BLANCA

Q3 2025

Broward Office Market Report.

Snapshot & Outlook

Broward County's office market entered the fall regaining momentum after a subdued first half. Leasing activity accelerated to 590,000 square feet, a 30% increase from the prior quarter and 11% above the five-year quarterly average.

Net absorption turned positive at 40,000 square feet, led by Class A product in Plantation and Pompano Beach while overall vacancy held steady at 17.4%, up just 10 basis points. Asking rents averaged $26.79 NNN, down slightly over the prior quarter but 3.5% higher year over year. At its core, the quarter's story is one of normalization, improved leasing momentum, flight to quality, and Broward's fundamentals stabilizing after a slow start to the year.

The strength of the rebound was most visible across West Broward, where Sawgrass Park, Southwest Broward, and Plantation collectively accounted for more than half of total activity. Sawgrass Park alone represented 23% of the quarter's volume, benefiting from well capitalized new ownership groups, highway accessibility, and competitive pricing relative to neighboring submarkets. In Plantation, Class A suburban product continued to outperform, with Class A vacancy tightening to 14.3% from 14.7% and expansion activity signaling strong tenant confidence. Across the market, the flight to quality remains clear: even as overall vacancies stay elevated, driven by recently vacated large blocks of back-office space across the suburbs, well-located assets continue to outperform and attract tenants.

Downtown Fort Lauderdale reinforced its position as the county's anchor for business and investment. The urban core now generates $43 billion in annual economic impact, supports 224,000 jobs statewide, and ranks first in Florida and fourth nationally for office investment this year. Nearly half of downtown's workforce is employed in high-value industries such as finance, law, health care, and professional services, while occupancy in premier Class A assets in Downtown

Fort Lauderdale remains near 95% and rents have increased 19% over the prior year to $58.20 NNN. The continued influx of early- and mid-career talent, 44% of the population downtown, is strengthening the live-work base that underpins leasing and drives corporate interest.

At the regional level, major infrastructure and mobility investments are expanding Broward's reach and appeal. Tri-Rail ridership hit a record of 4.6 million passengers, while the launch of SoFloGO, a unified trip-planning app spanning Tri-Rail, Brightline, and local transit, is simplifying multimodal commuting across county lines. Construction of the I-95/SW 10th Street Connector advanced through key phases, easing freight and commuter congestion for central and west Broward, while ongoing upgrades at Fort Lauderdale-Hollywood International Airport and Port Everglades are reinforcing connectivity to global markets. These projects, together with the convention center's $1.3 billion modernization and headquarters hotel delivery, position Fort Lauderdale as one of the most accessible and business-ready urban cores in the state.

On the ownership and capital side, the market continues to recalibrate productively. The Design Center of the Americas (DCOTA) transferred to lender control and underwent a rate reset that temporarily lowered asking rate averages across the entire county but expanded leasing flexibility offering more competitive terms. Similar repositioning efforts in other submarkets are allowing landlords to reset basis and capture pent-up demand. Broader signals, from continued trade growth at Port Everglades to the strength of the region's healthcare and business services sectors, underscore a local economy still diversifying and maturing even amid national headwinds.

Looking ahead, Broward enters the fourth quarter with consistent momentum and balance. Active pipelines, stable rent trends, and improving absorption point to a market that has worked through much of its post-pandemic adjustment. With Florida's pro-growth tax and regulatory climate, continued infrastructure delivery, and strong population inflows, Broward is positioned for steady, measured growth through 2026. The market's blend of accessibility, affordability, and quality remains its defining strength, offering tenants and investors alike a resilient platform in South Florida's evolving office landscape.

Broward by the Numbers

Multi-Tenant Office Buildings > 50,000 SF

Class A	Class B
↑ **$30.14 NNN** Weighted Average Asking Rate (Increased 1.0% QOQ)	↓ **$19.38 NNN** Weighted Average Asking Rate (Decreased 10.6% QOQ)
↑ **18.6%** Direct vacancy (Increased 10 basis points QOQ)	↓ **15.1%** Direct vacancy (Decreased 30 basis points)
(135,874) SF YTD Net Absorption	**(6,889) SF** YTD Net Absorption

Market highlights.

