BLANCA

Q2 2025

Broward Office Market Report.

Snapshot & Outlook

Broward County's office market is recalibrating in 2025, navigating a shifting tenant landscape while quietly laying the foundation for long-term growth.

After a sluggish first quarter, leasing velocity rebounded in Q2, driven by steady demand from mid-sized tenants reshuffling footprints and upgrading into better-located, higher-quality space. Though large users remain on the sidelines, the market's underlying momentum is starting to reassert itself.

This slow-but-steady evolution is reshaping how tenants and investors engage with the market. Class A rents rose for the fourth consecutive quarter, with Downtown Fort Lauderdale once again leading the way. Trophy assets like 401 Las Olas and The Main are quoting rents north of $60 and $70, respectively on a NNN basis. Elevating the submarket's competitive positioning are strategic capital improvements planned to be undertaken across the county for infrastructure projects and by office owners seeking to upgrade recently acquired assets. The flight to quality is now more than a trend, it's become the market's gravitational pull.

Vacancy, meanwhile, continues to climb in measured increments. Strategic consolidations by larger tenants are creating temporary slack. Yet sublease availability is shrinking, touring activity is picking up, and landlords of upgraded buildings are finding more pricing power. With no near-term construction deliveries on the horizon, the imbalance is expected to normalize as demand

continues to escalate.

Zooming out, Fort Lauderdale's trajectory feels familiar. Just as the Florida Panthers were once overlooked by national pundits, only to roar to back-to-back Stanley Cup championships, Greater Fort Lauderdale is emerging as a sleeping giant in the South Florida business landscape. Like the Panthers, the ascent won't be a product of luck, but of long-term investment, strategic planning, and a clear redefinition of identity. The Panthers' two-year playoff run is expected to generate more than $200 million in total economic impact for the county, a ripple effect that mirrors the rising energy across the region.

That momentum isn't just anecdotal, it's structural. The region is in the midst of an infrastructure transformation. Broward County's commuter rail vision moved forward this quarter with adopted plans for new stations in Downtown Fort Lauderdale, Oakland Park, Pompano Beach, and Deerfield Beach. Brightline ridership jumped 40% year-over-year in 2024, and Fort Lauderdale-Hollywood International Airport's $404 million Terminal 5 expansion promises even stronger airport connectivity by 2026. Meanwhile, projects like the I 95/SW 10th Street Connector and South Ocean Drive Bridge replacement are improving regional freight flow and coastal mobility.

These public investments are being met by private sector confidence. Blackstone sold three Broward warehouses to Ares for $120 million; workforce housing projects are breaking ground near Broward College and across Davie, and the Greater Fort Lauderdale Alliance reported $110 million in new job and capital commitments in early 2025. With the Huizenga Park reimagination well underway and Convention Center's $1.3 billion expansion nearing completion, the ecosystem for both business and lifestyle is deepening.

This confluence of infrastructure, investment, and identity is creating a Broward that's ready to compete — locally, regionally, and nationally. The market may not always move in sweeping headlines, but it is undeniably progressing. With its fundamentals stabilizing, leasing momentum returning, and a clearer sense of who it wants to be, Greater Fort Lauderdale is positioning itself not just for relevance, but for sustained impact.

Broward by the Numbers

Multi-Tenant Office Buildings > 50,000 SF

Class A

$29.84 NNN
Weighted Average Asking Rate
(Increased 2.2% QoQ)

18.5%
Direct vacancy increased
60 basis points QoQ

(154,101) SF
YTD Net Absorption

Class B

$21.69 NNN
Weighted Average Asking Rate
(Flat QoQ)

15.4%
Direct vacancy increased
10 basis points QoQ

(28,912) SF
YTD Net Absorption

Market highlights.

Following a slow start to the year, leasing activity in Broward County regained momentum in the second quarter, with 449,000 SF of leases signed, nearly double from 266,000 SF in first quarter.

