

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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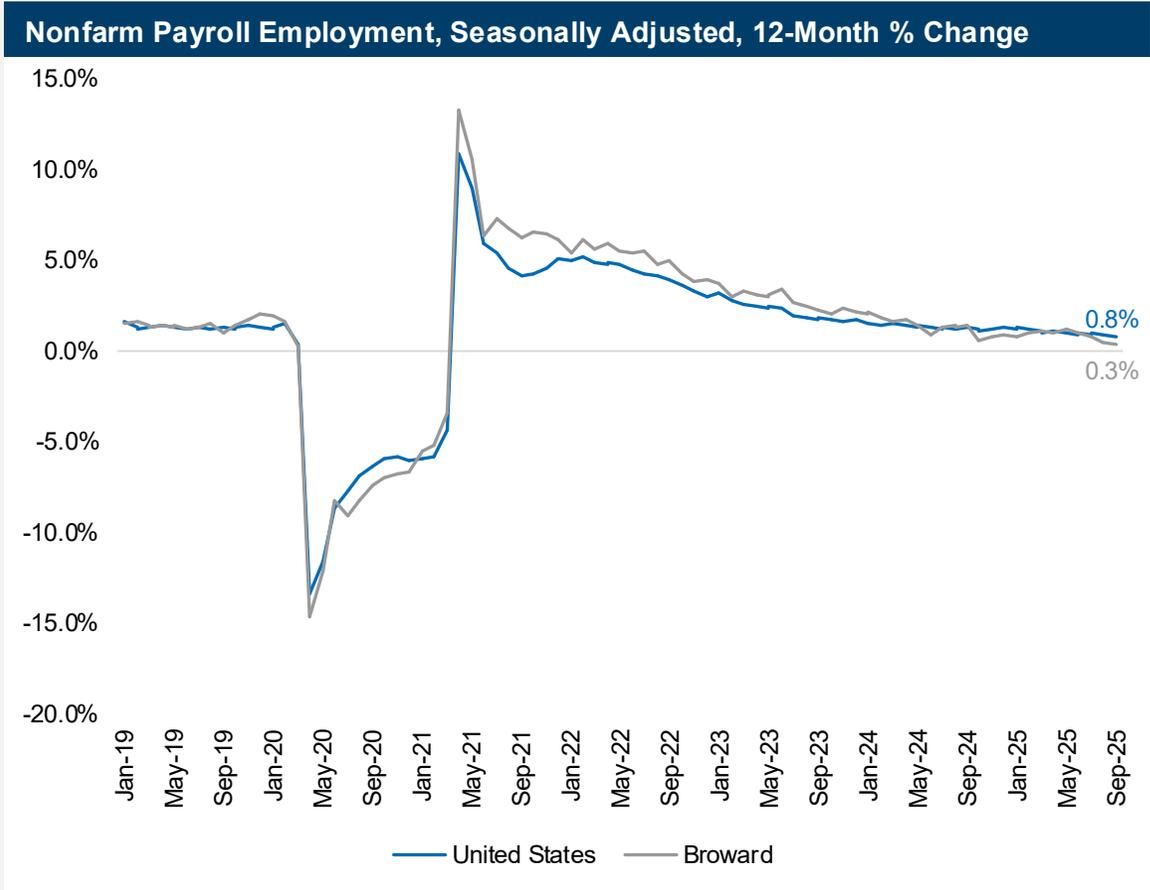
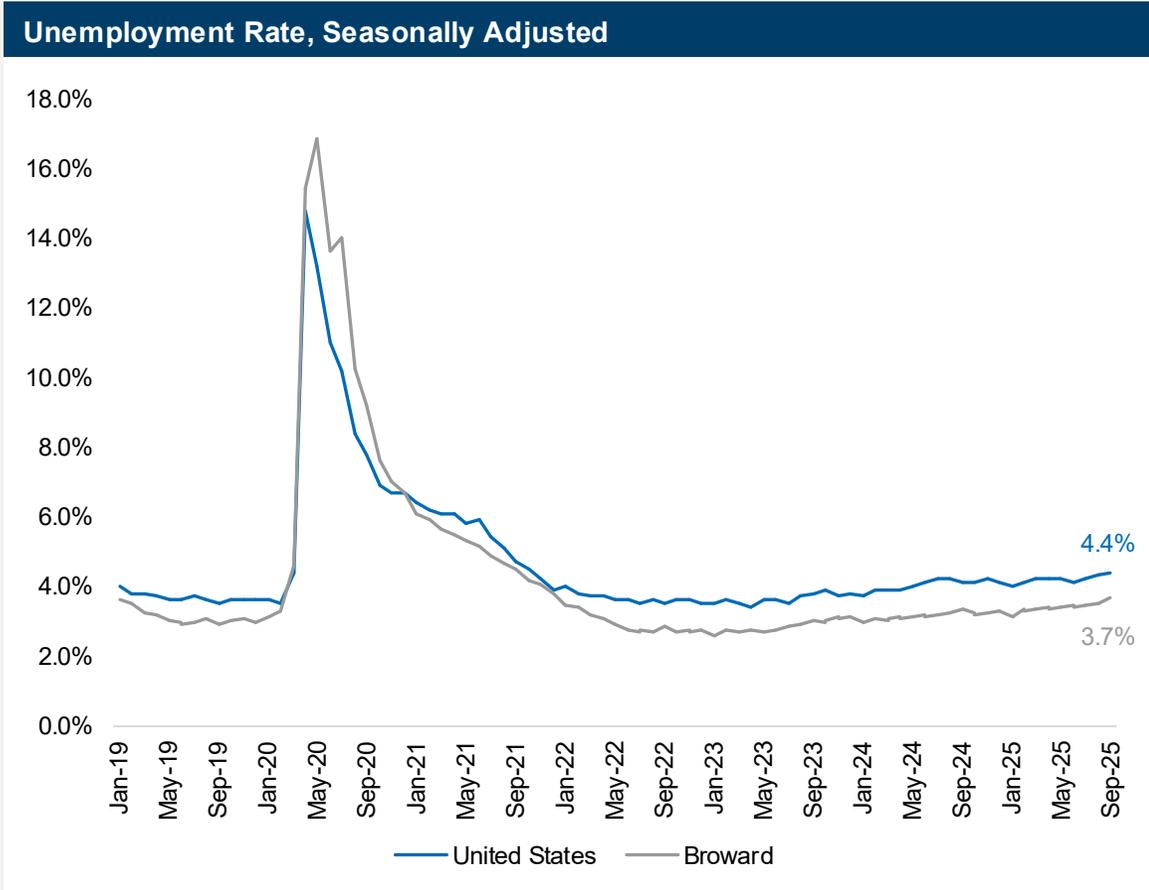
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Economy



