

RETAIL

Fort Lauderdale Metro Area

3Q/25

Job Gains Steady Fort Lauderdale's Retail Market; Tourism Drag Weighs on Downtown Foot Traffic

Space demand bumpy but improved. The metro's retail sector recorded noteworthy net absorption during the first quarter of this year; however, an uptick in net relinquishments was apparent during the subsequent three months. Still, Fort Lauderdale registered positive net absorption in the first half, the only major Florida market to make this claim. Moving forward, local demand will continue to be tested as Broward County is one of 16 major markets nationally that is slated to see a year-over-year increase in deliveries during 2025. In the near term, this supply pressure may win out over a slim margin of recovering demand, but steady leasing activity will minimize local vacancy rate increases and average asking rent reductions.

Labor market strength maintained. Fort Lauderdale employers created more than 5,000 jobs on net during the first half of 2025, roughly 500 more new positions than in the same period in 2024. This employment growth may serve as a tailwind for retailer space demand in the face of flagging tourism. During the first half, the Fort Lauderdale-Hollywood International Airport reported an annual passenger count decline of 11 percent. Lost visitor spending at Las Olas Boulevard businesses may be reflected in the recent negative net absorption recorded in the downtown Fort Lauderdale submarket. Should tourism weakness continue it is likely to reinforce a tenant mix focused on serving the local population, such as grocery and personal care tenants, with suburbs positioned to outperform.

Employment Trends



* Forecast
Sources: BLS; CoStar Group, Inc.

Retail 2025 Outlook



10,000

JOBS

will be created

EMPLOYMENT:

A 1.1 percent employment expansion in 2025 places Fort Lauderdale in the top 15 major markets for job growth, but this measure will still be exceeded by two other Florida markets: Tampa and West Palm Beach.



290,000

SQ. FT.

will be completed

CONSTRUCTION:

For a fifth straight year, less than 500,000 square feet of space is added, this after the metro exceeded that threshold from 2015-2020. This year's inventory gain, 0.3 percent, ranks lowest among major Florida markets.



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BASIS POINT

increase in vacancy

VACANCY:

While metro vacancy rises to 4.6 percent by year-end, the increase in local space availability is modest compared to most other major markets. Additionally, single- and multi-tenant rates remain comparable.



1.2%

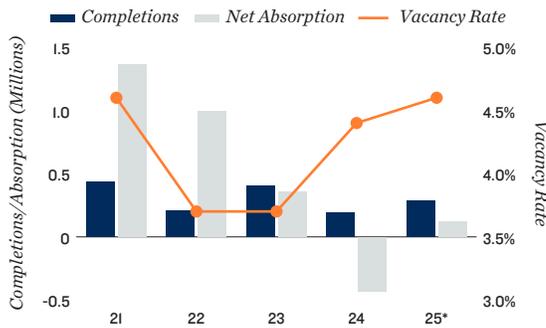
DECREASE

in asking rent

RENT:

The average asking rent recedes again this year, but a modest shift in vacancy prevents a sizable decline from manifesting. This year's rate of \$29.10 per square foot trails West Palm Beach's average by 10 percent.

Supply and Demand



Rent Trends



Sales Trends



* Forecast ** Through 2Q

Sources: CoStar Group, Inc.; Real Capital Analytics

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2Q 2025 - 12-Month Period

CONSTRUCTION

167,000 sq. ft. completed

- The metro’s retail inventory expanded 0.2 percent over the past four quarters ended in June. Single-tenant deliveries accounted for nearly 90 percent of the space added during this interval.
- First half additions were concentrated in Pompano Beach, where almost 51,000 square feet came online — expanding local stock by 0.4 percent.

VACANCY

40 basis point increase in vacancy Y-O-Y

- After falling to 4.1 percent in the first quarter, the market’s vacancy rate returned to 4.4 percent in June following big-box move outs.
- The combined Northwest Broward County and Coral Springs submarket experienced a 90 basis point year-over-year vacancy rate decline as of June, while Hollywood’s metric rose 180 basis points to 5.3 percent.

RENT

0.1% decrease in the average asking rent Y-O-Y

- Broward County’s average asking rent adjusted nominally over the past 12 months, resting at \$29.92 per square foot midway through the year.
- The market’s single-tenant average asking rent rose 1.1 percent year-over-year in June to a near record \$30.22 per square foot. This increase, however, was outweighed by a 4.0 percent decrease in the multi-tenant measure.

Investment Highlights

- Overall transaction velocity for retail properties in the metro accelerated by almost 20 percent in the 12 months ending in June compared to the same period in the previous year. Within that metric, multi-tenant deals penciled at a similar rate, while single-tenant exchanges increased by about 30 percent. Single-tenant vacancy resisting upward pressure and rising just 20 basis points year over year is likely supporting deal flow.
- Among submarkets, Hollywood noted a 40 percent year-over-year increase in single-tenant deal flow, with these trades accounting for 20 percent of Broward County’s transactions. Fort Lauderdale proper, still the market leader in such exchanges, saw its share recede to around 30 percent.
- The market’s southwest corner, covering Miramar, Weston, and Cooper City, recorded several multi-tenant trades in the four quarters ending in June. These deals mostly involved neighborhood centers sold for prices over \$10 million. The segment vacancy rate here was 3.2 percent in June, the lowest among local submarkets with at least 1 million square feet of inventory, fueling investor competition for what can be a limited number of listings. Falling multifamily vacancy nearby may benefit retail demand.