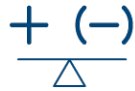




109.9 MSF
Inventory



(495,000) SF
Net Absorption



5.2%
Direct Vacancy



8.6%
Total Availability



1.4 MSF
Under Construction



\$16.67 PSF
Asking Rent (NNN)

Broward Industrial Undergoes An Expected Correction

Market Observations

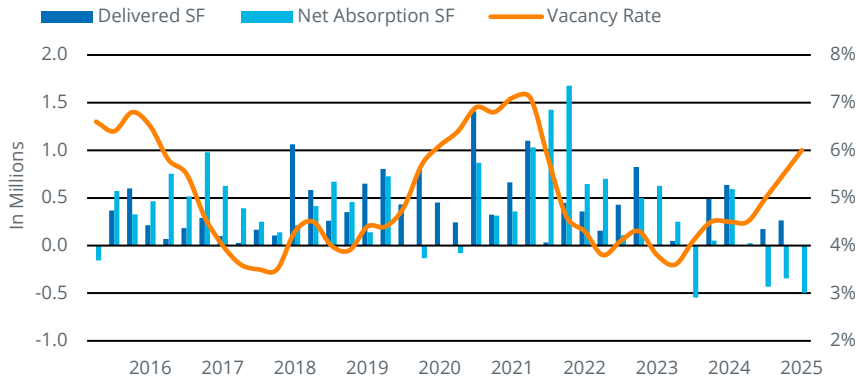
- Broward's industrial vacancy rate rose to 6.0% by the end of Q1 2025, up from 4.5% in Q1 2024, fueled by the combination of negative absorption and new deliveries. At 6.0%, it is 80 basis points above its market's five-year average of 5.2%, but still 50 basis points below the U.S. average at 6.5%.
- Broward recorded negative net absorption of 495,000 SF in Q1 2025, the third consecutive quarter of occupancy losses. This has brought annual absorption to negative 1.2 million SF. Given that the six-year average of annual net absorption was 1.7 million SF, a moderate cooling was anticipated as lower lease roll and slower economic growth weighed on the market.
- During the first three quarters of 2024, construction activity in Broward reached its lowest levels in a decade as developers adjusted to softened market conditions over the past year. However, Q4 2024 saw an uptick as 736,000 SF broke ground, bringing total projects underway to 1.4 million SF, a ten-quarter high. Since then, no new projects have started or been completed, reflecting developers' sustained confidence, but cautiousness in Broward's current market fundamentals.
- Rent growth began to moderate in 2024, despite still achieving a record high of \$16.67 NNN in Q1 2025. The impressive gains of the past five years remain intact, with average asking rents approximately 80% higher than 2019 levels.





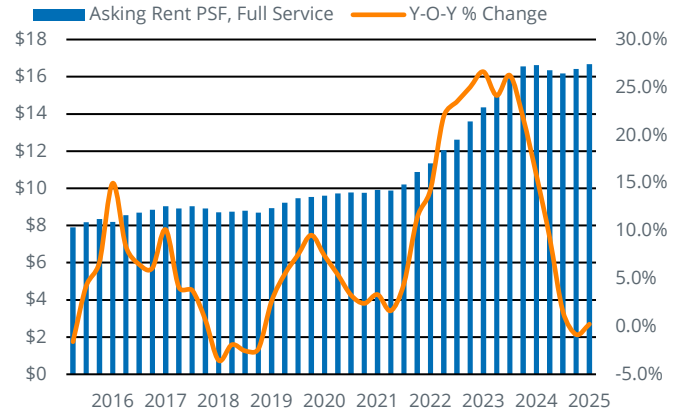
- Absorption** is expected to remain sluggish through Q3 as tenants adjust to rent increases of 60–100% on expiring leases. Additionally, slower economic growth and broader market uncertainties are likely to dampen demand. However, Transwestern anticipates a pickup in activity and a strengthening of market fundamentals as 2026 approaches and lease rollovers increase.
- Vacancy rates** may experience slight increases as the economy progresses at a moderate pace and the market absorbs new construction.
- Although **asking rates** reached an all-time high in Q1 2025, they have remained relatively flat since Q1 2024. With market activity slowing and nearly 1.0 million SF of new construction expected to deliver between Q3 and Q4 2025, we anticipate rent growth to stay flat or turn slightly negative as the broader market continues its gradual correction.
- Over the past four quarters, just 437,000 SF of industrial space was **delivered**—a sharp decline from the 3.8 million SF added during 2021–2022. This slowdown in new supply has helped curb the rise in vacancy amid cooling tenant demand driven by ongoing economic uncertainty.

DELIVERY IMPACT ON KEY INDICATORS



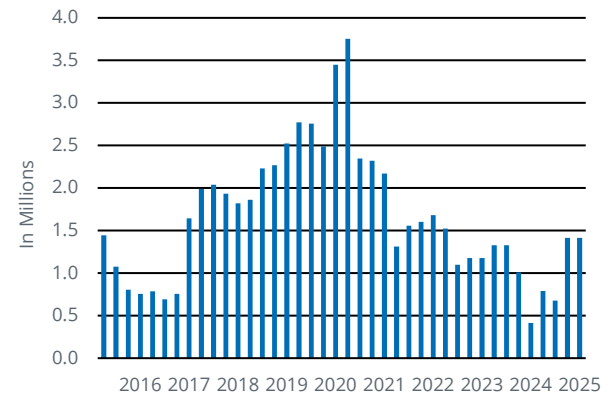
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



BROWARD INDUSTRIAL MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, NNN
CENTRAL BROWARD	11,697,971	647,760	5.5%	10.7%	0	48,441	(11,032)	\$17.46
CORAL SPRINGS	7,231,322	452,478	6.3%	9.2%	0	(35,718)	(151,924)	\$14.76
NORTHEAST BROWARD	12,209,467	763,465	6.3%	7.4%	0	7,379	(153,323)	\$16.35
POMPANO BEACH	26,577,534	1,496,691	5.6%	10.5%	764,221	(182,591)	(311,820)	\$16.25
SOUTHEAST BROWARD	22,777,312	1,257,771	5.5%	7.3%	367,817	24,700	59,821	\$17.54
SOUTHWEST BROWARD	19,656,305	642,181	3.3%	7.2%	281,145	(297,553)	(544,844)	\$16.30
WEST SUNRISE	9,720,571	421,500	4.3%	7.8%	0	(59,873)	(131,091)	\$18.47
Total	109,870,482	5,681,846	5.2%	8.6%	1,413,183	(495,215)	(1,244,213)	\$16.67

Source: CoStar, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on flex and industrial properties located in the Broward metro area. This report includes single-tenant, multi-tenant, and owner-user properties 20,000 SF and larger, excluding data centers, biotech, and properties owned by a government agency

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply, and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern

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