

	YoY Chg	12-Mo. Forecast
<b>20.2%</b> Vacancy Rate	▲	▲
<b>69K</b> YTD Net Absorption, SF	▼	▼
<b>\$22.75</b> Asking Rent, PSF	▬	▲

(Overall, All Property Classes)

### ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
<b>799K</b> Jacksonville Employment	▲	▲
<b>3.1%</b> Jacksonville Unemployment Rate	▲	▲
<b>3.8%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

### ECONOMY

Jacksonville's unemployment rate of 3.1% at the close of Q1 was still lower than the U.S. average but held level with Florida's rate. This was 60 basis points (bps) higher than the rate reported one year ago; however, nonfarm employment grew by 16,000 jobs or 2.0% year-over-year (YOY). The professional and business services industry showed a slight correction with 900 job losses over the past 12 months while the financial services industry remained unchanged with 75,400 jobs. Office-using employment dipped by 1,200 in total with the information sector contracting by 300 jobs YOY.

### SUPPLY

Economic headwinds continued to hinder the office segment's recovery as overall vacancy remained over the 20.0% threshold despite the dip in vacant space from the previous quarter. Overall vacant space increased 80 bps YOY, remaining below the 21.1% peak reported at midyear 2022. Both asset classes recorded moderate gains as demand just outpaced supply in Class A and Class B space, though not enough to compensate for the more than 275,000 square feet (sf) of returned supply during the second half of 2023. The Class B segment made up over 75.0% of that returned supply, with Class A space contributing to over 67,000 sf. The largest new availability added during Q1 came from AmeriHealth Caritas giving back over 32,000 sf at Cambridge West in the Baymeadows Submarket, while Main Street American Insurance vacated 30,000 sf at Deerwood North 300 in the Deerwood Park submarket.

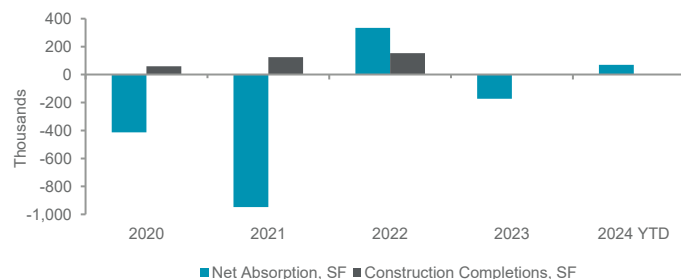
### DEMAND

New leasing activity fell from the previous quarter's above average performance, but still increased 29.3% from the deals signed during the same time last year. Class B space held the top spot in demand with nearly 56.0% of new transactions taking place during Q1. The suburban submarkets continued to dominate, accounting for more than 85.0% of new deal volume for the quarter as the Central Business District (CBD) continued to trail. Key occupations included the City of Jacksonville's 56,700-sf move-in at 532 Riverside in the Northbank submarket along with HD Supply's 54,800-sf move to Gramercy Woods in the Baymeadows submarket.

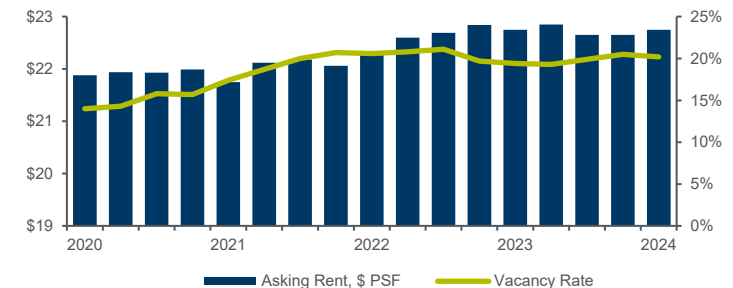
### MARKET PRICING

The overall asking average experienced slight fluctuations over the past year, as the average rent of \$22.75 per square foot (psf) remained unchanged from one year ago. This was a slight increase of less than 1.0% from the previous quarter and a slight decrease of less than 1.0% from the \$22.85 psf peak reported in Q2 of 2023. Landlords continued to hold asking rents level and will likely do so through 2024.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



# JACKSONVILLE

Office Q1 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Northbank	5,111,331	1,190,599	37,214	24.0%	56,533	56,533	28,609	0	\$23.79	\$24.85
Southbank	1,979,138	339,143	84,291	21.4%	20,072	20,072	12,153	0	\$22.57	\$22.66
<b>CBD TOTALS</b>	<b>7,090,469</b>	<b>1,529,742</b>	<b>121,505</b>	<b>23.3%</b>	<b>76,605</b>	<b>76,605</b>	<b>40,762</b>	<b>0</b>	<b>\$23.44</b>	<b>\$24.09</b>
Arlington	358,320	155,212	0	43.3%	-20,859	-20,859	635	0	\$18.19	N/A
Baymeadows	3,743,186	694,223	222,672	24.5%	65,430	65,430	9,258	0	\$21.08	\$21.70
Beaches	665,032	91,980	0	13.8%	545	545	20,548	0	\$30.81	\$30.81
Deerwood Park	4,279,623	613,283	65,772	15.9%	-1,197	-1,197	66,298	0	\$24.89	\$25.20
Mandarin	1,251,245	318,145	31,788	28.0%	-42,418	-42,418	39,229	0	\$22.37	\$25.60
Northside	30,000	1,870	0	6.2%	0	0	0	0	\$26.79	N/A
Orange Park/Clay County	329,776	10,678	0	3.2%	-4,317	-4,317	0	0	\$20.77	N/A
Southpoint	3,116,508	488,685	38,224	16.9%	-9,749	-9,749	91,514	0	\$21.58	\$24.28
Southside	637,177	33,504	3,667	5.8%	-2,337	-2,337	2,419	0	\$18.08	N/A
St. John's County	409,077	10,140	0	2.5%	2,976	2,976	659	0	\$28.18	N/A
Westside	36,333	0	0	0.0%	4,506	4,506	1,878	0	N/A	N/A
<b>NON-CBD TOTALS</b>	<b>14,856,277</b>	<b>2,417,720</b>	<b>362,123</b>	<b>18.7%</b>	<b>-7,420</b>	<b>-7,420</b>	<b>232,438</b>	<b>0</b>	<b>\$22.36</b>	<b>\$25.22</b>
<b>TOTALS</b>	<b>21,946,746</b>	<b>3,947,462</b>	<b>483,628</b>	<b>20.2%</b>	<b>69,185</b>	<b>69,185</b>	<b>273,200</b>	<b>0</b>	<b>\$22.75</b>	<b>\$24.59</b>

