



Q4 2024

Broward Office Market Report.

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Broward County demonstrates resilience and strategic vision. It is a region where past achievements form a robust foundation for a thriving future.

Driven by sustained demand, favorable market conditions, and the influx and loyalty of businesses attracted to South Florida's dynamic ecosystem, Greater Fort Lauderdale continues to emerge as a hub for local, national, and global enterprises in growth mode.

As 2024 ended, the region recorded an impressive two million square feet of leasing activity for the year, aligning seamlessly with its strong five-year historical average. Key submarkets such as Downtown, Cypress Creek, and suburban areas like Southwest Broward demonstrated exceptional performance, posting significant positive absorption figures.

Several marquee transactions defined the quarter and the year. Legal powerhouses Holland & Knight and Greenberg Traurig, technology leader Microsoft, and even the City of Fort Lauderdale itself contributed to the momentum with notable leases. The coworking sector also gained traction, with International Workplace Group (IWG) announcing a new hub in Hollywood—part of its ambitious plan to launch 33 spaces across the South Florida region, which already boasts over 70 locations. Toronto based FirstService Residential expanded its presence with a 65,430-square-foot office in Plantation, while Austria's Doka USA, a leading formwork and scaffolding supplier, selected Davie for its regional office and warehouse operations.

Growth wasn't confined to traditional sectors. In Plantation, New York-based Merchant Industry unveiled its new headquarters, poised to create 1,000 jobs, while Baptist Health South Florida committed \$500 million for a 100-bed hospital in Sunrise, addressing the rising demand for healthcare infrastructure. This diverse tenant mix, spanning healthcare, technology, government, education, and financial services, underscores Broward County's resilience. A well-balanced industry presence shields the local economy from sector-specific volatility, fostering stability even in the 2024 uncertain times.

Looking ahead, office space supply is projected to remain stable through 2025, with transformative developments like Hines FAT Village project in Fort Lauderdale's Flagler Village set to debut in 2026. This mixed-use, transit-oriented project adjacent to the Brightline Station, includes in Phase 1, a 180,000 SF T3 Class AAA office building, 75,000 SF of retail and 600 residential rental apartments. It exemplifies Hines commitment to creating destinations that offer a workplace



designed to deliver the experiences top companies seek to recruit and retain top talent, and the county’s commitment to connectivity and mobility. With Brightline rail seamlessly linking Greater Fort Lauderdale to Downtown Miami, Aventura, Boca Raton, Downtown West Palm Beach, and Orlando, the region is strategically positioned for continued expansion.

Employers are capitalizing on this potential. In fiscal year 2024, the Greater Fort Lauderdale Alliance was instrumental in securing the relocation of various new companies to Broward County, collectively projected to generate \$164 million in capital investment and over 1,060 high-value jobs.

As inflation eases and interest rates stabilize, Broward County enters 2025 on firm ground. Developers and investors are reengaging and new owners of older properties are investing in significant upgrades. Enhanced elevators, modernized lobbies, and refreshed common areas and amenities are expected to breathe new life into suburban Class A, Class B, and Tier II Class A properties, which faced challenges in 2024.

Beyond the urban core, ambitious projects are reshaping Broward County’s landscape. Aimco’s planned redevelopment of the former “Searstown” property will bring 800 apartments, a hotel, and 202,000 square feet of commercial space to the area. Similarly, Sunbeam’s vision for the Miramar Park of Commerce includes apartments, a hotel, and retail offerings, while maintaining its flex industrial and office spaces to support its existing tenant base.

Major projects led by the public sector and public-private partnerships in Broward County during 2024 laid the groundwork for future growth. Notable projects include the Mobility Advancement Program with nearly 700 projects aimed on improving transit, the I-595 Corridor Roadway improvements, and the expansion of the Broward County Convention Center. Additionally, the Ft. Lauderdale/Hollywood International Airport continues its expansion with a \$400 million new domestic terminal.

Class A properties, particularly in Downtown Fort Lauderdale, experienced positive absorption, reflecting enduring demand for premium office spaces connected to amenities and near varied residential options.

