BLANCA

Q4 2025

Medical Office Market Report.

Snapshot & Outlook

Blanca Report. (2025). Powered by RevistaMed data.

Regional Overview

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South Florida's medical office market finished 2025 with stable fundamentals driven by health-system expansion, disciplined development, and resilient tenant demand, reinforcing the region's position as a leading national MOB market.

— Capital markets activity strengthened meaningfully, with $404.5 million in medical office transactions over the trailing 12 months, placing South Florida among the top five U.S. metros for MOB investment volume.

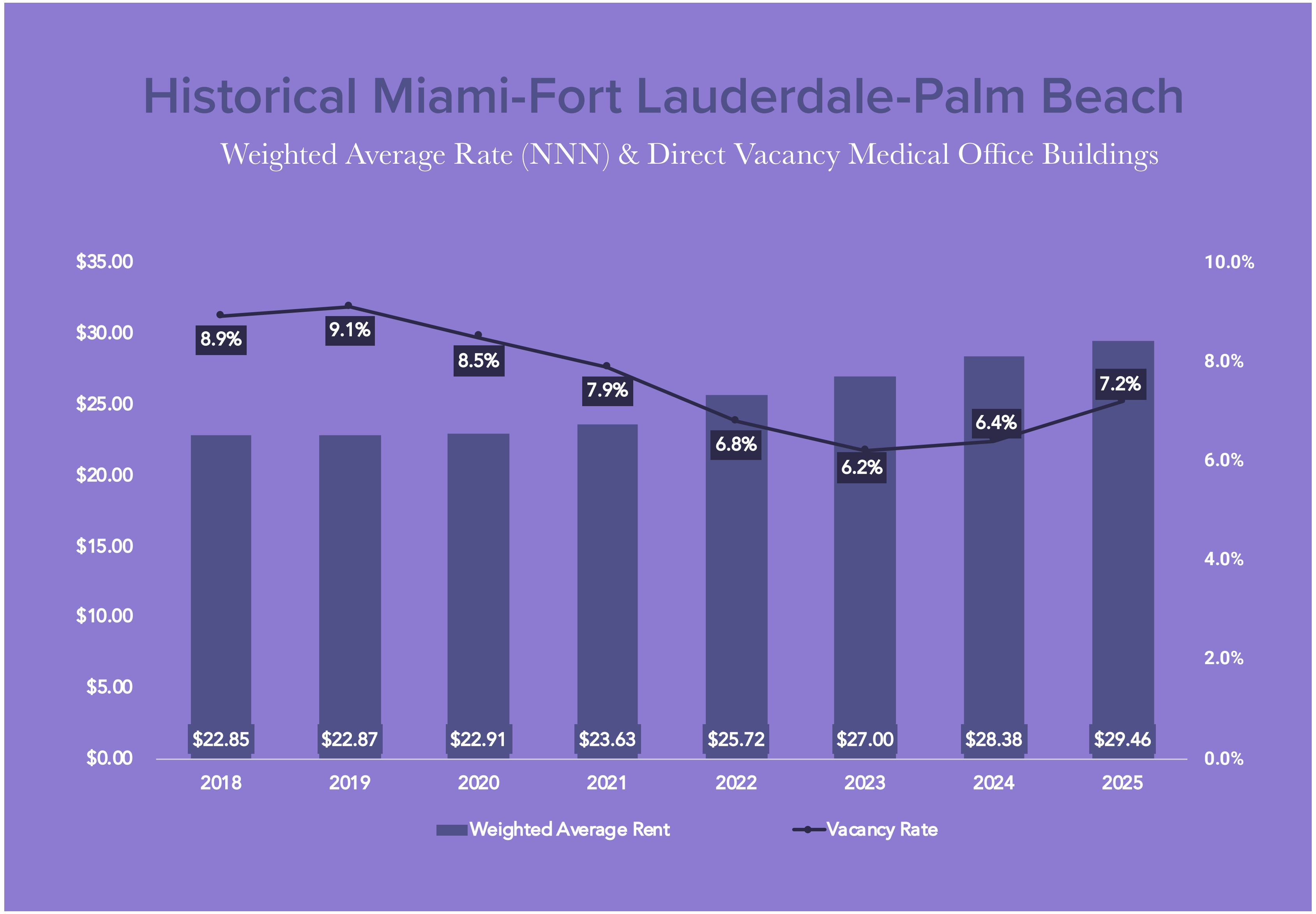
— 745,728 square feet of medical space delivered in 2025, ranking third nationally in completed medical office square footage, with new supply overwhelmingly concentrated in system-affiliated, patient-facing facilities.

