

# Jacksonville's Vacancy Decreases to 9.4%

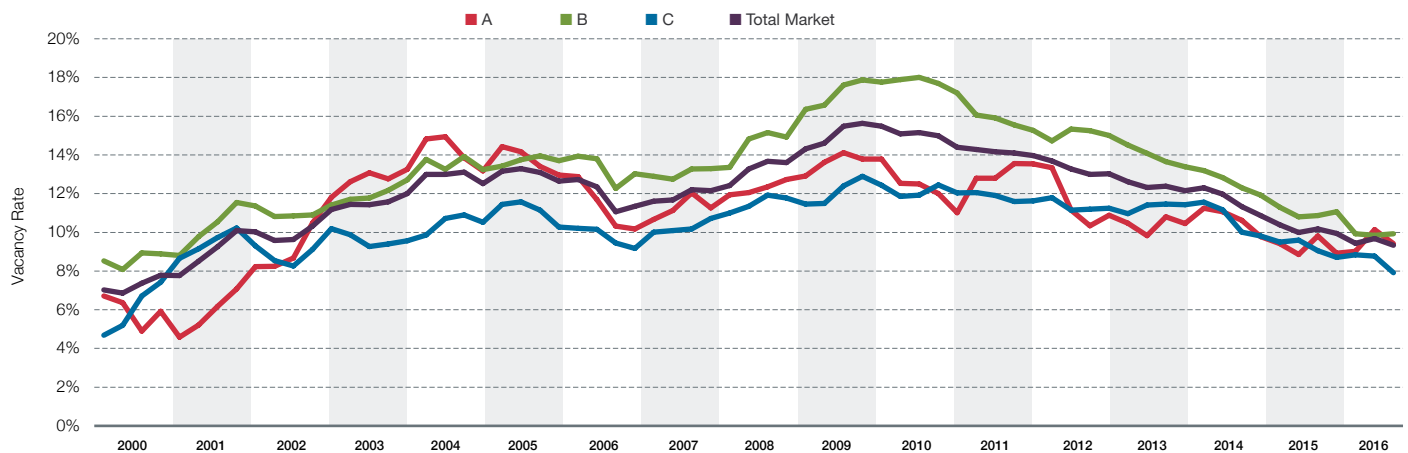
Net Absorption Positive 205,592 SF this Quarter



## Market Overview

The Jacksonville Office market ended the fourth quarter 2016 with a vacancy rate of 9.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 205,592 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 227,658 square feet. Rental rates ended the fourth quarter at \$18.63, an increase over the previous quarter. There was 116,521 square feet still under construction at the end of the quarter.

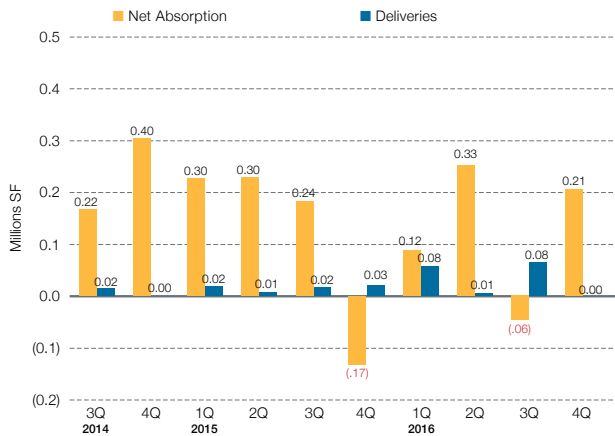
## Vacancy Rates by Class



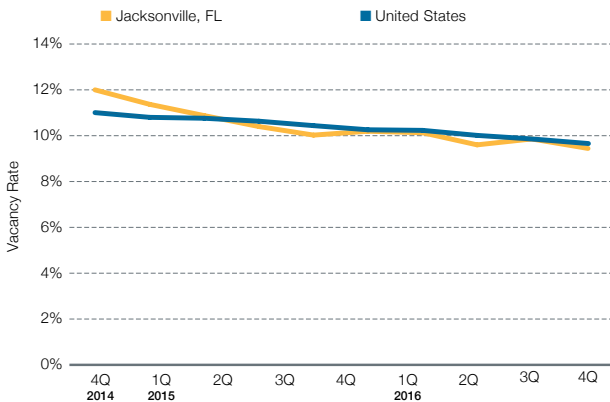
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## Absorption & Deliveries



