

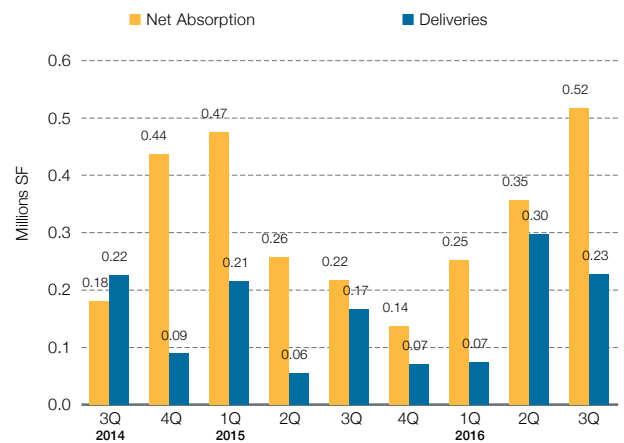
Jacksonville's Vacancy Decreases to 5.6%

Net Absorption Positive 515,903 SF in the Quarter

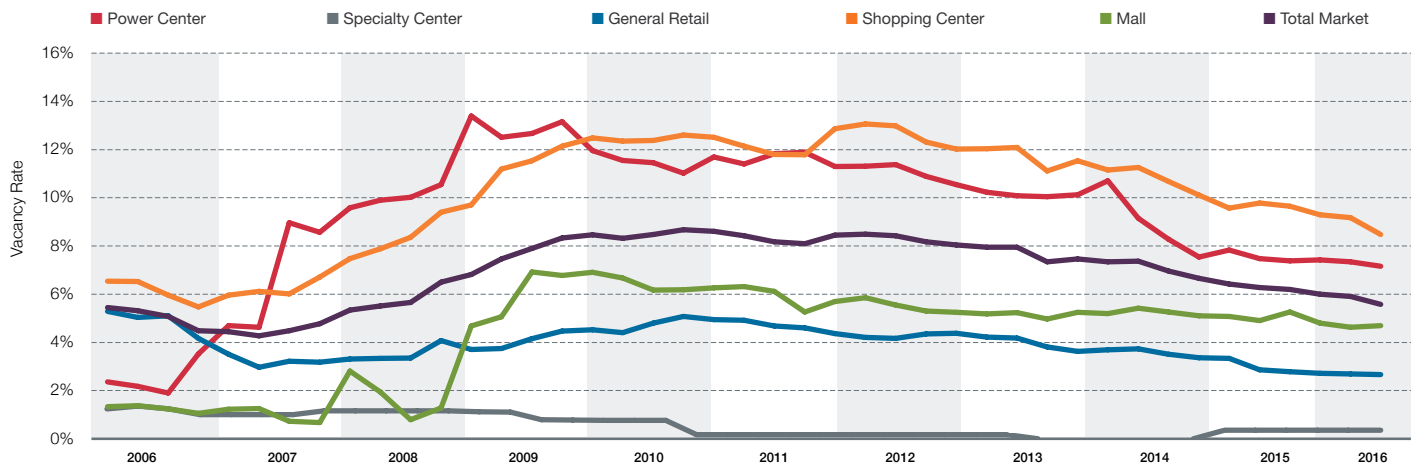
Retail Market Overview

The Jacksonville retail market experienced a slight improvement in market conditions in the third quarter 2016. The vacancy rate went from 5.9% in the previous quarter to 5.6% in the current quarter. Net absorption was positive 515,903 SF, and vacant sublease space decreased by (2,460) SF. Quoted rental rates decreased from second quarter 2016 levels, ending at \$12.59 per SF per year. A total of 13 retail buildings with 227,626 SF of retail space were delivered to the market in the quarter, with 633,687 SF still under construction at the end of the quarter.

Absorption & Deliveries



Vacancy Rates by Building Type



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Vacancy

The overall vacancy rate decreased in the third quarter 2016, ending the quarter at 5.6%. 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 fourth quarter 2015, to 6.0% at the end of the first quarter 2016, 5.9% at the end of the second quarter 2016, to 5.6% in the current quarter.