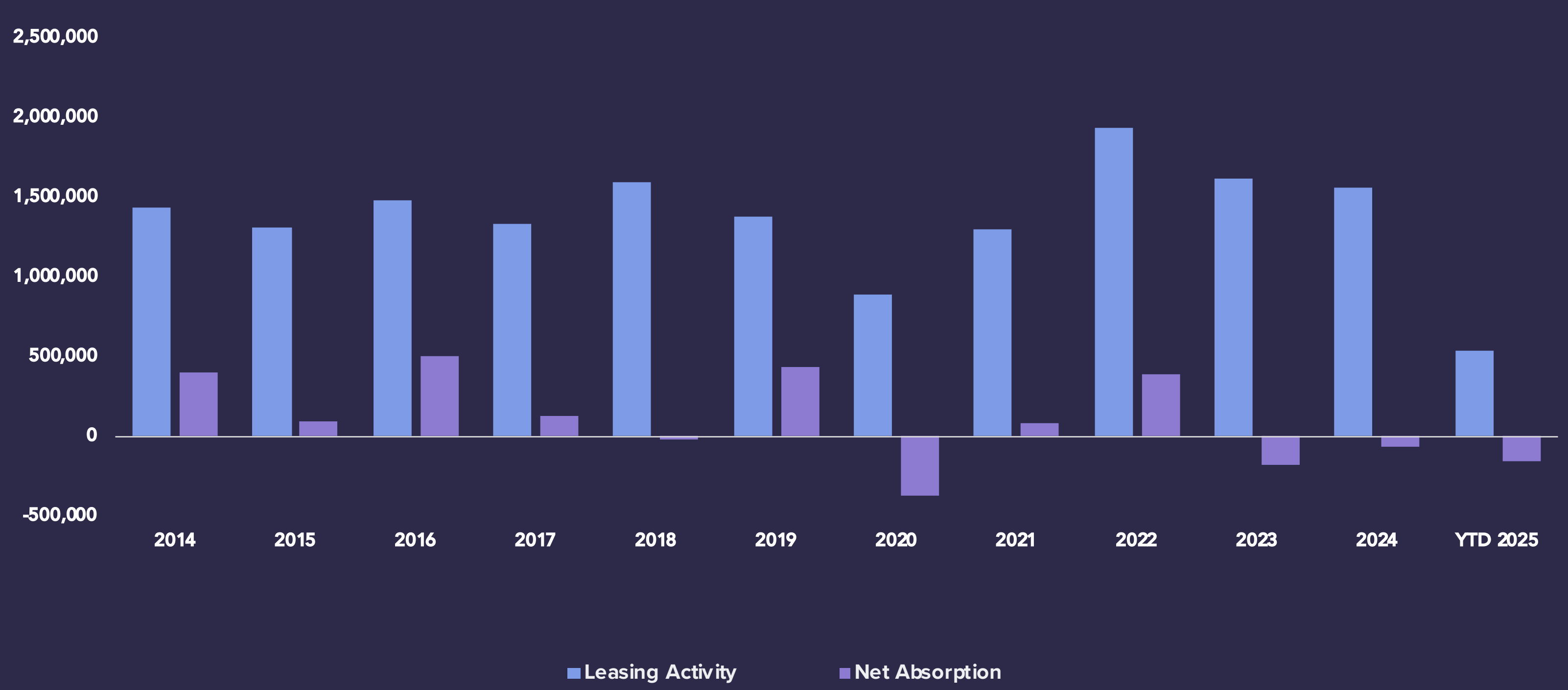
While first quarter leasing still fell short of the five-year quarterly average of 531,000 SF, and the first half leasing volume of 715,000 SF lagged the 1.06 million SF typically seen by midyear, the shift in pace suggests tenants are gradually reengaging after a period of hesitation. Most activity continues to stem from existing tenants making measured adjustments, renewing, consolidating, or upgrading their space, as macroeconomic conditions keep activity muted for tenants without a pressing expiration or event.

