

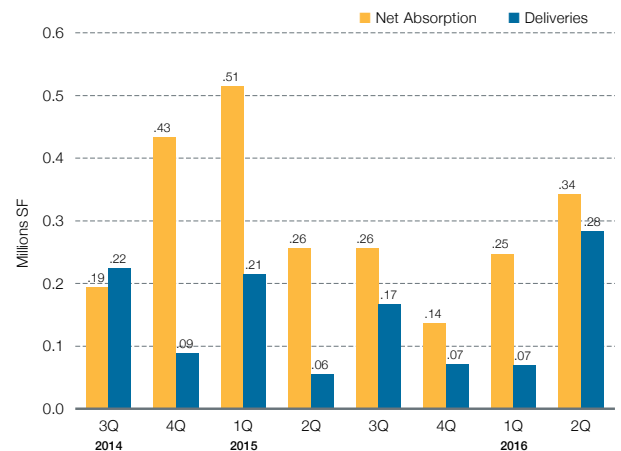
Jacksonville's Vacancy Decreases to 5.8%

Net Absorption Positive 342,457 SF in the Quarter

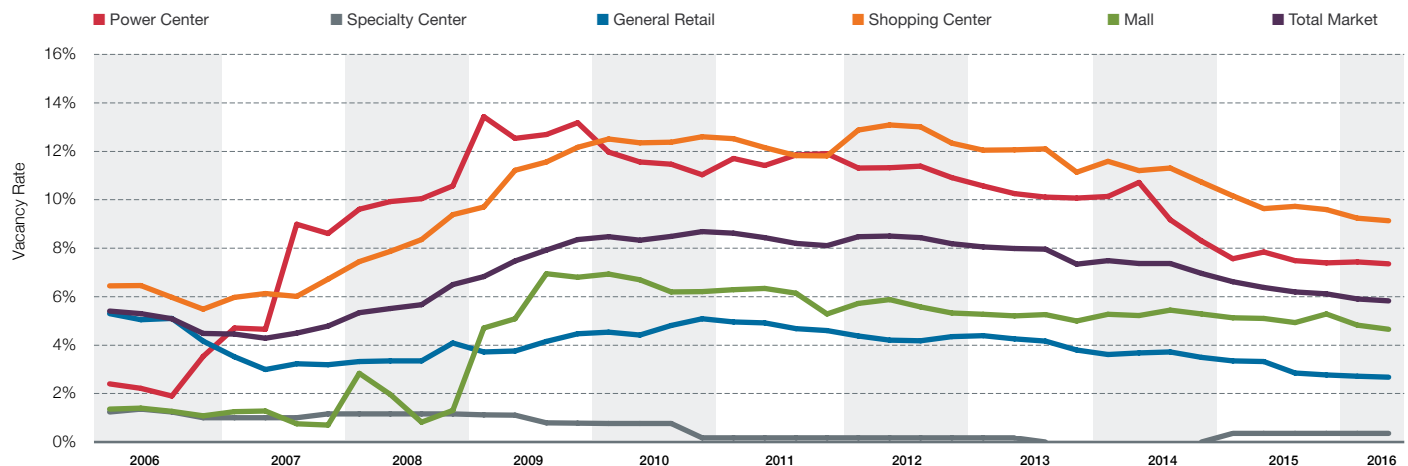
Retail Market Overview

The Jacksonville retail market did not experience much change in market conditions in the second quarter of 2016. The vacancy rate went from 5.9% in the previous quarter to 5.8% in the current quarter. Net absorption was positive 342,457 SF and vacant sublease space decreased by (11,962) SF. Quoted rental rates increased from first quarter 2016 levels ending at \$12.82 PSF per year. A total of 11 retail buildings with 283,422 SF of retail space were delivered to the market in the quarter, with 806,838 SF still under construction.

Absorption & Deliveries



Vacancy Rates by Building Type



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Data compiled from CoStar Property®

Vacancy

The overall vacancy rate decreased in the second quarter of 2016 ending the quarter at 5.8%. Over the past four quarters the market has seen an overall decrease in the vacancy rate with the rate going from 6.2% in the third quarter of 2015, to 6.1% at the end of the fourth quarter, 5.9% at the end of the first quarter of 2016 to 5.8% in the current quarter.