Unemployment Steadily Increasing As Employment Growth Slows

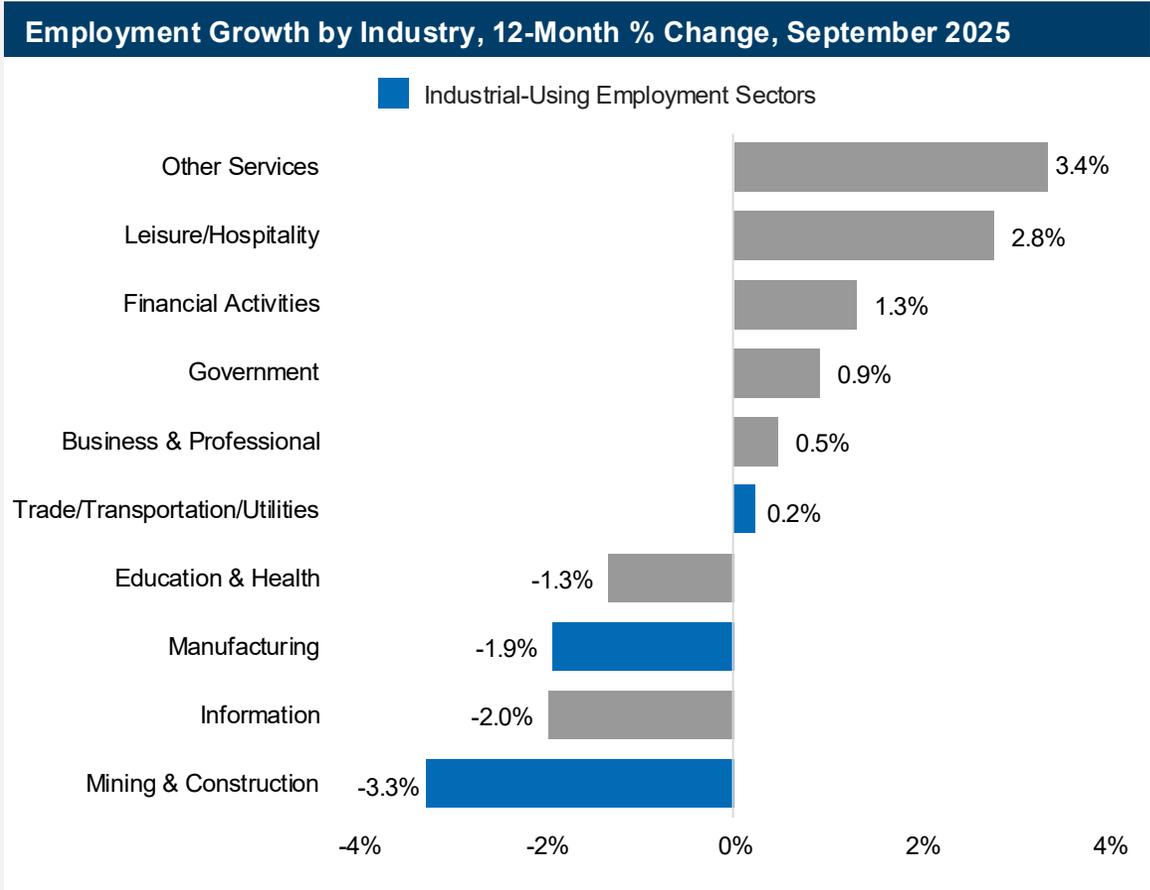
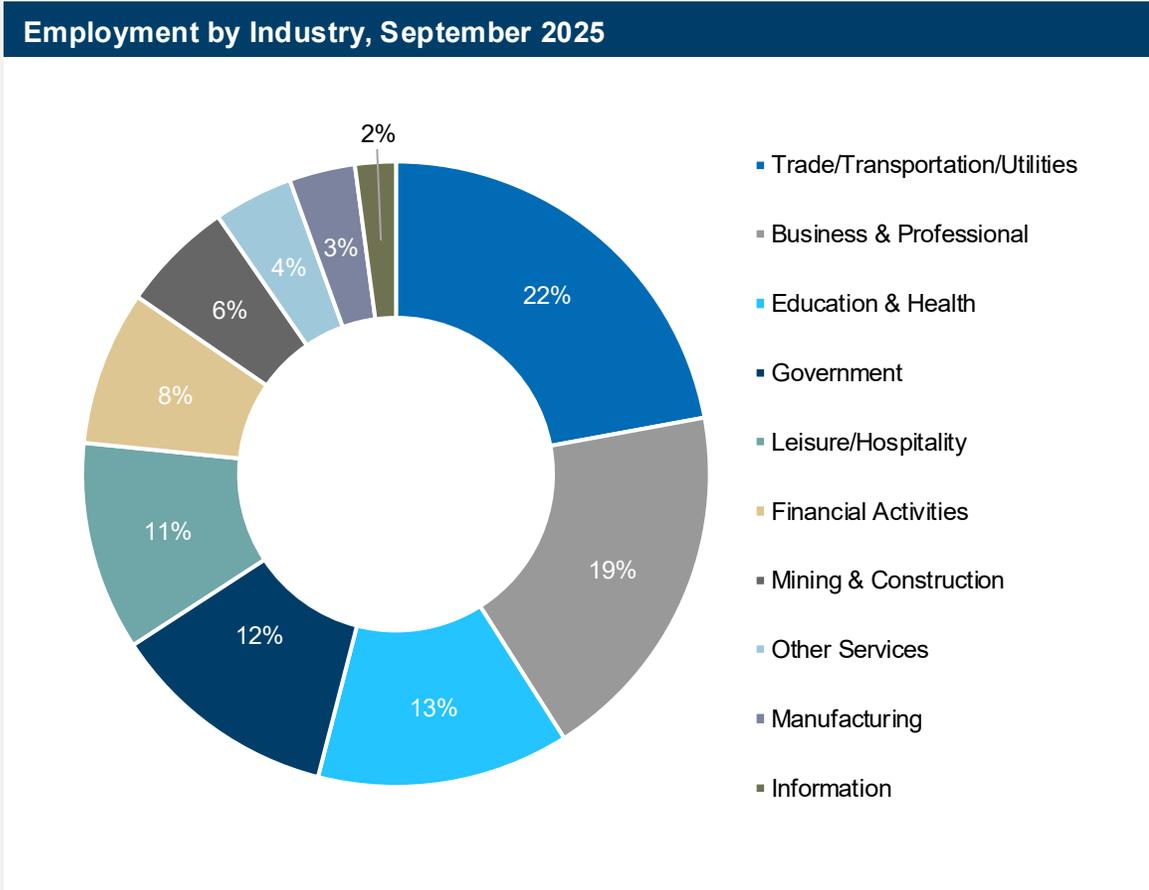
As of September 2025, Broward County’s seasonally adjusted unemployment rate was 3.7%, up 34 basis points year over year yet still below the national average. Employment growth, which generally outpaces the U.S., has oscillated around the national rate since March 2024 and recently slipped below it at 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.



