

NEWMARK

*Market Overview*  
Broward Office

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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%. Within the office-using sectors, and business & professional sector rose 0.5% and financial activities increased by 1.3% year over year, while information declined 1.9%.
- Office using jobs increased 0.5% year-over-year to 270,710 jobs reaching a new record high and surpassing the previous record of 270,440 jobs by 0.1%.



## Leasing Market Fundamentals

- Annual full-service asking rental rates increased by 0.7% quarter over quarter to a new all-time-high of \$38.83/SF.
- Vacancy dipped by 10 basis points quarter over quarter to 14.7% as demand strengthened and supply remained stagnant.
- There is one 174,790-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 fourth quarter was 672,332 SF, reflecting a 13.9% decrease from the previous quarter. The average lease size fell by 142 SF to 2,915 SF during the same time-period.



## Major Transactions

- Two of the five largest deals signed this quarter were signed in a Class A space, showcasing the market's appetite for high-quality product.
- Class A leasing activity encompassed 42.0% of all leasing activity this quarter. Class A deals were on average 45.4% larger than the average deal signed this quarter, with Class A deals being on average 4,238 SF in size.
- Three of the top five deals were executed in the and Sawgrass Park submarket highlighting th demand for space in the submarket.
- The largest deal of the quarter was Clear Shores securing 25,490 SF at the Crown Center Building 1425, bringing availability and vacancy in the building to zero.



## 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 six quarters.
- In the near term, if T3 Fat Village delivers this year, then supply is expected to outpace demand.

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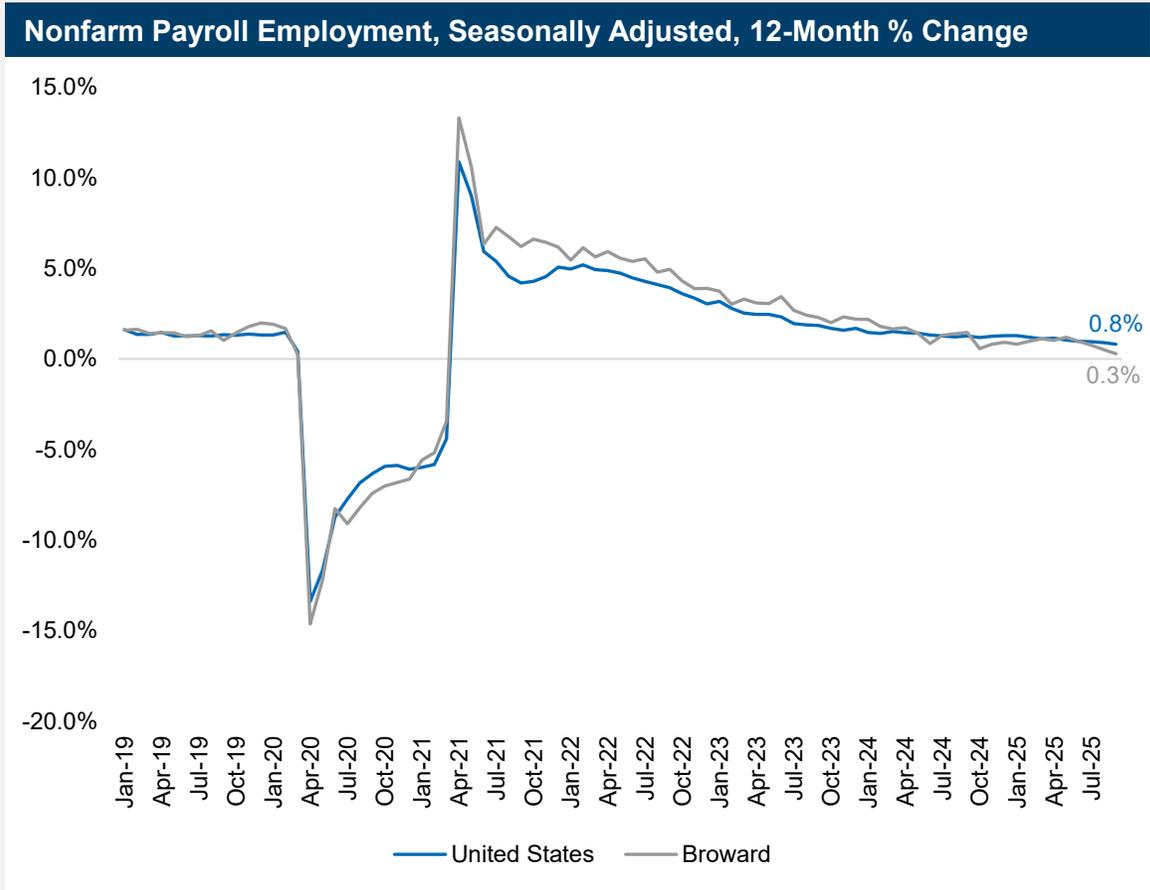
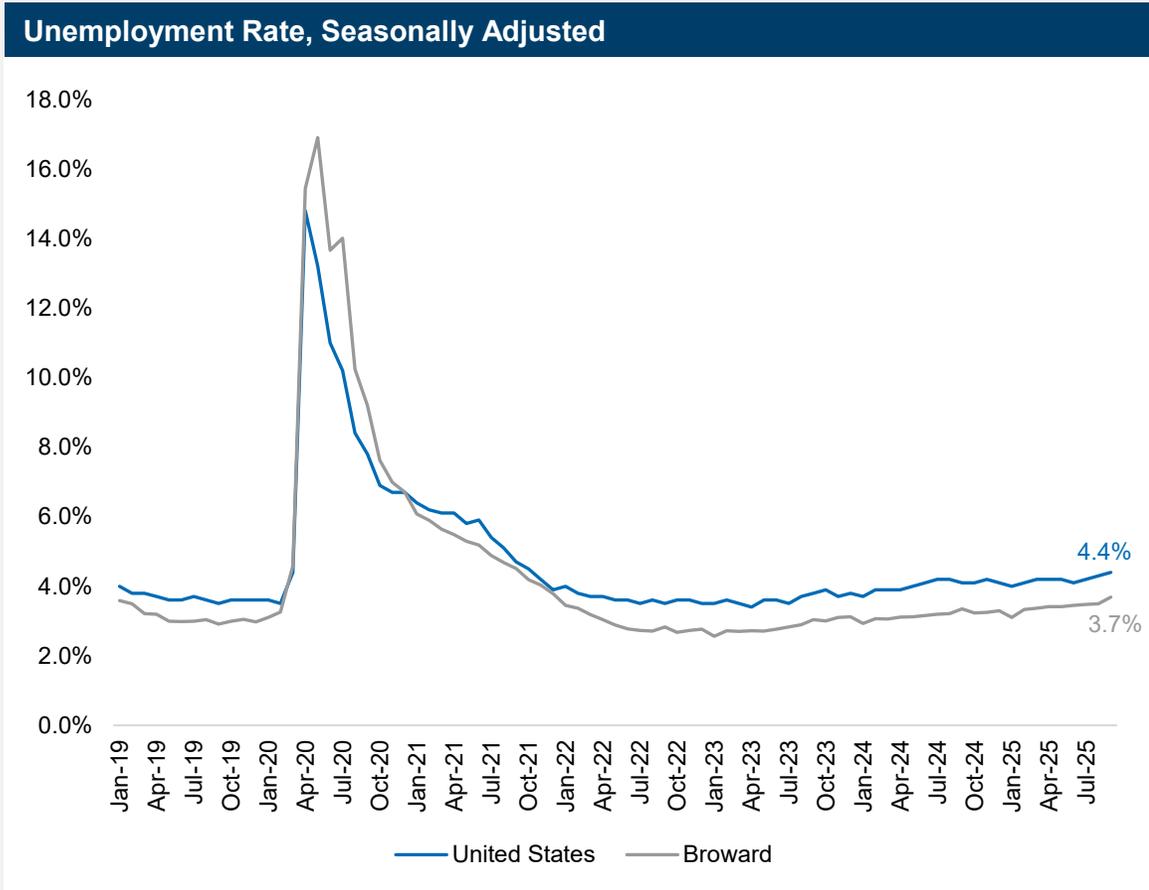
# 01