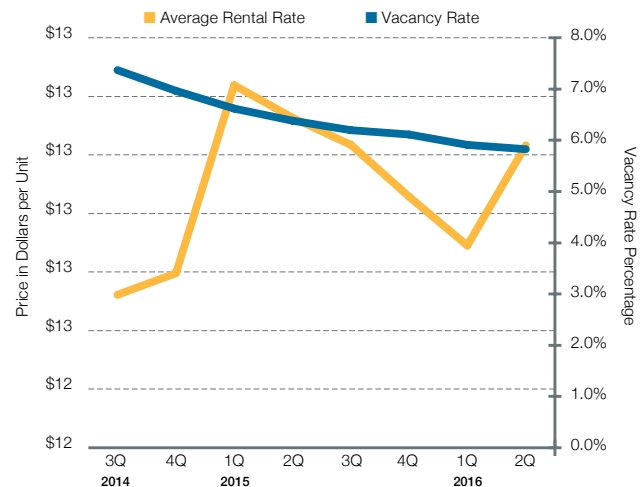
Net Absorption

Net absorption was strong in the second quarter of 2016 with positive 342,457 SF absorbed. That compares to positive 247,330 SF in the first quarter, positive 136,022 SF in the fourth quarter of 2016 and positive 257,004 SF in the third quarter.

Rental Rates

Average quoted asking rental rates are up over previous quarter levels and unchanged from their

Vacancy & Rent



levels four quarters ago. Quoted rents ended the second quarter of 2016 at \$12.82 PSF per year. That compares to \$12.64 PSF in the first quarter and \$12.82 PSF at the end of the third quarter of 2015. This represents a 1.4% increase in rental rates in the current quarter and unchanged from four quarters ago.

Total Retail Market Statistics

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Arlington	427	7,524,267	580,195	580,195	7.7%	(14,816)	0	40,000	\$9.92
Baker County	139	1,099,305	54,123	54,123	4.9%	9,503	0	0	\$9.97
Beaches	514	5,150,219	284,373	284,373	5.5%	8,853	24,765	37,746	\$17.58
Butler/Baymeadows	185	4,915,125	200,634	200,634	4.1%	68,816	5,159	72,800	\$14.08
Downtown Northbank	554	3,859,173	397,856	397,856	10.3%	1,487	0	72,000	\$7.99
Downtown Southbank	119	631,324	36,687	36,687	5.8%	12,438	5,650	1,200	\$18.70
Mandarin	256	4,741,544	230,643	231,643	4.9%	37,583	36,900	0	\$13.74
Nassau County	631	5,705,007	311,668	340,668	6.0%	52,794	0	29,360	\$15.02
Northeast Jacksonville	268	3,443,790	246,520	304,940	8.9%	(1,342)	13,800	0	\$12.11
Northwest Jacksonville	640	4,251,892	235,758	235,758	5.5%	9,645	3,654	0	\$9.37
Orange Park/Clay County	784	10,512,060	587,144	632,216	6.0%	2,939	11,408	60,871	\$13.79
Riverside	1,246	12,965,361	784,243	862,148	6.6%	252,932	241,725	54,471	\$12.40
San Marco	306	2,632,876	211,202	211,202	8.0%	13,073	0	25,272	\$11.18
Southside	924	14,117,276	670,400	694,673	4.9%	84,255	0	264,979	\$13.12
St. Johns County	1,042	9,591,154	241,389	241,389	2.5%	51,627	9,818	148,139	\$14.32
Totals	8,035	91,140,373	5,072,835	5,308,505	5.8%	589,787	352,879	806,838	\$12.82

Specialty Center Market Statistics

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Downtown Northbank	1	212,945	0	0	0.0%	0	0	0	\$0.00
St. Johns County	2	676,981	3,218	3,218	0.5%	0	0	0	\$11.18
Totals	3	889,926	3,218	3,218	0.4%	0	0	0	\$11.18

