Fort Lauderdale

Office market snapshot | Q4 2024

In 2024, the Fort Lauderdale office market demonstrated resilience, marked by a decline in office availability, 2.4 million square feet of leasing activity, and positive annual net absorption. As anticipated, investment activity remained subdued amid challenging economic conditions, while asking rents stabilized following the pandemic-induced surge seen in 2021 and 2022.

-9%

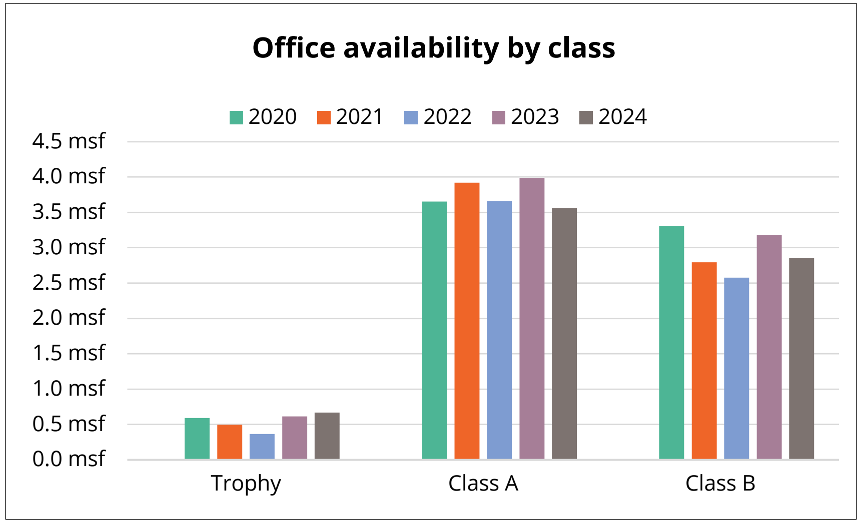
Office availability decreased 9% year over year.

2.4 msf

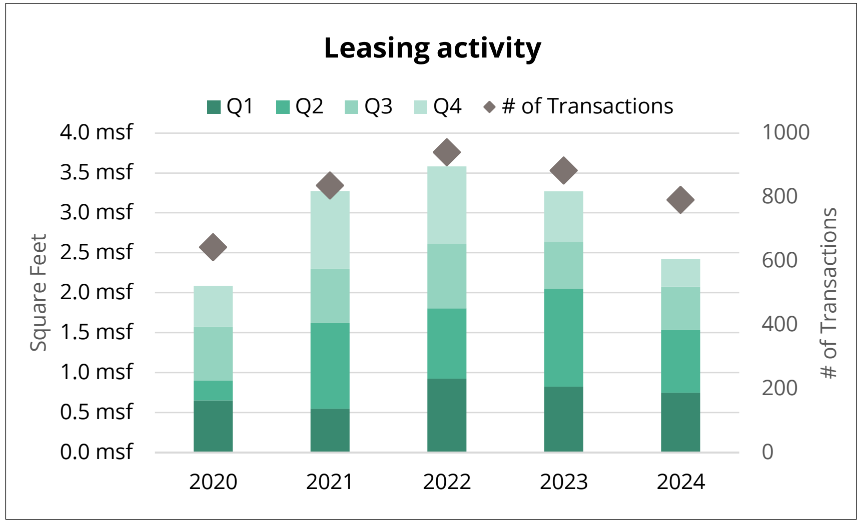
Annual leasing activity totaled 2.4 million square feet in 2024.

181k sf

Annual net absorption finished the year at positive 181,000 square feet.



In 2024, office availability declined by 9% year over year (700,000 square feet). Class A properties accounted for most of this reduction, decreasing 11% year over year (423,000 square feet). Class B properties also experienced a 10% year-over-year drop (330,000 square feet). Trophy availability increased slightly year over year.



Annual leasing activity slowed in 2024, with 2.4 million square feet leased. This trend aligns with the ongoing preference for smaller footprints in recent years. In 2024, 86% of all leases were under 20,000 square feet, with 70% comprising new leases or downsizing/expansions, and 30% renewals.

Source: AVANT by Avison Young, CoStar

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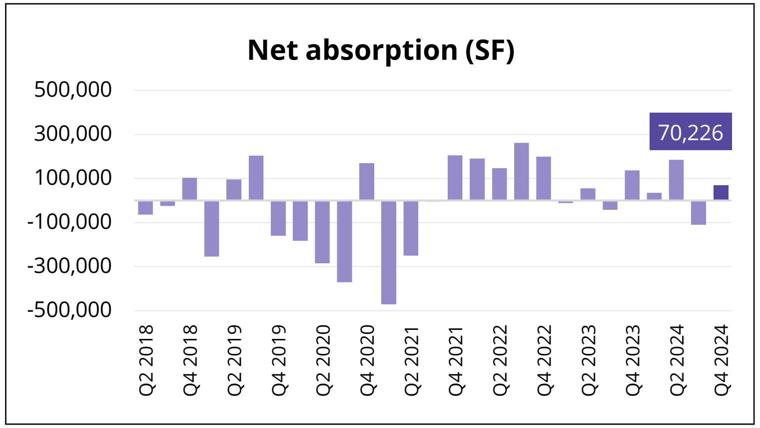