## 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.

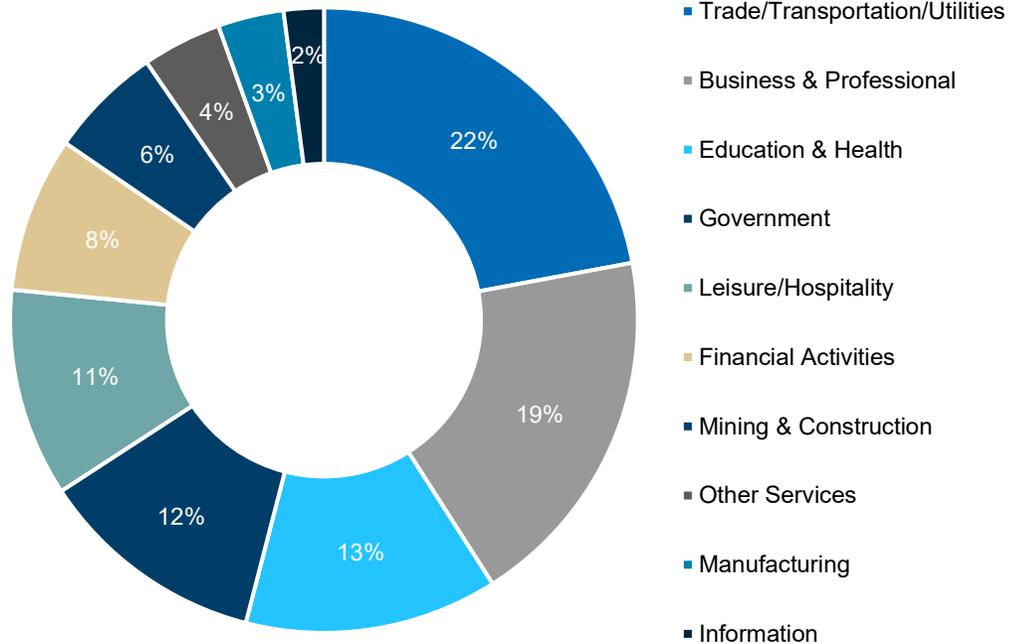


Source: U.S. Bureau of Labor Statistics, Broward County

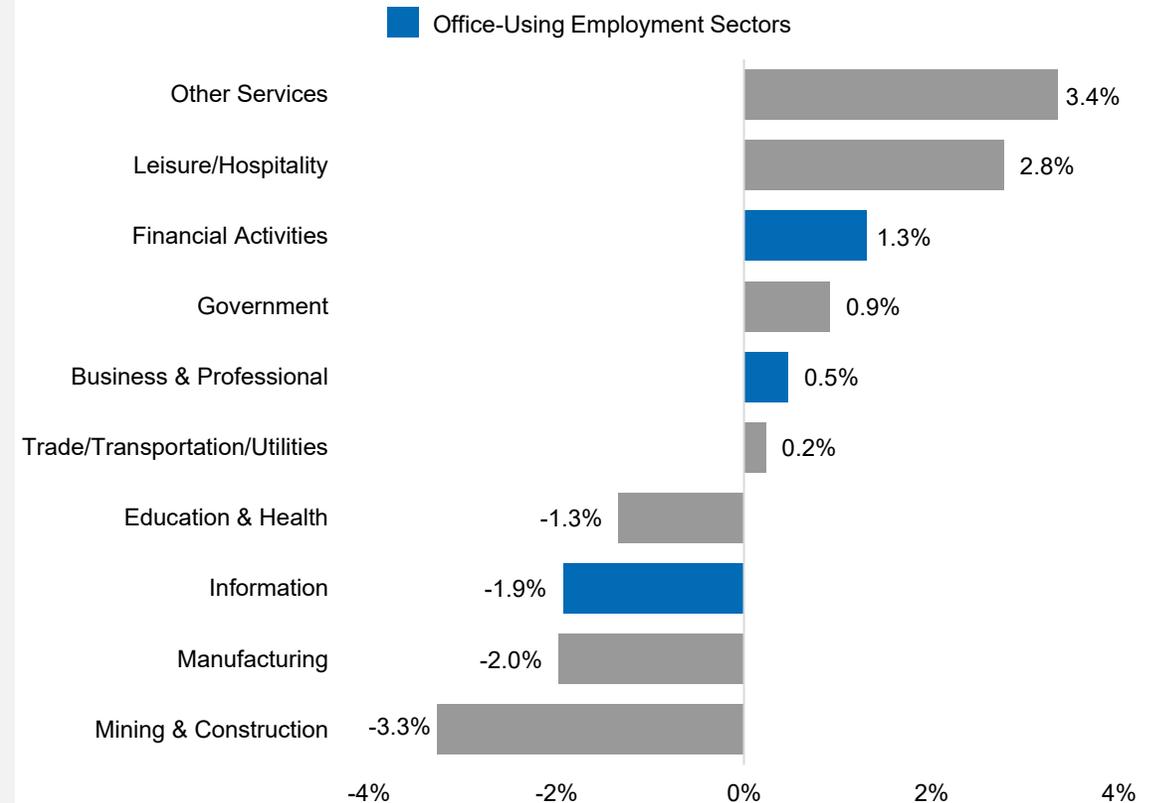
# Sector Employment Growth Is Mixed

As of the fourth quarter of 2025, Broward County's two largest industries accounted for 41.0% of total employment, with the office-using professional and business services sector representing 18.9% of all jobs. Year over year, performance was mixed among office-using sectors, as two of the three expanded while one contracted. Professional and business services added 0.5% and financial activities employment rose 1.3%, whereas information employment declined 1.9% over the same period.

