

# Jacksonville's Vacancy Decreases to 9.4%

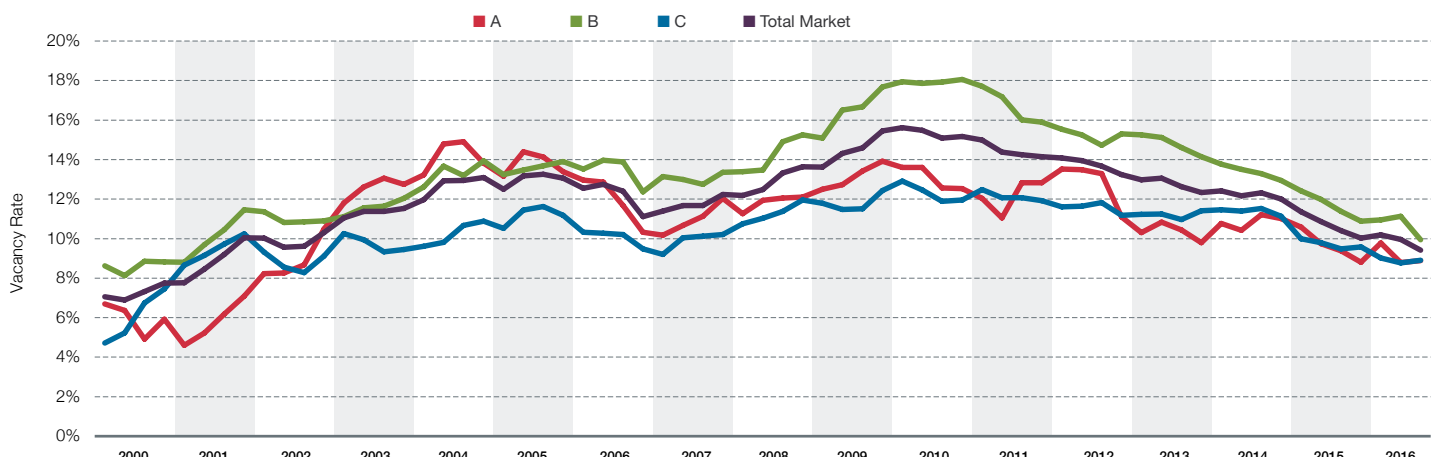
Net Absorption Positive 344,594 SF this Quarter



## Market Overview

The Jacksonville office market ended the second quarter of 2016 with a vacancy rate of 9.4%, down from 10.0% in the previous quarter. This decrease occurred in a quarter where Jacksonville saw positive 344,594 SF in net absorption. Vacant sublease space decreased in the quarter ending the quarter at 86,941 SF. Quoted rental rates ended the quarter at \$18.41 PSF, an increase over the previous quarter. Two buildings totaling 12,102 SF were delivered to the market this quarter with 111,301 SF currently under construction in the Jacksonville Office Market.

## Vacancy Rates by Class

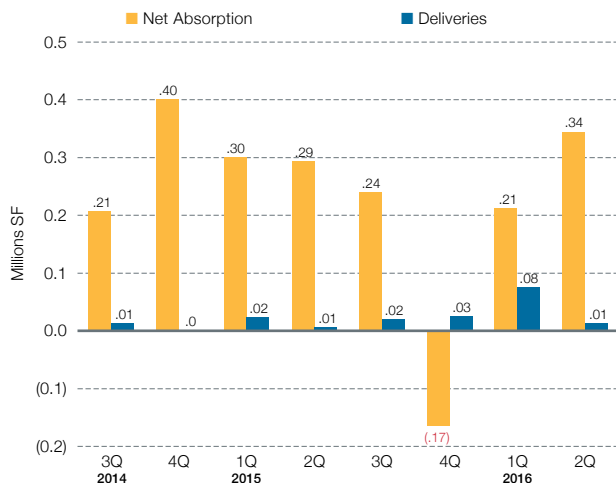


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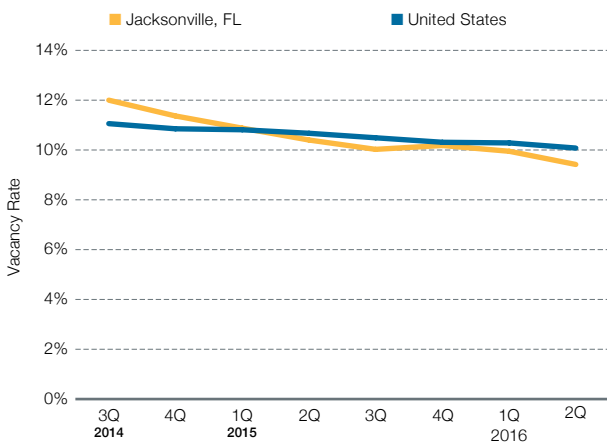
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Data compiled from CoStar Property®