## 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	206	1,583,318	131,137	133,293	8.40%	26,381	0	1	\$15.51
Baker County	31	112,612	24,091	24,091		2,000	0	0	\$12.81
Beaches	364	3,070,786	177,010	178,602	5.80%	32,989	77,851	0	\$24.21
Butler/Baymeadows	264	9,945,078	940,172	980,179	9.90%	500,696	24,000	4,560	\$19.11
Downtown Northbank	346	13,091,319	1,558,086	1,569,449		-25,201	0	0	\$19.45
Downtown Southbank	135	3,004,765	131,531	138,031	4.60%	92,230	0	0	\$21.08
Mandarin	268	2,440,843	146,016	147,201	6.00%	26,301	10,060	27,760	\$17.02
Nassau County	231	1,156,605	58,130	59,935	5.20%	22,285	0	0	\$20.85
Northeast Jacksonville	71	837,740	65,629	65,629	7.80%	114,992	46,014	30,000	\$13.53
Northwest Jacksonville	180	1,165,105	42,555	144,555		-90,833	0	35,200	\$14.92
Orange Park/Clay County	388	3,097,880	357,690	357,690		10,112	0	0	\$19.81
Riverside	601	2,863,625	175,910	175,910	6.10%	66,218	0	0	\$17.52
San Marco	249	2,033,198	255,789	255,789		-50,875	0	0	\$16.61
Southside	713	15,774,351	1,424,178	1,485,228	9.40%	-98,597	0	19,000	\$18.16
St Johns County	432	2,962,315	207,517	207,517	7.00%	29,074	9,500	0	\$19.33
<b>Totals</b>	<b>4,479</b>	<b>63,139,540</b>	<b>5,695,441</b>	<b>5,923,099</b>	<b>9.40%</b>	<b>657,772</b>	<b>167,425</b>	<b>116,521</b>	<b>\$18.63</b>

## Vacancy

The office vacancy rate decreased to 9.4% at the end of the fourth quarter 2016. The vacancy rate was 9.7% at the end of the third quarter 2016, 9.5% at the end of the second quarter 2016, and 10.0% at the end of the first quarter 2016.

## Net Absorption

Net absorption was positive 205,592 SF in the fourth quarter 2016. That compares to negative (79,723) SF in the third quarter 2016, positive 328,181 SF in the second quarter 2016, and positive 203,722 SF in the first quarter 2016.

## Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$18.63 per SF per year at the end of the fourth quarter 2016. This represented a 0.8% increase in quoted rental rates from the end of the third quarter 2016, when rents were reported at \$18.49 per SF.

## Construction Activity

During the fourth quarter 2016, no new space was completed. This compares to 4 buildings totaling 84,361 SF completed in the third quarter 2016, 1 building totaling 7,550 SF completed in the second quarter 2016, and 75,514 SF in 3 buildings completed in the first quarter 2016.