Employment by Industry, September 2025

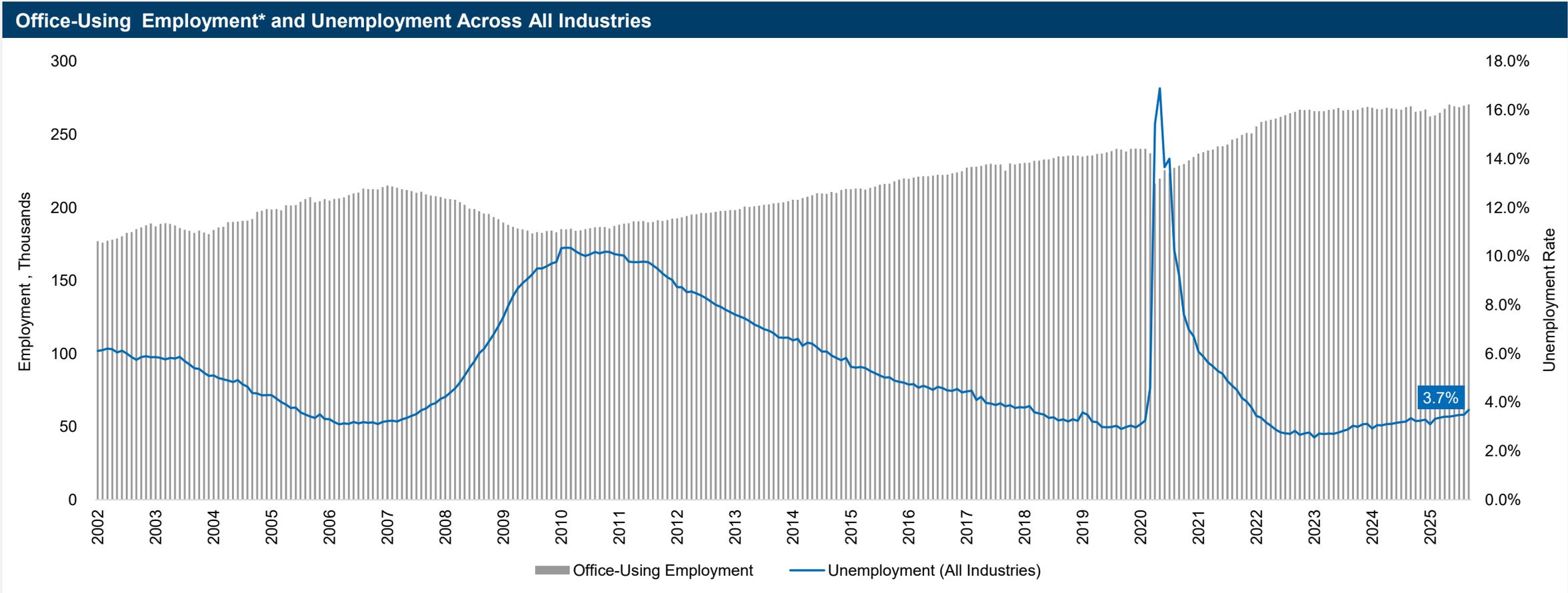


Employment Growth by Industry, 12-Month % Change, September 2025



# Office-Using Employment Rises To New Record High

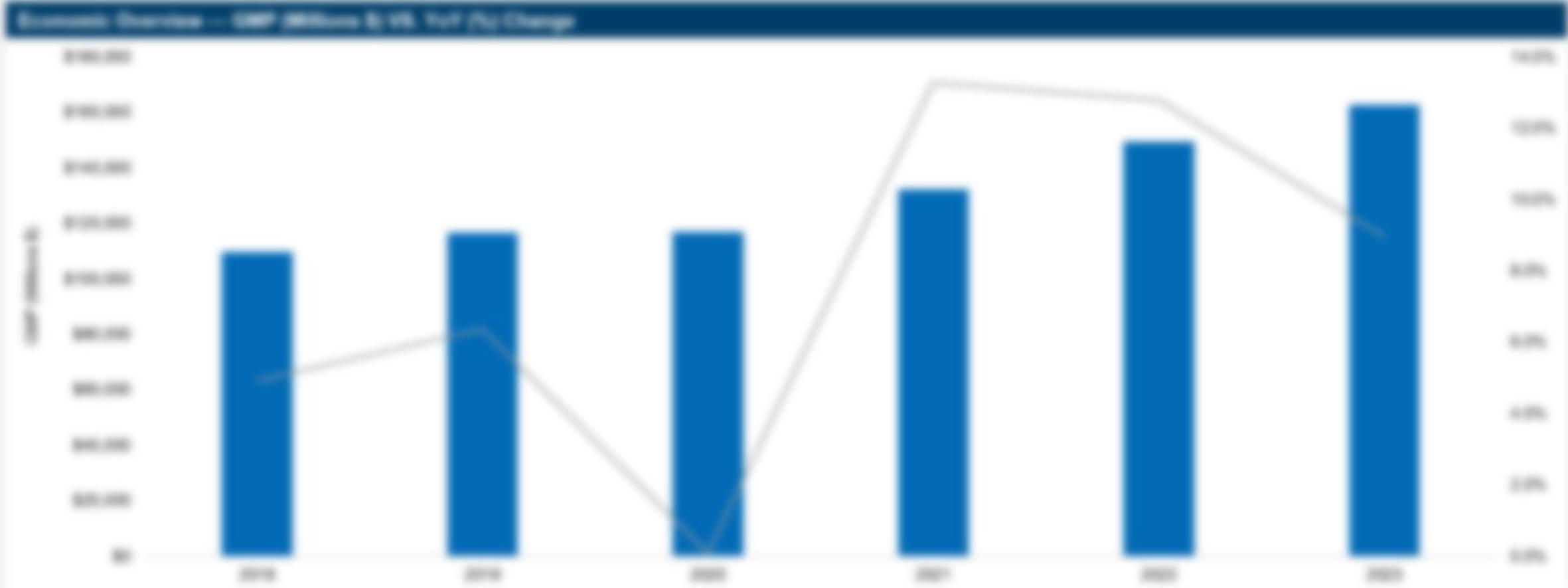
As of September 2025, Broward County’s office-using employment increased 0.5% year over year to 270,710, setting a new record high. The gains in financial activities and professional and business sectors more than offset declines in the information sector. Office-using employment is 0.1% above the previous all-time high set in May 2025. The seasonally adjusted unemployment rate was 3.7%, about 57 basis points above the 2019 average of 3.1%.



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.

# 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 9.0% year over year to reach a new all-time high of roughly \$107 billion.



Source: Moody's

# 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 44.9% of total volume. CMBB maturities are heavily front-loaded, with \$17.2 billion scheduled to come due over the next five years, or 44.9% 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.



# 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 \$5.7 billion dollar of loans maturing over the next five years, leading direct exposure to the office sector's challenges. By contrast, multifamily loans account for 48.3% of maturities through 2029, but the sector's solid performance and broader strong appetite for multifamily assets indicate that servicers remain comfortable with the level of multifamily risk, underwriting capital markets' focus on high-quality assets.



