Broward Market Remains Stable With Modest Rent Growth and Low Vacancy

4.1%	34,034	1,372,054	0	$15.48
Total Vacancy (Q1 2025)	SF Net Absorption (Q1 2025)	SF Construction (Q1 2025)	SF Delivered (Q1 2025)	NNN / Lease Rate

Note: Arrows indicate change from previous quarter.

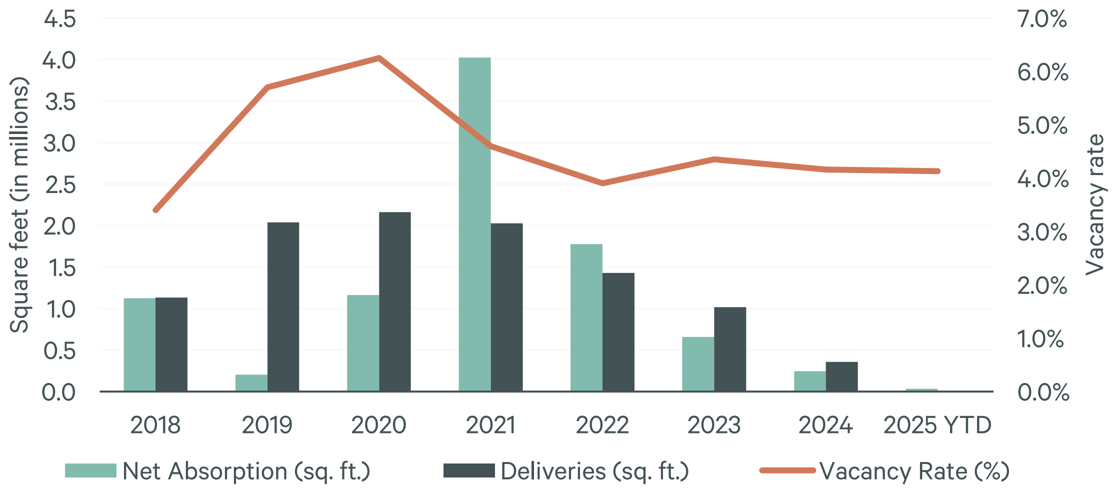
Market highlights

- The Broward industrial market started the year with 34,034 sq. ft. of positive net absorption. However, absorption levels have been on a downward trend since their 2021 peak, signaling a transition to a more moderated market environment.

- After several years of robust development activity, the pipeline has begun to taper, with no new projects breaking ground this quarter. Currently, more than 1.3 million sq. ft. remains under construction in Broward County, with the majority of that concentrated in the Pompano area.

- Over the past year, asking rents rose 4.7%, climbing from $14.79 in Q1 2024 to $15.48 in Q1 2025. Vacancy remained stable, ticking up slightly from 4.0% to 4.1%. With more than 1.3 million sq. ft. of new Class A space set to deliver in 2025, rents are projected to see continued, moderate growth in the coming quarters.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



*Asking rates have been revised historically
Source: CBRE.com

DEMAND

The market continues to show signs of stabilization, recording 34,034 sq. ft. of positive net absorption in Q1 2025. This extends a 15-year streak of positive absorption, highlighting the region's resilience and consistent demand. Leasing activity remains largely fueled by smaller transactions under 25,000 sq. ft., signaling sustained interest from a diverse tenant mix despite limited space availability.

The largest transaction this quarter was a new lease by Transpire Bio at the South Florida Distribution Center in the Southwest Broward submarket. This lease, is the only one signed over 100,000 sq. ft. this quarter. Additional noteworthy transactions during the quarter included Ferguson Enterprises (56,685 sq. ft.), Mecca Enterprises (51,461 sq. ft.), and M&R Distributors International (48,448 sq. ft.), highlighting the market's appeal to prominent tenants.

VACANCY & PRICING

The market remains heavily influenced by strong demand for Class A assets, which have consistently posted positive net absorption since late 2020. However, the wave of speculative development spurred by pandemic-era demand and historically low interest rates has led to a slight uptick in vacancy as newly built space hits the market. Despite this, vacancy remains tight, inching up only slightly from 4.0% to 4.1% year-over-year as of Q1 2025, underscoring the market's continued strength.