— While the regional construction pipeline declined 29.0% year over year to 1.05 million square feet, South Florida still ranked third nationally for medical office space under construction, reflecting a disciplined pullback consistent with the national slowdown in MOB development amid elevated costs and policy uncertainty.

— Regional occupancy averaged 92.8%, down 61 basis points year over year as new supply delivered, with vacancy pressure largely confined to recently completed assets.

— Average asking rents increased to $29.46 NNN, up 3.0% year over year, supported by limited speculative supply and sustained demand for modern, well-located medical facilities.

— Total inventory reached 24.7 million square feet, expanding 3.1% year over year and placing South Florida among the 10 largest U.S. medical office markets.



Market highlights.

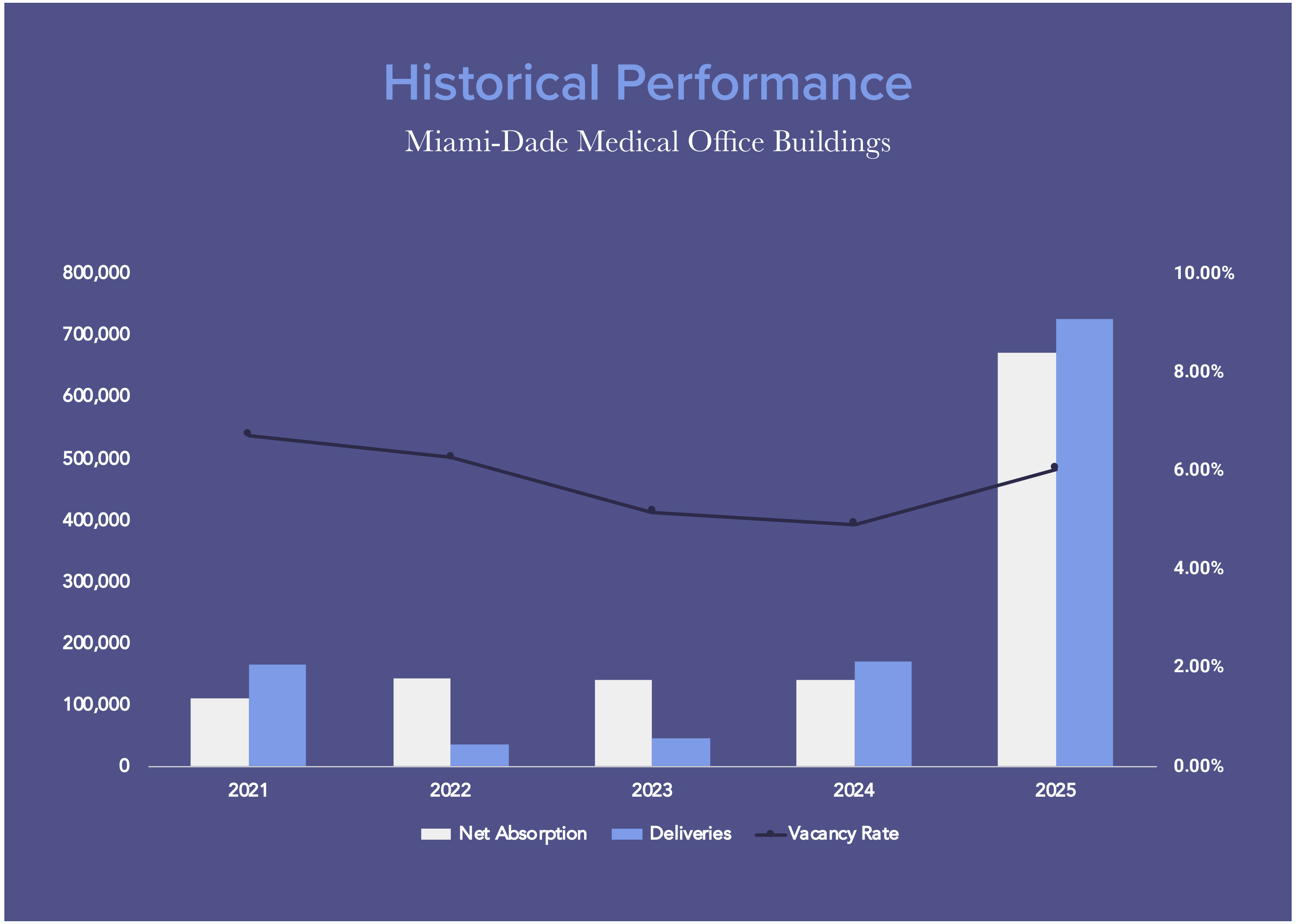
Miami-Dade County remained the primary driver of regional performance in 2025, supported by large-scale system deliveries and strong absorption.