General Retail 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	305	3,054,935	98,169	98,169	3.2%	(13,590)	0	40,000	\$7.89
Baker County	113	585,625	13,380	13,380	2.3%	2,750	0	0	\$8.77
Beaches	367	1,807,646	8,550	8,550	0.5%	30,130	0	12,000	\$19.53
Butler/Baymeadows	123	1,750,259	11,921	11,921	0.7%	5,159	5,159	0	\$14.30
Downtown Northbank	525	2,517,647	221,936	221,936	8.8%	287	0	72,000	\$8.01
Downtown Southbank	110	567,293	31,309	31,309	5.5%	17,816	5,650	1,200	\$18.11
Mandarin	152	1,199,196	15,976	16,976	1.4%	14,487	11,475	0	\$16.40
Nassau County	512	3,353,139	39,690	39,690	1.2%	26,272	0	13,210	\$14.59
Northeast Jacksonville	173	1,155,393	65,895	65,895	5.7%	(9,547)	8,800	0	\$7.35
Northwest Jacksonville	573	2,675,532	46,724	46,724	1.7%	8,471	3,654	0	\$9.46
Orange Park/Clay County	527	3,941,883	97,879	142,951	3.6%	(8,556)	11,408	60,871	\$13.72
Riverside	975	6,159,864	172,912	172,912	2.8%	59,739	53,571	48,071	\$11.14
San Marco	246	1,588,044	56,904	56,904	3.6%	798	0	25,272	\$12.68
Southside	597	4,796,318	70,438	70,438	1.5%	5,680	0	264,979	\$13.47
St. Johns County	842	5,209,102	80,052	80,052	1.5%	(299)	9,818	148,139	\$11.03
Totals	6,140	40,361,876	1,031,735	1,077,807	2.7%	139,597	109,535	685,742	\$11.46

Mall 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	1	1,529,725	137,967	137,967	9.0%	0	0	0	\$0.00
Butler/Baymeadows	1	1,202,911	36,000	36,000	3.0%	7,000	0	0	\$0.00
Orange Park/Clay County	1	959,331	0	0	0.0%	0	0	0	\$0.00
Riverside	3	576,775	81,269	81,269	14.1%	185,992	185,992	6,400	\$3.00
Southside	2	1,367,716	6,994	6,994	0.5%	18,520	0	0	\$25.00
Totals	8	5,636,458	262,230	262,230	4.7%	211,512	185,992	6,400	\$17.80

Power Center 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	1	350,181	57,876	57,876	16.5%	0	0	0	\$0.00
Butler/Baymeadows	2	575,231	15,231	15,231	2.6%	0	0	0	\$0.00
Downtown Northbank	1	607,324	135,711	135,711	22.3%	0	0	0	\$0.00
Northeast Jacksonville	1	942,909	6,201	6,201	0.7%	0	0	0	\$25.43
Northwest Jacksonville	1	302,137	37,433	37,433	12.4%	(2,800)	0	0	\$10.42
Riverside	2	916,565	35,302	35,302	3.9%	3,875	0	0	\$14.75
Southside	2	587,985	27,333	27,333	4.6%	510	0	0	\$10.00
Totals	10	4,282,332	315,087	315,087	7.4%	1,585	0	0	\$11.14

Shopping Center 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	58	2,589,426	286,183	286,183	11.1%	(1,226)	0	0	\$10.95
Baker County	14	513,680	40,743	40,743	7.9%	6,753	0	0	\$10.25
Beaches	85	3,342,573	275,823	275,823	8.3%	(21,277)	24,765	25,746	\$17.31
Butler/Baymeadows	24	1,386,724	137,482	137,482	9.9%	56,657	0	72,800	\$14.06
Downtown Northbank	12	521,257	40,209	40,209	7.7%	1,200	0	0	\$7.82
Downtown Southbank	8	64,031	5,378	5,378	8.4%	(5,378)	0	0	\$21.00
Mandarin	52	3,542,348	214,667	214,667	6.1%	23,096	25,425	0	\$13.25
Nassau County	59	2,351,868	271,978	300,978	12.8%	26,522	0	16,150	\$15.19
Northeast Jacksonville	32	1,345,488	174,424	232,844	17.3%	8,205	5,000	0	\$12.83
Northwest Jacksonville	48	1,274,223	151,601	151,601	11.9%	3,974	0	0	\$9.18
Orange Park/Clay County	123	5,610,846	489,265	489,265	8.7%	11,495	0	0	\$13.81
Riverside	140	5,312,157	494,760	572,665	10.8%	3,326	2,162	0	\$13.08
San Marco	35	1,044,832	154,298	154,298	14.8%	12,275	0	0	\$10.51
Southside	135	7,365,257	565,635	589,908	8.0%	59,545	0	0	\$13.71
St. Johns County	92	3,705,071	158,119	158,119	4.3%	51,926	0	0	\$16.03
Totals	917	39,969,781	3,460,565	3,650,163	9.1%	237,093	57,352	114,696	\$13.46

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