

## Industrial Q4 2023

	YoY Chg	12-Mo. Forecast
<b>3.7%</b> Vacancy Rate	▲	▼
<b>5.2M</b> YTD Net Absorption, SF	▲	▼
<b>\$9.09</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
<b>814K</b> Jacksonville Employment	▲	▲
<b>3.0%</b> Jacksonville Unemployment Rate	▲	▲
<b>3.7%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

### ECONOMY

Jacksonville had an unemployment rate of 3.0% in Q4 2023, substantially lower than the U.S. average of 3.7%. This was 30 basis points (bps) higher than the region's rate one year ago; however, nonagricultural employment grew by 30,200 jobs or 3.8% over the year. Overall industrial-using employment grew over the same period with the trade, transportation, and utilities sector up 5,800 jobs, construction adding 2,200 new positions, and the manufacturing industry gaining 1,600 jobs.

### SUPPLY

Overall industrial vacancy ended the fourth quarter at 3.7%, up 180 bps year-over-year (YOY) but down 40 bps from the prior quarter. The annual uptick was mainly attributed to newly built vacant space, the largest in Q4 being the 298,000-squarefoot (sf) Westside Industrial Park – Building 300 and 168,500-sf Legend Point Logistics – Building 1, both delivering fully unleased and vacant. In total, the Jacksonville market gained 2.6 million square feet (msf) of new product in Q4, with 20.5% of that space still on the market for lease. This brought the total construction completions in 2023 to a historic 7.4 msf, 43.8% higher than the 2021 and 2022 totals combined. The largest new vacancy in second generation space was from Tucker Rocky Distributing's 190,400-sf move-out at Westside Industrial Park – Building 20. Other notable move-outs included Elite Imaging out of 58,000 at 1460 Vantage Way and Locktek giving back 48,500 sf at 1350 Tradeport Drive.

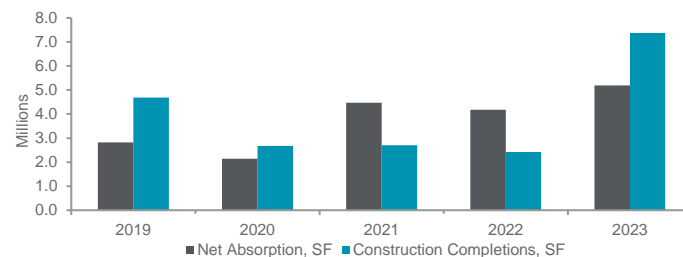
### DEMAND

New leasing activity totaled 2.0 msf for Q4, a 19.9% increase in quarterly volume YOY. The year-to-date (YTD) leasing total reached a record 8.3 msf, up 27.0% YOY. The Northside and Westside submarkets continued to command new deals, accounting for 88.9% of total activity through the year. Quarterly net occupancy gains reached a historic 2.9 msf, more than the rest of 2023 combined, bringing YTD absorption to 5.2 msf for year-end, also an all-time high. Absorption was boosted substantially by two 1.0-msf move-ins for the quarter by Sam's Club and Total Distribution at 1400 Zoo Parkway and 9980 Prichard Road respectively. Other large move-ins included Primark into 547,200 sf which it leased in Q3 at 1400 Zoo Parkway, Road One Logistics into 421,600 sf it leased and occupied in Q4 at 0 Imeson Park, and Massey Distribution into its newly purchased 173,600-sf building at 10775 Yeager Road.

### MARKET PRICING

The overall average asking rate for industrial space rose by 27.0% YOY to end Q4 at \$9.09 per square foot (psf). Rents were up 5.8% from Q3 as premium rates hit the market from newly delivered space. Rates are expected to continue to increase with potential for robust growth as an additional 4.4 msf of product under construction delivers through 2024 adding top rents to the market.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



**MARKET STATISTICS BY SUBMARKET**

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY(SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Beaches	523,634	0	0.0%	2,650	2,650	0	0	N/A	N/A	N/A
Downtown	5,801,393	28,900	0.5%	26,400	70,100	0	0	\$11.20	N/A	N/A
Northside	31,242,246	936,883	3.0%	3,067,083	3,999,900	2,145,654	3,370,611	\$14.49	\$12.50	\$9.77
Orange Park/Clay County	2,059,806	0	0.0%	0	11,700	0	0	N/A	N/A	N/A
Southside	18,944,156	521,055	2.8%	88,688	798,109	183,345	39,750	N/A	12.54	\$11.28
St. Johns County	1,528,297	299,679	19.6%	-41,359	36,661	596,388	258,320	N/A	N/A	\$7.97
Westside	51,519,141	2,392,124	4.6%	2,046,580	3,349,405	1,506,191	3,701,085	N/A	\$12.00	\$7.45
<b>Jacksonville TOTALS</b>	<b>111,618,673</b>	<b>4,178,641</b>	<b>3.7%</b>	<b>5,190,042</b>	<b>8,268,525</b>	<b>4,431,578</b>	<b>7,369,766</b>	<b>\$13.38</b>	<b>\$12.50</b>	<b>\$8.23</b>