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

Sector Employment Growth Is Mixed

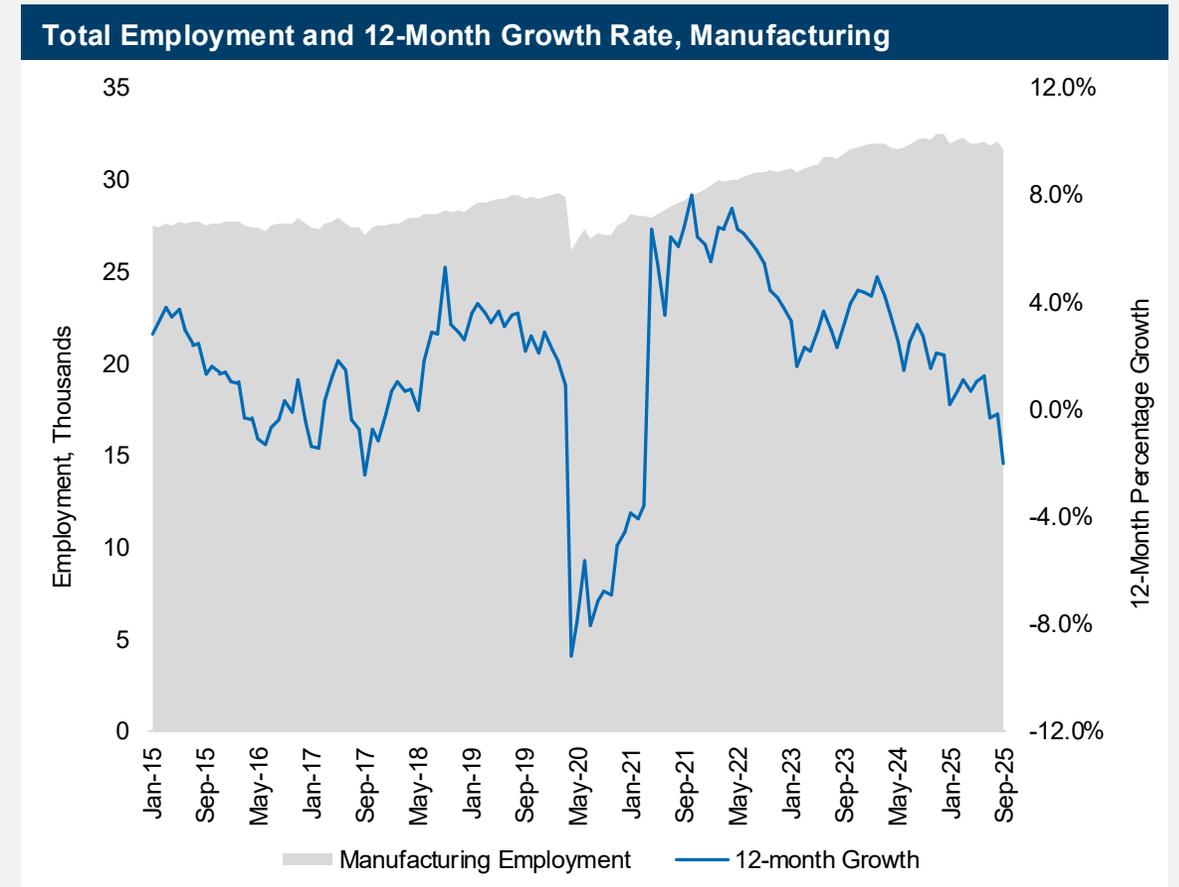
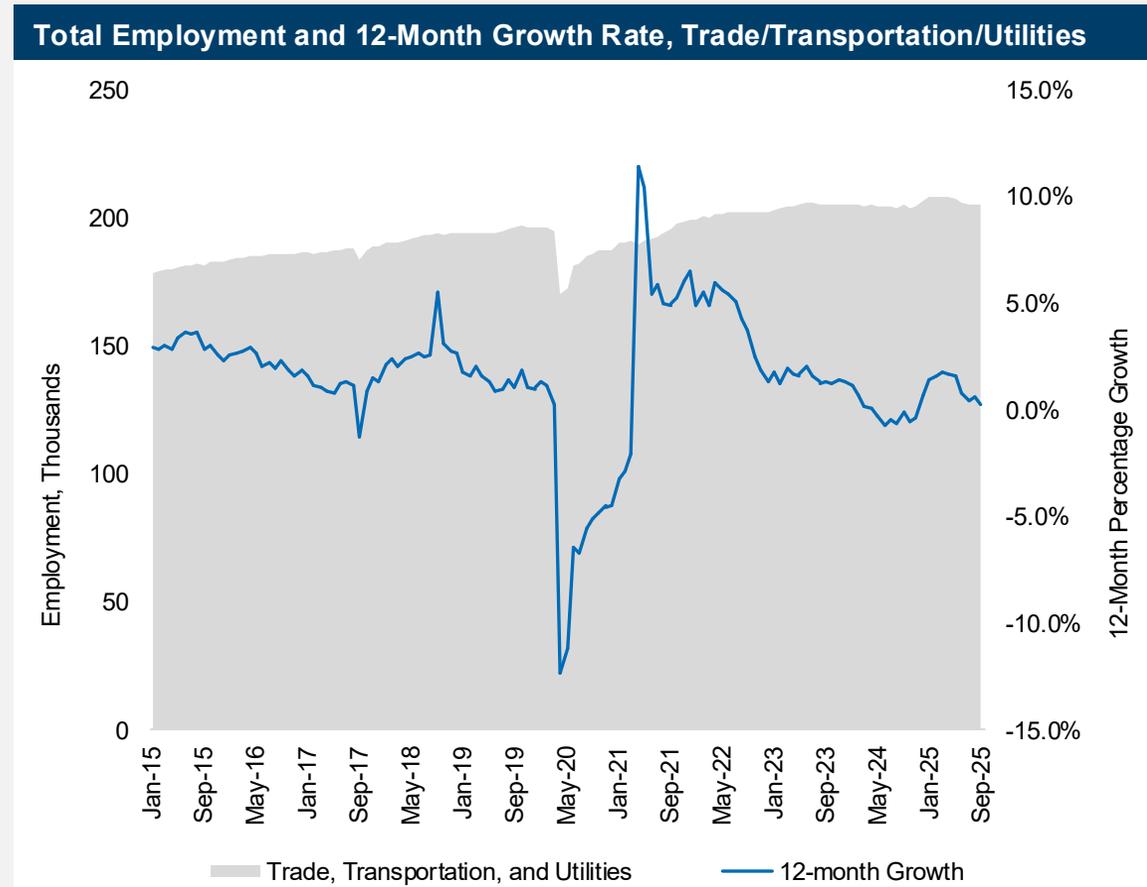
As of the fourth quarter of 2025, Broward County’s two largest industries accounted for 41.0% of total employment. Trade/transportation/utilities is the market’s largest employment industry at 22.1%. Year over year, most sectors expanded; except the education and health, manufacturing, information, and 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%, respectively.



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.



Broward Gross Metropolitan Product

The gross metropolitan product continues to increase despite economic headwinds, albeit at a slower rate. Most recently, the gross metropolitan product rose 0.0% year over year to reach a new all-time high of roughly \$107 billion.

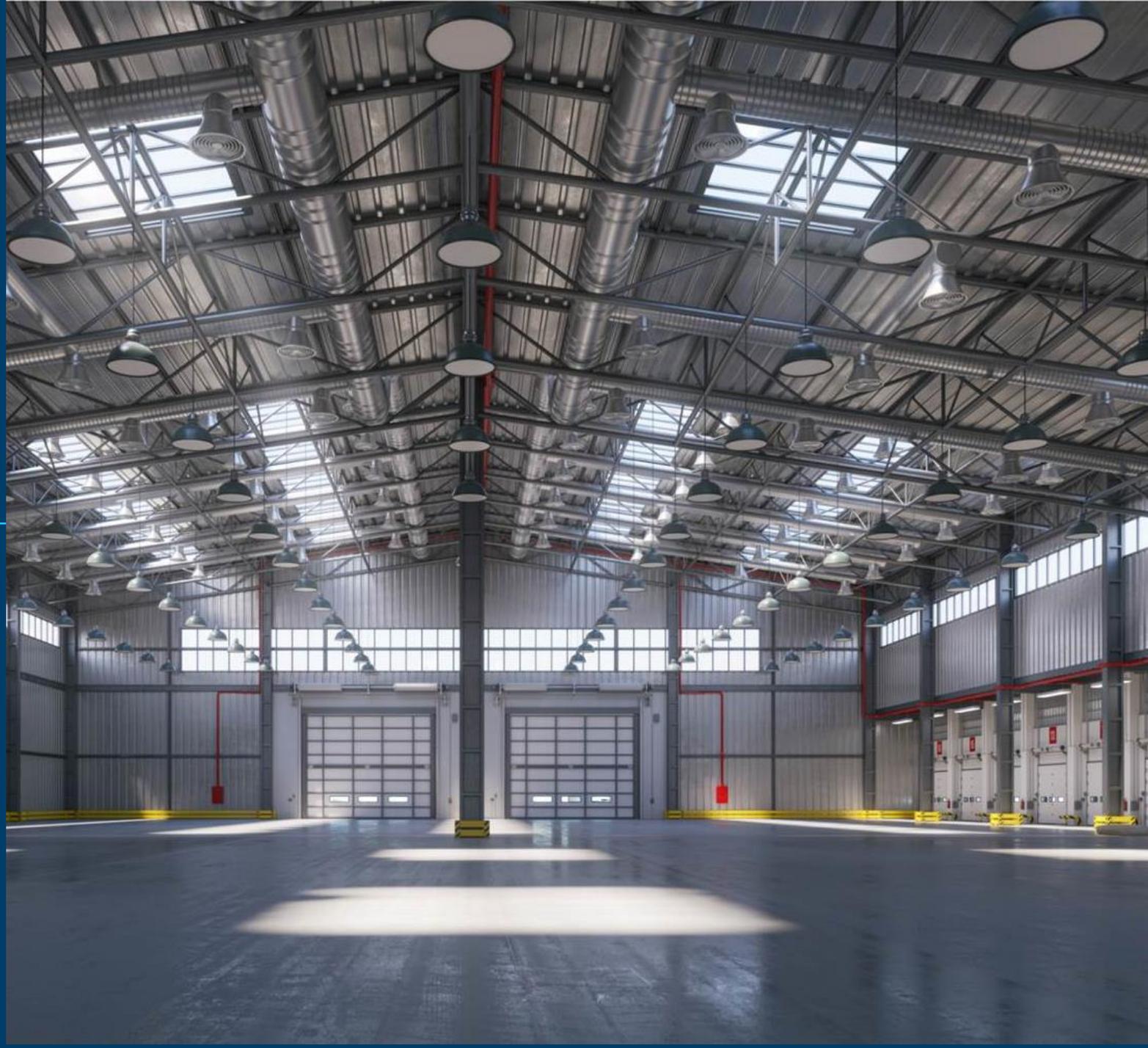
Economic Overview — 2007: \$107 Billion & 0% YoY Change