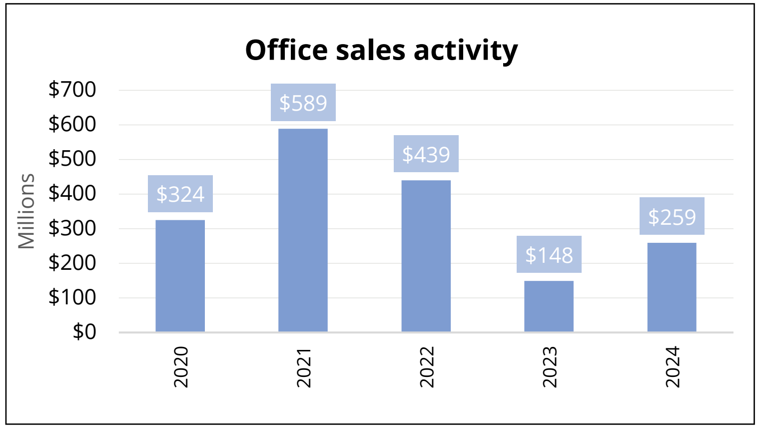

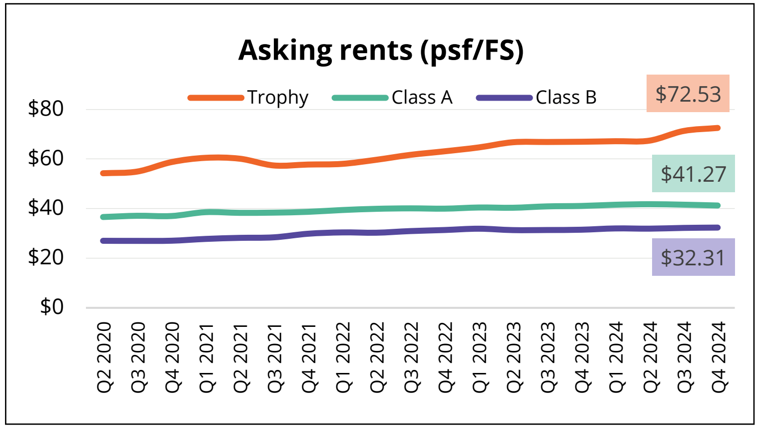

Office tenant demand remains strong

Office net absorption in Fort Lauderdale totaled 181,000 square feet in 2024, marking the third consecutive year of positive absorption. Largest tenants to occupy their space included Jazwares, with 132,000 square feet at South Pointe I; Steris IMS, which purchased and occupied a 104,000-square-foot building at 1801 NW 66th Ave.; and Titan Concrete, occupying 44,000 square feet at 800 Fairway Dr.

Office assets trade at discounted pricing

Sales activity reached $259 million in 2024, with an average sale price per square foot of $120. Economic conditions continue to create hardships for office capital market activity. The top office sales of the year included 851 & 899 Cypress Creek Rd. (Uptown Center) for $37 million purchased by Imperial Fund from Citrix, followed by 3250 & 3230 W. Commercial Blvd. (Commercial Place I & II) for $26 million purchased by YMP Real Estate Management from Brookwood Financial Partners, and 1535 S.E. 17th St. (17th Street Quay) for $17 million purchased by BH Group from AEW Capital Management, in addition to 1300 Concord Ter. (Lake Shore Plaza II) for $17 million purchased by Galium Capital from Barings.

Asking rent growth stabilizes

Office asking rents stabilized with steady growth, rising 5% year over year to $40.18 per square foot. This growth is primarily driven by an 8.3% year-over-year increase in trophy building rents, while class A rents remained unchanged, and class B rents increased by 2.7%. Trophy spaces command a $31.26 per square foot premium over class A office space, compared to an $8.96 per square foot premium over class B space.

Source: AVANT by Avison Young, CoStar

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Get in touch

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (4Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Cypress Creek	6,873,637	-	-	14.9%	1.7%	16.6%	1.3%	10,460	(90,512)	$32.90
Downtown Ft Lauderdale	5,841,678	-	174,790	15.8%	1.2%	16.9%	(0.5%)	25,503	26,157	$56.23
Plantation	4,504,413	-	-	11.2%	0.0%	11.2%	(6.1%)	(30,889)	275,577	$37.57
Southwest Broward	4,341,733	-	-	11.4%	2.2%	13.6%	1.1%	(6,226)	(46,044)	$38.55
Sawgrass Park	3,026,378	-	-	20.5%	2.0%	22.6%	4.2%	7,452	(124,323)	$35.67
Pompano Beach/Deerfield Beach	2,147,133	-	-	16.0%	1.2%	17.3%	(1.2%)	23,495	25,663	$33.46
Central Broward	2,088,575	-	-	14.4%	0.1%	14.5%	(1.5%)	33,807	31,118	$32.77
Hollywood	1,979,882	-	-	11.4%	1.4%	12.8%	(0.1%)	7,667	9,676	$39.67
Northwest Broward	1,546,051	-	-	11.7%	0.6%	12.3%	(4.5%)	(2,334)	76,007	$29.89
Hallandale	829,802	-	-	25.1%	0.2%	25.3%	0.2%	1,291	(1,665)	$56.00
Market total	**33,179,282**	**-**	**174,790**	**14.5%**	**1.2%**	**15.8%**	**(0.5%)**	**70,226**	**181,654**	**$40.18**

Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
City of Fort Lauderdale	1515 W Cypress Creek Rd	47,602	Extension	Direct
Microsoft Corp	6750 N Andrews Ave	30,178	Extension	Direct
Holland & Knight	515 E Las Olas	27,470	Renewal	Direct
Flexspace Solutions	500 E Broward	26,836	New	Sublease

Source: AVANT by Avison Young, CoStar

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