Net absorption totaled 672,201 square feet for the year, largely reflecting the delivery of previously preleased space tied to major outpatient and specialty expansions. Over the past 12 months, 725,528 square feet of medical space delivered, while 112,000 square feet broke ground, reinforcing the county's role as the region's growth engine. Despite the volume of new supply, occupancy declined just 60 basis points, from 94.57% in 4Q 2024 to 93.97% in 4Q 2025, underscoring Miami-Dade's capacity to absorb meaningful deliveries.

Average asking rents reached $37.34 NNN, increasing 1.98% year over year, supported by new construction, strong health-system tenancy, and high patient volumes across core corridors. Capital markets activity remained selective but stable, with

$49.0 million in transaction volume over the past year at an average 5.53% cap rate and $466 per square foot, reflecting continued investor preference for core, system-aligned assets.

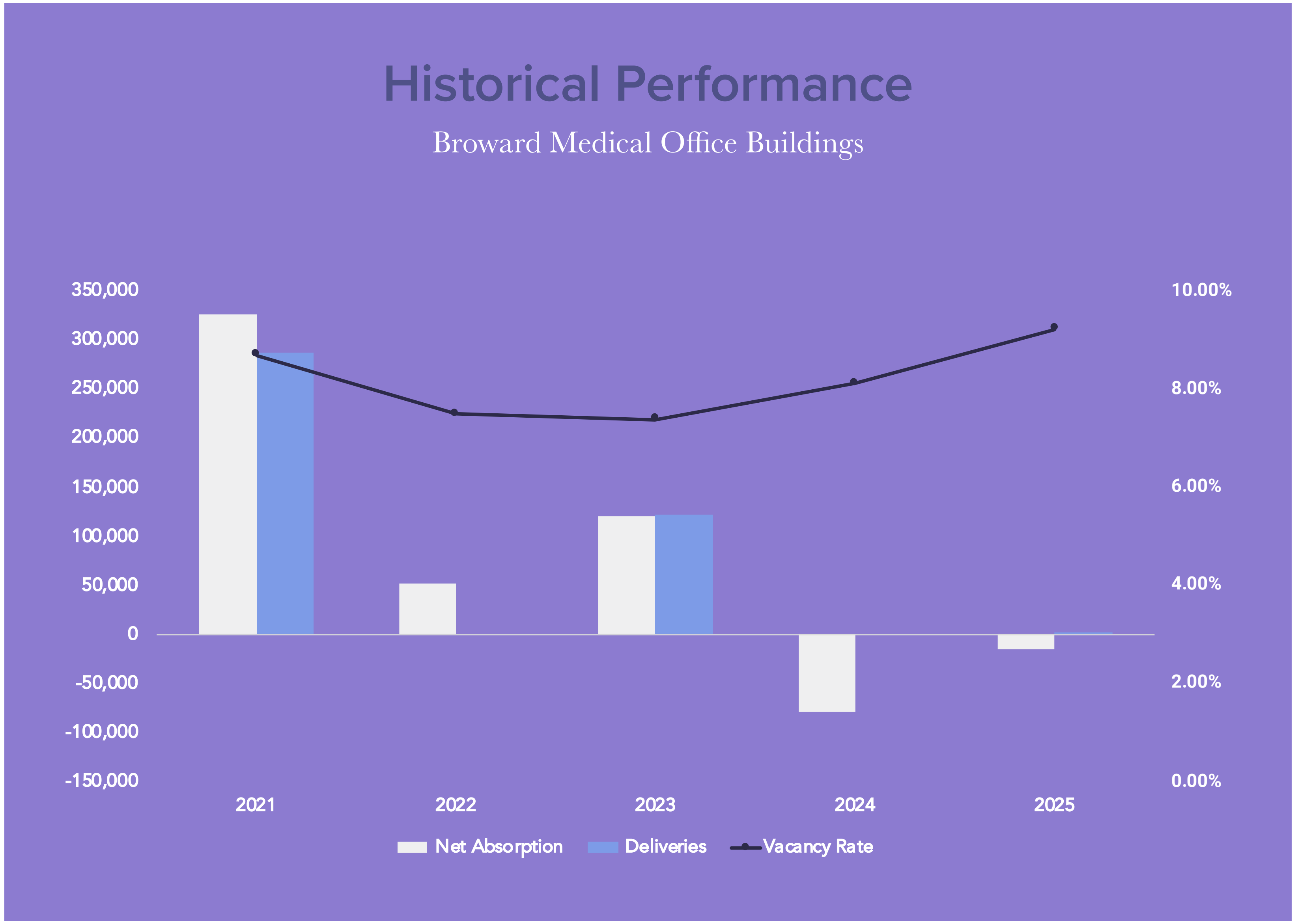
The year's deliveries illustrate Miami-Dade's distributed access strategy in practice. Major completions included UHealth's 363,000-square-foot SoLé Mia Medical Center, now the largest ambulatory hub in the county, and the 244,000-square-foot Kenneth C. Griffin Cancer Research Building at Sylvester Comprehensive Cancer Center, both designed to increase throughput, consolidate specialties, and anchor downstream outpatient demand. These facilities, along with targeted ER and specialty openings in Doral, Miami Lakes, Palmetto Bay, and South Dade, reinforce a model in which flagship clinical investment supports surrounding medical office leasing rather than displacing it. As a result, Miami-Dade continues to exhibit the strongest rent levels and absorption profile in the region.