What Broward lacked in large-scale deals; it made up for in mid-market consistency. Only two leases exceeded 20,000 SF for the quarter and the year, both renewals, marking a stark contrast from the 24 deals over 20,000 SF signed in all of 2024. But the market's strength came from steady demand among tenants in the 5,000 to 12,000-square-foot range. These firms remain highly active, often seeking out better-quality, turnkey space. BDO's move to The Main Las Olas from Las Olas Square and HNTB's relocation within the submarket to Trade Center South exemplify the ongoing flight to quality, while firms like Laughlin & Associates left less centralized submarkets to relocate to more accessible, well-amenitized locations like Cypress Creek.

Downtown Fort Lauderdale and Cypress Creek saw the biggest rebounds. Together, they accounted for more than half of the quarter's leasing activity, recording 111,000 SF and 116,000 SF, respectively. These submarkets, along with Plantation, have now captured more than 60 percent of the county's total leasing through the first half of the year. Demand was particularly strong among legal and financial firms, which together represented over 40% of all square footage leased this quarter. In Downtown, the legal sector stood out, anchored by Tripp Scott's 31,000-square-foot renewal and expansion at 110 Tower, as well as

Historical Broward Direct Leasing Activity & Net Absorption (SF)

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



new leases from Fowler White Burnett and Dickinson Wright. On the financial side, Rockefeller Capital Management entered the market with a 5,000-square-foot lease at Las Olas Square, joining a wave of firms deepening their South Florida presence.

Even with leasing volume rising, the market however continued to give back space. Net absorption in Q2 totaled a negative 126,000 SF, bringing the year-to-date total to negative 183,000 SF. Losses were broad-based, with five of the six largest submarkets posting negative absorption for both the quarter and the year. Class A space accounted for 105,000 SF of the decline, while Class B shed another 21,000 SF. Unlike 2024, when contractions were driven by a few outsized move-outs, this year's softness has been more distributed, with smaller downsizes accumulating across the market. The largest move-out this quarter came from Akami, which returned 33,000 SF at 200 East Las Olas.

Despite the headline absorption numbers, indicators of tenant engagement are improving. New-to-market leasing, while modest, continued to trickle in. Century Cruises signed for 7,000 SF at Lake Shore Plaza II in Sawgrass, adding to the region's strength in travel-related industries, and Rockefeller's Downtown lease reflects the pull of Broward's urban core for financial firms. Behind the scenes, touring activity has begun to pick up, and several mid-sized tenants are expected to finalize deals in the coming months. While uncertainty remains for larger users, the foundation of tenant demand, particularly for well-located, high-quality space, remains in place.

