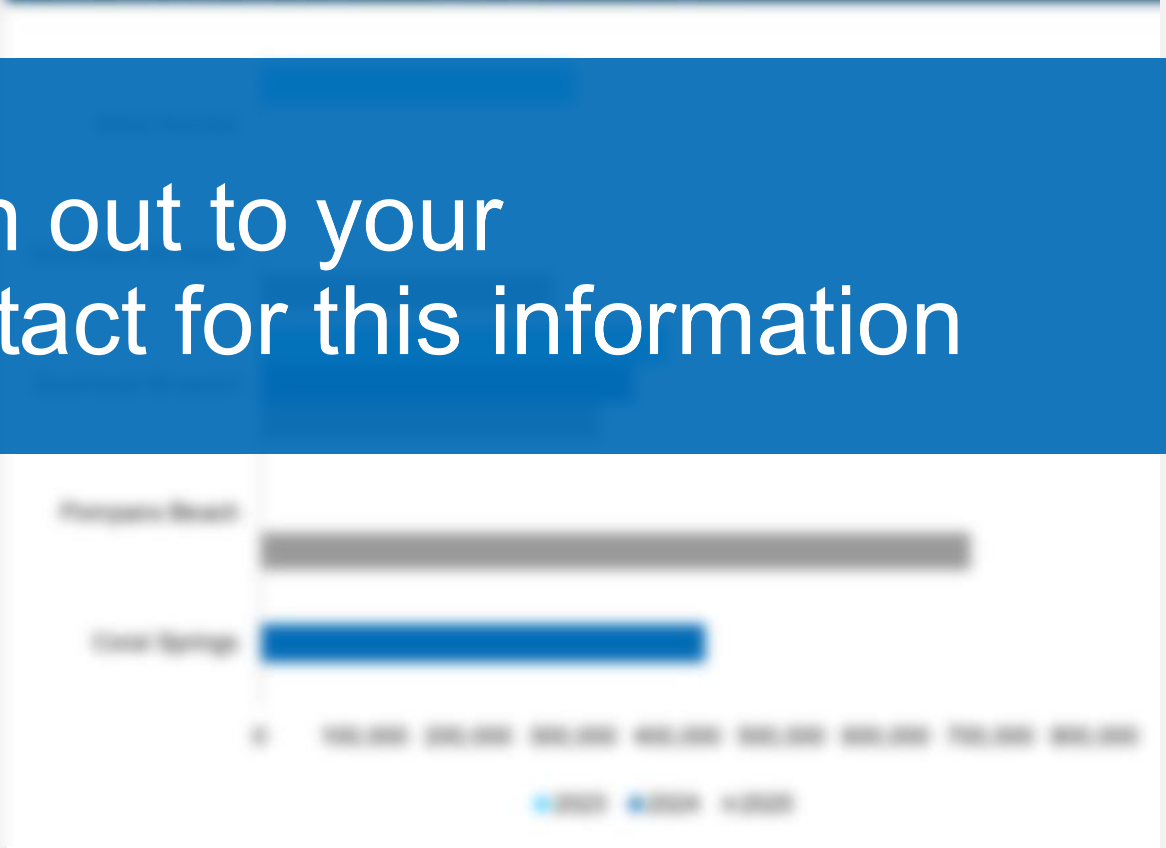
Industrial Under Construction and % of Inventory