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02

Debt/Capital Markets



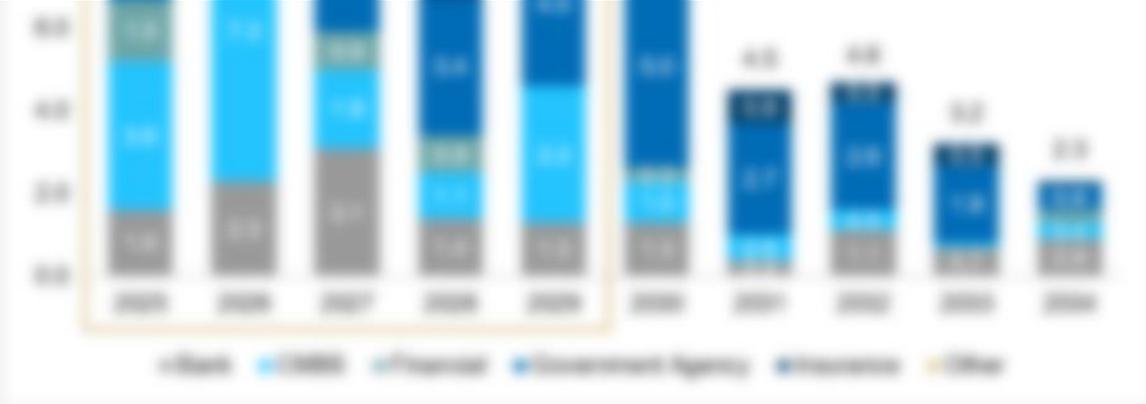
Highest Loan Volume Due in 2026

In the fourth quarter of 2025, CMBB remained the leading source of debt financing, accounting for 44.0% of total volume. CMBB maturities are heavily front loaded, with \$17.2 billion scheduled to come due over the next five years, or 44.0% of all CMBB debt maturing through 2030. Across all debt sources, maturities are expected to peak in 2026 at \$17.4 billion dollars, underscoring the need to closely monitor upcoming maturities as an indicator of future market stability. 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 class

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Multifamily Maturities Particularly Elevated Through 2029, Office Not So Much

As of the fourth quarter of 2023, office loans comprise just 11.4% of the upcoming \$8.7 billion dollars of loans maturing over the next five years, leaving direct exposure to the office sector's challenges. By contrast, multifamily loans account for 48.9% of maturities through 2029, but the sector's solid performance and lenders' strong appetite for multifamily assets indicate that maturities remain comfortably with the level of multifamily risk, underwriting capital markets' focus on high-quality assets.

Commercial Mortgage Maturities

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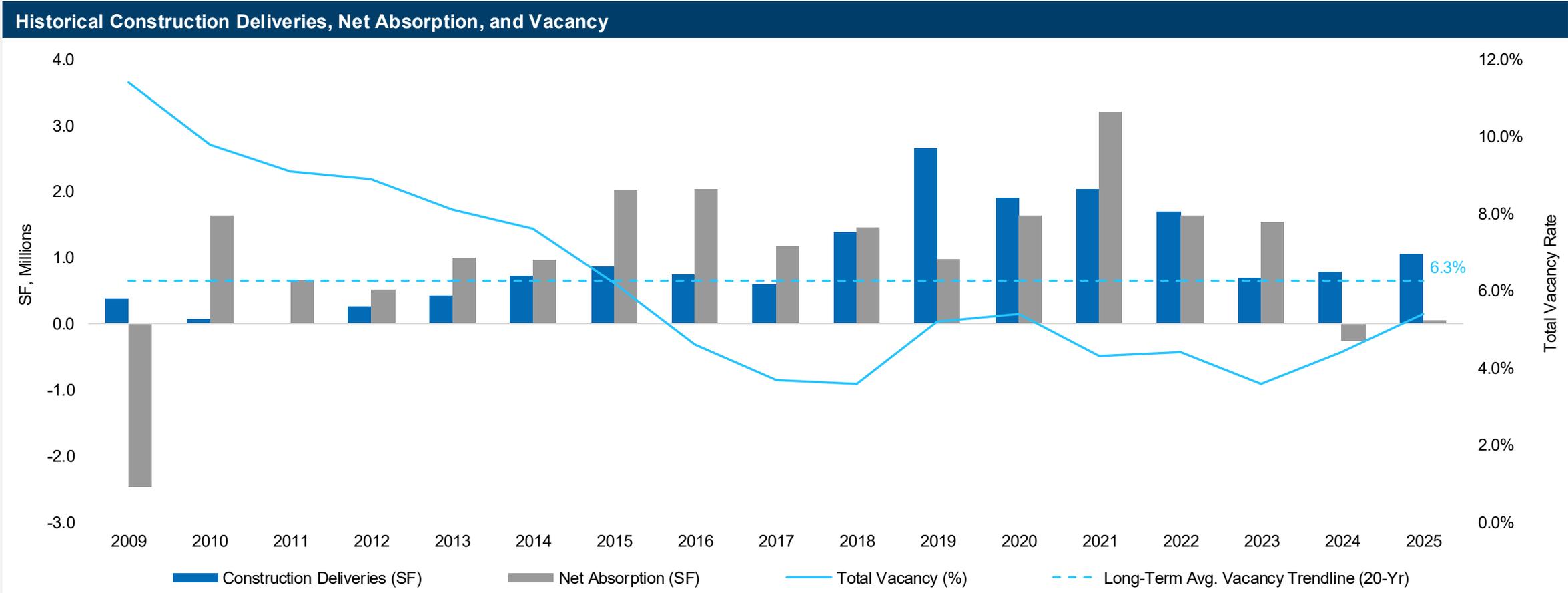
03