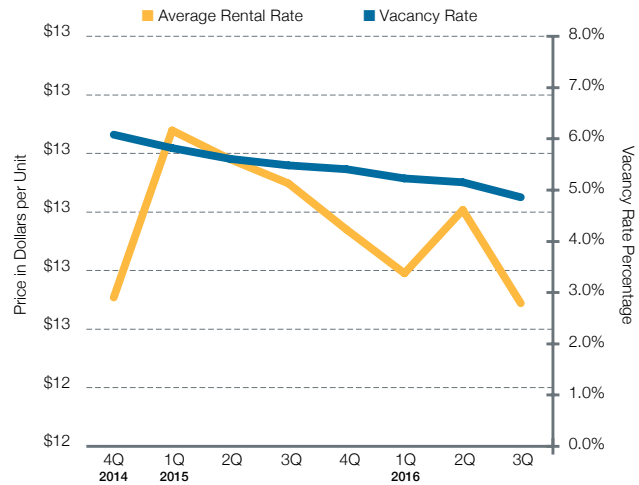
Net Absorption

Retail net absorption was strong in the third quarter 2016, with positive 515,903 SF absorbed. In second quarter 2016, net absorption was positive 354,997 SF, while in first quarter 2016, absorption was positive 251,787 SF. In fourth quarter 2015, positive 136,469 SF was absorbed.

Rental Rates

Average quoted asking rental rates are down over previous quarter levels, and down from their levels

Vacancy & Rent



four quarters ago. Quoted rents ended the third quarter 2016 at \$12.59 per SF per year. That compares to \$12.77 per SF in the second quarter 2016, and \$12.73 per SF at the end of the fourth quarter 2015. This represents a 1.4% decrease in rental rates in the current quarter, and a 1.11% decrease 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	429	7,530,671	557,272	557,272	7.4%	11,954	3,847	40,000	\$9.56
Baker County	139	1,099,305	51,062	51,062	4.6%	12,564	0	0	\$10.19
Beaches	515	5,149,939	225,222	225,222	4.4%	75,199	31,965	29,156	\$17.70
Butler/Baymeadows	186	4,938,689	221,806	221,806	4.5%	67,644	25,159	52,800	\$14.55
Downtown Northbank	555	3,871,309	412,679	412,679	10.7%	(7,331)	7,477	72,000	\$7.96
Downtown Southbank	120	633,792	30,726	30,726	4.8%	19,599	6,850	0	\$18.47
Mandarin	260	4,860,901	264,630	264,630	5.4%	10,232	44,160	0	\$13.95
Nassau County	636	5,731,680	282,948	311,948	5.4%	94,724	13,210	23,190	\$15.66
Northeast Jacksonville	270	3,458,142	225,874	284,294	8.2%	25,704	20,200	0	\$11.58
Northwest Jacksonville	645	4,259,401	247,182	247,182	5.8%	2,126	6,059	0	\$9.00
Orange Park/Clay County	791	10,567,956	522,522	567,594	5.4%	74,182	18,029	58,198	\$12.58
Riverside	1,249	12,984,684	723,911	801,816	6.2%	333,664	248,125	51,271	\$12.77
San Marco	307	2,636,511	216,126	216,126	8.2%	8,649	0	27,912	\$11.78
Southside	929	14,156,511	587,332	610,145	4.3%	185,115	14,979	250,000	\$12.49
St Johns County	1,044	9,710,157	328,468	328,468	3.4%	208,662	157,957	29,160	\$14.06
Totals	8,075	91,589,648	4,897,760	5,130,970	5.6%	1,122,687	598,017	633,687	\$12.59

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	3	676,981	57,965	57,965	8.6%	0	0	0	\$8.39
Totals	4	889,926	57,965	57,965	6.5%	0	0	0	\$8.39