\*Rental rates reflect full service asking

CLASS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	DIRECT AVG ASKING RENT	OVERALL AVG ASKING RENT
CLASS A	10,940,668	2,106,886	181,904	20.9%	38,529	38,529	121,086	0	\$24.90	\$24.59
CLASS B	11,006,078	1,840,576	301,724	19.5%	30,656	30,656	152,114	0	\$20.64	\$20.74
<b>JACKSONVILLE TOTALS</b>	<b>21,946,746</b>	<b>3,947,462</b>	<b>483,628</b>	<b>20.2%</b>	<b>69,185</b>	<b>69,185</b>	<b>273,200</b>	<b>0</b>	<b>\$22.94</b>	<b>\$22.75</b>

KEY LEASE TRANSACTIONS Q1 2024

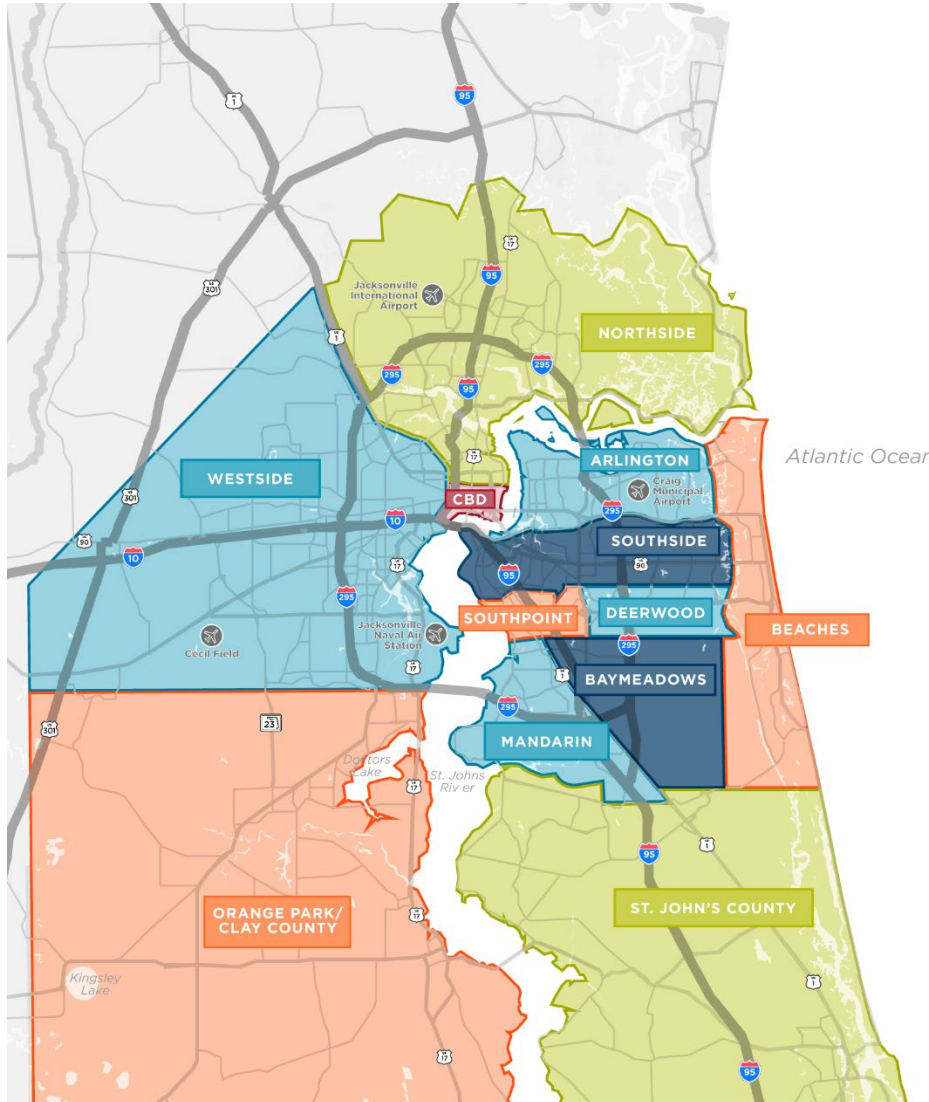
PROPERTY	SUBMARKET	TENANT	SF	TYPE
Flagler Center 100-12375 Gran Bay Parkway West	Mandarin	Tim Tebow Foundation	31,788	Sublease
Butler Plaza II-4887 Belfort Rd	Southpoint	Fanatics	21,068	Sublease
Deerwood South 100-10151 Deerwood Park Blvd	Deerwood Park	Brown & Brown Insurance	13,500	New



# JACKSONVILLE

Office Q1 2024

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