The outlook for 2025 is optimistic. Anticipated declines in interest rates, a more fluid capital market, and the nearing completion of transformative projects like Hines FAT Village provide a strong platform for expansion. Broward County’s strategic location, exceptional quality of life, and top-rated schools, recently earning an A+ rating from the state, reinforce its appeal and long-term potential.

Broward County’s story is one of steady momentum, where the strengths of the past converge with future opportunities. As the region continues to evolve, it is poised to flourish for years to come.

Broward by the Numbers

Multi-Tenant Office Buildings > 50,000 SF

<h1>Class A</h1>	<h1>Class B</h1>
<p>↑ \$28.42 PSF NNN Weighted Average Asking Rate (Increased 0.7% YOY)</p>	<p>↑ \$20.20 PSF NNN Weighted Average Asking Rate (Increased 2.9% YOY)</p>
<p>↓ 17.5% Direct vacancy decreased 10 basis points YOY</p>	<p>↑ 15.6% Direct vacancy increased 90 basis points YOY</p>
<p>-64,860 SF 2024 Net Absorption</p>	<p>-34,822 SF 2024 Net Absorption</p>

Market highlights.



Leasing activity in the fourth quarter of 2024 totaled 381,000 square feet (SF), reflecting a seasonal slowdown from the 580,000 SF recorded in Q3.

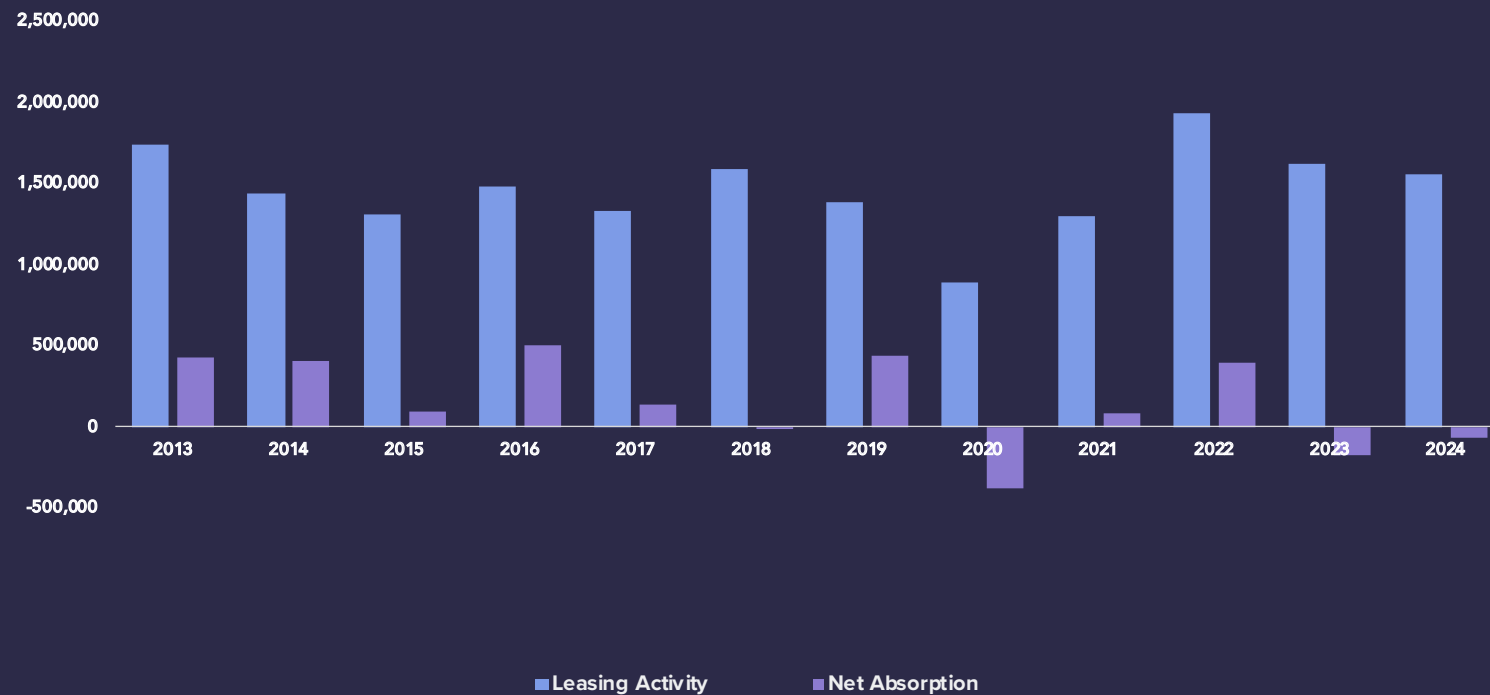
Despite this dip, Q4 leasing outpaced the 308,000 SF recorded in the same quarter of 2023. For the full year, Broward County leasing reached 2.0 million SF, aligning with the five-year historical average and signaling stability amid broader economic challenges. Leasing activity across the market was driven by financial services (20%), education and medical services (18%), and technology (18%), underscoring a diversified tenant base.