Source: Newmark Research, CoStar

Southwest Broward Submarket Leads With Projects Underway





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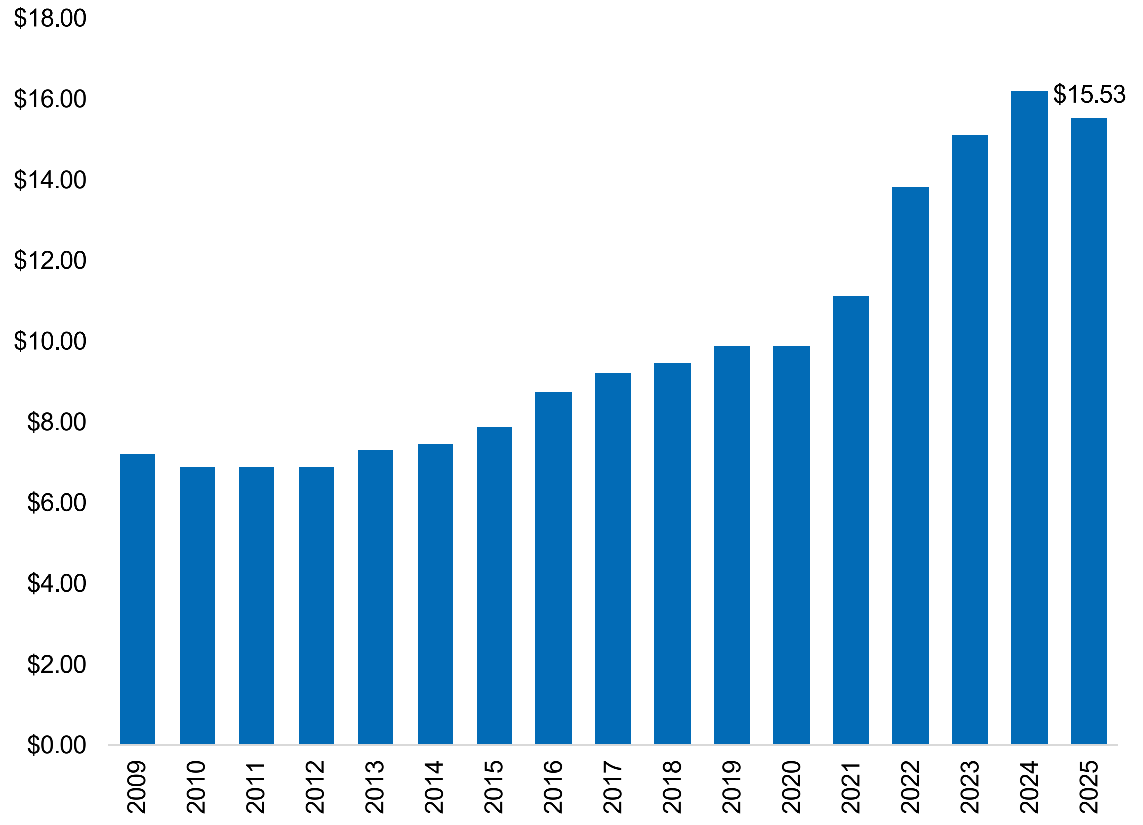
Source: Newmark Research

Asking Rents Ease from Peak Levels

In the fourth quarter of 2025, the average asking rent increased by 1.9% quarter over quarter to $15.53/SF. Rental rates remain 4.3% below the peak of $16.23/SF recorded in the fourth quarter of 2024. The decrease is driven by more sublease competition as occupiers right-size, prompting landlords – particularly in mid-tier assets – to adjust base rents and concessions to accelerate leasing.

