

YoY Chg

6.9%
Vacancy Rate



1.5 M
YTD Net Absorption, SF



\$5.31
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2020

YoY Chg

700k
Jacksonville Employment



5.8%
Jacksonville Unemployment Rate



8.8%
U.S. Unemployment Rate



Source: BLS, numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Jacksonville, part of the Northeast Florida region, had an unemployment rate of 5.8% in August 2020, down 310 basis points (bps) from the previous month's numbers but 250 bps higher than the region's rate from one year ago. The region had the lowest unemployment rate out of Florida's major markets. Nonagricultural employment was 700,200, a decrease of 25,900 jobs, or 3.6%, over the year. Most major employment sectors forfeited jobs in the last 12 months with small gains in Construction, Wholesale Trade, Financial Activities and Education & Health Services sectors. Office-using employment was slightly down with jobs in Professional & Business Services losing 2,700 jobs compared to this time last year.

SUPPLY

Overall vacancy ended the third quarter at 6.1%, an increase of 450 bps year-over-year (YOY) on available space from new deliveries. Vacant space in warehouse/distribution in the Northside submarket comprised approximately half of all vacant space in the market. Since the end of 2018, the vacancy rate in the Northside jumped from 2.2% to 16.3% currently, a 1,410-bps increase. During that time, 3.8 million square feet (msf) was delivered in the submarket with 2.2 msf vacant. Overall, eight projects delivered in the first nine months of 2020 totaling 2.6 msf. Another 1.5 msf was under construction with 75% preleased. Jacksonville continued to be a hot build-to-suit market with Wayfair delivering its 1.0 msf distribution facility in the Westside submarket and Amazon starting construction on its 1.1 msf facility in the Northside submarket

DEMAND

Third quarter new leasing activity totaled 2.5 msf, out of the 3.7 msf in activity YTD. The bulk of new leasing was in warehouse/distribution which accounted for over 96.0% of all activity. The Northside submarket took the lion's share of interest from tenants, comprising over 77.0% of space taken. A large portion of that activity was in several buildings under construction. Tenant move-ins, specifically in warehouse/distribution during the third quarter, added to positive absorption levels YTD at over 1.5 msf. Four leases over half a million sf each were signed in Jacksonville in the third quarter of the year. Amazon leased over 1.0 msf at Imeson International Park, Fanatics renewed for 553,000 sf in the Northside submarket, Margo Garden Products leased approximately 553,000 sf at Imeson International Park, and Samsonite inked a deal for 548,000 sf on the Westside.

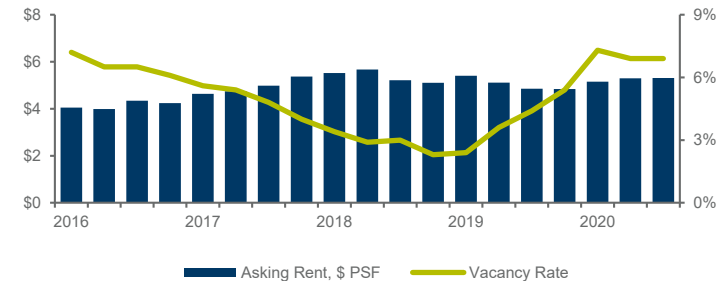
MARKET PRICING

Overall triple net asking rents have increased YOY by \$0.56 or 4.1% to \$5.31 per square foot (psf) triple net (NNN). The rise in rental rates were driven by gains in warehouse/distribution which were up 13.5% to \$4.99 psf in the last 12 months. The Northside had the highest jump in rents, up 21.1% since third quarter 2019 on new space from deliveries priced at the top of the market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown	5,358,376	49,702	0.9%	27,118	-20,702	0	0	\$2.90	N/A	\$0.00
Northside	23,935,574	3,893,943	16.3%	199,164	229,651	1,479,113	1,030,696	N/A	\$8.50	\$5.19
Westside	49,070,135	1,918,037	3.9%	824,023	1,203,754	643,777	1,500,067	N/A	N/A	\$4.10
Southside	19,847,870	900,820	4.5%	-61,831	-159,058	0	31,095	\$5.90	\$9.99	\$6.48
Orange Park Clay	2,178,136	193,254	8.9%	68,864	240,736	0	107,000	N/A	\$11.50	\$3.80
Beaches	632,677	46,000	7.3%	0	9,000	0	0	N/A	N/A	\$16.20
St Johns County	1,346,074	17,440	1.3%	0	-17,440	0	0	N/A	N/A	\$9.75
JACKSONVILLE TOTALS	102,368,842	7,019,196	6.9%	1,057,338	1,485,941	2,122,890	2,668,858	\$5.07	\$10.22	\$4.99

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
10501 Cold Storage Road	Northside	Amazon	1,063,225	Direct
10501 Cold Storage Road	Northside	Margo Garden Products	552,720	Direct
11530 New Berlin Road	Northside	Total Distribution	448,096	Renewal*

*Renewals are not including in Leasing Activity

KEY SALES TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6590 Pritchard Road	Westside	Republic Property Company/Blackstone	297,000	\$24,500,000/\$86
109 Stevens Street	Westside	Atlantic Safety Products/FWP Real Estate Holdings	168,800	\$4,250,000/\$25
12128 New Berlin Road	Northside	Pattillo Industrial/TRUaire	163,615	\$13,960,000/\$85

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
13483 103 rd Street	Westside	Wayfair	1,012,567	Stockbridge
9950 Pritchard Road	Westside	N/A	487,500	Pattillo Industrial
250 E Busch Boulevard	Northside	N/A	477,946	Webb International