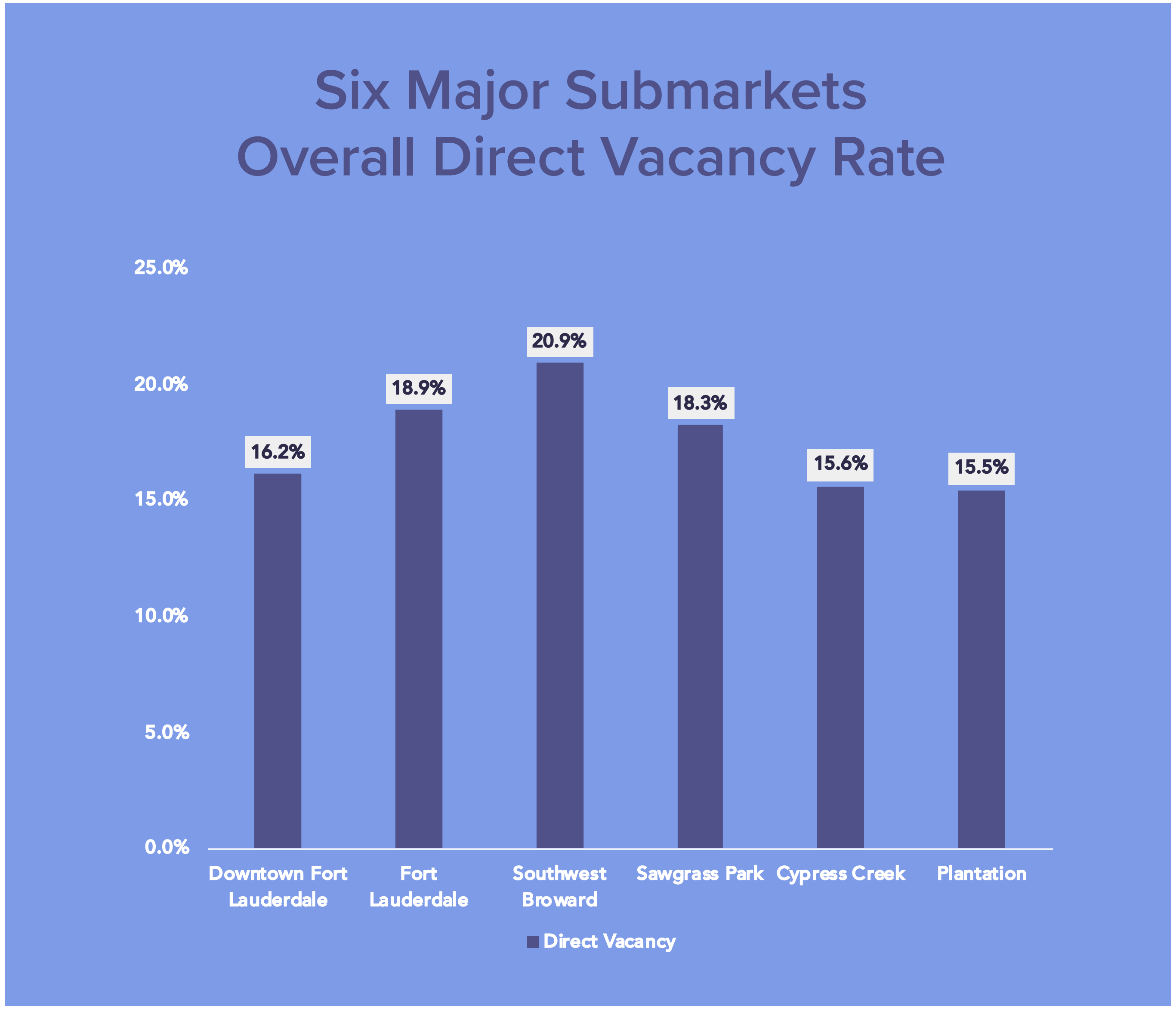
Broward County's office market continued to show signs of transition in the second quarter of 2025, as vacancy rates rose across both asset classes and most major submarkets.

