

Jacksonville's Vacancy Decreases to 5.3%

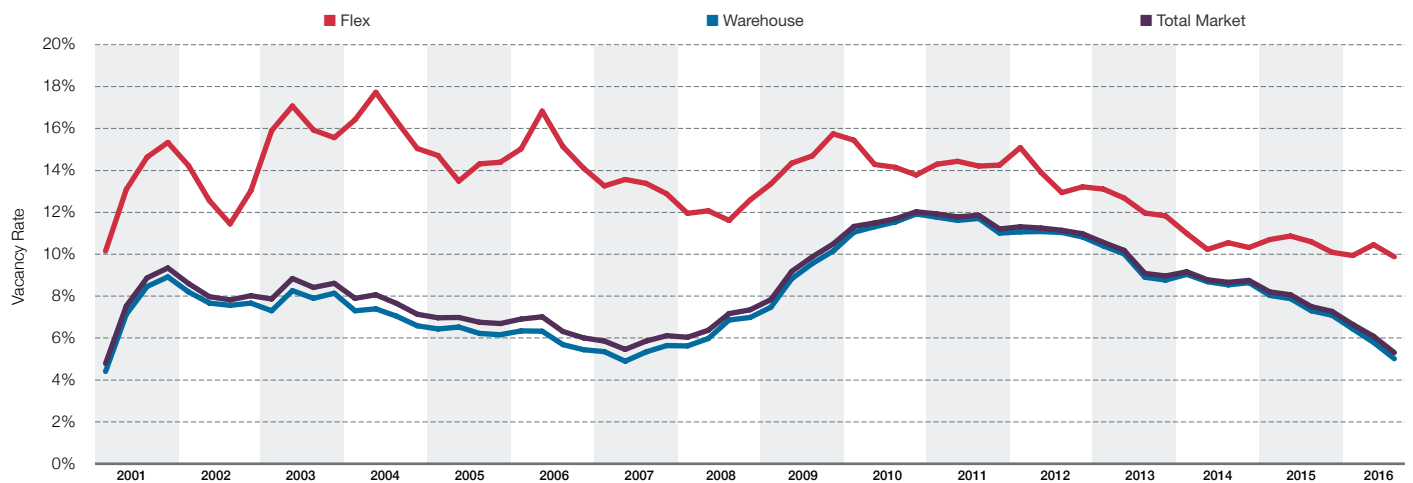
Net Absorption Positive 993,115 SF in the Quarter



Industrial Market Overview

The Jacksonville Industrial market ended the second quarter of 2016 with a vacancy rate of 5.3%. This rate represents a decrease from the previous quarter rate of 6.1%. This quarter, Jacksonville saw 993,115 SF of positive net absorption. Vacant sublease space increased ending the quarter at 46,164 SF. Industrial average rental rates ended the quarter at \$4.66 PSF, an increase over the previous quarter. There is currently 73,201 SF under construction in the Jacksonville Industrial Market. Two buildings totaling 25,676 SF were delivered to the market this quarter.