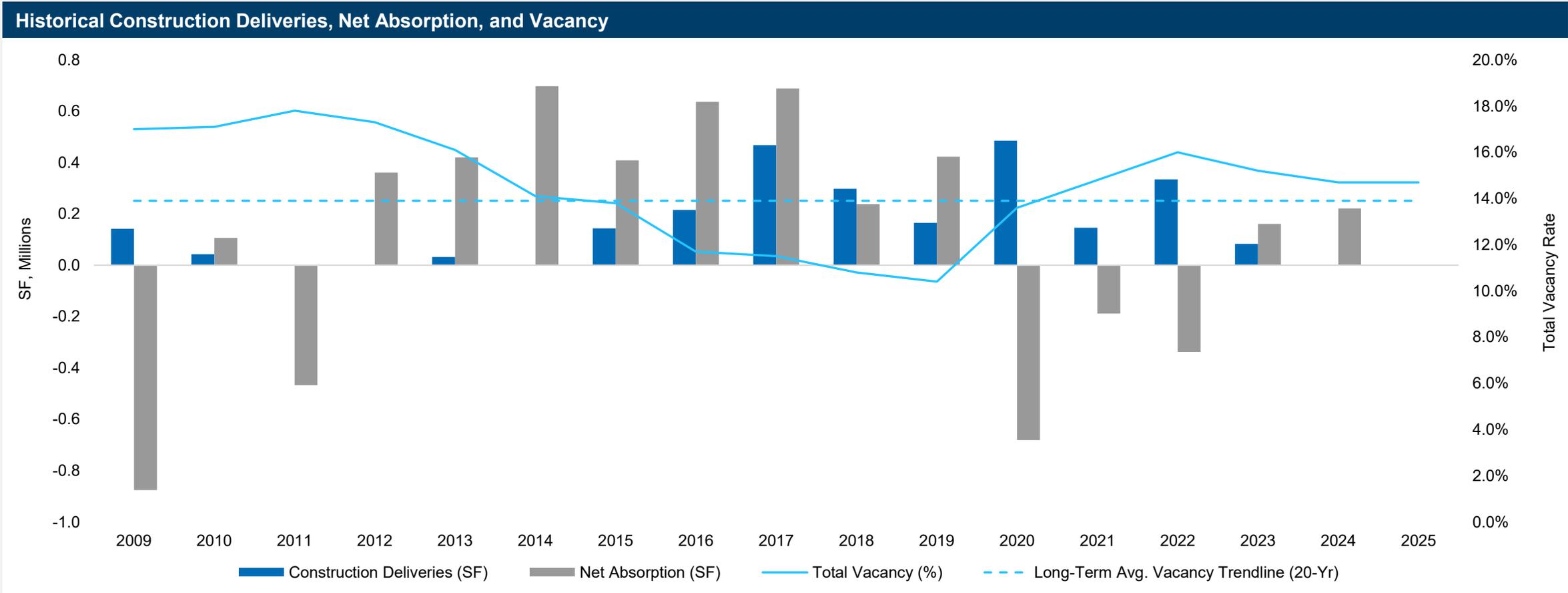
# 03

## Leasing Market Fundamentals



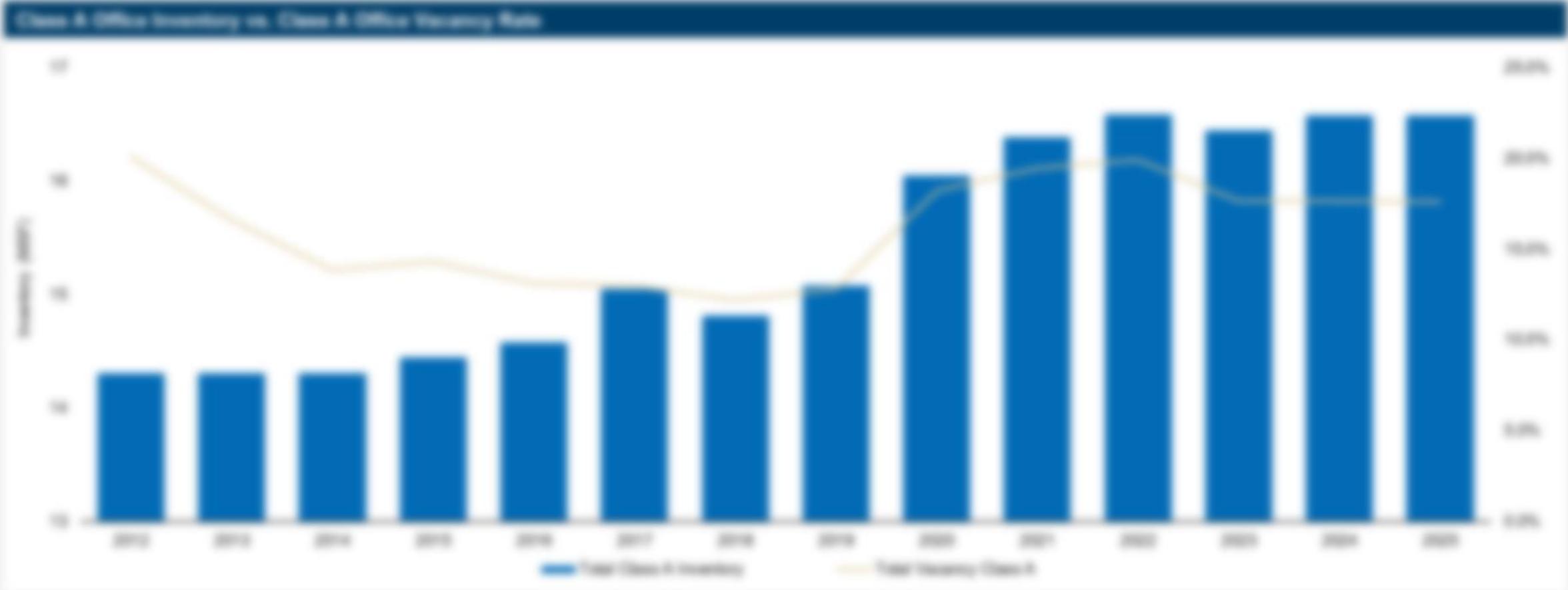
# Positive Net Absorption Leads to Decrease In Vacancy

Net absorption turned positive in the fourth quarter of 2025 totaling 36,150 SF, partially reversing earlier losses and narrowing year-to-date absorption to negative 526 SF. The market has seen no new deliveries for nearly two years, though T3 FAT Village phase I is slated to come online in 2026. This quarter's positive absorption reduced vacancy by 10 basis points quarter over quarter to 14.7%, still above the 20-year average of 13.9%.



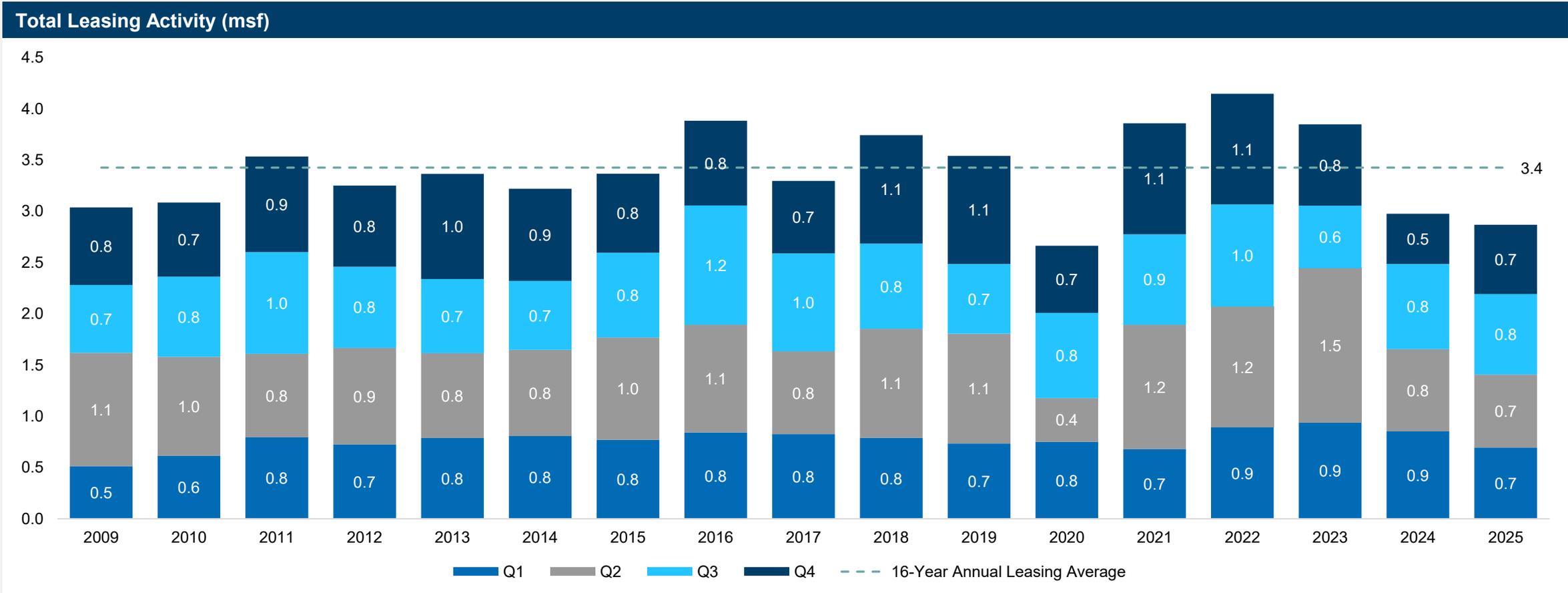
# Class A Office Market Conditions Remain Firm Amid Rising Vacancy and Availability

Newmark County's Class A office vacancy rate increased 17.4% in the fourth quarter of 2023, up 90 basis points year over year as corporations continued to right size and reconfigure offices within high-quality, amenity-rich buildings while limited new construction constrained supply. Class A availability rose 10 basis points quarter over quarter to 24.2%, pointing to accelerated listings despite muted development activity. Year to date, Class A fundamentals are expected to remain relatively firm, supported by ongoing flight-to-quality demand.