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	307	3,061,339	93,389	93,389	3.1%	(4,963)	3,847	40,000	\$6.76
Baker County	113	585,625	10,319	10,319	1.8%	5,811	0	0	\$8.77
Beaches	367	1,803,286	11,819	11,819	0.7%	30,856	4,000	18,450	\$19.99
Butler/Baymeadows	122	1,746,536	17,017	17,017	1.0%	63	5,159	0	\$14.30
Downtown Northbank	526	2,529,783	236,959	236,959	9.4%	(8,731)	7,477	72,000	\$7.97
Downtown Southbank	110	568,561	21,048	21,048	3.7%	28,077	5,650	0	\$17.67
Mandarin	154	1,208,916	16,976	16,976	1.4%	22,247	18,735	0	\$21.37
Nassau County	515	3,373,873	29,847	29,847	0.9%	49,325	13,210	7,040	\$17.93
Northeast Jacksonville	177	1,176,408	63,968	63,968	5.4%	(1,220)	15,200	0	\$7.86
Northwest Jacksonville	578	2,690,366	51,602	51,602	1.9%	7,498	6,059	0	\$9.49
Orange Park/Clay County	534	3,999,136	92,557	137,629	3.4%	3,387	18,029	58,198	\$13.48
Riverside	976	6,185,277	180,978	180,978	2.9%	65,173	53,571	51,271	\$11.93
San Marco	247	1,591,679	55,665	55,665	3.5%	2,537	0	27,912	\$12.68
Southside	602	4,835,553	87,139	87,139	1.8%	5,311	14,979	250,000	\$12.49
St Johns County	844	5,326,392	77,754	77,754	1.5%	150,738	157,957	29,160	\$12.80
Totals	6,172	40,682,730	1,047,037	1,092,109	2.7%	356,109	323,873	554,031	\$11.81

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	583,175	85,269	85,269	14.6%	188,392	192,392	0	\$12.00
Southside	2	1,367,716	6,994	6,994	0.5%	18,520	0	0	\$25.00
Totals	8	5,642,858	266,230	266,230	4.7%	213,912	192,392	0	\$19.65

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	59,608	59,608	17.0%	(1,732)	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	\$7.83
Riverside	2	917,693	26,219	26,219	2.9%	13,458	0	0	\$14.75
Southside	2	587,985	27,333	27,333	4.6%	510	0	0	\$10.00
Totals	10	4,283,460	307,736	307,736	7.2%	9,436	0	0	\$10.41

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	266,308	266,308	10.3%	18,649	0	0	\$10.95
Baker County	14	513,680	40,743	40,743	7.9%	6,753	0	0	\$10.94
Beaches	85	3,346,653	213,403	213,403	6.4%	44,343	27,965	10,706	\$17.27
Butler/Baymeadows	25	1,414,011	153,558	153,558	10.9%	60,581	20,000	52,800	\$14.56
Downtown Northbank	12	521,257	40,009	40,009	7.7%	1,400	0	0	\$7.93
Downtown Southbank	8	65,231	9,678	9,678	14.8%	(8,478)	1,200	0	\$21.00
Mandarin	52	3,651,985	247,654	247,654	6.8%	(12,015)	25,425	0	\$12.52
Nassau County	59	2,357,807	253,101	282,101	12.0%	45,399	0	16,150	\$15.07
Northeast Jacksonville	32	1,338,825	155,705	214,125	16.0%	26,924	5,000	0	\$12.06
Northwest Jacksonville	48	1,266,898	158,147	158,147	12.5%	(2,572)	0	0	\$9.21
Orange Park/Clay County	123	5,609,489	429,965	429,965	7.7%	70,795	0	0	\$12.40
Riverside	141	5,298,539	431,445	509,350	9.6%	66,641	2,162	0	\$13.10
San Marco	35	1,044,832	160,461	160,461	15.4%	6,112	0	0	\$11.42
Southside	135	7,365,257	465,866	488,679	6.6%	160,774	0	0	\$13.01
St Johns County	92	3,706,784	192,749	192,749	5.2%	57,924	0	0	\$15.67
Totals	919	40,090,674	3,218,792	3,406,930	8.5%	543,230	81,752	79,656	\$13.10

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