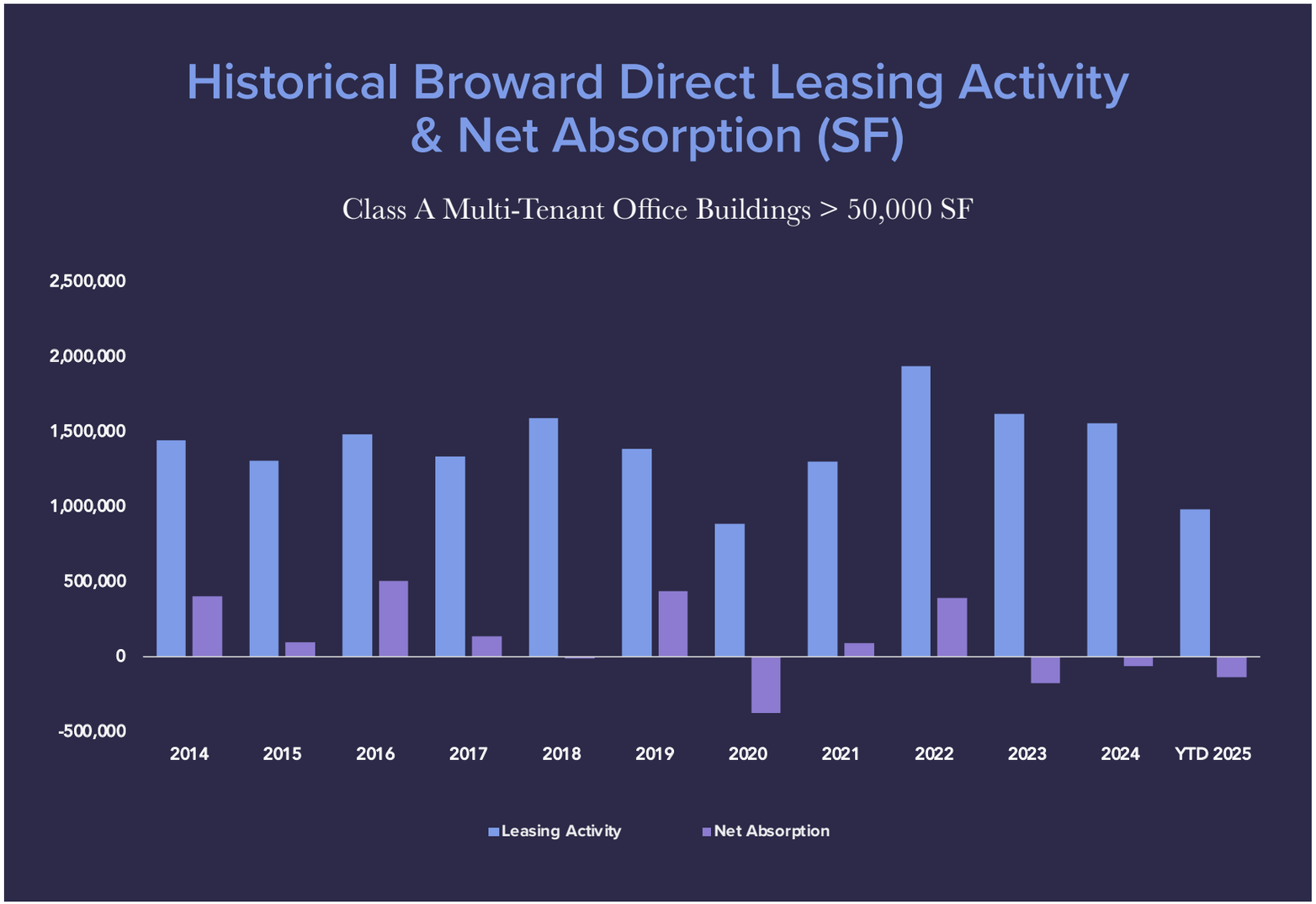
Leasing activity strengthened meaningfully in the third quarter, marking a clear rebound after two slower quarters to start the year.