Broward County's medical office market reflected a year of normalization as demand recalibrated following prior expansion.

Net absorption totaled -14,864 square feet in 2025, while occupancy declined 81 basis points, from 91.59% in 4Q 2024 to 90.78% in 4Q 2025. Notably, no new medical office space delivered over the past 12 months, while 113,636 square feet started construction, signaling renewed development confidence despite near-term softness.

Average asking rents increased to $26.71 NNN, up 1.82% year over year, as higher-quality, well-located assets maintained pricing power. Capital markets activity remained active relative to fundamentals, with $158.7 million in transaction volume at an average 6.58% cap rate and $378 per



square foot, reflecting investor selectivity amid a higher-rate environment.

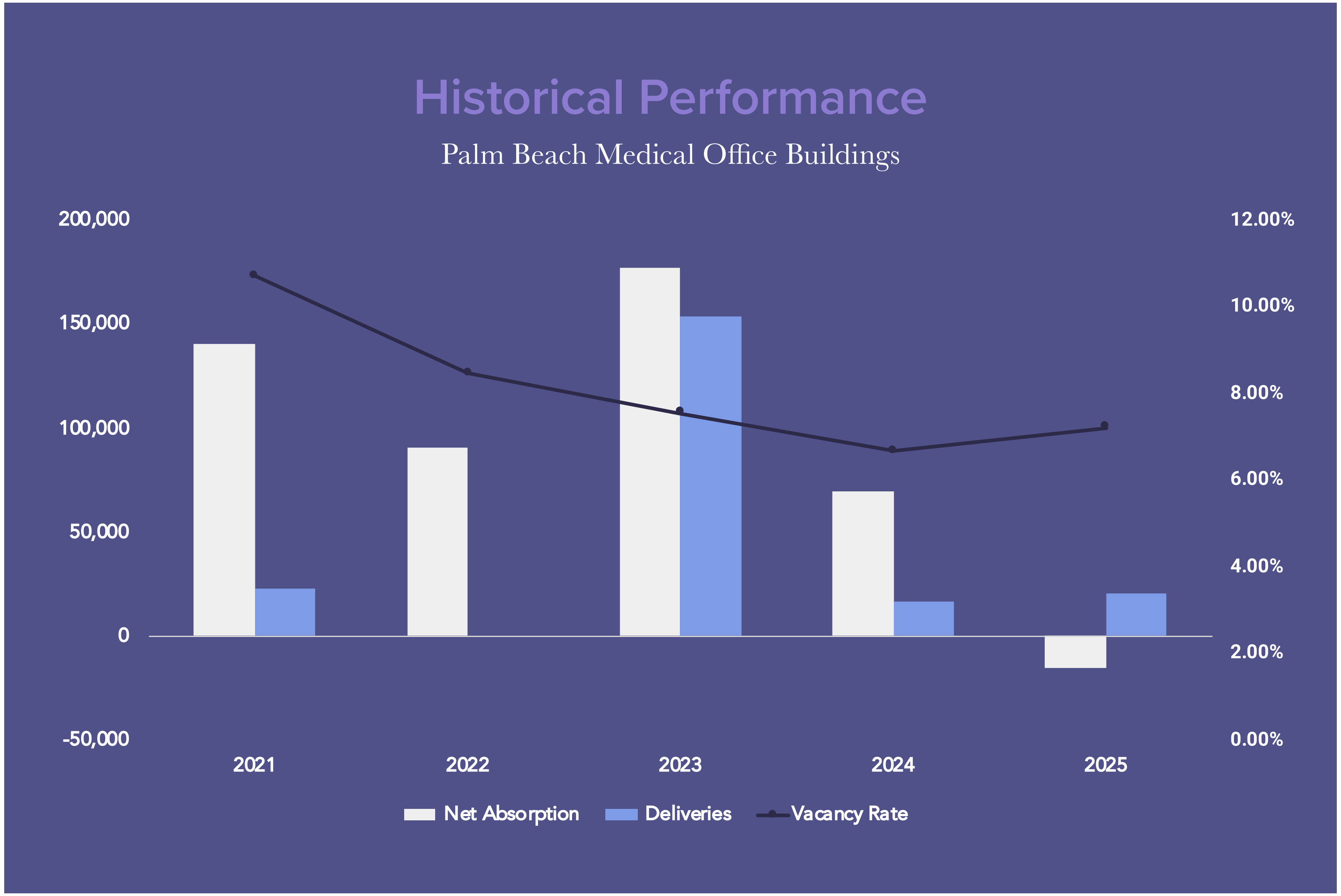
Development and investment patterns point to a reconcentration of demand toward , system-aligned locations. Completed and in-progress projects in Broward emphasize emergency access and specialty care, including new freestanding ERs in Sunrise and Lighthouse Point and system-led outpatient investments. These facilities expand visit volumes and reinforce demand for nearby medical office space, even as older inventory increasingly competes on value. While absorption softened in 2025, Broward's pipeline remains modest and targeted, positioning the market for gradual improvement as newly started projects deliver.

Palm Beach County delivered one of the region's most balanced performances in 2025, supported by demographic growth and disciplined development.

Net absorption totaled -45,873 square feet, while occupancy declined 52 basis points, from 93.31% in 4Q 2024 to 92.79% in 4Q 2025, reflecting modest supply additions rather than structural weakness. Over the past 12 months, 20,200 square feet delivered, while 89,916 square feet started, keeping the pipeline measured and system-oriented.

Asking rents averaged $29.85 NNN, increasing 2.38% year over year, one of the stronger rent growth rates in the region. Capital markets activity was the most active among the three counties, with $196.9 million in transaction volume at an average 5.95% cap rate and $411 per square foot, underscoring investor confidence in Palm Beach's stability and long-term growth profile.

Demand continues to be shaped by health system strategies focused on neighborhood-scale access. Completed projects such as the Palm Beach Orthopedic Institute of Loxahatchee Groves, alongside major hospital expansions now under construction, extend care networks into fast-growing suburban corridors. These investments typically catalyze adjacent medical office leasing across orthopedics, cardiology, diagnostics, and rehabilitation, positioning Palm Beach for steady leasing velocity as recently started projects come online.

