

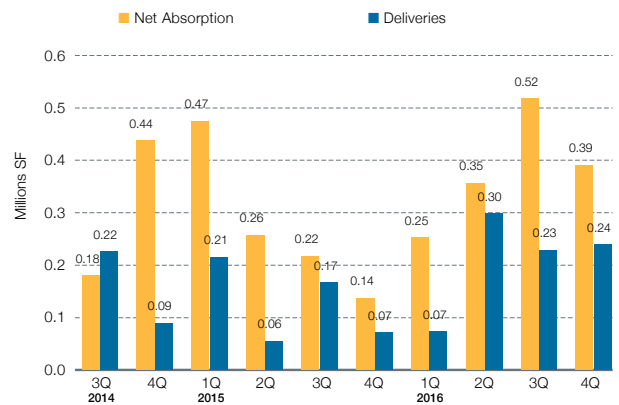
Jacksonville's Vacancy Decreases to 5.3%

Net Absorption Positive 391,134 SF in the Quarter

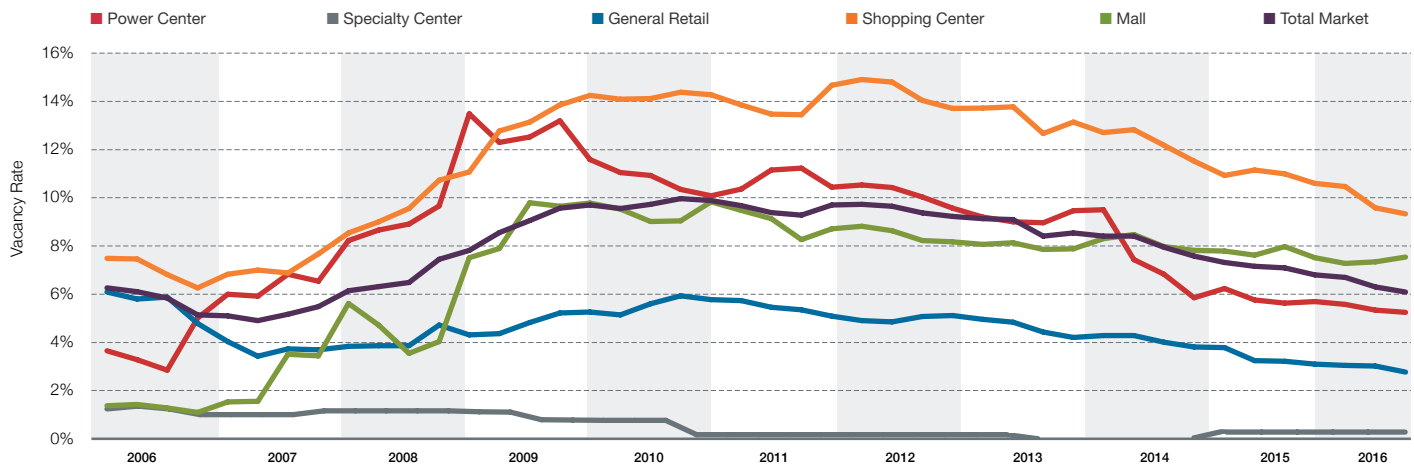
Retail Market Overview

The Jacksonville retail market experienced a slight improvement in market conditions in the fourth quarter 2016. The vacancy rate went from 5.5% in the previous quarter to 5.3% in the current quarter. Net absorption was positive 391,134 SF, and vacant sublease space decreased by (15,021) SF. Quoted rental rates changed from third quarter 2016 levels, ending at \$12.61 per SF per year. A total of 18 retail buildings with 238,006 SF of retail space were delivered to the market in the quarter, with 825,708 SF still under construction at the end of the quarter.

Absorption & Deliveries



Vacancy Rates by Building Type



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Vacancy

Jacksonville's retail vacancy rate decreased in the fourth quarter 2016, ending the quarter at 5.3%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 6.0% in the first quarter 2016, to 5.9% at the end of the second quarter 2016, 5.5% at the end of the third quarter 2016, to 5.3% in the current quarter.