Total leasing reached 590,000 SF, a 30% increase over the prior quarter and 11% above the five-year quarterly average of 531,000 SF. The improvement helped bring year-to-date leasing to 1.3 million SF, positioning the market to finish near historical norms. The recovery reflects a combination of stabilized decision cycles and resilient local fundamentals rather than a change in demand profile.

Leasing this quarter was concentrated in West Broward, which once again proved to be the county's most active region. Sawgrass Park, Southwest Broward, and Plantation together accounted for 322,000 SF, or 55% of total quarterly volume, with Sawgrass leading the way at 23%. Sawgrass Park's relative strength stems from a combination of accessibility via the Turnpike and I-75, refreshed ownership following recent trades that reset pricing, and competitive rents relative to neighboring submarkets. Notable transactions in West Broward included Apotex's renewal and slight expansion to 25,000 SF at Weston Pointe, State Farm's relocation to Royal Palm in Plantation from Fort Lauderdale and several mid-size leases primarily in the business and financial services sectors that underscored continued confidence in the corridor. The quarter's performance would have been even stronger if not for AT&T's 28,000-square-foot vacancy at Sawgrass Lake Center, which partially offset new commitments.

The improvement in leasing translated into positive net absorption of 40,000 SF in the third quarter, reversing two consecutive quarters of declines. Gains were led by Plantation (+43,000 SF), Pompano Beach (+35,000 SF), and Southwest Broward (+22,000 SF), while Cypress Creek recorded a 69,000-square-foot loss tied to an isolated downsizing by Community Loan Servicing that brought 46,000 SF of space back to the market. Class A absorption totaled 18,000 SF, supported by ongoing flight-to-quality trends, while Class B added 22,000 SF as tenants sought value in well-located buildings. Year-to-date overall absorption remains negative at -143,000 SF, though recent performance signals momentum in the right direction.

Tenant movement in the third quarter continued to reinforce Broward's ongoing flight-to-quality trend.



Companies showed a clear preference for upgraded, well-amenitized assets. In Downtown Fort Lauderdale, Truist Bank recommitted to its space at Las Olas Square, underscoring the value of location and institutional ownership in tenant retention. Similarly, IGEL Technologies upgraded within the submarket, relocating to 401 East Las Olas, a recently modernized building now under new ownership that reflects the type of product drawing sustained attention from occupiers. Across the county, decisions like these highlight that while new-to-market leasing remains limited, tenant demand remains focused on quality—whether through renewals, expansions, or strategic upgrades within existing footprints.