Downtown Fort Lauderdale continued to lead the market, driving both leasing activity and positive absorption trends. Class A properties in the submarket recorded 25,000 SF of positive absorption in Q4, contributing to a strong 51,000 SF gain for the year. High-profile renewals, such as Holland & Knight's 29,000 SF lease at Las Olas Square and Office Edge's 27,000 SF renewal at 500 E Broward, underscore the appeal of centrally located, amenity-rich Class A spaces. The sustained demand for these premium properties persists throughout the region.

In suburban submarkets, performance varied. Cypress Creek saw notable tenants recommit to their office spaces, including

Historical Broward Direct Leasing Activity & Net Absorption (SF)

Class A Multi-Tenant Office Buildings > 50,000 SF



the City of Fort Lauderdale (48,000 SF renewal) and Microsoft (30,000 SF short-term extension). These deals demonstrate the submarket’s continued appeal, particularly to government and technology tenants, which each accounted for 18% of Q4 leasing activity. However, despite strong leasing activity, Cypress Creek experienced negative absorption mostly due to Citrix’s downsizing, reflecting ongoing challenges in suburban markets.

New-to-market leasing remained subdued, with just 6,054 SF recorded in Q4, not unlike Q3’s 4,000 SF. This slowdown in relocation activity reflects a cautious approach by companies who prioritized optimizing existing footprints over expanding into new spaces during an inflationary period and general economic uncertainty. As a result, tenant renewals and expansions remained the primary drivers of leasing activity in 2024.

Absorption trends mirrored leasing dynamics. Broward County recorded negative 64,000 SF of absorption in Q4, driven primarily by Class B properties, which posted negative 80,000 SF of absorption. In contrast, Class A achieved 16,000 SF of positive absorption in Q4, led by Downtown Fort Lauderdale. For the year, Downtown Fort Lauderdale, Outer Fort Lauderdale, and Southwest Broward contributed a combined 91,000 SF of positive absorption. However, these gains were offset by losses in other suburban submarkets, which collectively posted negative 191,000 SF, highlighting the uneven performance across the county. Largest contractions driving negative absorption were concentrated in Sawgrass where MacNeill Group vacated 35K SF and T-Mobile also vacated 25K SF, and in Cypress Creek where Citrix contracted by 140K SF in their sale leaseback.

Vacancy rates in Q4 2024 reflected ongoing market adjustments, highlighting both challenges and opportunities to still acquire quality office space across Broward County's submarkets.

The overall vacancy rate edged up by 20 basis points to 16.8%, continuing its upward trajectory from 16.6% in Q3 and 16.5% in Q4 2023. Class A vacancy showed resilience, declining by 20 basis points quarter-over-quarter to 17.5%, underscoring steady demand for premium spaces. In contrast, Class B vacancy climbed 100 basis points year-over-year to 15.6%, driven by downsizing in older, less competitive properties.

