



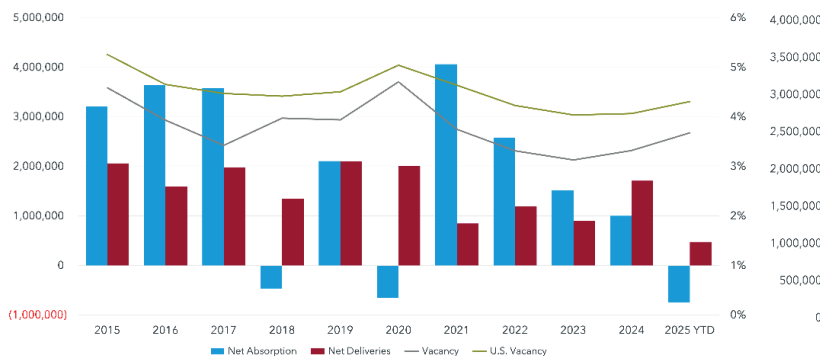
RETAIL MARKET OVERVIEW

STEPHEN DEMEO, *Principal*

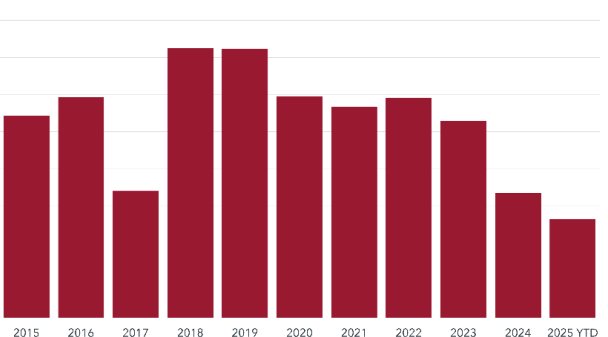
The South Florida retail market softened slightly in Q2, with net absorption of just 224,452 SF, down from 678,027 SF in Q1. Vacancy inched up to 3.5%, reflecting a modest pullback in leasing activity. Asking rents held firm at \$36.14 PSF NNN, while sales prices rose to \$389 PSF, supported by sustained institutional demand, while cap rates tightened, signaling investor confidence in long-term fundamentals despite a dip in transaction volume. Construction activity slowed to 1.29 million SF, the lowest level in over five years. This trend reflects a more disciplined supply pipeline in response to tighter capital markets and rising construction costs. The market remains fundamentally healthy but shows signs of normalization following a strong 2023-2024 growth period.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ 12 Mo. Net Absorption SF	224,452	678,027	1,005,685	535,208	729,922
▲ Vacancy Rate	3.5%	3.3%	3.2%	3.1%	3.1%
▼ Avg NNN Asking Rate PSF	\$36.14	\$36.23	\$36.41	\$36.64	\$36.45
▲ Sale Price PSF	\$389.00	\$384.00	\$380.00	\$382.00	\$377.00
▼ Cap Rate	5.79%	6.02%	6.22%	5.98%	5.76%
▼ Under Construction SF	1,286,381	1,353,121	1,679,673	2,434,064	2,445,819
▲ Inventory SF	338,491,598	338,483,032	338,012,473	337,071,968	336,888,657

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
701 S. Miami Avenue Miami, FL	500,000 SF	\$512,625,001 \$1,367.00 PSF	Simon Property Group, Inc. Swire Properties	Multi-Tenant
8300 NW 36th Street Doral, FL	235,096 SF	\$87,500,000 \$372.19 PSF	Continental Realty Corporation PGIM, Inc.	Multi-Tenant
1845-1865 Palm Beach Lakes Blvd West Palm Beach, FL	203,319 SF	\$73,981,278 \$363.87 PSF	Invesco Real Estate Starwood Real Estate Income Trust	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3408-3548 N. University Drive Sunrise, FL	46,791 SF	Brixmor Property Group, Inc.	Publix	Grocery Supermarkets
7260 N. Kendall Drive Miami, FL	40,000 SF	Hayman Company	BrandsMart USA	Electronics & Appliance
1401-1405 S. Federal Highway Pompano Beach, FL	38,228 SF	ECHO Realty	Crunch Fitness	Fitness Centers