

FIVE FAST OFFICE FACTS

Jacksonville | Q1 2023



The Need-to-Know for Today's Commercial Real Estate Market

1



LEASING ACTIVITY SLOWED

Jacksonville began 2023 with 208,000 SF of leasing activity during the first quarter, down 63.0% YOY as national economic uncertainty fueled the drop in activity seen so far.

2



VACANCY IMPROVED

Overall vacancy finished Q1 at 19.7%, down 100 BPS YOY. The 34,100-SF occupancy of Geico into Deerwood South impacted the change most heavily in Q1.

3



AVERAGE RENTS SAW FIRST TICK DOWN

Overall asking rents for office space rose 1.8% YOY to \$22.69 PSF FSG but were down 0.4% from 2022's year-end value.

4



SUBURBAN & QUALITY LED DEMAND

Suburban leasing accounted for 72.5% of new deal volume in the first quarter. Leasing totals leaned slightly towards flight to quality with 59.7% of new deals signed in Class A assets.

5



EMPLOYMENT UP ANNUALLY

Jacksonville employment grew by 42,800 nonagricultural jobs, or 5.6% YOY. The unemployment rate was 2.5% in February 2023. Office using employment gained 15,200 new jobs, a 6.9% rise.