Downtown Fort Lauderdale continued to outperform, with its overall vacancy rate dropping 120 basis points year-over-year to 14.5%. This improvement reinforces the submarket's reputation as a prime destination for tenants seeking high-quality amenities and central locations. Outer Fort Lauderdale and Southwest Broward also experienced positive momentum, with reduced vacancy rates, while other suburban submarkets faced ongoing challenges.



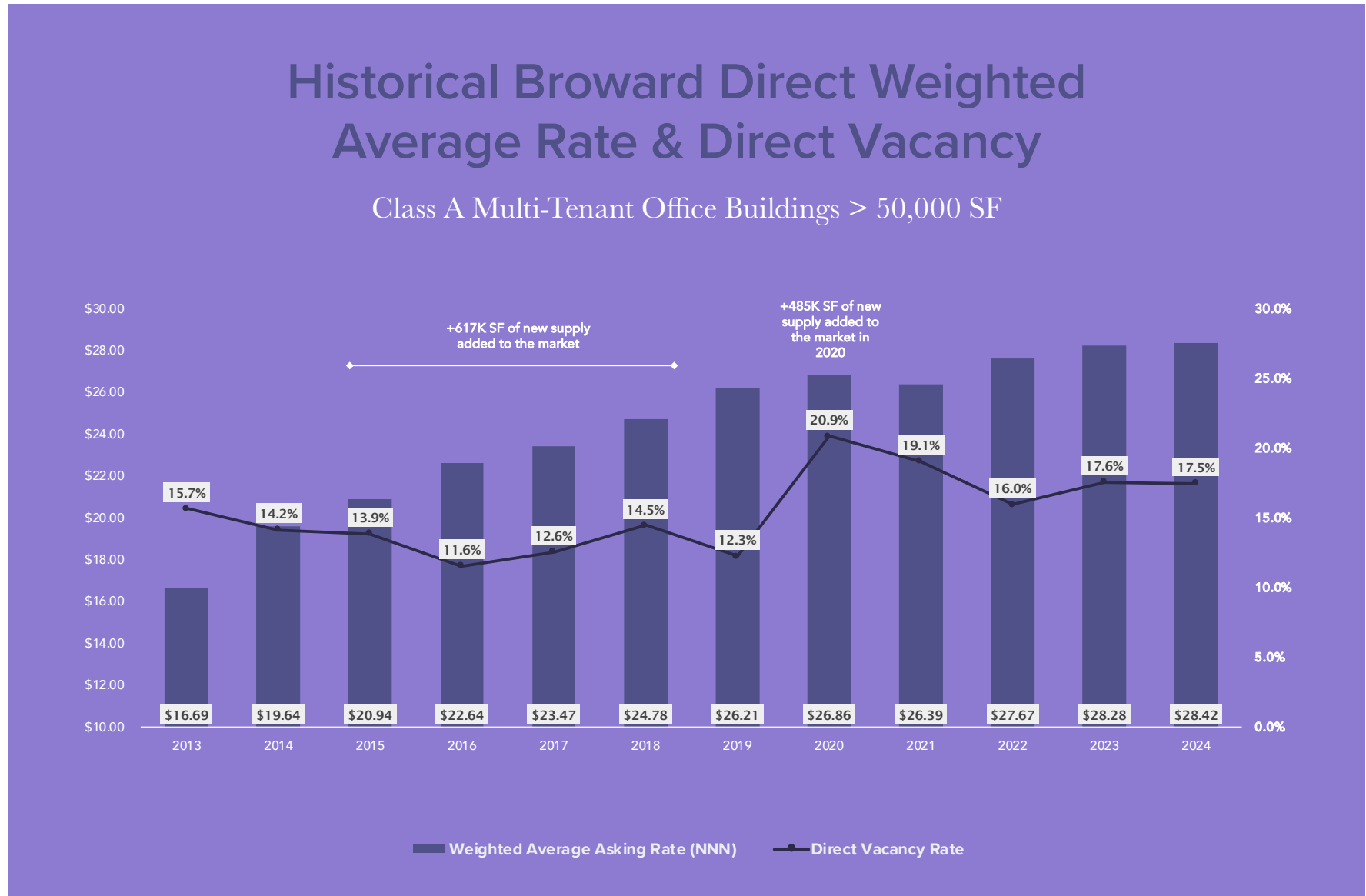
Sawgrass, for instance, saw its overall vacancy rise to 17.9%, a 110-basis-point year-over-year increase due to significant contractions by a handful of tenants, with Class A vacancy reaching 24%, the highest among Broward’s major submarkets. These disparities underscore the growing divide between outdated office stock and modern, amenity-rich spaces better aligned with evolving tenant demands.