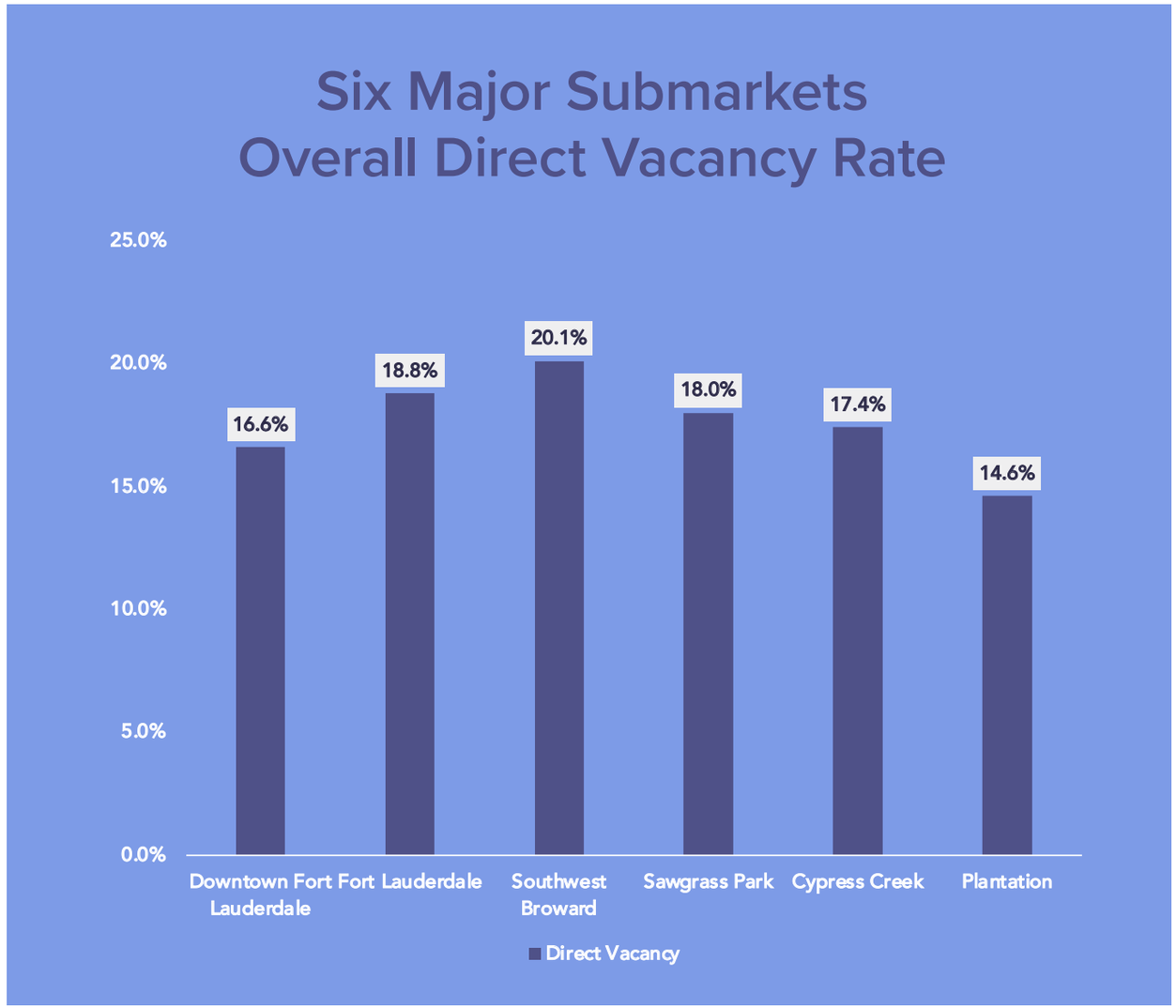
Altogether, the third quarter reinforced Broward's underlying stability. Leasing volumes returned to above-trend levels, absorption turned positive, and West Broward's competitively priced product continued to outperform. While isolated move-outs in a few buildings muted broader gains, tenant demand remains steady across the county's top submarkets. With decision timelines shortening and more active requirements in the pipeline, Broward enters the final quarter of 2025 on firmer footing and positioned for gradual, sustained momentum.

Overall vacancy held at 17.4%, up 10 basis points over the prior quarter and 80 basis points year over year, as leasing momentum has helped offset isolated move-outs.

Class A vacancy increased to 18.6%, up 10 basis points over the prior quarter and 90 basis points year over year, while Class B improved to 15.1%, down 30 basis points quarter-over-quarter but still up 50 basis points from one year ago. The overall picture remains one of balance; availability is elevated relative to prior years, yet broadly stable as moderate absorption and the absence of new supply prevent sharper increases.

