

INVESTMENT FORECAST

Retail
Fort Lauderdale

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Scarce Available Big-Box Space Reinforces Suburban Retail Fundamentals and Aids Investment Activity

Suburban retail outperforms as large-format space taken up. Entering 2026, the metro's retail landscape is split between tightening suburban nodes and continued urban turnover. In Plantation and Northwest Broward, local vacancy declined by over 130 basis points in 2025, ranking among the five largest drops among U.S. submarkets with at least 10 million square feet of inventory. Notably, vacancy at properties over 50,000 square feet fell below those of smaller buildings, to around 3 percent, reflecting grocery and fitness tenants competing for a shrinking pool of big-box space. Smaller-format leasing has also remained active in outlying suburbs, supported by quick-service retailers like Raising Cane's. By contrast, downtown Fort Lauderdale, Pompano Beach, and Hollywood saw continued tenant move-outs last year, with Downtown Fort Lauderdale's rate climbing above 8 percent. Nevertheless, minimal new supply should help limit further vacancy expansion, while Equinox's first local lease-in indicates longer-term confidence in an increasingly affluent, experience-oriented consumer base.

Shopping center investment gains momentum. Sales activity strengthened in late 2025 as institutions ramped up shopping center acquisitions, particularly grocery-anchored assets. Plantation, Northwest Broward, and Pompano Beach recorded capital inflows approaching all-time highs late last year, as investors were attracted by tightening large-block vacancy and constrained construction pipelines. These dynamics should help sustain institutional interest in 2026, even as overall buying activity remains selective. Private investment may continue to hold firm, with fast-food and restaurant properties likely to remain attractive, supported by the metro position as one of the nation's fastest-growing food and accommodations employment sectors.

2026 MARKET FORECAST

+0.7%



Employment: The metro's workforce grows by 7,000 roles. Food services hiring may continue to outpace the retail trade sector as goods retailers stay cautious amid tariff-driven cost uncertainty.

150,000
sq. ft.



Construction: Completions in 2026 are expected to align with last year's record-low delivery slate. Inventory growth of 0.2 percent will be less than half the past decade's average of 0.5 percent.

-20 bps



Vacancy: Limited new supply should allow vacancy to trend lower despite modest leasing activity. At 4.1 percent, the metro's rate will sit 30 basis points below its prior 10-year average.

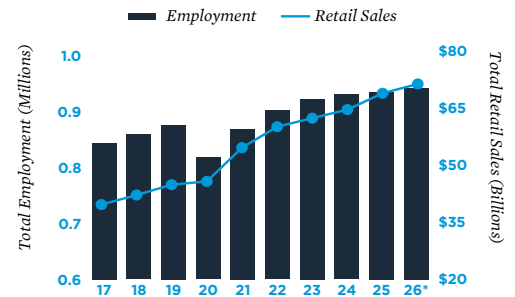
+2.8%



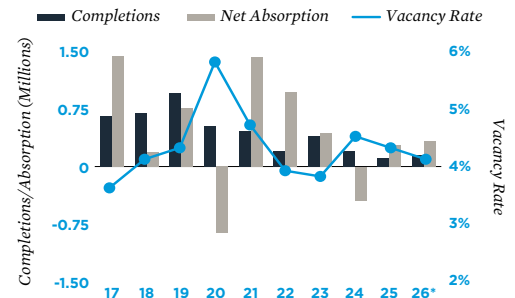
Rent: Tightening vacancy is expected to support a gradual improvement in rent growth. The average asking rate reaches \$31.10 per square foot, standing roughly 30 percent above the 2020 level.

INVESTMENT: *The 2025 groundbreaking of a 170-acre, \$1 billion-plus mixed-use project to create a true downtown in Coconut Creek could draw additional investors by deepening the area's consumer base.*

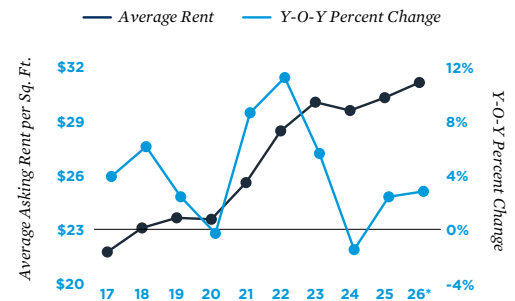
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

Gregory A. LaBerge

Senior Vice President, National Division Leader

Tel: (818) 212-2250 | glaberge@ipausa.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.