Sublease availability provided a positive sign for the market, decreasing by 78,000 SF to 780,000 SF representing 3.3% of total inventory which is slightly below the sublease availability of Class A and B space as a percentage of total inventory year over year. This decline reflects a stabilization in tenant footprints after several years of heightened sublease activity, signaling increased confidence in long-term space utilization.

On the development front, the construction pipeline remained static, with no new project deliveries or groundbreaking activity during Q4. However, construction is in full gear on the highly anticipated Hines T3 FAT Village in Downtown Ft. Lauderdale’s Flager Village, a location of choice by both young and established professionals. Scheduled for delivery in 2026, this 180,000 SF Class AAA office building combines cutting-edge design with advanced sustainability features, catering to tenants prioritizing high-performance office environments. Positioned in one of Broward’s most dynamic neighborhoods and just two blocks from the Brightline Station, T3 FAT Village is poised to attract both local businesses and new-to-market entrants, reinforcing the area’s appeal as a hub for innovation and growth.

Historical Broward Direct Weighted Average Rate & Direct Vacancy

Class A Multi-Tenant Office Buildings > 50,000 SF



Asking rents in Broward County remained resilient in Q4 2024, with the overall weighted average rate increasing to \$25.62 per square foot (PSF) NNN, reflecting a 0.7% year-over-year gain.

