

Fort Lauderdale

Office market snapshot | Q1 2024

During the first quarter of 2024, the Fort Lauderdale office market exhibited robust performance. Leasing activity for the quarter exceeded 632,000 square feet, accompanied by a stabilized vacancy rate of 16.9%, and over 111,000 square feet of new office developments underway.

94.0%

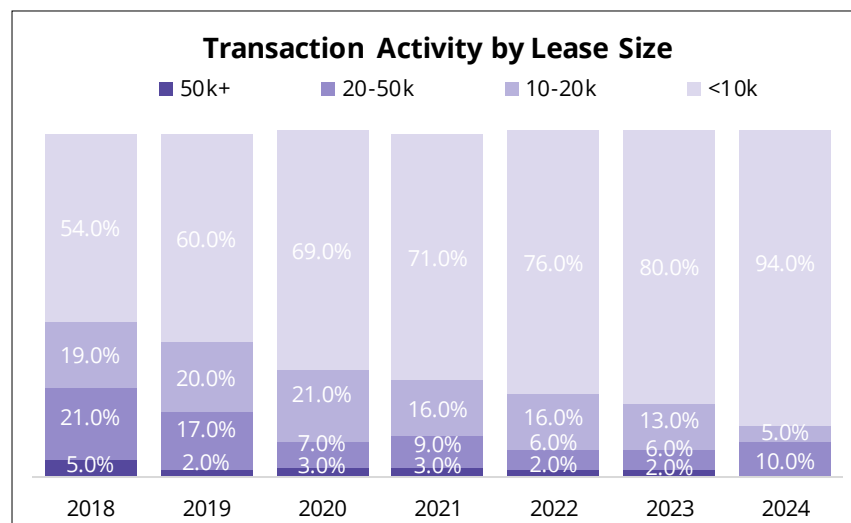
The wave of companies right-sizing their office space requirements continues as 94% of lease transactions fell below 10,000 square feet in the first quarter.

\$67.18

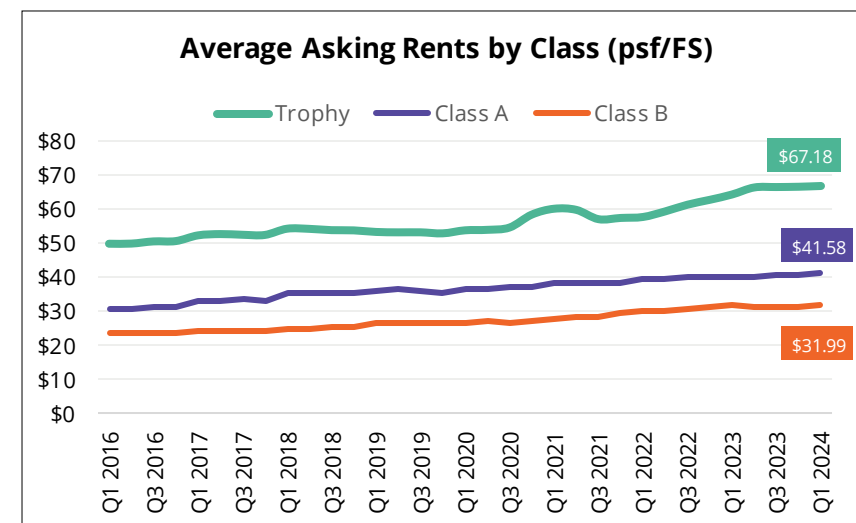
Trophy properties in Fort Lauderdale's office market reach a new all-time high of \$67.18 per square foot, full service.

33.4%

In the first quarter of 2024, the number of in office job postings surged by 2,777, marking a substantial increase of 33.4% compared to the previous quarter.



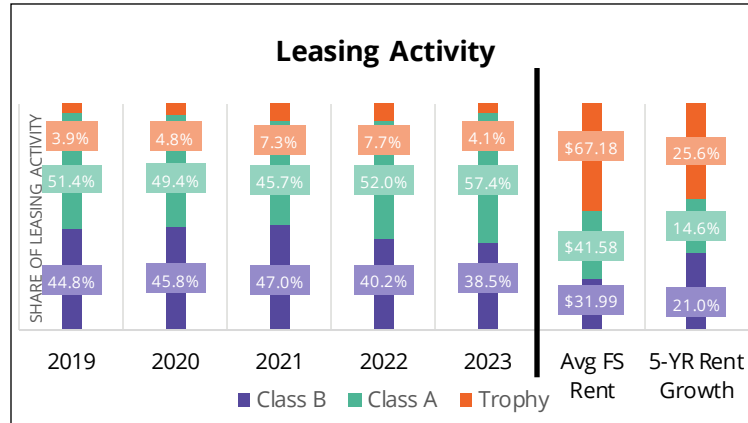
Tenant demand has shifted over the past six years in Fort Lauderdale, with 94% of office leases in the first quarter falling below 10,000 square feet. It is anticipated that as companies return to the office and seek higher-quality space, this trend will persist in the near term. The size range of 10-20k square feet has also decreased to 5% in the first quarter, compared to 13% last year. The emergence of spec suites in the market has contributed to this ongoing trend.



Flight to quality persists in Fort Lauderdale, where trophy buildings boasting top-tier finishes, extensive amenities, and strategic locations are witnessing the most significant rent growth at 4% year-over-year. This growth widens the premium over class A space by \$25.60. Both class A and B buildings saw rent increases of 2.8% and 0.4%, respectively, during the same period.