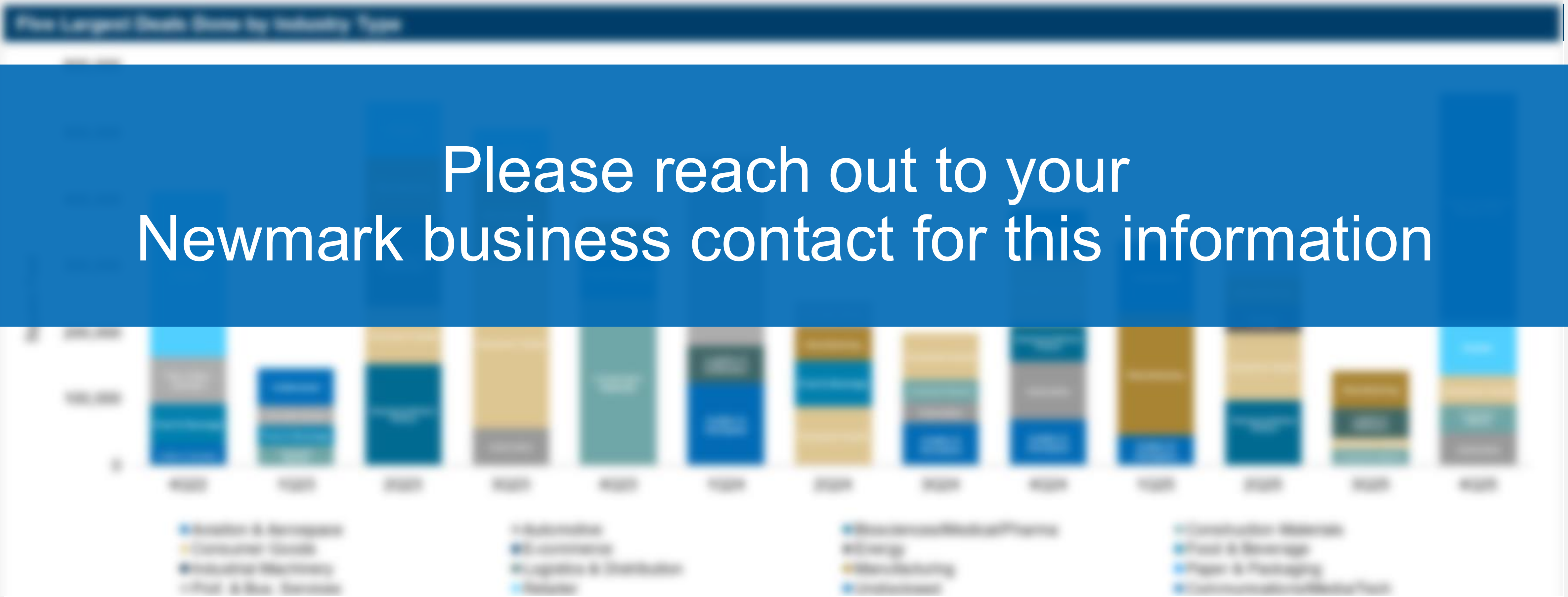
Industrial Average Asking Rent, $/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change

Source: Newmark Research, CoStar

Five Largest Deals Done by Industry Type



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Source: Newmark Research, CoStar