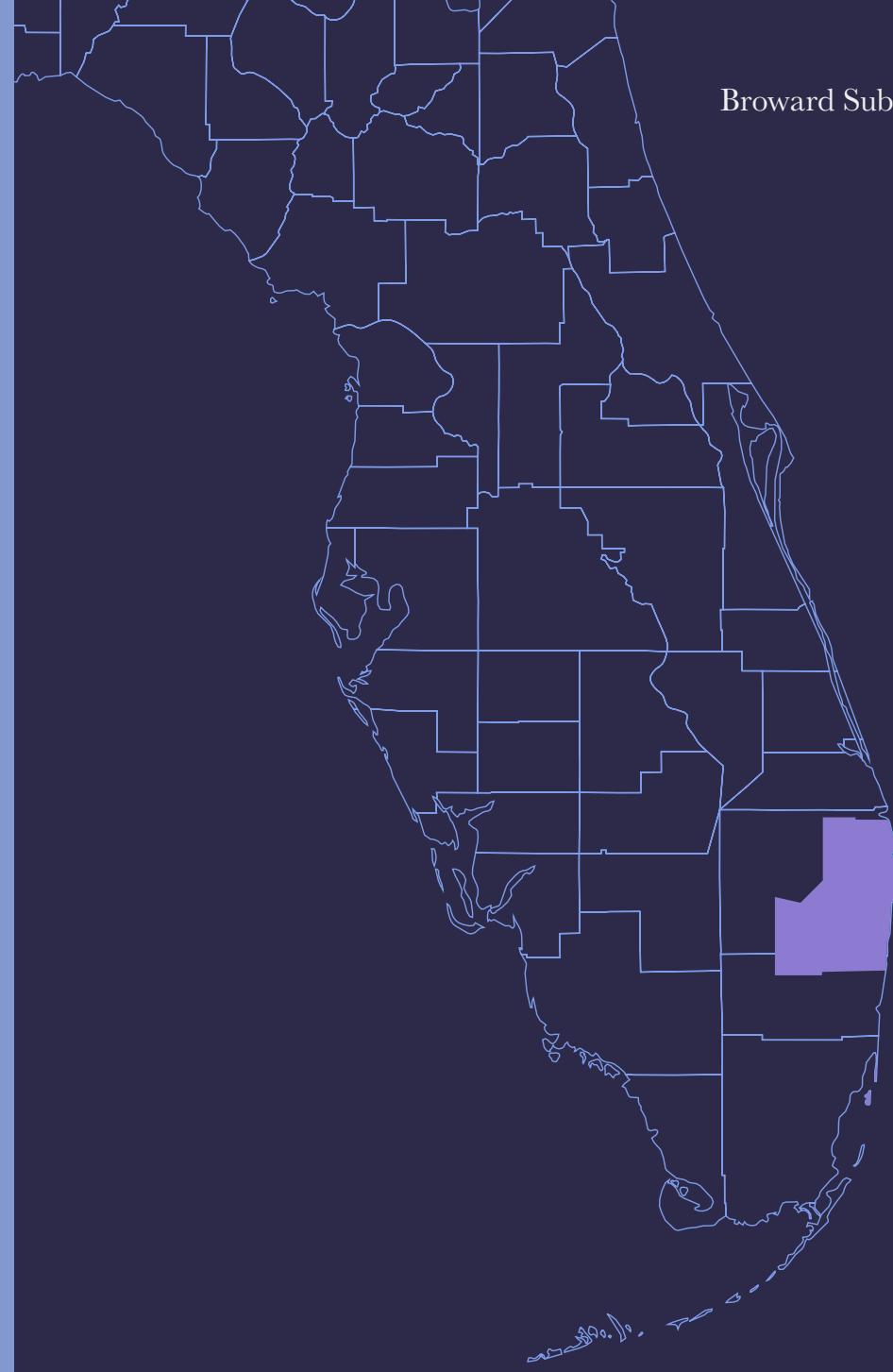
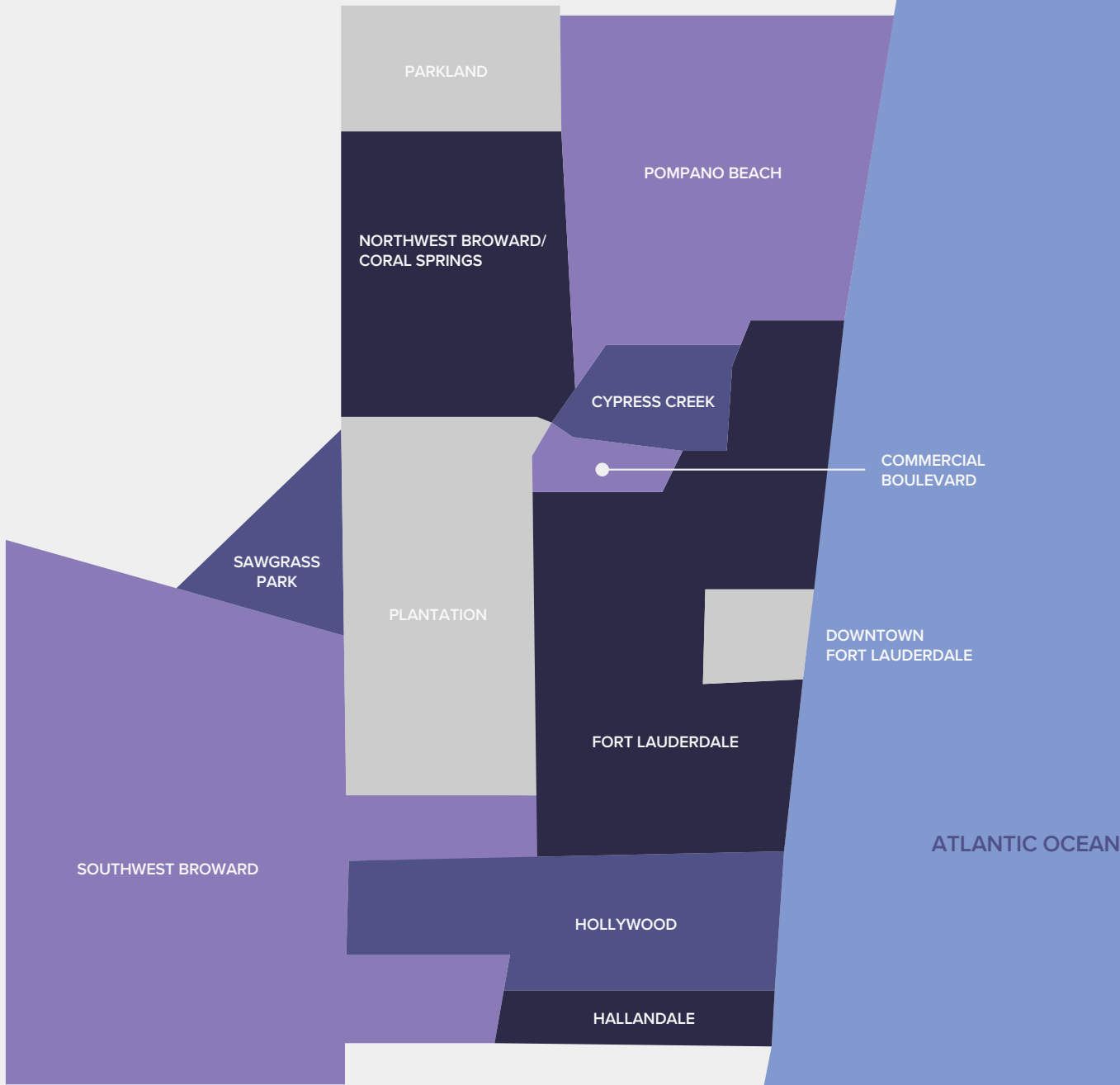
Class A rents rose modestly to \$28.42 PSF NNN, up 0.5% compared to the previous year. These steady increases reflect the consistent demand for premium office spaces, particularly in submarkets that offer strategic locations and high-quality amenities.