# Annual Leasing Activity Falls Just Short of Previous Year's Despite Stronger Fourth Quarter

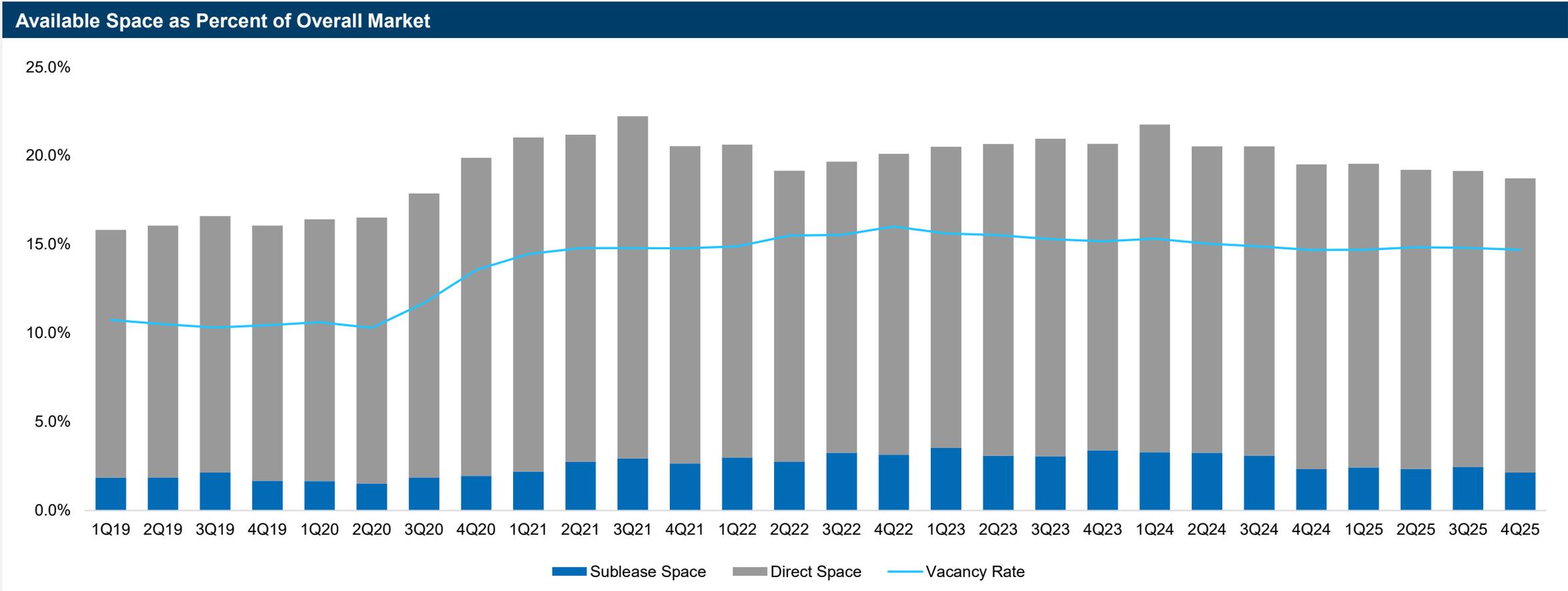
Leasing activity decreased 13.9% quarter-over-quarter in the fourth quarter of 2025 to 676,332 SF, remaining 20.7% below the 16-year fourth-quarter average of 852,975 SF. Deal size averaged 2,915 SF, a 142 SF decline from the prior quarter, ending a three-quarter streak of average deal-size increases. The average deal size is also below the pre-pandemic norm of 3,584 SF, indicating tenants' continued preference for smaller spaces, while total leasing volume for 2025 finished 3.6% below 2024's activity at 2.9 MSF.



Source: Newmark Research, CoStar

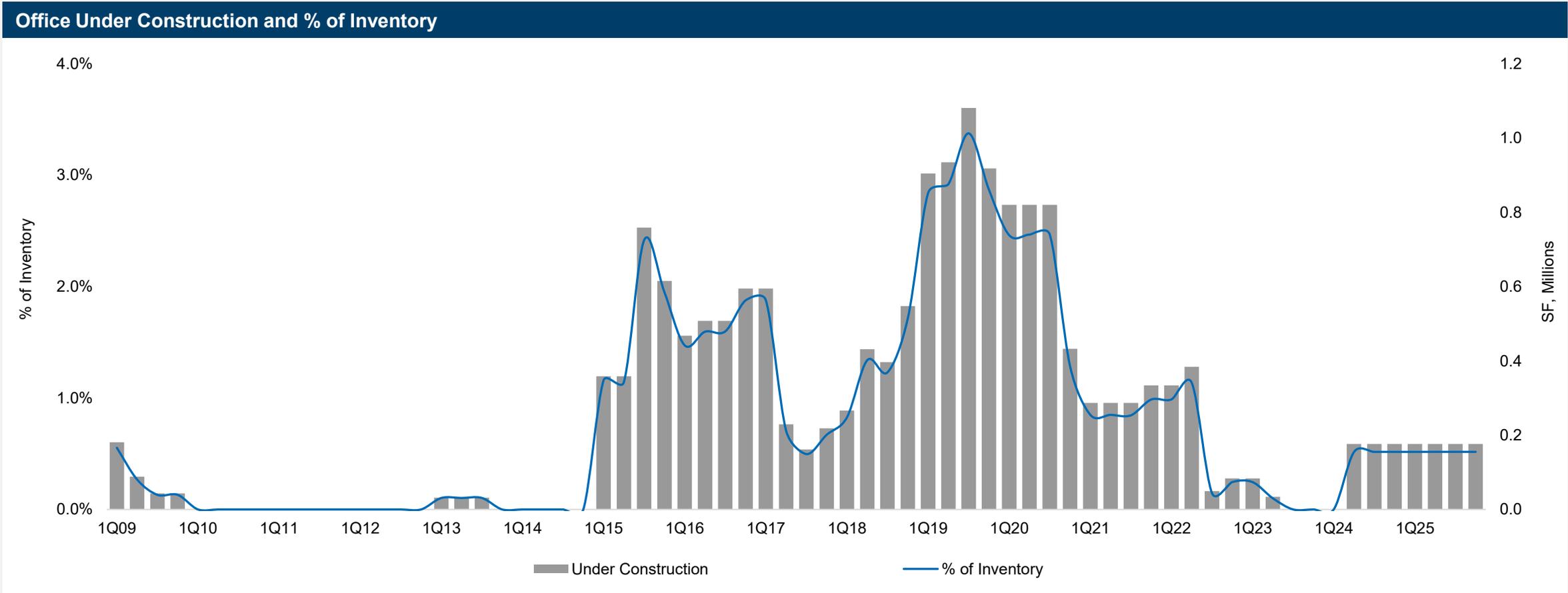
# Direct Availability Remains Stable, While Sublease Availability Falls

Broward County’s direct availability decreased by 8 basis points quarter-over-quarter to 16.6% in the fourth quarter of 2025, while sublease availability fell 33 basis points to 2.1% over the same period. As a result, total availability declined 42 basis points to 18.7%. Consistent with improving availability conditions, the overall vacancy rate also declined, edging down 10 basis points quarter over quarter to 14.7%.