Vacancy Rates by Building Type

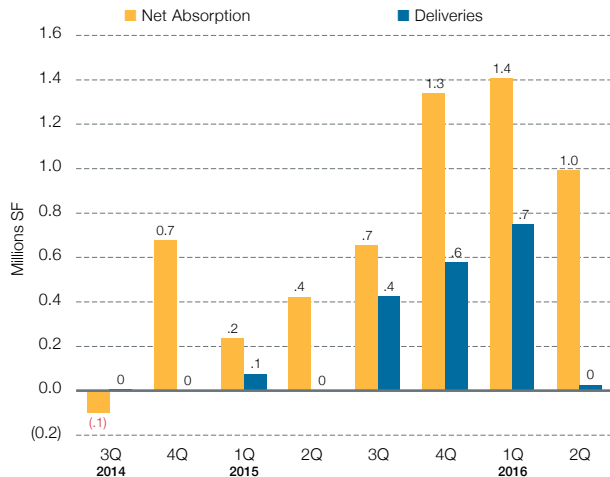


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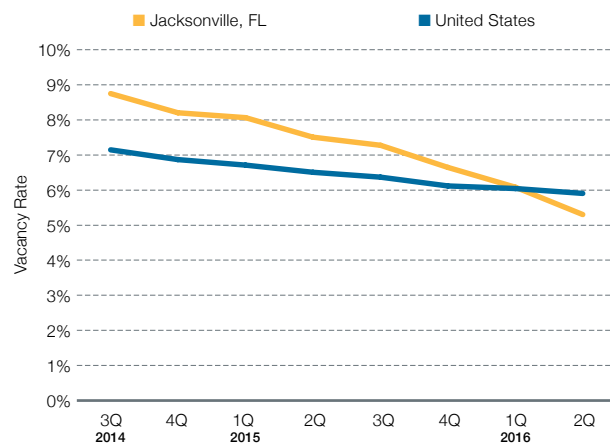
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Data compiled from CoStar Property®

Absorption & Deliveries



U.S. Vacancy Comparison



Vacancy

The vacancy rate decreased to 5.3% at the end of the second quarter of 2016. The vacancy rate was 6.1% at the end of the first quarter, 6.6% at the end of the fourth quarter of 2015 and 7.3% at the end of the third quarter.

Net Absorption

Net absorption was positive 993,115 SF in the second quarter of 2016. That compares to positive 1,407,040 SF in the first quarter, positive 1,338,291 SF in the fourth quarter of 2015 and positive 654,372 SF in the third quarter.

Rental Rates

The average quoted asking rental rate was \$4.66 PSF per year at the end of the second quarter of 2016. This represented a 9.6% increase in quoted rental rates from the end of the first quarter when rents were reported at \$4.25 PSF.

Construction Activity

During the second quarter of 2016, two buildings totaling 25,676 SF were completed in the market. This compares to two buildings totaling 747,752 SF in the first quarter, five buildings totaling 579,775 SF in the fourth quarter of 2015 and 424,527 SF in two buildings in the third quarter.

Construction Activity - Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Building Size	
	# Buildings	Total RBA	Repleased SF	Preleased %	All Existing	Under Const SF
Riverside	1	50,000	50,000	100.0%	25,712	50,000
Butler Corridor	1	50,000	50,000	100.0%	33,285	50,000
Westside	1	23,201	23,201	100.0%	57,217	23,201
St. Johns	0	0	0	0	16,618	0
Beaches	0	0	0	0	6,920	0
Orange Park/Clay Cty	0	0	0	0	26,092	0
Downtown	0	0	0	0	25,079	0
Mandarin	0	0	0	0	13,824	0
Northside	0	0	0	0	62,440	0
Oceanway	0	0	0	0	100,145	0
All Other	0	0	0	0	19,741	0
Totals	3	123,201	123,201	100.0%	31,785	41,067

Total Industrial 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	85	1,078,960	85,264	85,264	7.9%	12,000	0	0	\$5.95
Baker County	17	1,298,086	113,546	113,546	8.7%	0	0	0	\$3.39
Beaches	158	1,093,387	31,385	31,385	2.9%	7,852	8,651	0	\$9.17
Butler Corridor	625	20,802,830	1,361,595	1,361,595	6.5%	406,275	0	50,000	\$6.34
Downtown	458	11,486,171	398,374	398,374	3.5%	8,693	0	0	\$2.79
Mandarin	104	1,437,717	67,939	67,939	4.7%	(10,439)	0	0	\$5.68
Nassau County	110	3,298,650	91,867	91,867	2.8%	123,856	0	0	\$3.30
Northside	116	7,243,077	813,270	813,270	11.2%	(68,923)	0	0	\$3.19
Oceanway	124	12,418,010	1,169,470	1,169,470	9.4%	499,991	0	0	\$3.51
Orange Park/Clay County	212	5,531,449	247,683	247,683	4.5%	383,541	0	0	\$5.78
Riverside	731	18,795,209	171,659	171,659	0.9%	604,570	527,458	50,000	\$4.77
San Marco	250	4,412,341	141,402	141,402	3.2%	15,174	0	0	\$6.11
Southside	120	1,401,264	50,708	50,708	3.6%	12,264	0	0	\$7.35
St. Johns County	333	5,533,765	158,691	158,691	2.9%	91,256	0	0	\$6.03
Westside	535	30,611,304	1,758,981	1,805,145	5.9%	314,045	237,319	23,201	\$5.14
Totals	3,978	126,442,220	6,661,834	6,707,998	5.3%	2,400,155	773,428	123,201	\$4.66