Downtown Fort Lauderdale led rent growth, with overall rates climbing 3.5% year-over-year and Class A rates rising 3.8% to \$36.68 PSF NNN while Class A Tier 1 rates increased by 3.4% to \$51.43 PSF NNN, now a 55% premium to Class A Tier II. Cypress Creek also saw strong gains, with overall rents increasing by 5.9% and Class A rents up 5.1%. These trends highlight the sustained demand for well-located, amenity-rich properties located in highly accessible areas and near executive housing, even as rental growth in other submarkets remained relatively flat.

Looking ahead, the Broward office market is positioned for renewed momentum in 2025. Easing interest rates, a stabilizing capital market, continued infrastructure investments, and the upcoming completion of T3 FAT Village are expected to stimulate leasing activity and investment. This transformative 180,000 SF Class AAA Hines office development in Flagler Village will cater to the growing demand for trophy office spaces and attract both local businesses and relocating tenants seeking cutting-edge environments.

While challenges persist, particularly for aging suburban properties, Broward County's fundamentals remain solid. Its strategic location, exceptional quality of life, and diverse talent pool continue to attract businesses across sectors. Rent levels are projected to rise gradually, driven by sustained demand for premium office spaces in Downtown Ft. Lauderdale. As businesses refine their workplace strategies to balance hybrid work with in-office collaboration, Broward County's appeal as a vibrant live-work-play destination will further solidify its position as a cornerstone of the South Florida office market.