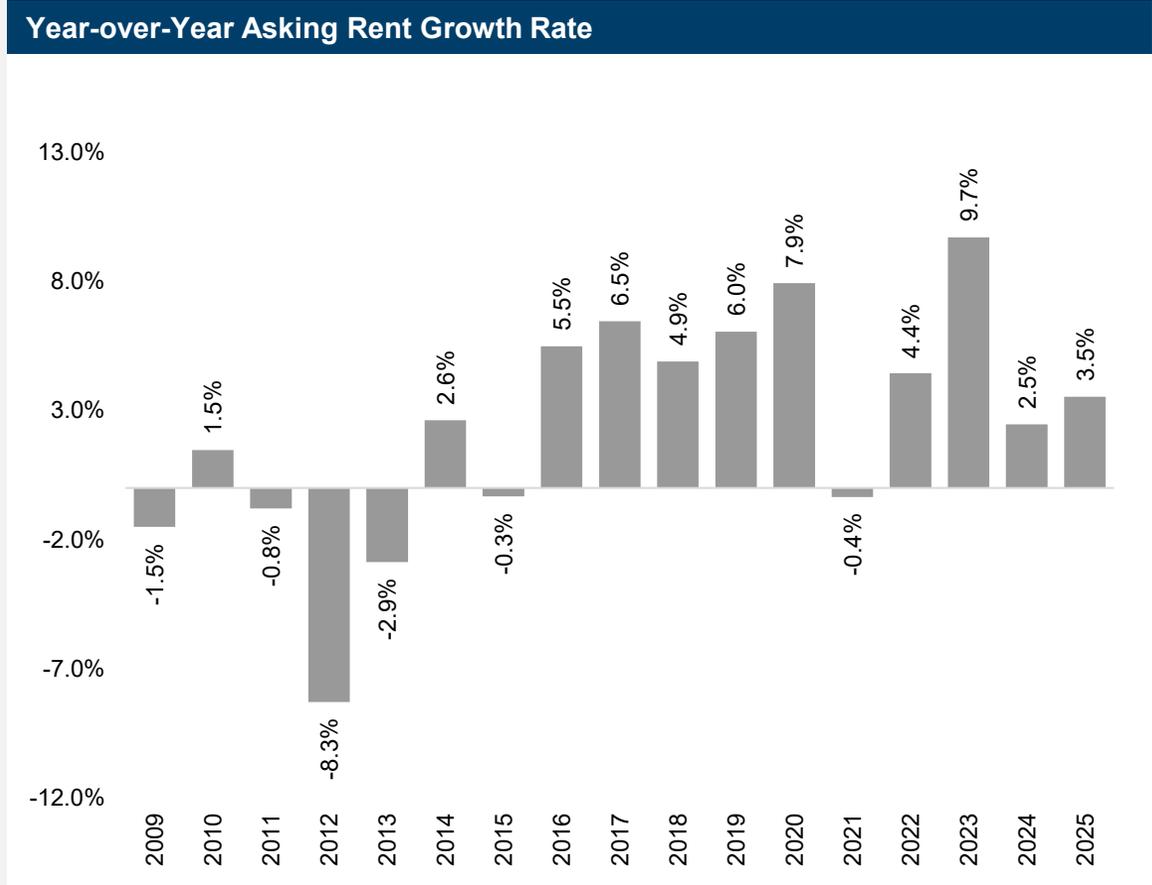
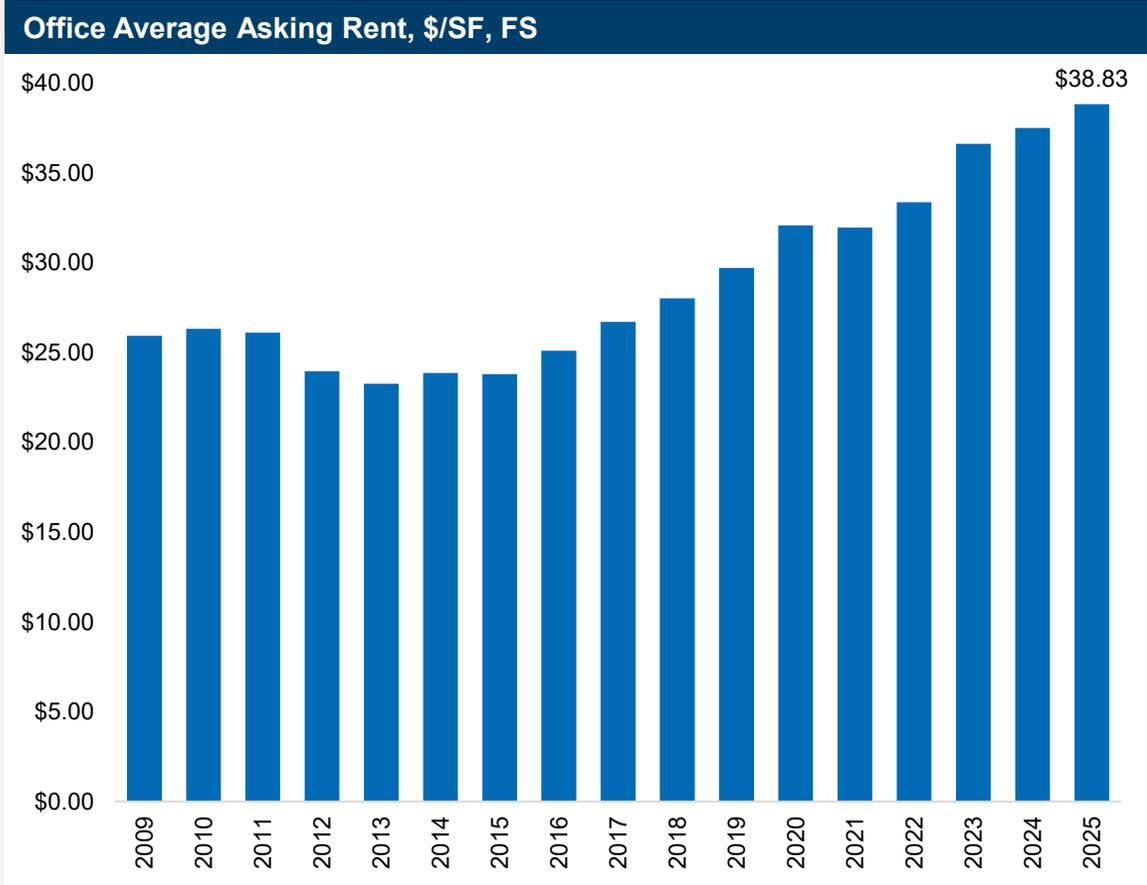
# Construction Activity Remains Unchanged

In the fourth quarter of 2025, Broward County had 176,500SF under construction, unchanged for almost two years. The sole active project is T3 FAT Village East by Hines in the Fort Lauderdale CBD, which topped off the office portion in the fall and is likely to deliver in 2026. Absent new starts, delivery of this project will reduce the active pipeline to zero. Phase II of T3 FAT Village could reinvigorate construction activity, pending timing and approvals.



