

	YoY Chg	12-Mo. Forecast
<b>6.6%</b> Vacancy Rate	▲	▲
<b>2.1 M</b> YTD Net Absorption, SF	▼	▼
<b>\$5.05</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
<b>712K</b> Jacksonville Employment	▼	▲
<b>5.3%</b> Jacksonville Unemployment Rate	▲	▼
<b>6.7%</b> 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 5.3% in November 2020, 40 basis points lower (bps) from the previous month's numbers and 250 bps higher than the region's rate from one year ago. Nonagricultural employment was 712,000, a decrease of 28,400 jobs, or 3.8%, over the year. Besides Construction and Wholesale Trade, all other major employment sectors forfeited jobs in the last 12 months. Leisure & Hospitality and Retail Trade lost approximately 20,000 year-over-year (YOY). Jobs in Trade, Transportation & Utilities were down by 3,400 even in the run up to the busier holiday season.

### SUPPLY

Overall vacancy ended the year at 6.6%, an increase of 430 bps YOY on available space from new deliveries. At the end of the year, vacant space in warehouse/distribution in the Northside submarket comprised over half of all vacant space in the market. Since the end of 2018, the vacancy rate in the Northside jumped from 2.2% to 16.0% currently, a 1,380-bps increase. In 2020, Nine projects delivered this year totaling 2.7 million square feet (msf). Another 2.1 msf was under construction with 30% preleased. In 2020, Jacksonville remained a hot build-to-suit market for e-commerce companies that wanted a location that could service Florida as well as parts of the Southeast.

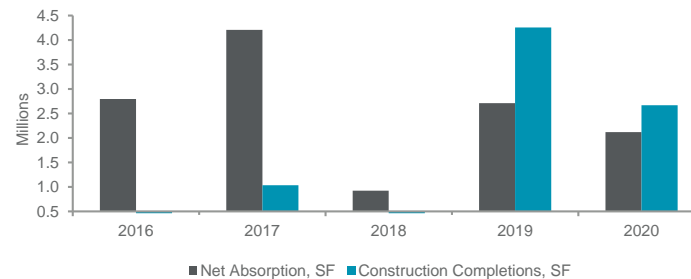
### DEMAND

New leasing activity totaled 1.2 msf in the fourth quarter and 4.9 msf in activity for 2020. As a major distribution hub, the bulk of new leasing was in warehouse/distribution space. With the majority of new product being built, the Northside submarket captured almost 80% of all leasing activity for the year. Tenant move-ins added to positive absorption levels for the full year, with tenants taking possession of 2.1 msf of space. There were six leases over 400,000 square feet (sf) signed in 2020, all but one on the Northside. Tenants were either in e-commerce or in retail trade.

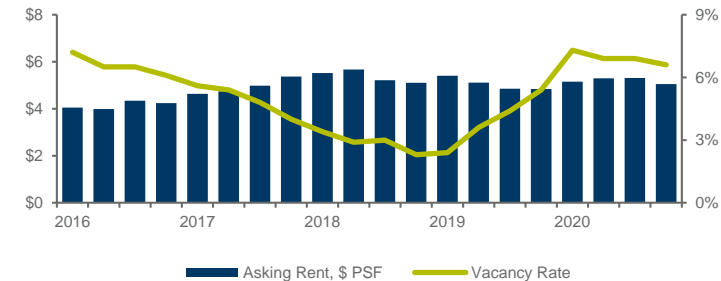
### MARKET PRICING

Overall triple net asking rents for industrial space increased YOY by \$0.11 or 2.2% to \$5.05 per square foot (psf) triple net (NNN). Warehouse/distribution, the bulk of the industrial market, drove rental gains for the year, up 1.9% to \$4.70 psf in the last 12 months. The Northside had the highest jump in rents, up 11.7% since the end of 2019 on new space from deliveries with asking rental rates at the top of the market.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q4 2020

## 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 (WD)
Downtown	4,557,395	49,702	1.1%	0	-20,702	0	0	\$5.00	N/A	\$0.00
Northside	23,645,429	3,151,479	13.3%	777,264	972,115	1,479,113	1,030,696	N/A	\$6.00	\$5.02
Westside	46,848,465	1,949,033	4.2%	23,744	1,232,298	643,777	1,500,067	\$3.75	N/A	\$4.04
Southside	18,674,729	1,025,780	5.5%	-148,861	-304,546	0	31,095	\$5.90	\$9.74	\$6.50
Orange Park Clay	2,122,672	183,254	8.6%	10,000	250,736	0	107,000	N/A	\$11.50	\$3.73
Beaches	523,634	46,000	8.8%	0	9,000	0	0	N/A	N/A	\$0.00
St Johns County	1,269,577	19,330	1.5%	-1,890	-19,330	0	0	N/A	N/A	\$8.51
<b>JACKSONVILLE TOTALS</b>	<b>97,641,901</b>	<b>6,424,578</b>	<b>6.6%</b>	<b>660,257</b>	<b>2,119,571</b>	<b>2,122,890</b>	<b>2,668,858</b>	<b>\$4.59</b>	<b>\$9.97</b>	<b>\$4.70</b>