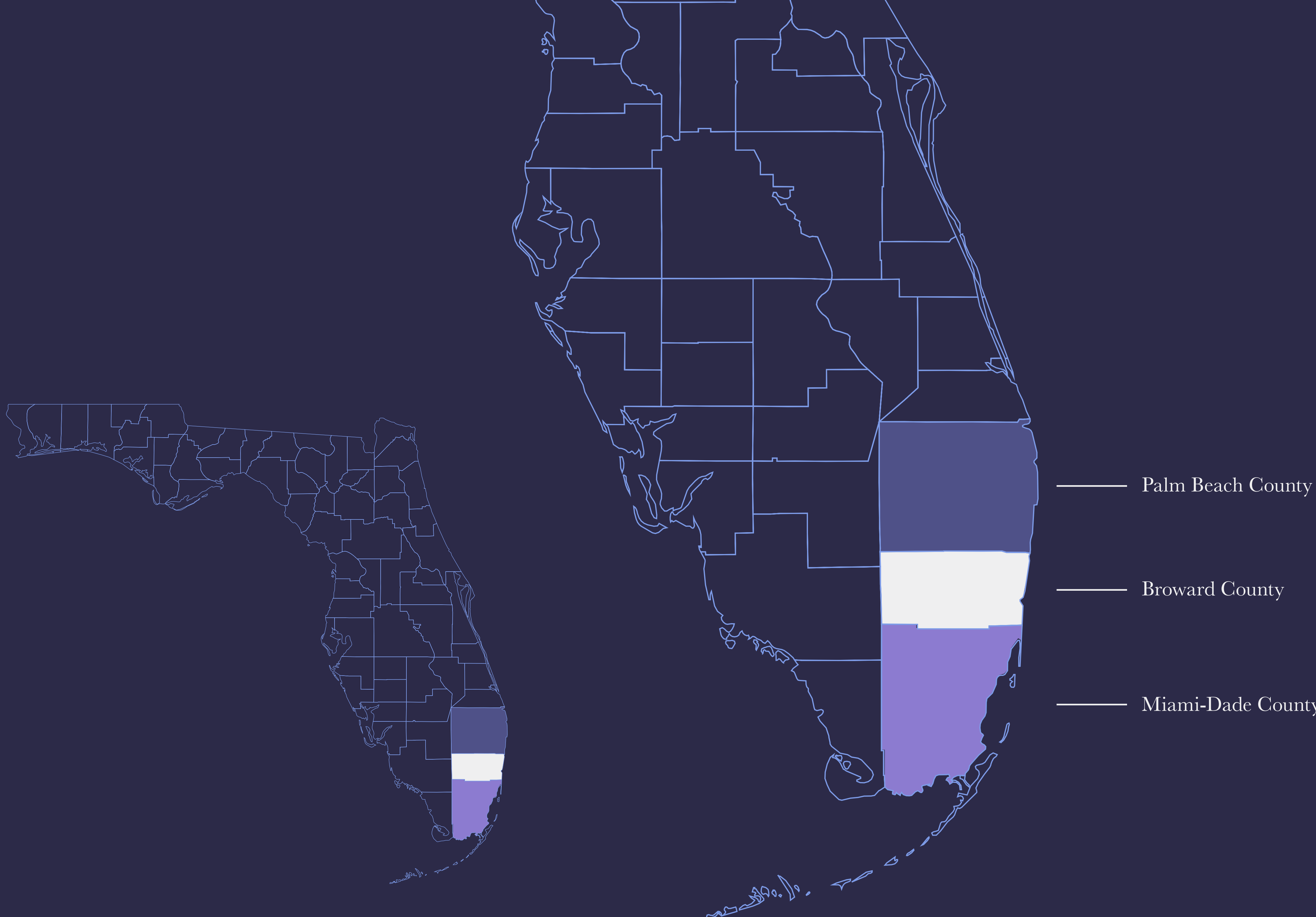


South Florida's medical office market enters 2026 with momentum grounded in structural demand rather than cyclical volatility.

While occupancy softened modestly in 2025 due to delivery timing—particularly in Miami-Dade—rent growth remained resilient across all counties, supported by limited speculative development and strong health system engagement. Construction activity continues to moderate, with fewer new starts and a pipeline increasingly concentrated in system-backed projects scheduled for 2026 and 2027.

As healthcare delivery continues to shift toward outpatient and ambulatory settings, South Florida's combination of population growth, institutional investment, and disciplined supply positions the region for continued, measured expansion. Miami-Dade's scale and clinical depth, Broward's recalibration toward higher-quality outpatient nodes, and Palm Beach's demographic-driven stability collectively support a durable outlook for the region's medical office sector in the year ahead.

Submarket Map



Going beyond the data to deliver powerful outcomes.

Who We Are

Our elite and dedicated team goes beyond data to deliver powerful commercial real estate solutions – built on trust, proven by outstanding results.

→ Learn more about Blanca Commercial Real Estate

→ Learn more about our healthcare practice

We are the dominant independently owned CRE services firm in Florida with a proven track record of excellence in every endeavor and delivering success for our clients.

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