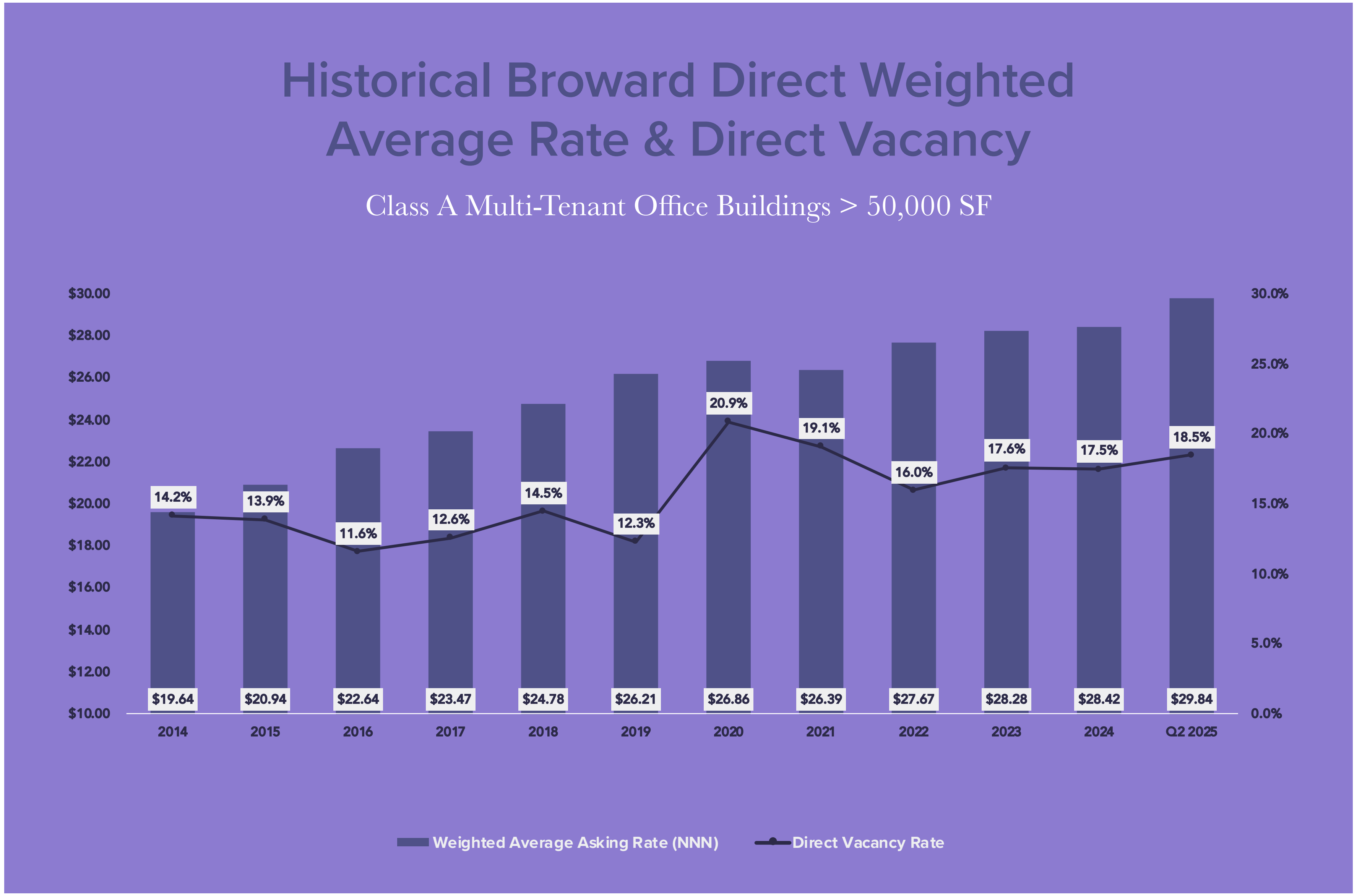
While availability ticked higher, the increase remained manageable and largely reflected strategic downsizing from larger tenants rather than widespread distress.

Overall direct vacancy climbed to 17.4%, up 50 basis points from last quarter and 90 basis points year-over-year. Class A vacancy rose to 18.5%, while Class B space inched up to 15.4%. Most of this increase has been driven by larger tenants executing renewals or relocations while shedding excess space in the process. In many cases, the growth needed to backfill that space has not materialized, particularly among larger users who remain cautious in the face of ongoing macroeconomic uncertainty.

The upward movement in vacancy was felt across the market, but some submarkets experienced sharper increases than others. Among Broward's six largest submarkets, the collective average vacancy rose 100 basis points year-over-year to 17.2%. Southwest Broward recorded the largest jump, climbing 250 basis points to 20.9%, as a handful of corporate consolidations left larger blocks unclaimed. Downtown Fort Lauderdale saw a more modest increase, with overall vacancy rising 140 basis points year-over-year to 16.2%, and Class A vacancy ticking up from 16.6% to 17.3%. Even so, Tier I Class A product in Downtown continues to outperform, with direct vacancy at 14.2%, well below the countywide average and still indicative of demand for high-end, centrally located space.