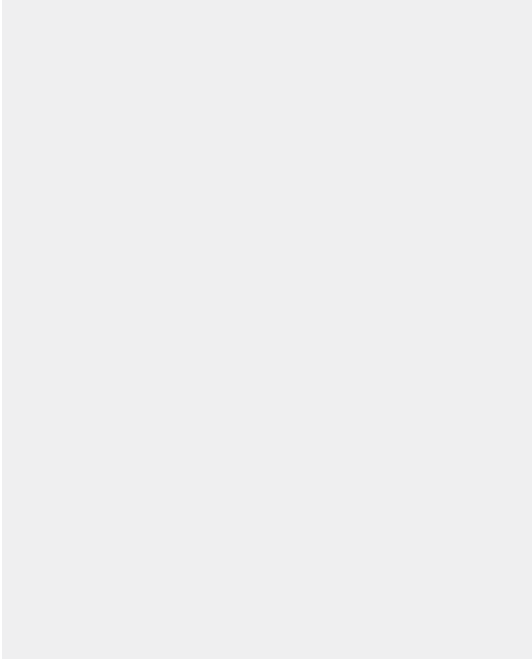




Submarket	Buildings	Inventory (SF)	Direct Vacancy Rate (%)	Weighted Average Asking Rate NNN	YTD 2024 Net Absorption	YTD 2024 Leasing Activity (SF)	Under Construction
6 Major Submarkets							
Downtown Fort Lauderdale	19	4,970,927	15.8%	\$37.49	50,914	439,808	180,000
Fort Lauderdale	5	1,216,739	11.3%	\$27.12	65,617	99,775	-
Southwest Broward	20	2,070,390	19.2%	\$23.96	24,807	195,896	-
Sawgrass Park	14	1,685,255	24.1%	\$23.80	(73,213)	179,494	-
Cypress Creek	17	2,116,036	18.3%	\$22.59	(118,551)	403,040	-
Plantation	10	1,339,346	15.1%	\$28.63	(13,852)	114,828	-
SUBTOTAL	85	13,398,693	17.3%	\$28.89	(64,278)	1,432,841	180,000
Commercial Blvd	2	183,137	19.8%	\$23.50	3,960	17,124	-
Hallandale							
Hollywood	4	589,521	12.8%	\$26.38	20,875	22,705	-
NW Broward/Coral Springs	5	538,784	19.0%	\$23.36	(7,600)	30,128	-
Pompano Beach	3	348,696	28.4%	\$26.00	(17,817)	53,771	-
SUBTOTAL	14	1,660,138	18.9%	\$24.94	(582)	123,728	-
TOTAL	99	15,058,831	17.5%	\$28.42	(64,860)	1,556,569	180,000

Submarket	Buildings	Inventory (SF)	Direct Vacancy Rate (%)	Weighted Average Asking Rate NNN	YTD 2024 Net Absorption	YTD 2024 Leasing Activity (SF)
6 Major Submarkets						
Downtown Fort Lauderdale	9	771,817	6.1%	\$26.24	4,274	11,654
Fort Lauderdale	10	1,470,345	24.2%	\$20.81	(45,669)	20,102
Southwest Broward	7	606,873	18.5%	\$24.31	(8,586)	26,122
Sawgrass Park	4	1,050,394	8.0%	\$20.22	3,758	67,080
Cypress Creek	19	1,806,382	13.1%	\$16.89	41,966	107,057
Plantation	15	1,321,515	15.5%	\$21.25	(223)	110,174
SUBTOTAL	64	7,027,326	14.8%	\$20.58	(4,480)	342,189
Commercial Blvd						
Hallandale	4	477,402	12.4%	\$16.37	1,350	1,106
Hollywood	3	213,345	23.7%	\$24.03	(28,400)	39,932
NW Broward/Coral Springs	1	54,223	45.4%	\$13.71	(1,597)	-
Pompano Beach	10	650,196	21.9%	\$18.77	20	47,995
SUBTOTAL	18	1,395,166	19.8%	\$18.77	(30,342)	89,033
TOTAL	82	8,422,492	15.6%	\$20.20	(34,822)	431,222

Going beyond the data to
deliver **powerful** outcomes.



Who We Are

Our collaborative team of dedicated and elite professionals goes beyond the data to deliver powerful outcomes. Property owners, investors, developers, and businesses come to us for our full spectrum of brokerage, advisory, development consulting, and property asset and project management services because they are confident that our team drives value.

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