Leasing Market Fundamentals



Total Vacancy Increases as Supply Picks Back Up

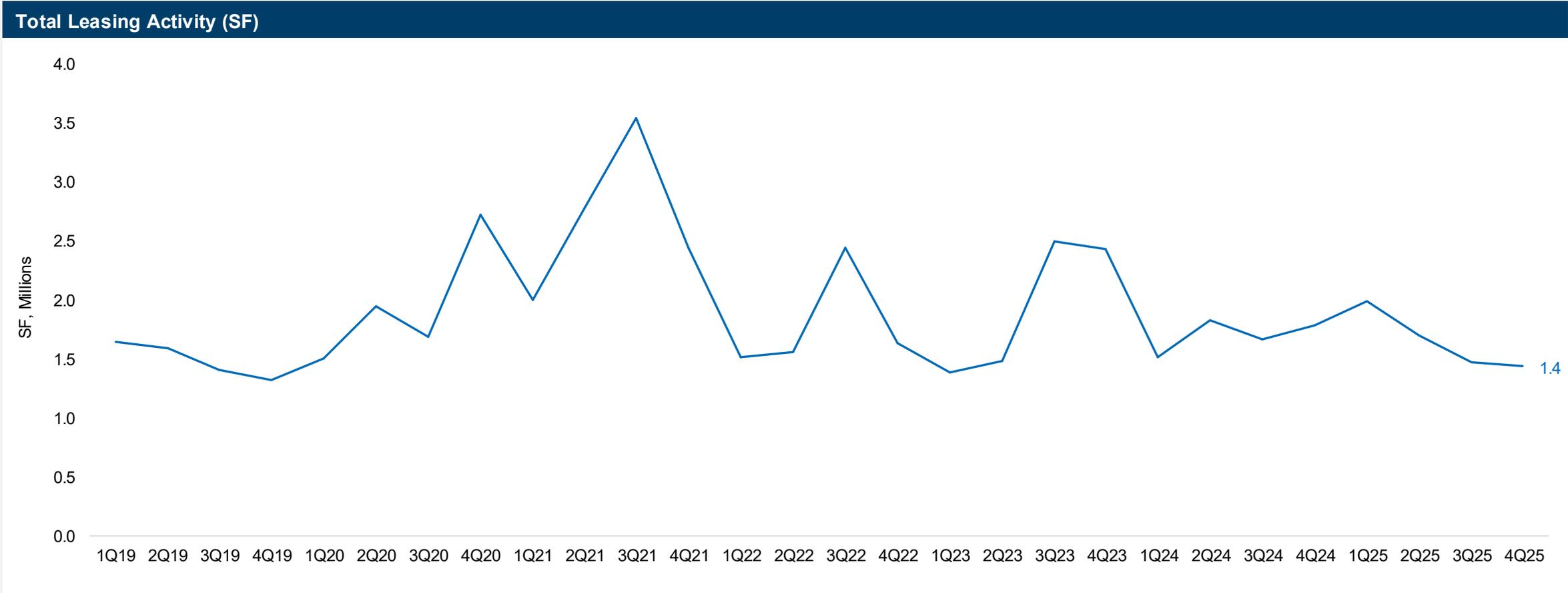
Net absorption in the fourth quarter of 2025 totaled 19,673 SF, marking the second consecutive period of positive demand. Five buildings delivered during the quarter, adding 901,885 SF of new supply to the market, the largest volume delivered in a single quarter since the second quarter of 2021. As a 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.



Source: Newmark Research, CoStar

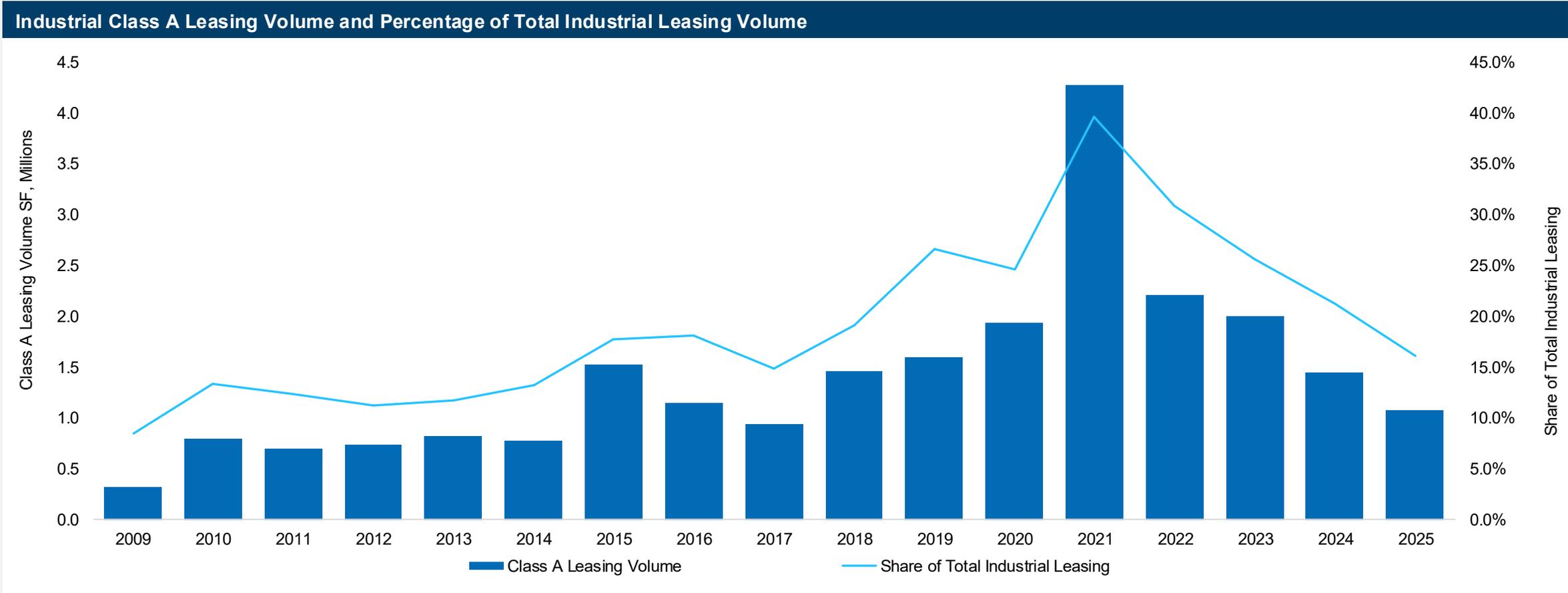
Leasing Activity Declines

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.



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.



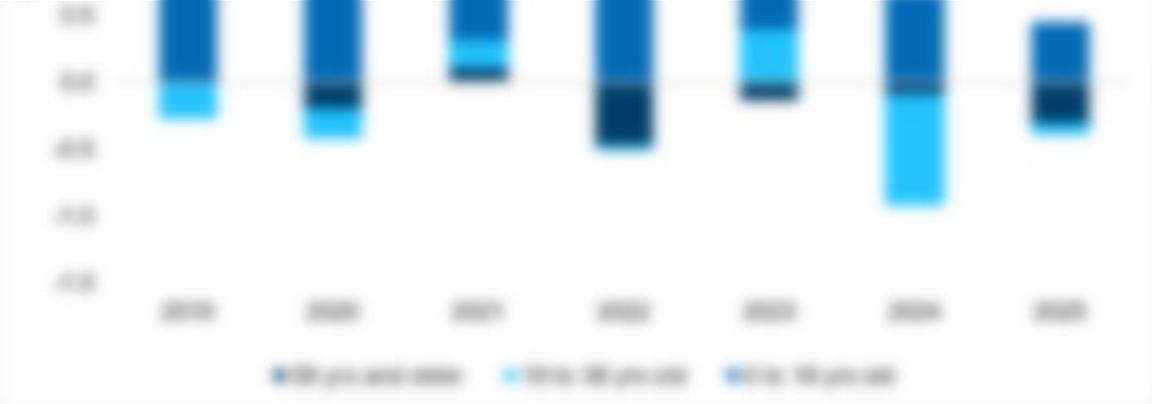
Preference for Modern Industrial Buildings Drives Demand

Modern industrial buildings have contributed to nearly all positive net absorptions over the past five years, outperforming legacy assets demand for space facilities. Buildings aged 10 years have experienced demand growth of 1.1 MDD since 2016, following the continued occupancy losses in older buildings. Modern industrial buildings currently account for 44.1% of the total vacant space in the market but only 20.9% of the market's total inventory. The higher vacancy rate for modern buildings is largely supply driven, whereas the continued rise in vacancies among older legacy industrial properties is a result of continued negative net absorptions over the past five years, indicating a potential weakening or compression of demand.