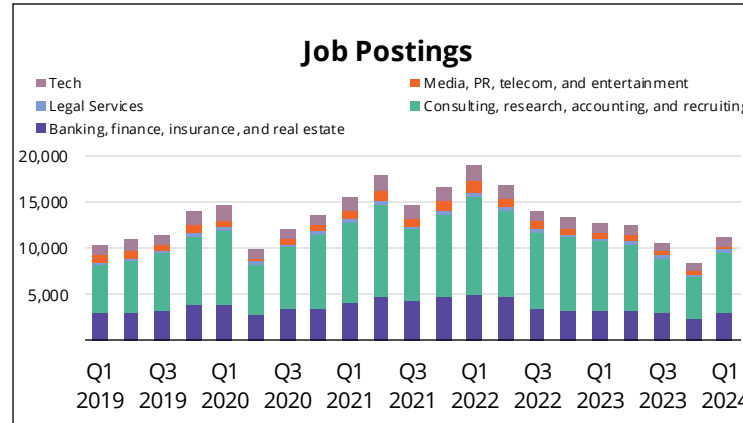
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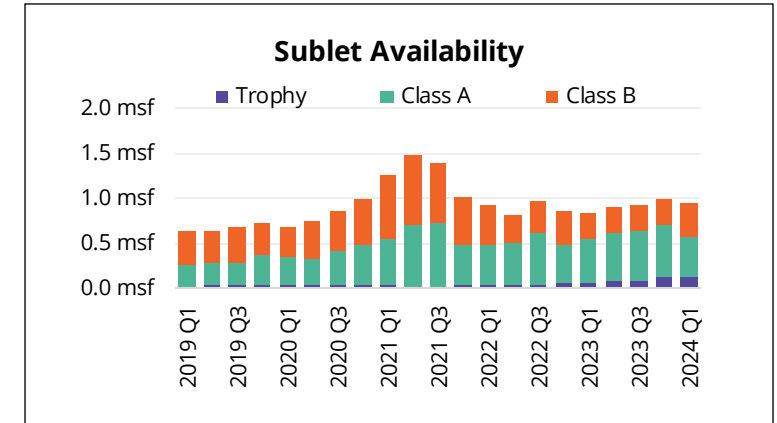
Share of annual leasing activity by building class

In Fort Lauderdale over the past five years, high-quality buildings have been at the forefront of leasing activity. Trophy and Class A buildings represented 61.5% of transaction volume in the first quarter of 2024, compared to 55.3% five years ago. During this period, trophy rents have surged by 25.6%, while Class A rates have closely followed with an increase of 14.6%. Although class B leasing activity has softened over the years, this sector of the market still achieved a 21% growth in rent growth over the same period.



Office job postings surge to start 2024

Office job postings experienced a notable rebound in the first quarter, contributing over 2,700 new jobs to the market. The banking, finance, insurance, and real estate sector, as well as the consulting, research, accounting, and recruiting sector, both saw significant increases in job postings during the first quarter of 2024, with both industries witnessing at least a 34% rise compared to the previous quarter. Approximately 92% of job postings in Broward County now require office presence, marking a significant recovery from the pandemic lows of 87%. Prior to the pandemic, the market typically averaged 96% of job postings requiring in-office presence.



Trophy properties see sharp rise in sublet availability

The Fort Lauderdale office market has witnessed a surge in Trophy sublet space availability over the past year, experiencing a 107% year-over-year increase from approximately 58,000 square feet to over 120,000 square feet. Class B office buildings have also seen a recent increase in sublet availability, adding over 75,000 square feet of space during the same period, marking a 25% uptick in availability. Meanwhile, during this period, class A sublet space has decreased by 7%, with approximately 450,000 square feet still available.

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Cypress Creek	6,742,263	-	-	14.0%	2.0%	16.0%	1.0%	(7,307)	(7,307)	\$ 32.75
Downtown Fort Lauderdale	5,826,232	-	348,640	16.2%	0.9%	17.0%	(3.5%)	61,193	61,193	\$ 51.92
Plantation	4,501,326	-	-	16.4%	0.4%	16.8%	(1.7%)	24,074	24,074	\$ 36.12
Southwest Broward	4,377,277	-	-	10.8%	2.2%	13.0%	0.8%	(12,254)	(12,254)	\$ 38.23
Sawgrass Park	3,026,378	-	-	20.5%	1.1%	21.6%	4.5%	(95,991)	(95,991)	\$ 35.96
Hollywood	2,325,563	-	-	14.6%	1.5%	16.1%	(2.7%)	16,251	16,251	\$ 51.12
Pompano Beach/Deerfield Beach	2,195,707	-	-	15.9%	1.3%	17.2%	(1.0%)	(29,843)	(29,843)	\$ 34.82
Central Broward	2,024,829	-	-	17.0%	1.1%	18.1%	1.2%	2,219	2,219	\$ 33.24
Northwest Broward	1,579,217	-	-	14.6%	2.4%	17.0%	3.4%	(2,551)	(2,551)	\$ 31.94
Hallandale	656,181	111,756	50,000	28.9%	0.0%	28.9%	14.5%	2,985	2,985	\$ 36.14
Market total	33,254,973	111,756	398,640	15.5%	1.4%	16.9%	0.1%	(40,881)	(40,881)	\$39.05

Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Comcast	1200 SW 145 th Ave	28,890	New	Direct
Kaplan University	1515 W Cypress Creek Rd	25,731	Renewal	Direct
Delaware Life	3401 SW 160 th Ave	24,479	Renewal/Expansion	Direct
Choice Home Warranty	14050 NW 14 th St	19,832	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Vera Realty	1600 S Federal Hwy	\$12,750,000	\$164	Blue Leasing
Broward Health	9600 W Sample Rd	\$11,000,000	\$294	G&J Apartments