Sublease availability provided a modest bright spot, decreasing by 50 basis points to 3.0% of total





inventory, or approximately 694,000 SF. This decline was driven by a mix of factors, including sublease space being leased, often by tenants looking for turnkey, ready-to-occupy solutions, and subleases being withdrawn as underlying leases expired. Compared to a year ago, sublease availability is down from 3.3%, further reinforcing a gradual stabilization in tenant footprints after several quarters of volatility.

Development activity remained unchanged this quarter. No new office projects were delivered, and none launched construction. The only active construction remains Hines' T3 FAT Village in Fort Lauderdale's Flagler Village. The 180,000-square-foot mass timber office building is expected to deliver in late 2026 and represents the first new office delivery in the county since The Main Las Olas in 2020. Situated just steps from the Brightline station, the project has attracted interest from tenants seeking modern, sustainable product in an urban setting and stands out as the top pipeline option for tenants who are planning ahead.

Looking forward, Broward's office market is expected to remain in a low-supply, moderate-growth phase. While vacancy has increased, the absence of near-term deliveries will help limit additional pressure on fundamentals. Tenants continue to prioritize upgraded space in well-located buildings, and the flight-to-quality dynamic remains firmly intact. As companies adjust to long-term workplace strategies, a clearer picture of future demand should begin to emerge in the quarters ahead.

Asking rents in Broward County continued their upward trend in the second quarter of 2025, supported by sustained demand for high-quality space in select submarkets and increased investment in premier buildings.

The overall weighted average asking rent rose to $27.21 per SF NNN, up 1.9% from the previous quarter and 5.8% year-over-year. Class A rents climbed to $29.84 per SF NNN, marking a 2.2% quarterly gain and a 5.0% increase over Q2 2024. Class B rents remained flat quarter-over-quarter at $21.69 per SF NNN but posted a 9.4% year-over-year gain, reflecting a broader push in pricing across quality office inventory.

Downtown Fort Lauderdale once again led rent growth in the county. Overall asking rents in the submarket rose 2.9% quarter-over-quarter and 8.2% year-over-year, driven primarily by significant increases in Tier I Class A buildings. Rents for this top-tier product jumped from $49.11 to $57.07 per SF NNN, reflecting the impact of capital being deployed by new ownership at 401 E Las Olas and Las Olas Centre I & II. Both properties, which sold in recent quarters, will be undergoing renovations that will continue to elevate the submarket's competitive landscape. The Main Las Olas also re-entered the market with availability for the first time since its lease-up post-delivery and is now quoting asking rents as high as $75 per SF NNN, underscoring the building's trophy positioning and the strength of the flight-to-quality dynamic.