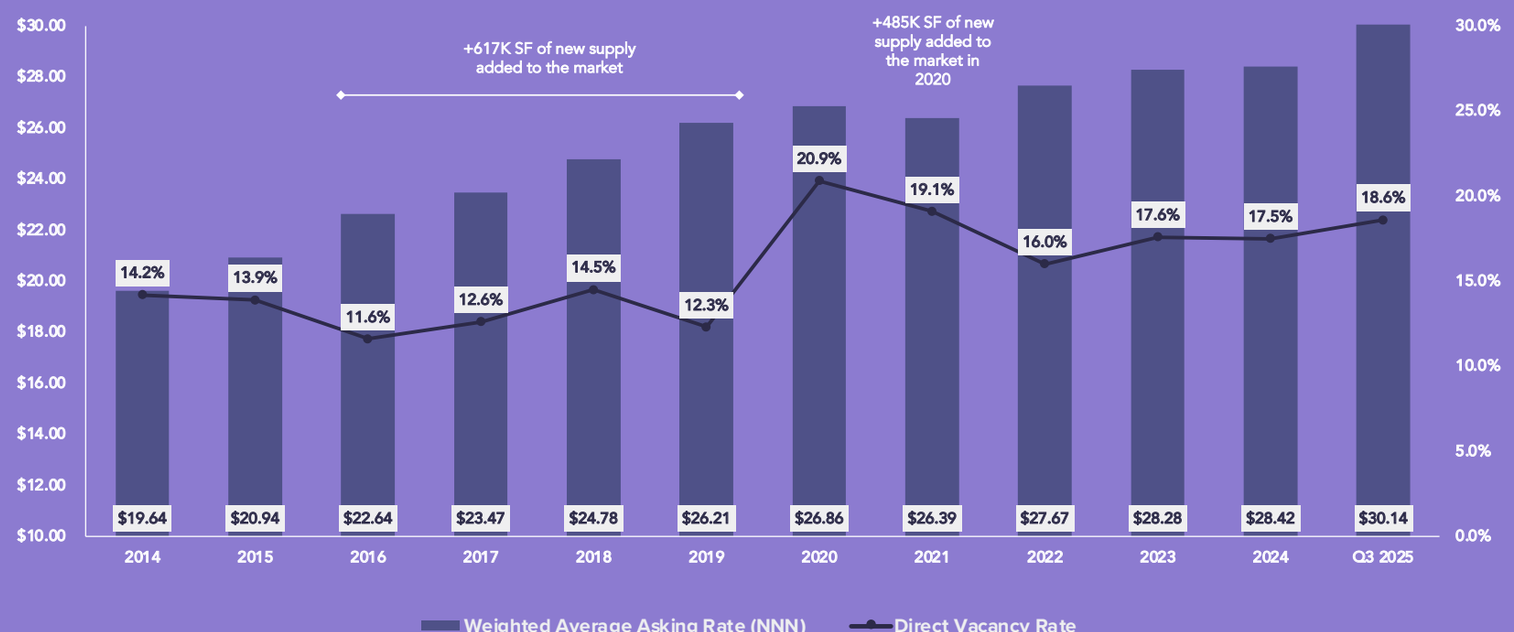
Vacancy performance continues to be varied by submarket and asset quality. Reflecting the demand for top quality product, recently delivered or renovated Class A buildings in Downtown Fort Lauderdale continue to outperform the broader market, maintaining occupancy near 95%. In contrast, the overall Class A inventory in Downtown Fort Lauderdale remains higher at 17.7%. Plantation's Class A vacancy decreased 40 basis points year over year to 14.3%, reinforcing its position as the strongest suburban submarket and a preferred destination for tenants seeking quality space outside the core. Pompano Beach also improved, with Class A vacancy declining from 28.5% to 24.2%, while Cypress Creek recorded higher vacancy following isolated tenant move-outs this quarter.

The development pipeline remains limited, with no new deliveries or construction starts this quarter. T3 FAT Village continues as the sole office project under construction in Broward, totaling 180,000 square feet, on target for a 2026 delivery. Its mass-



Historical Broward Direct Weighted Average Rate & Direct Vacancy

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



timber design and emphasis on sustainability are expected to introduce a new office product type to the Broward market as part of this 5.5-acre Hines' mixed-use retail, office and residential project, but for now, construction activity remains muted, supporting near-term supply stability.

Looking ahead, Broward's supply conditions remain steady. Vacancy levels are elevated compared to pre-pandemic norms but are gradually normalizing as tenants concentrate in higher-quality assets and leasing momentum builds across the market. With no speculative additions and continued absorption in well-located buildings, the market enters the fourth quarter positioned for gradual tightening as space circulates and demand remains active across core suburban corridors.