Net Absorption by Vintage Year

Vacancy Rates by Vintage Year

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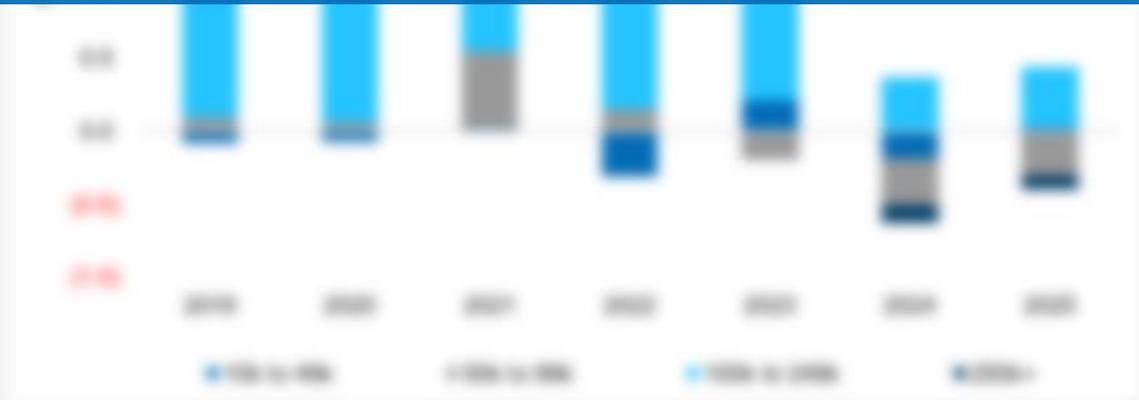
Large Buildings Continue to Drive Absorption as Vacancy Rates Decline

The 100,000 SF to 200,000 SF segment has experienced the strongest demand, accounting for 74,000 SF, or 66.7% of total net absorption since 2015. While demand has softened over the past three years, temporary gains in buildings of 100,000 SF and larger have remained robust. This stability is largely driven by the continued need for space that provides a strategic balance of capacity, cost efficiency, and flexibility – key factors for institutions, governments, and higher education. Buildings in the 100,000 SF and larger size range currently report the lowest vacancy rates at 1.2%, while 100,000 SF to 200,000 SF buildings have a vacancy rate of 4.6%.

Net Absorption by Size Range

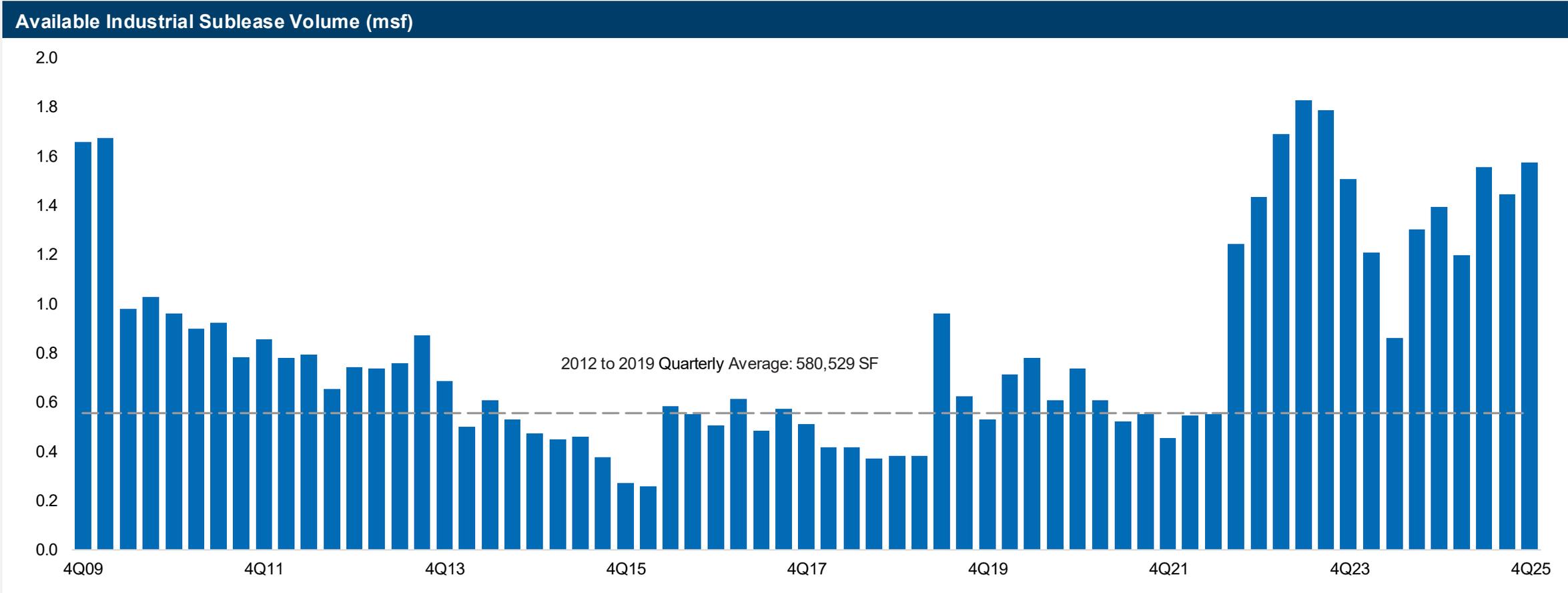
Vacancy Rates by Size Range

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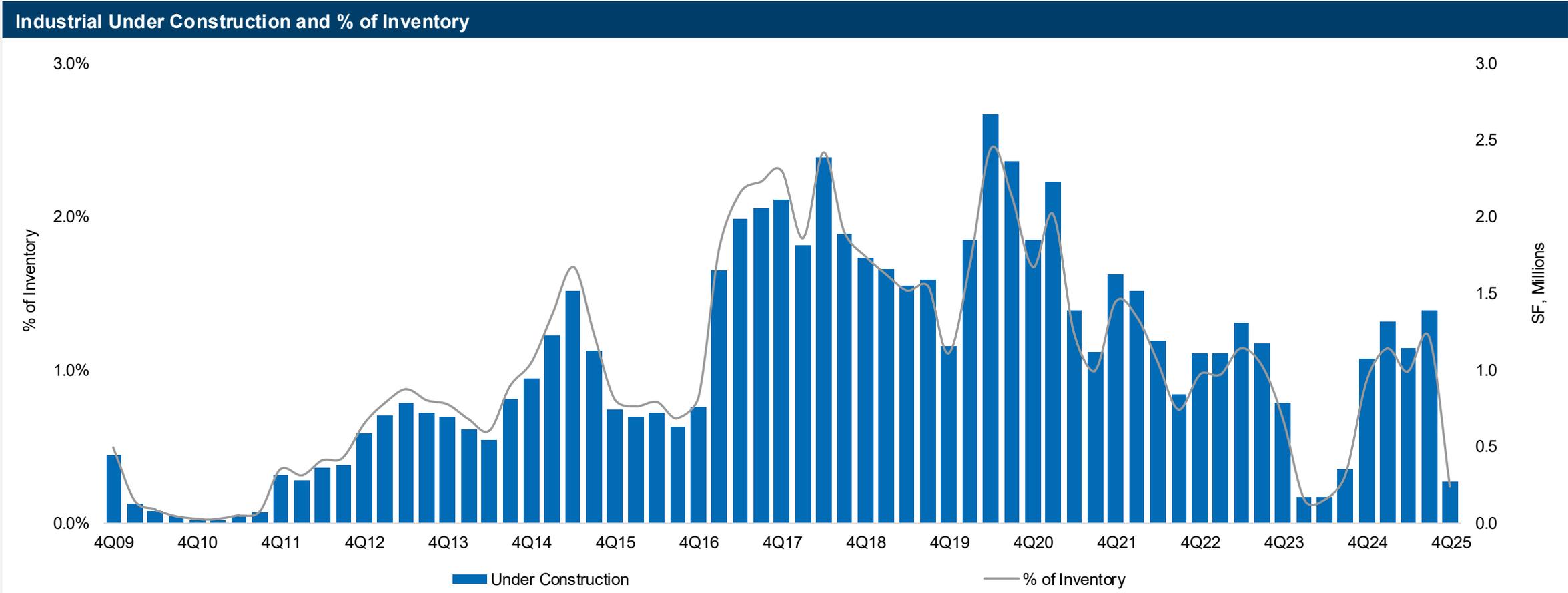
Sublease Inventory Remains Elevated but Below Peak

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.