## Absorption & Deliveries



## U.S. Vacancy Comparison



## Total Jacksonville Office Market Statistics

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	205	1,566,946	138,317	140,473	9.0%	13,382	0	0	\$14.72
Baker County	31	112,612	24,091	24,091	21.4%	2,000	0	0	\$14.81
Beaches	363	3,014,138	148,049	150,787	5.0%	(2,652)	12,102	70,301	\$24.58
Butler/Baymeadows	263	9,948,080	1,045,933	1,064,718	10.7%	413,257	24,000	0	\$18.82
Downtown Northbank	344	13,050,304	1,516,900	1,540,889	11.8%	2,259	0	0	\$19.38
Downtown Southbank	139	3,043,315	167,839	167,839	5.5%	74,707	0	0	\$21.42
Mandarin	265	2,433,204	141,164	141,164	5.8%	26,778	5,500	0	\$16.77
Nassau County	230	1,159,377	79,944	81,749	7.1%	3,955	0	0	\$20.99
Northeast Jacksonville	70	562,711	96,968	96,968	17.2%	41,453	46,014	12,500	\$14.10
Northwest Jacksonville	179	1,191,133	45,784	45,784	3.8%	7,438	0	0	\$13.24
Orange Park/Clay County	378	2,932,066	365,922	367,922	12.5%	(14,816)	0	0	\$19.77
Riverside	599	2,848,311	188,923	190,223	6.7%	51,405	0	0	\$17.19
San Marco	244	2,017,169	202,163	202,163	10.0%	1,251	0	0	\$16.11
Southside	709	15,761,920	1,457,416	1,491,584	9.5%	(87,951)	0	19,000	\$17.40
St. Johns County	427	2,930,472	188,795	188,795	6.4%	24,347	0	9,500	\$19.39
<b>Totals</b>	<b>4,446</b>	<b>62,571,758</b>	<b>5,808,208</b>	<b>5,895,149</b>	<b>9.4%</b>	<b>556,813</b>	<b>87,616</b>	<b>111,301</b>	<b>\$18.41</b>

## Vacancy

The office vacancy rate decreased to 9.4% at the end of the second quarter of 2016. The vacancy rate was 10.0% at the end of the first quarter, 10.2% at the end of the fourth quarter of 2015 and 10.0% at the end of the third quarter.

## Net Absorption

Net absorption was positive 344,594 SF in the second quarter of 2016. That compares to positive 212,219 SF in the first quarter, negative (165,012) SF in the fourth quarter of 2015 and positive 238,908 SF in the third quarter.

## Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$18.41 PSF per year at the end of the second quarter of 2016. This represented a 0.2% increase in quoted rental rates from the end of the first quarter when rents were reported at \$18.38 PSF.

## Construction Activity

At the close of the quarter, the Jacksonville Office market had two buildings, totaling 12,102 SF, in new construction deliveries. Currently, there is 92,301 SF of office space under construction.

## Class A Market Statistics

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	0	0	0	0	0.0%	0	0	0	\$0.00
Baker County	0	0	0	0	0.0%	0	0	0	\$0.00
Beaches	7	411,000	37,383	37,383	9.1%	9,547	0	62,751	\$24.36
Butler/Baymeadows	15	1,920,202	254,050	254,050	13.2%	117,920	24,000	0	\$22.47
Downtown Northbank	13	5,533,469	643,570	647,059	11.7%	(2,921)	0	0	\$21.18
Downtown Southbank	6	1,991,061	114,010	114,010	5.7%	67,333	0	0	\$21.86
Mandarin	0	0	0	0	0.0%	0	0	0	\$0.00
Nassau County	0	0	0	0	0.0%	0	0	0	\$0.00
Northeast Jacksonville	1	46,014	0	0	0.0%	46,014	46,014	0	\$0.00
Northwest Jacksonville	0	0	0	0	0.0%	0	0	0	\$0.00
Orange Park/Clay County	2	201,066	0	0	0.0%	0	0	0	\$0.00
Riverside	0	0	0	0	0.0%	0	0	0	\$0.00
San Marco	0	0	0	0	0.0%	0	0	0	\$0.00
Southside	50	6,613,105	384,430	407,938	6.2%	(23,031)	0	0	\$21.74
St. Johns County	4	306,840	52,239	52,239	17.0%	(1,191)	0	0	\$18.07
<b>Totals</b>	<b>98</b>	<b>17,022,757</b>	<b>1,485,682</b>	<b>1,512,679</b>	<b>8.9%</b>	<b>213,671</b>	<b>70,014</b>	<b>62,751</b>	<b>\$21.73</b>