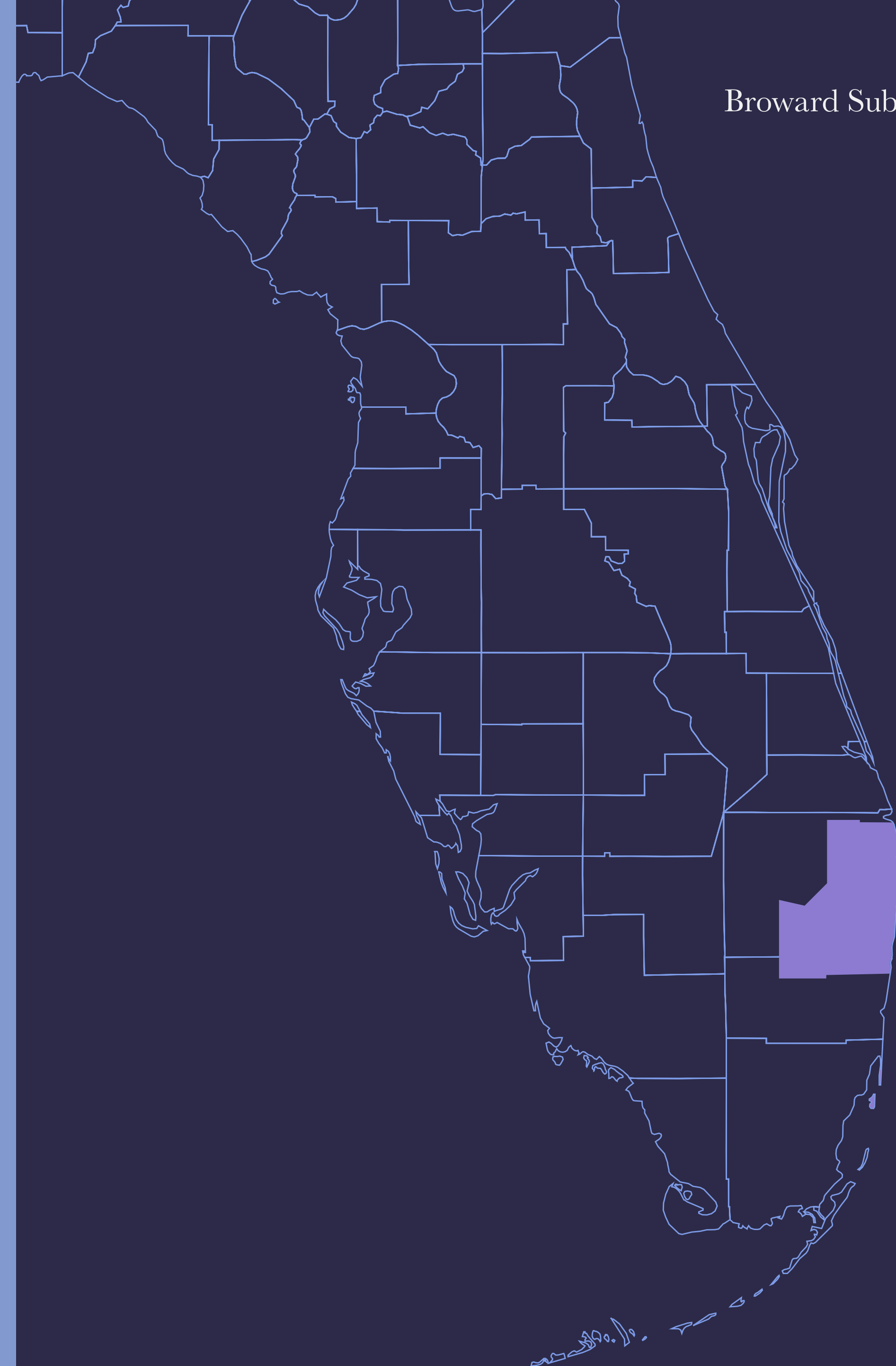
Across the broader Downtown market, the bifurcation between Tier I and Tier II Class A properties remains pronounced. Tier I rents continue to command a 66% premium

over Tier II, a gap that speaks to the growing concentration of demand in top-performing assets. The divergence is not only evident in pricing but also in occupancy trends, with top-tier buildings showing greater stability and appeal to tenants seeking elevated experiences and amenities.

Outside the urban core, Southwest Broward also posted notable gains, with overall asking rents rising 2.4% quarter-over-quarter and Class A rents up 2.6%. In Southwest Broward, Class A rents have increased 5.7% year-over-year, bolstered by a steady flow of local tenants gravitating toward upgraded buildings in both suburban and downtown settings.