Flex Industrial 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	9	111,495	25,600	25,600	23.0%	900	0	0	\$14.08
Baker County	0	0	0	0	0.0%	0	0	0	\$0.00
Beaches	14	109,805	8,100	8,100	7.4%	0	0	0	\$12.15
Butler Corridor	108	4,422,952	561,577	561,577	12.7%	(21,492)	0	0	\$9.53
Downtown	8	80,083	0	0	0.0%	0	0	0	\$0.00
Mandarin	9	78,532	2,300	2,300	2.9%	(2,300)	0	0	\$12.00
Nassau County	5	35,453	0	0	0.0%	0	0	0	\$0.00
Northside	4	127,824	0	0	0.0%	(12,000)	0	0	\$0.00
Oceanway	3	110,830	16,000	16,000	14.4%	0	0	0	\$4.75
Orange Park/Clay County	16	373,471	45,009	45,009	12.1%	(60)	0	0	\$13.90
Riverside	42	585,452	2,100	2,100	0.4%	8,224	0	0	\$6.50
San Marco	26	499,621	32,180	32,180	6.4%	3,314	0	0	\$10.01
Southside	21	285,593	36,960	36,960	12.9%	13,064	0	0	\$8.62
St. Johns County	32	493,980	21,440	21,440	4.3%	(5,064)	0	0	\$10.49
Westside	13	307,134	1,837	1,837	0.6%	8,750	0	0	\$10.00
Totals	310	7,622,225	753,103	753,103	9.9%	(6,664)	0	0	\$9.71

Warehouse Industrial 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	76	967,465	59,664	59,664	6.2%	11,100	0	0	\$5.22
Baker County	17	1,298,086	113,546	113,546	8.7%	0	0	0	\$3.39
Beaches	144	983,582	23,285	23,285	2.4%	7,852	8,651	0	\$8.49
Butler Corridor	517	16,379,878	800,018	800,018	4.9%	427,767	0	50,000	\$5.20
Downtown	450	11,406,088	398,374	398,374	3.5%	8,693	0	0	\$2.79
Mandarin	95	1,359,185	65,639	65,639	4.8%	(8,139)	0	0	\$5.52
Nassau County	105	3,263,197	91,867	91,867	2.8%	123,856	0	0	\$3.30
Northside	112	7,115,253	813,270	813,270	11.4%	(56,923)	0	0	\$3.19
Oceanway	121	12,307,180	1,153,470	1,153,470	9.4%	499,991	0	0	\$3.51
Orange Park/Clay County	196	5,157,978	202,674	202,674	3.9%	383,601	0	0	\$5.30
Riverside	689	18,209,757	169,559	169,559	0.9%	596,346	527,458	50,000	\$4.74
San Marco	224	3,912,720	109,222	109,222	2.8%	11,860	0	0	\$5.36
Southside	99	1,115,671	13,748	13,748	1.2%	(800)	0	0	\$4.21
St. Johns County	301	5,039,785	137,251	137,251	2.7%	96,320	0	0	\$5.71
Westside	522	30,304,170	1,757,144	1,803,308	6.0%	305,295	237,319	23,201	\$5.13
Totals	3,668	118,819,995	5,908,731	5,954,895	5.0%	2,406,819	773,428	123,201	\$4.34

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