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

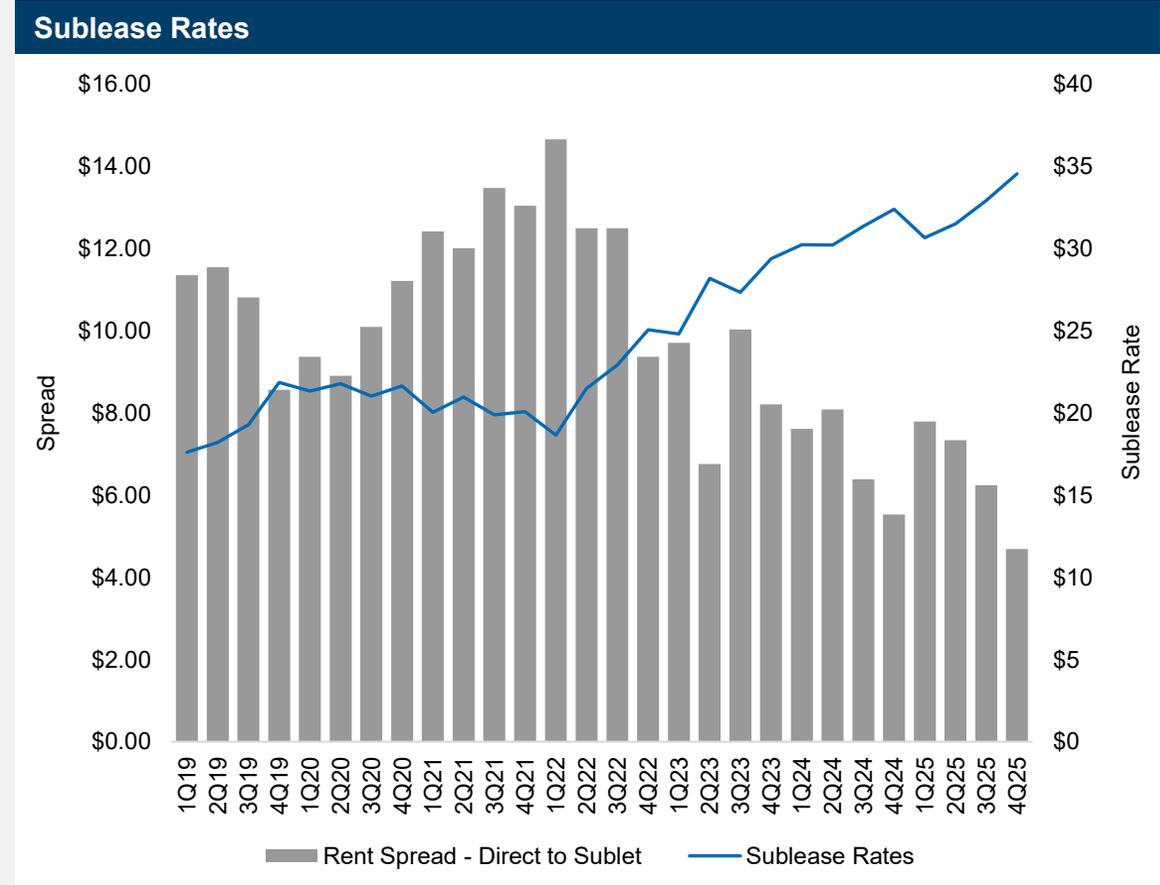
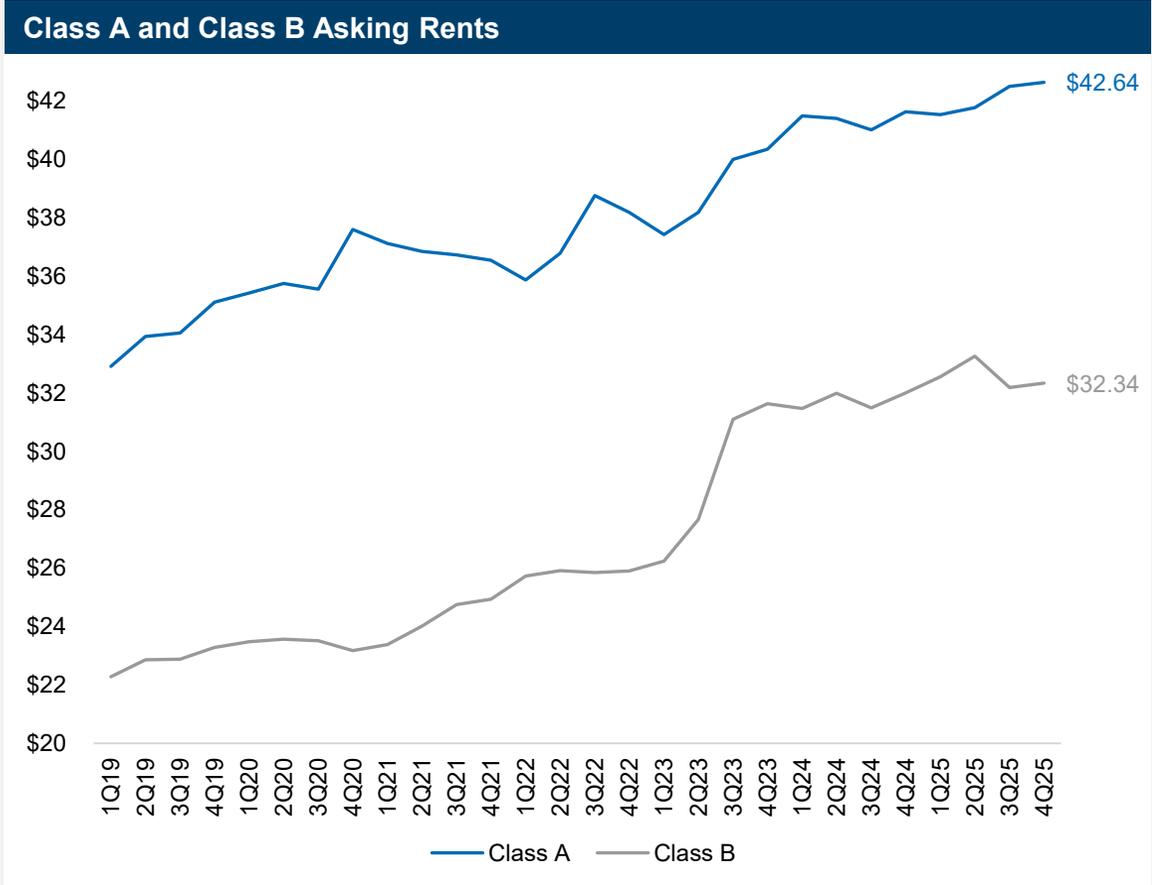
In the fourth quarter of 2025, average asking rents increased by 0.7% quarter over quarter to \$38.83/SF, reaching a new all-time high for the fourth consecutive quarter. Rents increased 3.5% year over year, 107 basis points above the pace of rental growth over the prior year.



Source: Newmark Research, CoStar

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

In the fourth quarter of 2025, Class A average asking rents reached a new all-time high, rising 0.3% quarter over quarter to \$42.64/SF. Meanwhile, Class B asking rents rose 0.5% to \$32.34/SF, narrowing the rent spread by 0.1% quarter-over-quarter to \$10.30/SF. Sublease asking rents increased 5.0% to \$34.55/SF. Near term, Class A rents are expected to remain elevated as demand concentrates in higher-quality product.