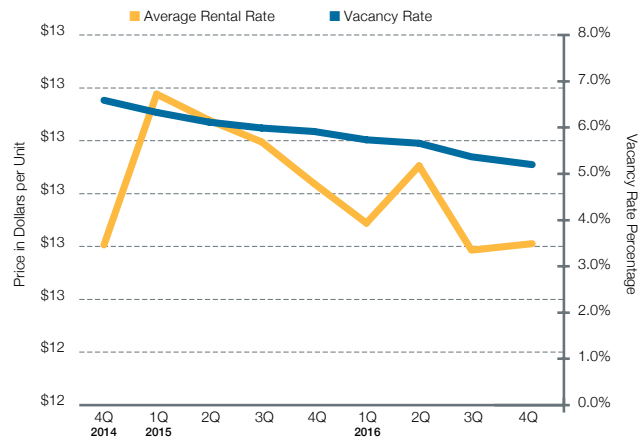
Net Absorption

Retail net absorption was strong in Jacksonville fourth quarter 2016, with positive 391,134 SF absorbed in the quarter. In third quarter 2016, net absorption was positive 666,512 SF, while in second quarter 2016; absorption came in at positive 371,674 SF. In first quarter 2016, positive 871,383 SF was absorbed in the market.

Rental Rates

Average quoted asking rental rates are

Vacancy & Rent



unchanged over previous quarter levels, and down from their levels four quarters ago. Quoted rents ended the fourth quarter 2016 at \$12.61 per SF per year. That compares to \$12.61 per SF in the third quarter 2016, and \$12.65 per SF at the end of the first quarter 2016. This represents a 0.0% change in rental rates in the current quarter, and a 0.32% 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	431	7,711,003	487,629	487,629	6.3%	82,462	3,847	40,000	\$9.56
Baker County	142	1,145,241	40,499	40,499	3.5%	64,376	40,249	0	\$11.69
Beaches	520	5,879,944	218,707	218,707	3.7%	738,987	687,388	73,299	\$17.83
Butler/Baymeadows	190	5,032,379	235,453	235,453	4.7%	115,797	86,959	10,000	\$14.48
Downtown Northbank	555	3,876,111	383,506	383,506	9.9%	94,342	79,477	0	\$7.74
Downtown Southbank	120	635,092	26,302	26,302	4.1%	25,323	8,150	0	\$18.09
Mandarin	260	4,857,748	260,000	260,000	5.4%	14,312	43,610	0	\$14.28
Nassau County	637	5,748,230	267,759	296,759	5.2%	122,331	29,360	7,040	\$15.45
Northeast Jacksonville	272	3,463,811	215,848	274,268	7.9%	36,730	20,200	0	\$11.60
Northwest Jacksonville	649	4,281,139	238,796	238,796	5.6%	12,012	6,059	0	\$9.09
Orange Park/Clay County	796	10,605,349	581,402	629,474	5.9%	104,312	89,039	2,500	\$12.73
Riverside	1,253	13,005,871	707,205	785,110	6.0%	370,108	282,216	84,863	\$12.59
San Marco	308	2,689,916	219,836	219,836	8.2%	34,551	30,912	3,500	\$11.66
Southside	927	14,164,753	537,955	542,747	3.8%	244,641	14,979	572,000	\$12.53
St Johns County	1,046	9,733,872	313,647	313,647	3.2%	240,419	190,393	32,506	\$13.92
Totals	8,106	92,830,459	4,734,544	4,952,733	5.3%	2,300,703	1,612,838	825,708	\$12.61