Average asking rents across Broward County eased slightly in the third quarter but remain higher year over year, underscoring steady fundamentals beneath the surface.

The overall weighted average asking rent registered $26.79 NNN, down 1.6% from the prior quarter yet 3.5% higher year over year. Class A space averaged $30.14 NNN, up 1.0% quarter-over-quarter and 6.0% year-over-year, while Class B averaged $19.38 NNN, reflecting a decline over both periods. Despite these modest headline adjustments, the directional trend remains constructive, suggesting that rent softening is localized rather than systemic.

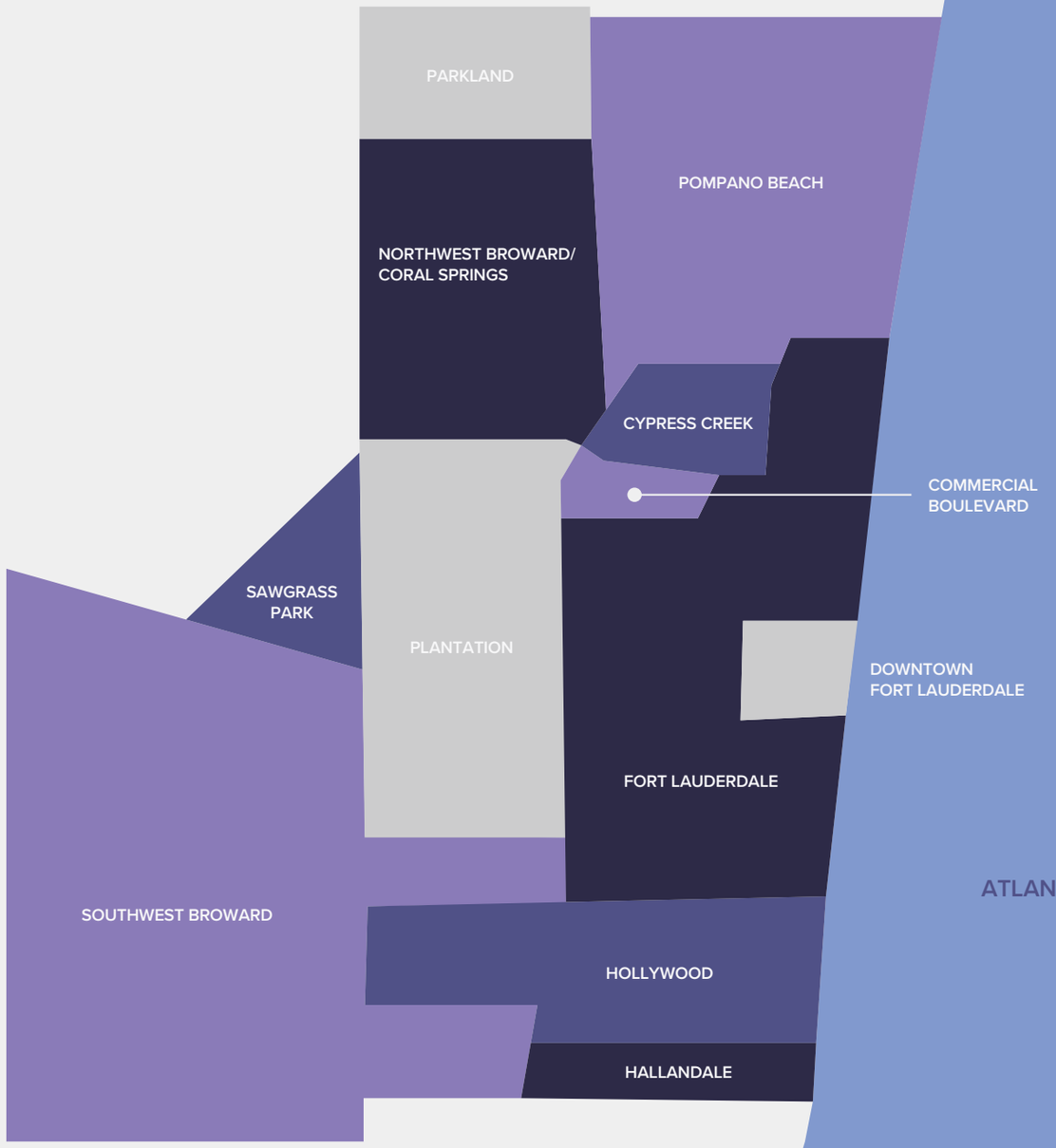
Nine of Broward's eleven submarkets recorded rent growth this quarter, demonstrating that most of the market continues to firm. The main impact came from the Design Center of the Americas (DCOTA), which returned to lender control under Fortress Investment Group and underwent a significant rate reset which should improve leasing velocity by allowing ownership to offer more flexible terms at a reduced basis.