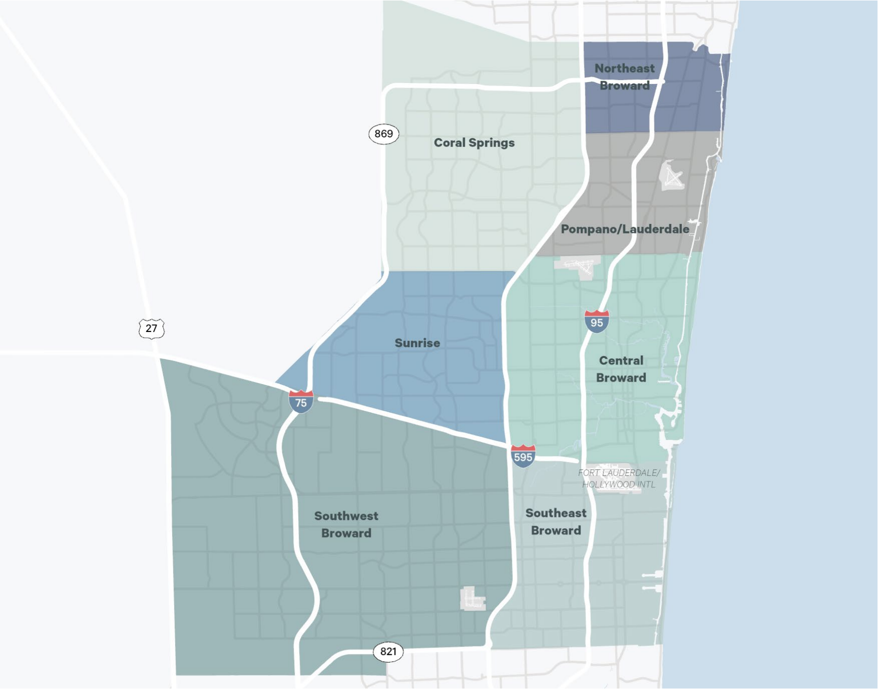
After several years of record increases, rent growth has shown signs of moderating, with a 4.7% year-over-year rise. With limited availability and the addition of new high-quality supply, rents are expected to continue their trajectory at a steady pace in the coming quarters.

FIGURE 2: Statistical Snapshot Q1 2025

Submarket	Total Inventory (SF)	Vacancy Rate	Q1 2025 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Q1 2025 Deliveries (SF)	Avg. Asking Lease Rate ($/NNN)
Central Broward	18,576,151	4.30 %	(63,370)	(63,370)	0	0	$16.51
Coral Springs	9,274,627	4.08 %	8,264	8,264	0	0	$12.90
Northeast Broward	11,596,543	6.13 %	8,699	8,699	0	0	$16.04
Pompano/Lauderdale	25,235,616	4.21 %	(76,230)	(76,230)	765,154	0	$14.96
Southeast Broward	16,851,183	5.37 %	89,348	89,348	325,900	0	$15.88
Southwest Broward	17,763,709	1.39 %	52,560	52,560	281,000	0	$15.55
Sunrise	5,806,974	4.14 %	14,763	14,763	0	0	$16.06
Grand Total	105,104,803	4.13 %	34,034	34,034	1,372,054	0	$15.48

All stated rents are estimates subject to size, credit, TI, and term.

Market Area Overview



CBRE Economic House View

Policy speculation and announcements are now the key drivers of macro expectations and financial markets. The reality of material trade conflicts this year is now paired with realized softer economic data. Some of this could be due to firms taking a 'wait-and-see' approach as they digest changing trade policy. Consumer sentiment has declined noticeably, albeit much more than actual spending. Consequently, CBRE has revised its GDP growth outlook for this year down to just below 2%.

Despite policy uncertainty, credit markets are more accommodative, with tighter spreads and more issuance compared to a few quarters ago. More fluid credit markets have yet to translate into stronger sales volume, as many institutional owners and reams of dry powder capital remain on the sidelines. The continuation of accretive credit trends and eventual deployment of dry powder will depend on the impact of new policies. Should they prove more inflationary, this would erode recent capital markets progress. If not, and macro impacts are limited, this could give the Fed a green light for further cuts and help unlock monies waiting on the sidelines.

Contacts

Erik Rodriguez
Research Manager
1 954 548 5534
erik.rodriguez@cbre.com

Marc L. Miller
Associate Field Research Director
+1 305 381 6428
marc.miller1@cbre.com