Source: Newmark Research, CoStar

# Deal Size Decreases, Reversing Three Quarter Trend

The quarter saw a decrease in the number of deals signed compared to the previous quarter and the average deal size decreased by 142 SF, reaching an average size of 2,915 SF, reversing a three-quarter trend of consecutive deal size increases. Class A leasing activity accounted for 42.0% of all square feet leased this quarter average Class A deal size was on average 45.4% larger than the average deal signed this quarter.

## Notable 4Q25 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Clear Shores	Crown Center-Building 1425	Cypress Creek	New Lease	25,490
<i>Clear Shores has secured 25,490 SF at Crown Center Building 1425 for its mental health practice. The lease was signed at \$30.00/SF asking rent for six years and two months.</i>				
Hartford Fire Insurance Co.	Sawgrass Technology Park-Building F	Sawgrass Park	Renewal	24,667
<i>Hartford Fire Insurance Co. has renewed their lease to occupy the entire building. They have been a tenant for the last four years.</i>				
Akumin	8300 W Sunrise Blvd	Plantation	Renewal	23,778
<i>Health care and social assistance provider Akumin has renewed their space at 8300 W Sunrise Blvd. They have been a tenant in the building since 2016 . This location serves as their central office for their diagnostic imaging and oncology services across various locations.</i>				
GSA	1551 Sawgrass Corporate Parkway	Sawgrass Park	New Lease	21,529
<i>The GSA signed two leases at this location this quarter including a smaller roughly 6,000 SF lease. The 21,529 SF space was secured for 10 years, of which five are firm for a total contract amount of roughly \$9.1 million.</i>				
Coverage Cure	1550 Sawgrass Corporate Parkway	Sawgrass Park	New Lease	21,247
<i>Coverage Cure secured the space for four years at an asking rent of \$16.75/SF, taking over enhanced Health's previous space.</i>				

# 04

## Supplemental Information



# Broward Office Market

## Strengths

- Broward is a global gateway, attracting international businesses and investors
- The region has a diverse economy, with strong sectors in logistics, business, and healthcare
- Broward's office market has strong confidence, with positive absorption in high-quality buildings
- The urban core and the Cypress Creek submarket are leading in leasing activity
- The market expects stronger rents than other South Florida markets

## Weaknesses

- Broward's market is aging, with just 20.7% of buildings constructed within the past 20 years
- Office space has been slow to get going for the construction pipeline and current stock levels of 200-250 sq ft per person in some businesses
- Limited new construction may impact future growth
- Office demand is expected to be flat in 2023, as evidenced by absorption totaling 26,150 sq ft for the entire year in 2022
- Office space is expected to remain soft in the near-to-medium term due to the post-pandemic construction pipeline

## Opportunities

- Continued expansion of the tech sector offers significant opportunities for office space demand
- Investment in existing office buildings can attract new tenants
- Increasing demand for flexible and co-working spaces presents new business opportunities
- Impact of Florida's commercial sector in October 1, 2023, will provide incentives to landlords and tenants
- Lower rents offer opportunities to new tenants compared to other South Florida markets

## Threats

- Potential economic downturn could reduce demand for office space
- The use of remote work may decrease long-term demand for traditional office space
- Competition outside the market may attract businesses away from Broward
- High construction costs may impact financial confidence and lead to delays in projects
- Increasingly aging stock may limit potential overall demand

# 4Q25 South Florida Office Market Overview



	<b>Miami</b>	<b>Miami-Dade County</b>	<b>Palm Beach County</b>
Total Inventory (SF)	26,127,210	28,422,400	27,128,400
Under Construction (SF)	178,000	1,221,100	1,788,271
Total Inventory (M)	15.7%	15.8%	15.4%
Market Absorption	26,100	25,100	25,100
YTD Absorption	26,100	26,100	25,100
Market Deliveries	0	75,000	0
YTD Deliveries	0	75,000	0
Direct Leasing Rate (FWD25)	85%	85%	85%
Market Leasing Rate (FWD25)	85%	85%	85%
Total Leasing Rate (FWD25)	85%	85%	85%

# Broward Office Submarket Overview — All Classes

Submarket Statistics — All Classes								
	Total Inventory (SQ FT)	2020 Construction (SQ FT)	Total Inventory (MM)	2020 Absorption (SQ FT)	YTD Absorption (SQ FT)	Class & Street Selling Rate (Per Sq Ft)	Class & Street Selling Rate (Per Sq Ft)	Class Average Selling Rate (Per Sq Ft)
All Leasable (SQ FT)	5,881,200	176,000	16.7%	-25,000	-25,000	\$21.42	\$20.75	\$21.00
2020 Total	5,881,200	176,000	16.7%	-25,000	-25,000	\$21.42	\$20.75	\$21.00
Commercial Bldg	1,000,000	-	17.2%	2,000	-1,200	\$22.00	\$20.20	\$21.00
Corporate Office	4,200,000	-	16.8%	-27,000	-1,000	\$21.00	\$20.00	\$21.00
All Leasable Industrial	2,000,000	-	16.8%	-15,000	20,000	\$21.00	\$21.75	\$21.00
Warehouse	150,000	-	16.8%	25,000	-1,000	\$20.00	\$21.00	\$20.00
Industrial	1,850,000	-	16.8%	-15,000	21,000	\$21.00	\$21.00	\$21.00
All Brownfield Land Sprng	1,000,000	-	17.1%	20,000	75,000	\$20.00	\$20.00	\$20.00
Flex/Bldg	4,771,200	-	16.8%	-18,000	77,000	\$21.00	\$20.00	\$20.75
Corporate Office	2,271,200	-	16.8%	20,000	100,000	\$20.00	\$21.75	\$21.00
Corporate Bldg	2,500,000	-	16.8%	-38,000	-6,000	\$21.00	\$21.00	\$21.00
All Brownfield	4,000,000	-	16.2%	-15,000	-15,000	\$20.00	\$21.00	\$20.00
Warehouse	20,000,000	-	16.8%	20,000	27,000	\$20.00	\$21.00	\$20.00
Market	26,171,200	176,000	16.7%	20,000	500	\$21.00	\$20.00	\$20.00



# Broward Office Submarket Overview — Class B

Submarket Statistics — Class B						
	Total Inventory (SQ)	Under Construction (SQ)	Total Vacancy Rate	Q3 Absorption (SQ)	YTD Absorption (SQ)	Class B Office Leasing Rate (Percent)
FL Landmark 100	79,000	-	10.7%	1,000	1,000	99.3%
<b>QBR Total</b>	<b>79,000</b>	<b>-</b>	<b>10.7%</b>	<b>1,000</b>	<b>1,000</b>	<b>99.3%</b>
Commercial Blvd	1,200,000	-	8.8%	0	20,000	99.8%
Corporate Center	2,000,000	-	17.1%	10,000	4,000	99.2%
FL Landmark 1000	1,000,000	-	10.0%	10,000	27,000	99.7%
Midway	200,000	-	7.5%	1,000	4,000	99.8%
Midway	80,000	-	7.5%	1,000	21,000	99.7%
Midway/Corporate Center	80,000	-	8.7%	20,000	47,000	99.4%
Palmdale	2,000,000	-	11.0%	100,000	30,000	99.8%
Palmdale Blvd	1,000,000	-	10.0%	20,000	20,000	99.8%
Palmdale Park	1,170,000	-	20.4%	10,000	10,000	99.1%
SR 100	1,000,000	-	11.1%	0	17,000	99.8%
Westway	10,000,000	-	10.0%	100,000	80,000	99.8%
<b>Market Total</b>	<b>11,000,000</b>	<b>-</b>	<b>10.0%</b>	<b>110,000</b>	<b>200,000</b>	<b>99.8%</b>



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