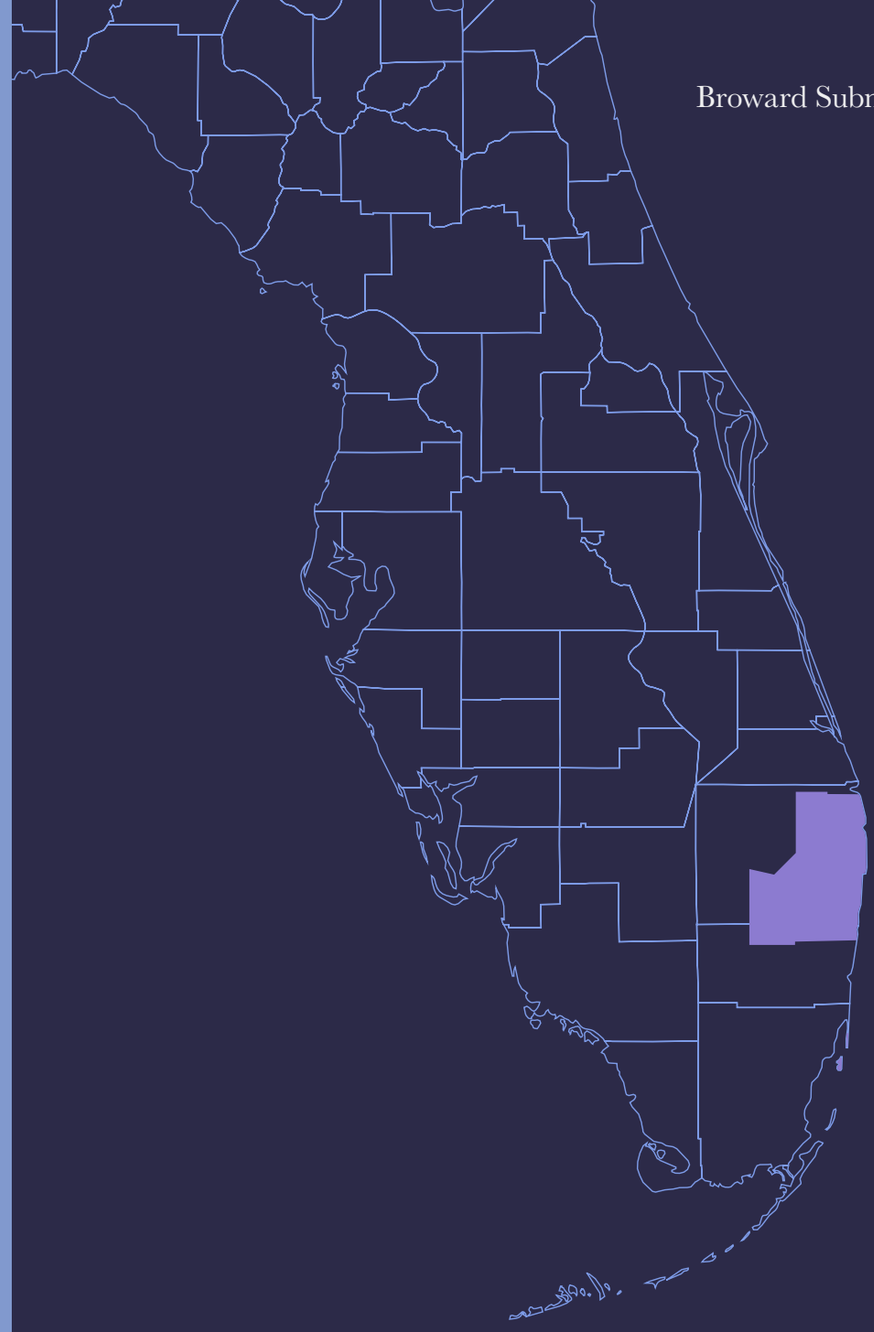
Top-tier Class A continues to outperform. Tier I Downtown Fort Lauderdale rents have climbed 19% year over year to $58.20 NNN, marking one of the sharpest gains in South Florida. Class A suburban