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

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

## KEY LEASE TRANSACTIONS 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
10501 Cold Storage Rd	Northside	Amazon.com,Inc	1,063,225	Direct
5233-5245 Commonwealth Avenue	Westside	Fanatics	553,151	Renewal*
10501 Cold Storage Rd	Northside	Margo Garden Products	552,720	Direct
1 Imeson Park Boulevard - Bldg 200	Northside	Samsonite	547,920	Direct

\*Renewals are not including in Leasing Activity

## KEY SALES TRANSACTIONS 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
13483 103rd Street	Westside	Stockbridge Real Estate	1,012,567	\$75,500,000/\$75
6590 Pritchard Road	Westside	Blackstone	297,000	\$25,400,000/\$86
8445 Western Way	Butler/Baymeadows	Plymouth Industrial REIT	289,850	\$20,400,000/\$70

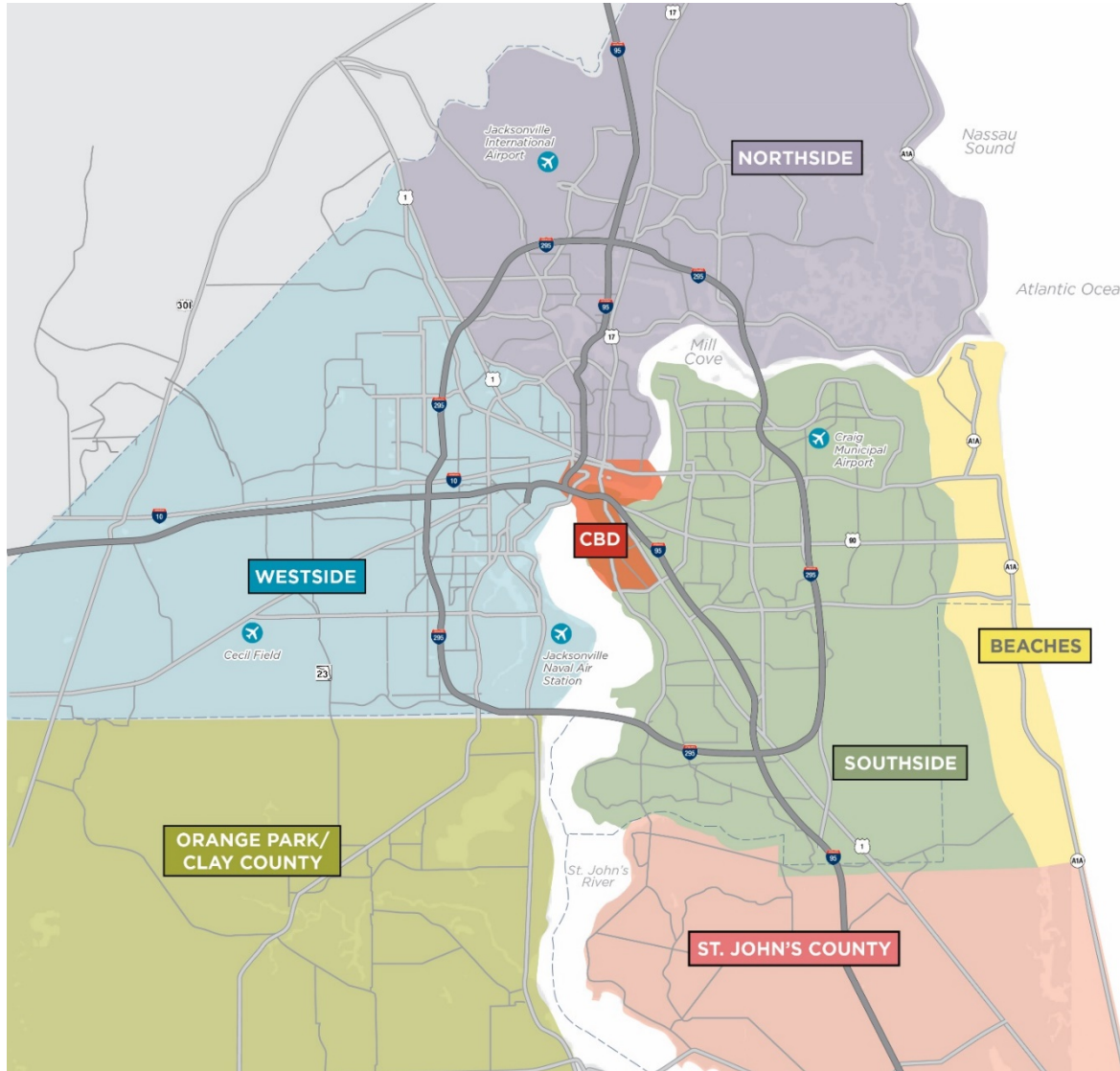
## KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
13483 103rd 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

# JACKSONVILLE

Industrial Q4 2020

## INDUSTRIAL SUBMARKETS



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