## Class B Market Statistics

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	33	716,468	95,938	98,094	13.7%	7,538	0	0	\$15.63
Baker County	8	25,942	0	0	0.0%	0	0	0	\$0.00
Beaches	163	1,661,353	75,549	78,287	4.7%	(1,357)	12,102	7,550	\$25.27
Butler/Baymeadows	174	7,272,731	683,119	701,904	9.7%	292,598	0	0	\$17.86
Downtown Northbank	108	6,045,617	705,487	725,987	12.0%	(3,042)	0	0	\$17.37
Downtown Southbank	16	604,472	3,038	3,038	0.5%	8,189	0	0	\$18.20
Mandarin	153	1,756,644	99,622	99,622	5.7%	30,329	5,500	0	\$16.78
Nassau County	94	488,827	49,798	51,603	10.6%	7,473	0	0	\$21.88
Northeast Jacksonville	27	288,031	40,684	40,684	14.1%	(5,718)	0	12,500	\$17.56
Northwest Jacksonville	28	620,866	25,060	25,060	4.0%	7,324	0	0	\$14.71
Orange Park/Clay County	171	1,606,957	260,993	262,993	16.4%	(2,356)	0	0	\$20.90
Riverside	137	1,005,062	46,458	46,458	4.6%	20,427	0	0	\$17.16
San Marco	59	1,067,586	125,604	125,604	11.8%	8,407	0	0	\$16.77
Southside	269	5,847,213	713,382	723,194	12.4%	(66,831)	0	19,000	\$16.23
St. Johns County	307	2,246,678	127,345	127,345	5.7%	23,891	0	9,500	\$19.40
<b>Totals</b>	<b>1,747</b>	<b>31,254,447</b>	<b>3,052,077</b>	<b>3,109,873</b>	<b>10.0%</b>	<b>326,872</b>	<b>17,602</b>	<b>48,550</b>	<b>\$17.71</b>

## Class C Market Statistics

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	172	850,478	42,379	42,379	5.0%	5,844	0	0	\$13.00
Baker County	23	86,670	24,091	24,091	27.8%	2,000	0	0	\$14.81
Beaches	193	941,785	35,117	35,117	3.7%	(10,842)	0	0	\$23.17
Butler/Baymeadows	74	755,147	108,764	108,764	14.4%	2,739	0	0	\$15.40
Downtown Northbank	223	1,471,218	167,843	167,843	11.4%	8,222	0	0	\$14.38
Downtown Southbank	117	447,782	50,791	50,791	11.3%	(815)	0	0	\$20.88
Mandarin	112	676,560	41,542	41,542	6.1%	(3,551)	0	0	\$16.73
Nassau County	136	670,550	30,146	30,146	4.5%	(3,518)	0	0	\$19.69
Northeast Jacksonville	42	228,666	56,284	56,284	24.6%	1,157	0	0	\$11.12
Northwest Jacksonville	151	570,267	20,724	20,724	3.6%	114	0	0	\$12.38
Orange Park/Clay County	205	1,124,043	104,929	104,929	9.3%	(12,460)	0	0	\$17.14
Riverside	462	1,843,249	142,465	143,765	7.8%	30,978	0	0	\$17.20
San Marco	185	949,583	76,559	76,559	8.1%	(7,156)	0	0	\$15.29
Southside	390	3,301,602	359,604	360,452	10.9%	1,911	0	0	\$14.33
St. Johns County	116	376,954	9,211	9,211	2.4%	1,647	0	0	\$22.10
<b>Totals</b>	<b>2,601</b>	<b>14,294,554</b>	<b>1,270,449</b>	<b>1,272,597</b>	<b>8.9%</b>	<b>16,270</b>	<b>0</b>	<b>0</b>	<b>\$15.67</b>

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