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	309	3,244,641	37,139	37,139	1.1%	52,152	3,847	40,000	\$6.89
Baker County	116	630,794	15,039	15,039	2.4%	42,340	40,249	0	\$7.97
Beaches	370	2,512,921	7,204	7,204	0.3%	679,796	646,475	73,299	\$19.72
Butler/Baymeadows	124	1,778,188	19,675	19,675	1.1%	(2,595)	5,159	10,000	\$13.16
Downtown Northbank	525	2,514,865	210,385	210,385	8.4%	88,843	79,477	0	\$7.67
Downtown Southbank	110	568,561	13,464	13,464	2.4%	35,661	5,650	0	\$16.99
Mandarin	154	1,206,313	11,776	11,776	1.0%	27,447	18,735	0	\$23.26
Nassau County	514	3,374,717	42,925	42,925	1.3%	34,075	13,210	7,040	\$16.82
Northeast Jacksonville	179	1,182,077	64,439	64,439	5.5%	(691)	15,200	0	\$8.50
Northwest Jacksonville	582	2,701,904	43,054	43,054	1.6%	17,546	6,059	0	\$9.49
Orange Park/Clay County	539	4,072,566	101,294	146,366	3.6%	86,660	89,039	2,500	\$15.05
Riverside	977	6,095,964	178,058	178,058	2.9%	80,831	80,662	75,263	\$11.96
San Marco	248	1,645,084	57,652	57,652	3.5%	30,162	30,912	3,500	\$13.11
Southside	600	4,843,795	88,122	88,122	1.8%	528	14,979	572,000	\$12.80
St Johns County	845	5,337,704	79,594	79,594	1.5%	154,166	178,725	32,506	\$13.05
Totals	6,192	41,710,094	969,820	1,014,892	2.4%	1,326,921	1,228,378	816,108	\$12.05

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
Downtown Northbank	1	607,324	135,711	135,711	22.3%	0	0	0	\$0.00
Orange Park/Clay County	1	959,331	22,000	22,000	2.3%	(22,000)	0	0	\$0.00
Riverside	3	583,175	74,619	74,619	12.8%	199,042	192,392	9,600	\$12.00
Southside	2	1,367,716	6,994	6,994	0.5%	18,520	0	0	\$25.00
Totals	9	6,250,182	413,291	413,291	6.6%	202,562	192,392	9,600	\$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	\$18.00
Northeast Jacksonville	1	942,909	1,000	1,000	0.1%	5,201	0	0	\$25.43
Northwest Jacksonville	1	302,137	37,895	37,895	12.5%	(3,262)	0	0	\$8.49
Riverside	2	917,693	28,251	28,251	3.1%	11,426	0	0	\$15.58
Southside	2	587,985	27,333	27,333	4.6%	510	0	0	\$10.00
Totals	9	3,676,136	169,318	169,318	4.6%	12,143	0	0	\$10.93

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	2,586,456	252,915	252,915	9.8%	32,042	0	0	\$11.06
Baker County	14	514,447	25,460	25,460	4.9%	22,036	0	0	\$12.68
Beaches	85	3,367,023	211,503	211,503	6.3%	59,191	40,913	0	\$17.52
Butler/Baymeadows	26	1,476,049	164,547	164,547	11.1%	111,392	81,800	0	\$14.47
Downtown Northbank	13	540,977	37,410	37,410	6.9%	5,499	0	0	\$8.18
Downtown Southbank	8	66,531	12,838	12,838	19.3%	(10,338)	2,500	0	\$21.00
Mandarin	52	3,651,435	248,224	248,224	6.8%	(13,135)	24,875	0	\$12.37
Nassau County	59	2,373,513	224,834	253,834	10.7%	88,256	16,150	0	\$14.93
Northeast Jacksonville	32	1,338,825	150,409	208,829	15.6%	32,220	5,000	0	\$12.02
Northwest Jacksonville	48	1,277,098	157,847	157,847	12.4%	(2,272)	0	0	\$9.18
Orange Park/Clay County	122	5,573,452	458,108	461,108	8.3%	39,652	0	0	\$12.25
Riverside	141	5,409,039	426,277	504,182	9.3%	78,809	9,162	0	\$12.67
San Marco	35	1,044,832	162,184	162,184	15.5%	4,389	0	0	\$11.16
Southside	135	7,365,257	415,506	420,298	5.7%	225,083	0	0	\$13.03
St Johns County	93	3,719,187	176,088	176,088	4.7%	86,253	11,668	0	\$15.48
Totals	921	40,304,121	3,124,150	3,297,267	8.2%	759,077	192,068	0	\$13.04

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