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.



Southwest Broward Submarket Leads With Projects Underway

While the Southwest Broward submarket submarket has led submarket recovery growth with 1.1 MDD added since 2021, the submarket recently suffered its first project with the delivery of the Viking Logistics Center in the second quarter of 2023. Projects in the Southwest Broward submarket currently total 101,000 SF, accounting for 68.47% of the current construction pipeline.

Currently Under Construction Industrial Activity by Submarket

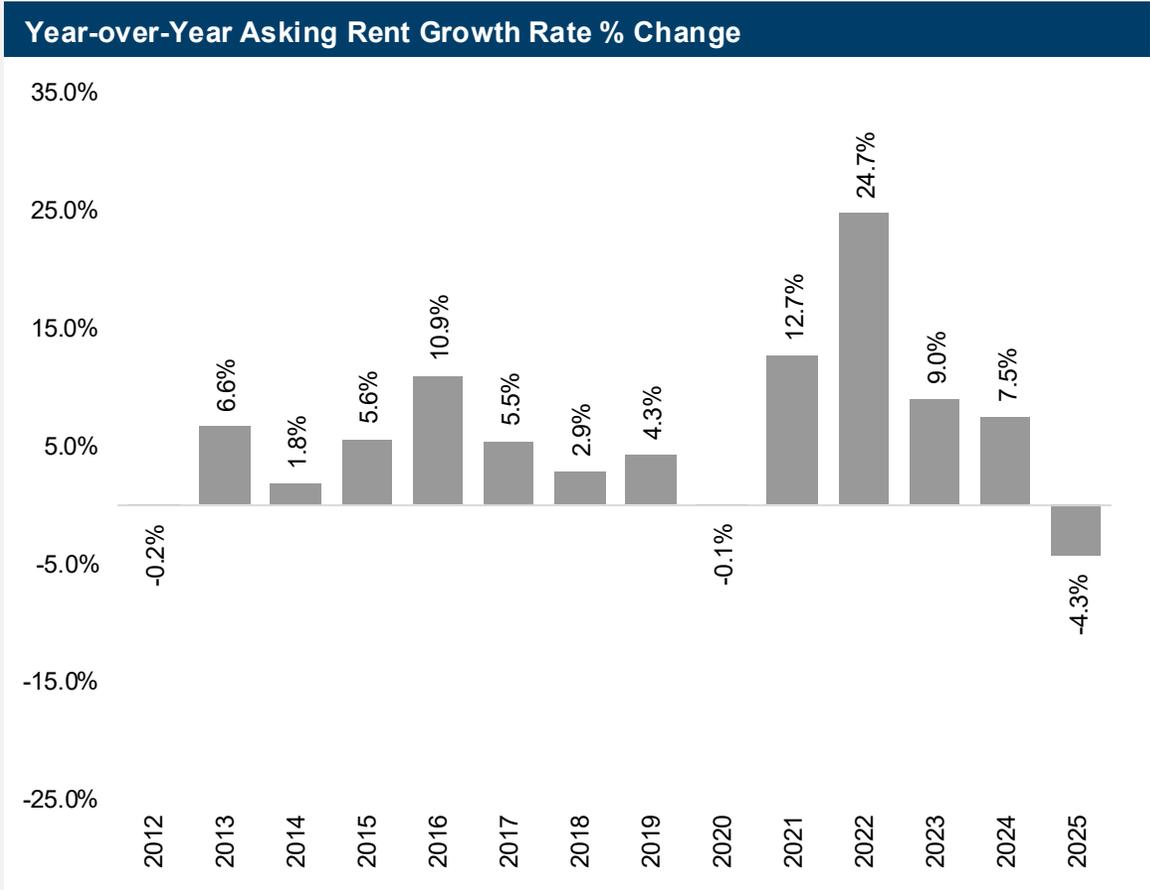
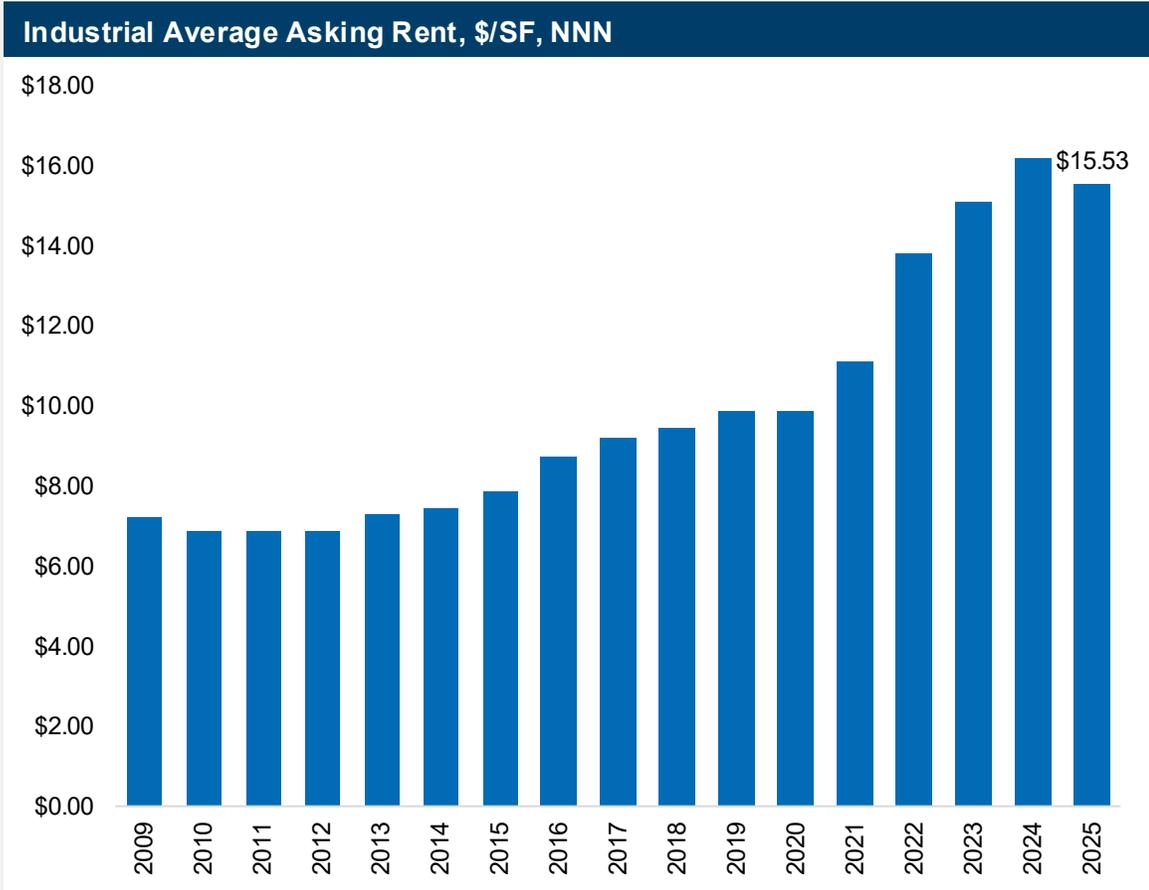
Historical Submarket Deliveries, Past Three Years

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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.