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

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

**MARKET STATISTICS BY PRODUCT TYPE**

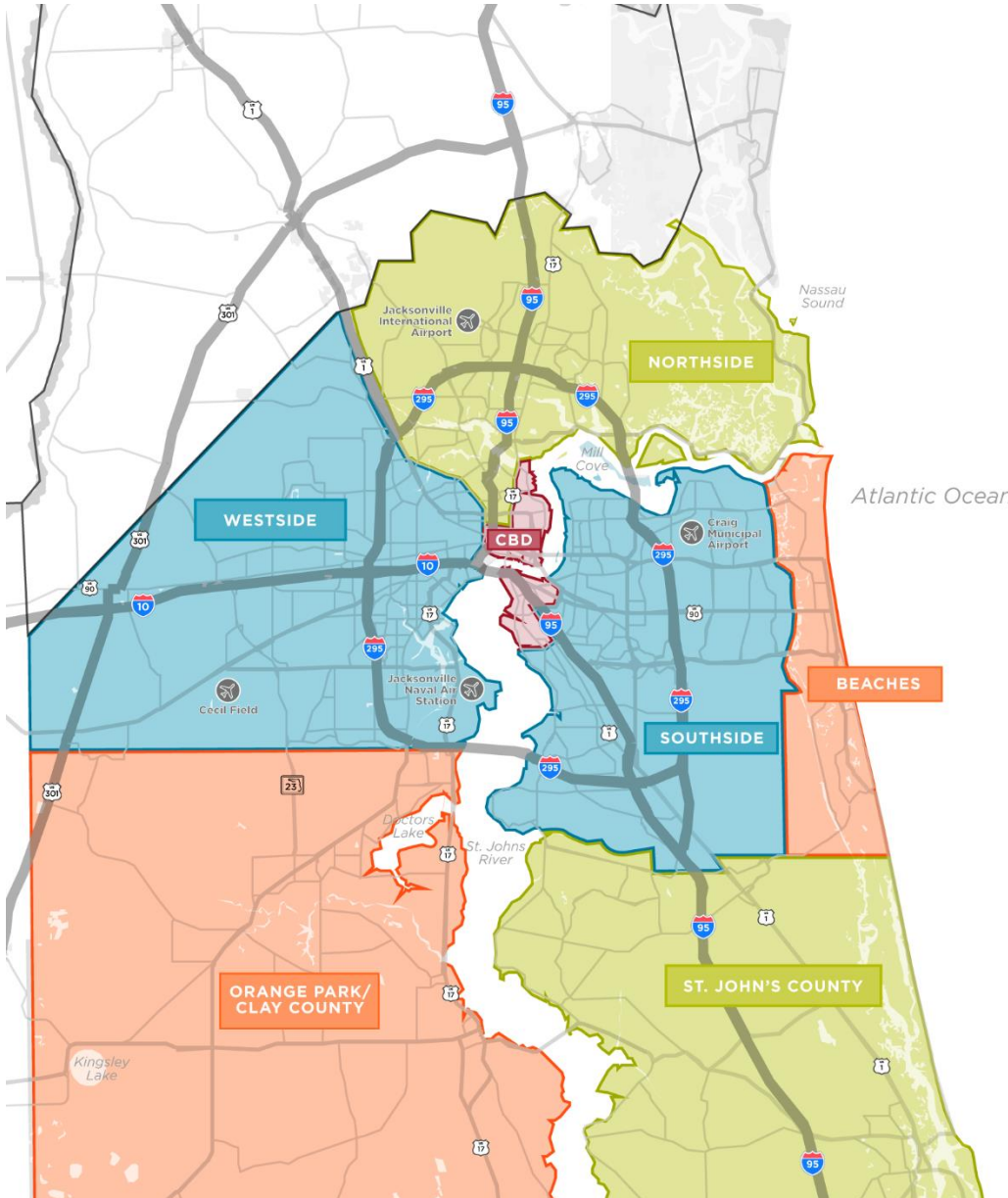
PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Manufacturing	19,776,378	386,560	2.0%	-2,545	21,555	324,760	0	0	\$13.38
Office Service	4,357,822	155,447	3.6%	41,707	42,164	257,738	0	39,750	\$12.50
Warehouse/Distribution	87,484,473	3,636,634	4.2%	2,869,230	5,126,323	7,686,027	4,431,578	7,330,016	\$8.23
<b>Jacksonville TOTALS</b>	<b>111,618,673</b>	<b>4,178,641</b>	<b>3.7%</b>	<b>2,908,392</b>	<b>5,190,042</b>	<b>8,268,525</b>	<b>4,431,578</b>	<b>7,369,766</b>	<b>\$9.09</b>

**KEY LEASE TRANSACTIONS Q4 2023**

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
12970 Normandy Blvd	Westside	Stellar Energy	510,433	New
11530 New Berlin Rd	Northside	Gildan	448,096	Expansion
0 Imeson Park Blvd	Northside	Road One Logistics	421,600	New
11801 Industry Dr	Northside	Terminal Corporation	255,000	New

\*Renewals are not included in Leasing Activity

## INDUSTRIAL SUBMARKETS



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