Renewals Drive Fourth Quarter Leasing Activity

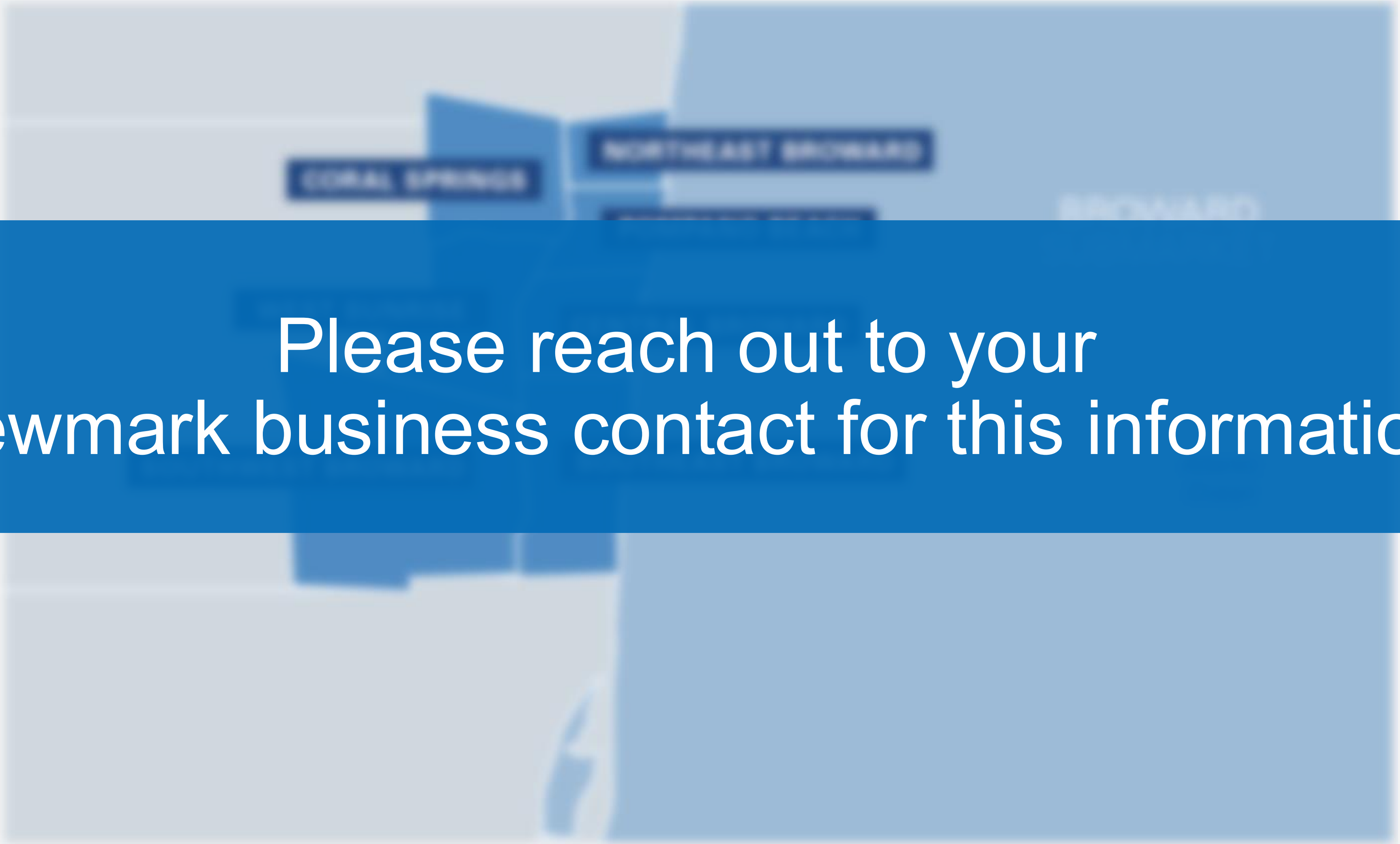
The quarter's top five deals included four renewals and one new direct lease. The Southwest Broward and Pompano Beach submarkets continue to be desirable among occupiers, each taking two of the top five leases during the quarter. The bulk of the quarter's leasing activity centered around direct leases, which totaled 1.4 MSF across 249 transactions, while only twelve sublease deals were signed, totaling 86,701 SF. Deal size averaged 5,778 SF in the fourth quarter of 2025, about 3.9% lower than the average deal size the previous quarter, and 33.8% lower than a year ago.

Notable 4Q25 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Garmin International, Inc.	MPC 13, MPC 18B, MPC 17	Southwest Broward	Renewal	340,547
Garmin International, a technology company focusing on GPS systems and technology, extended its lease on three buildings at Miramar Park of Commerce totaling 340,547 SF. The facility specializes in audio equipment and technology. Building MPC 13 contains 156,383 SF, building MPC 18B contains 96,229 SF, and Building MPC 17 contains 87,935 SF.				
Wal-Mart Stores, Inc.	Bridge Point Powerline Road - Building 1	Pompano Beach	Renewal	83,342
Wal-Mart renewed its lease on an 83,342-SF space it currently uses to store project materials and fixtures for its stores.				
Rivian	Race Track Logistics - Building 1	Pompano Beach	Direct New	49,918
Rivian, a manufacturer of electric cars, signed a new deal for 49,918 SF. This lease represents 50.0% of Race Track Logistics' Building 1.				
Carnival	Davie Business Center - Building B	Southwest Broward	Renewal	44,500
The building houses Carnival Studios, a production facility for Carnival Cruise Lines, featuring eight music studios, five dance studios, a training room, a green room, and office space designed to attract talent from across the entertainment industry.				
C&C North America	Prologis Port 95 Distribution Center - Building 1200	Southeast Broward	Renewal	41,625
C&C North America is the U.S. arm of the Spanish owned Cosentino Group, a global distributer of surfaces used in architecture. The company has been a tenant since 2012.				

Source: Newmark Research, CoStar

Broward County Industrial Submarket Map



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Source: Newmark Research

Broward County Industrial Submarket Overview

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Source: Newmark Research

4Q25 South Florida Industrial Market Overview

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Source: Newmark Research; CoStar

Broward Industrial Market

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