assets in Plantation and Weston have also maintained steady rent appreciation, supported by accessibility, amenities, and sustained demand from professional and medical tenants. The widening spread between premier and older product underscores tenants' continued willingness to pay for quality in well located assets in neighborhoods that are connected to ample retail options, varied residential housing and are easily accessible, positioning Broward's best buildings as clear market leaders.

Looking ahead, Broward enters year-end with a stable rent foundation and moderate growth prospects. With no new office deliveries expected in the near term, competition for high-quality space should keep Class A rents trending upward while older inventory relies on value pricing to sustain absorption. Broader economic trends, including easing interest-rate pressure, expanding employment in business and healthcare services, and Florida's pro-growth business climate are expected to support continued momentum through 2025 and into 2026.

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	17.7%	$41.09	(51,108)	233,120	180,000
Fort Lauderdale	5	1,216,739	13.1%	$27.68	(21,308)	19,892	-
Southwest Broward	20	2,070,390	21.4%	$25.63	(45,396)	146,804	-
Sawgrass Park	14	1,685,255	25.5%	$24.23	(22,675)	147,669	-
Cypress Creek	17	2,116,036	18.3%	$23.08	(811)	177,243	-
Plantation	10	1,339,346	14.3%	$28.86	7,121	147,653	-
SUBTOTAL	**85**	**13,398,693**	**18.6%**	**$30.84**	**(134,177)**	**872,381**	**180,000**
Commercial Blvd	2	183,137	29.9%	$14.12	(18,345)	0	-
Hallandale					0	0	
Hollywood	4	589,521	16.7%	$29.52	(22,862)	39,566	-
NW Broward/Coral Springs	5	538,784	14.5%	$23.97	24,632	28,811	-
Pompano Beach	3	348,696	24.2%	$26.49	14,878	41,404	-
SUBTOTAL	**14**	**1,660,138**	**19.0%**	**$24.67**	**(1,697)**	**109,781**	**-**
TOTAL	**99**	**15,058,831**	**18.6%**	**$30.14**	**(135,874)**	**982,162**	**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	9.3%	$26.72	(24,121)	1,642
Fort Lauderdale	10	1,470,345	23.6%	$14.76	(692)	28,686
Southwest Broward	7	606,873	15.8%	$24.89	16,489	17,141
Sawgrass Park	4	1,050,394	6.1%	$21.10	10,765	64,360
Cypress Creek	19	1,806,382	16.3%	$16.96	(57,060)	45,620
Plantation	15	1,321,515	15.0%	$21.72	7,042	63,297
SUBTOTAL	**64**	**7,027,326**	**15.2%**	**$18.74**	**(47,577)**	**220,746**
Commercial Blvd						
Hallandale	4	477,402	6.2%	$34.30	(4,203)	0
Hollywood	3	213,345	18.4%	$27.35	11,195	19,332
NW Broward/Coral Springs	1	54,223	24.1%	$19.23	11,530	12,524
Pompano Beach	10	650,196	18.5%	$18.92	22,156	69,366
SUBTOTAL	**18**	**1,395,166**	**14.5%**	**$22.83**	**40,678**	**101,222**
TOTAL	**82**	**8,422,492**	**15.1%**	**$19.38**	**(6,899)**	**321,968**

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