Looking ahead, rent growth is expected to remain steady, albeit more selective. With no new deliveries on the immediate horizon and investment dollars continuing to flow into premier buildings, landlords of high-quality space remain well positioned to maintain pricing power. While elevated vacancy and tenant right-sizing may soften lease terms in older buildings, the ongoing lack of speculative development is creating a stable environment in which well-located, assets offering top amenities continue to outperform. As companies refine their workplace strategies and demand begins to pick up, particularly among mid-sized users, the second half of 2025 could see measured gains in both occupancy and pricing across Broward's most resilient office corridors.

Broward Submarket Map



Submarket	Buildings	Inventory (SF)	Direct Vacancy Rate (%)	Weighted Average Asking Rate NNN	YTD 2025 Net Absorption	YTD 2025 Direct Leasing Activity (SF)	Under Construction
6 Major Submarkets							
Downtown Fort Lauderdale	19	4,970,927	17.3%	$40.21	(40,448)	147,380	180,000
Fort Lauderdale	5	1,216,739	13.2%	$27.71	(22,206)	11,647	-
Southwest Broward	20	2,070,390	21.6%	$25.68	(49,514)	52,877	-
Sawgrass Park	14	1,685,255	25.9%	$24.05	(29,752)	29,679	-
Cypress Creek	17	2,116,036	16.6%	$23.22	35,918	140,862	-
Plantation	10	1,339,346	14.5%	$28.72	(16,165)	93,129	-
SUBTOTAL	**85**	**13,398,693**	**18.3%**	**$30.51**	**(122,167)**	**475,574**	**180,000**
Commercial Blvd	2	183,137	25.5%	$14.10	(10,362)	0	-
Hallandale						0	
Hollywood	4	589,521	17.0%	$28.72	(24,827)	39,566	-
NW Broward/Coral Springs	5	538,784	15.7%	$24.52	17,834	13,318	-
Pompano Beach	3	348,696	32.6%	$26.83	(14,579)	11,283	-
SUBTOTAL	**14**	**1,660,138**	**20.8%**	**$25.09**	**(31,934)**	**64,167**	**0**
TOTAL	**99**	**15,058,831**	**18.5%**	**$29.84**	**(154,101)**	**539,741**	**180,000**

Submarket	Buildings	Inventory (SF)	Direct Vacancy Rate (%)	Weighted Average Asking Rate NNN	YTD 2025 Net Absorption	YTD 2025 Direct Leasing Activity (SF)
6 Major Submarkets						
Downtown Fort Lauderdale	9	771,817	8.9%	$26.45	(21,301)	1,642
Fort Lauderdale	10	1,470,345	23.6%	$23.65	(8,667)	27,460
Southwest Broward	7	606,873	18.7%	$24.66	(983)	9,489
Sawgrass Park	4	1,050,394	6.1%	$20.23	10,765	47,360
Cypress Creek	19	1,806,382	14.5%	$16.82	(24,646)	19,739
Plantation	15	1,321,515	16.5%	$21.76	(12,727)	32,593
SUBTOTAL	**64**	**7,027,326**	**15.3%**	**$21.68**	**(57,559)**	**138,283**
Commercial Blvd						
Hallandale	4	477,402	7.4%	$28.57	(933)	0
Hollywood	3	213,345	18.5%	$26.39	11,029	0
NW Broward/Coral Springs	1	54,223	41.5%	$17.28	2,069	3,418
Pompano Beach	10	650,196	19.3%	$19.14	16,482	33,006
SUBTOTAL	**18**	**1,395,166**	**16.0%**	**$21.72**	**28,647**	**36,424**
TOTAL	**82**	**8,422,492**	**15.4%**	**$21.69**	**(28,912)**	**174,707**

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Fort Lauderdale

201 E Las Olas Boulevard, Ste 1050
Fort Lauderdale, FL 33301
954.395.2112

Miami

1450 Brickell Ave, Ste 2400
Miami, FL 33131
305.577.8850

Waterford Business District

701 Waterford Way, Ste 160
Miami, FL 33126
305.577.8850

BLANCACRE.COM