Five Largest Deals Done by Industry Type

Industry types in the five largest deals signed in the market have gradually shifted over time. The construction goods sector has dominated the five largest deals in the market, appearing most frequently as top deals signed since 2017 and contributing 111,488 SF of transaction activity to the market over the same period. In the fourth quarter of 2023, communications/healthtech led deal activity with 146,747 SF, followed by retail at 81,742 SF. The entry of the communications/healthtech sector was attributed by Corvus, who earned four new building licenses for 47 centers.

Five Largest Deals Done by Industry Type

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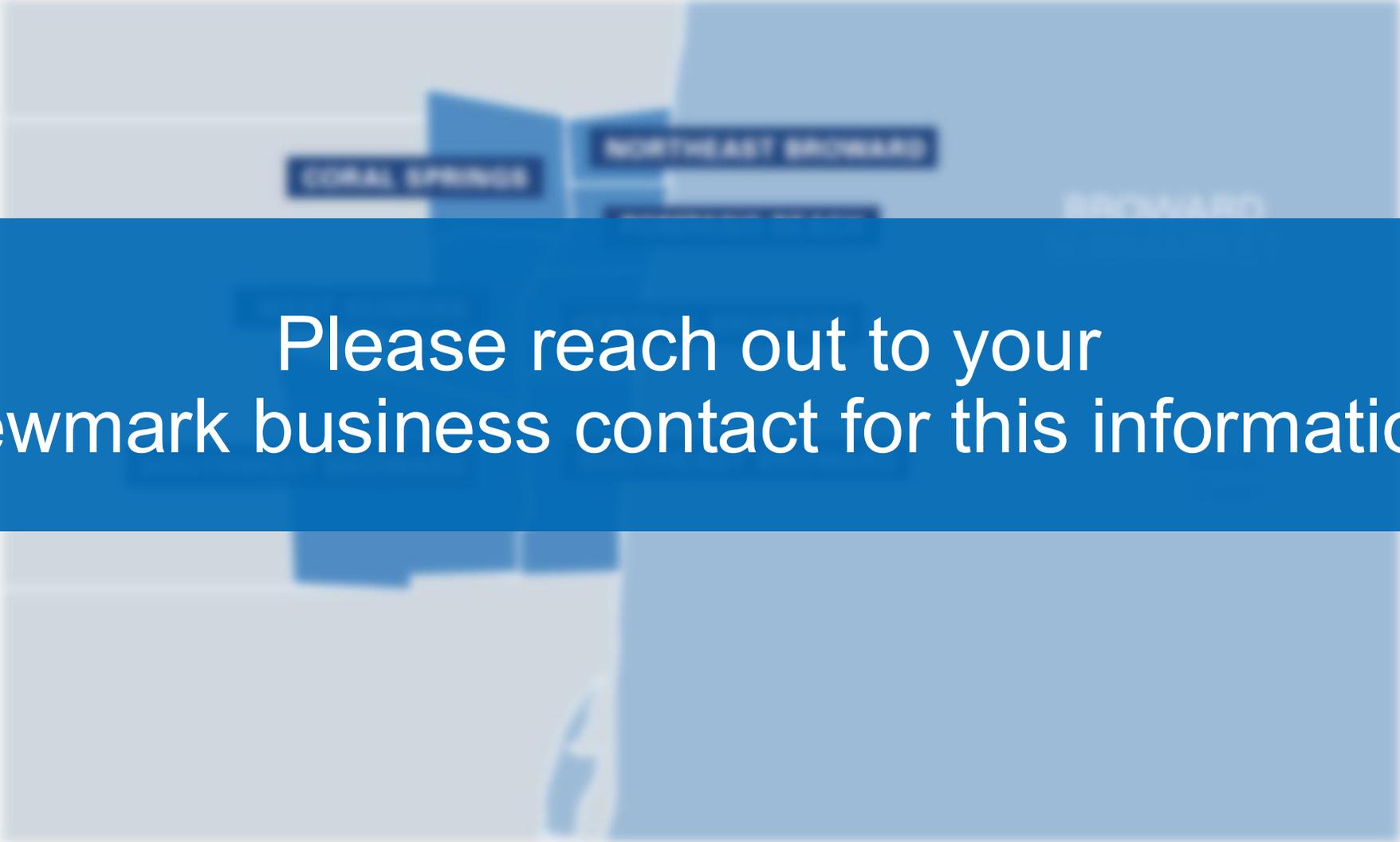
Renewals Drive Fourth Quarter Leasing Activity

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
<i>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.</i>				
Wal-Mart Stores, Inc.	Bridge Point Powerline Road - Building 1	Pompano Beach	Renewal	83,342
<i>Wal-Mart renewed its lease on an 83,342-SF space it currently uses to store project materials and fixtures for its stores.</i>				
Rivian	Race Track Logistics - Building 1	Pompano Beach	Direct New	49,918
<i>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.</i>				
Carnival	Davie Business Center - Building B	Southwest Broward	Renewal	44,500
<i>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.</i>				
C&C North America	Prologis Port 95 Distribution Center - Building 1200	Southeast Broward	Renewal	41,625
<i>C&C North America is the U.S. arm of the Spanish owned Cosentino Group, a global distributor of surfaces used in architecture. The company has been a tenant since 2012.</i>				

Broward County Industrial Submarket Map



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Broward County Industrial Submarket Overview

Submarket Statistics - All Classes

	Total Inventory (SQ FT)	2018 Construction (SQ FT)	Total Inventory (MM)	2018 Inventory (MM)	2019 Inventory (MM)	2018-2019 Change (MM)	2019-2020 Change (MM)	2020-2021 Change (MM)
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Southwest Broward	2,800,000	-	0.2%	-10,000	-1,000	\$1.00	\$1.00	\$1.00
Southwest Broward	15,000,000	10,000	0.1%	50	10,000	\$1.00	\$1.00	\$1.00
West Broward	5,000,000	-	0.2%	-10,000	-1,000	\$1.00	\$1.00	\$1.00
Market	19,000,000	10,000	0.4%	10,000	10,000	\$1.00	\$1.00	\$1.00

4Q25 South Florida Industrial Market Overview



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175 Warehouse	11,000	1,000,000	400,000
Market Warehouse	80,000	1,000,000	0
175 Warehouse	1,000,000	1,000,000	800,000
Direct Leasing Rate (2024Q4)	\$15.00	\$15.00	\$15.00
Market Leasing Rate (2024Q4)	\$15.00	\$15.00	\$15.00
Total Leasing Rate (2024Q4)	\$15.00	\$15.00	\$15.00

Broward Industrial Market



- Broward County has recently received a large amount of new industrial space demand
- The region is experiencing rapid population growth and job creation
- The market has seen a significant increase in new construction activity



- New growth has continued and will likely result in further increases in industrial space demand
- Demand for industrial space is currently outpacing supply
- Industrial rents are continuing to rise in the region

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- Expansion of existing facilities offers significant opportunities for industrial space demand
- Increasing number of start-ups and emerging middle market companies are building facilities
- Landlords are offering generous lease incentives to attract tenants
- Strong job market continues to drive new and replacement construction for regional and national companies

- Flexible industrial structures could reduce industrial space demand
- Competition outside the region may attract businesses away from Broward
- Rising construction costs and tighter financial conditions could lead to delays in building
- Tight economy and global trade uncertainties could impact industrial demand

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