## 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	0.00%	0	0	0	\$0.00
Baker County	0	0	0	0	0.00%	0	0	0	\$0.00
Beaches	8	473,751	80,362	81,704		27,977	62,751	0	\$26.26
Butler/Baymeadows	15	1,920,202	250,711	276,296		95,674	24,000	0	\$22.95
Downtown Northbank	13	5,533,469	693,211	696,700		-52,562	0	0	\$21.05
Downtown Southbank	6	1,965,405	89,606	96,106	4.90%	85,237	0	0	\$21.86
Mandarin	0	0	0	0	0.00%	0	0	0	\$0.00
Nassau County	0	0	0	0	0.00%	0	0	0	\$0.00
Northeast Jacksonville	1	46,014	0	0	0.00%	46,014	46,014	0	\$0.00
Northwest Jacksonville	0	0	0	0	0.00%	0	0	0	\$0.00
Orange Park/Clay County	3	245,066	0	0	0.00%	0	0	0	\$0.00
Riverside	0	0	0	0	0.00%	0	0	0	\$0.00
San Marco	0	0	0	0	0.00%	0	0	0	\$0.00
Southside	50	6,573,624	380,159	400,617	6.10%	-15,710	0	0	\$22.00
St Johns County	4	306,840	64,746	64,746		-1,149	0	0	\$17.68
<b>Totals</b>	<b>100</b>	<b>17,064,371</b>	<b>1,558,795</b>	<b>1,616,169</b>	<b>9.50%</b>	<b>185,481</b>	<b>132,765</b>	<b>0</b>	<b>\$21.76</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	32	716,067	87,138	89,294		16,338	0	1	\$15.93
Baker County	8	25,942	0	0	0.00%	0	0	0	\$0.00
Beaches	163	1,666,039	60,376	60,376	3.60%	17,259	15,100	0	\$25.26
Butler/Baymeadows	173	7,256,711	625,412	639,834	8.80%	354,668	0	4,560	\$18.07
Downtown Northbank	111	6,098,335	689,013	696,887		27,158	0	0	\$17.26
Downtown Southbank	16	604,472	2,600	2,600	0.40%	8,627	0	0	\$16.00
Mandarin	155	1,766,120	106,586	107,771	6.10%	27,240	10,060	27,760	\$16.98
Nassau County	96	488,055	43,591	45,396	9.30%	10,196	0	0	\$21.86
Northeast Jacksonville	28	565,176	24,562	24,562	4.30%	52,604	0	30,000	\$16.67
Northwest Jacksonville	28	614,364	20,831	122,831		-89,947	0	35,200	\$14.89
Orange Park/Clay County	177	1,717,141	268,857	268,857		6,476	0	0	\$20.66
Riverside	137	1,011,096	46,073	46,073	4.60%	21,312	0	0	\$17.04
San Marco	62	1,075,213	181,273	181,273		-46,262	0	0	\$17.69
Southside	270	5,887,057	706,224	746,816		-108,455	0	19,000	\$17.30
St Johns County	310	2,274,953	134,218	134,218	5.90%	27,418	9,500	0	\$19.62
<b>Totals</b>	<b>1,766</b>	<b>31,766,741</b>	<b>2,996,754</b>	<b>3,166,788</b>		<b>324,632</b>	<b>34,660</b>	<b>116,521</b>	<b>\$17.95</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"	174	867251	43999	43999	0.051	10043	0	0	14.63
"Baker County"	23	86670	24091	24091	0.278	2000	0	0	12.81
"Beaches"	193	930996	36272	36522	0.039	-12247	0	0	20.49
"Butler/Baymeadows"	76	768165	64049	64049	0.083	50354	0	0	15.71
"Downtown Northbank"	222	1459515	175862	175862	0.12	203	0	0	15.90
"Downtown Southbank"	113	434888	39325	39325	0.09	-1634	0	0	20.52
"Mandarin"	113	674723	39430	39430	0.058	-939	0	0	17.14
"Nassau County"	135	668550	14539	14539	0.022	12089	0	0	19.49
"Northeast Jacksonville"	42	226550	41067	41067	0.181	16374	0	0	10.97
"Northwest Jacksonville"	152	550741	21724	21724	0.039	-886	0	0	15.29
"Orange Park/Clay County"	208	1135673	88833	88833	0.078	3636	0	0	17.03
"Riverside"	464	1852529	129837	129837	0.07	44906	0	0	17.70
"San Marco"	187	957985	74516	74516	0.078	-4613	0	0	15.15
"Southside"	393	3313670	337795	337795	0.102	25568	0	0	14.84
"St Johns County"	118	380522	8553	8553	0.022	2805	0	0	22.14
<b>"Totals"</b>	<b>2613</b>	<b>14308428</b>	<b>1139892</b>	<b>1140142</b>	<b>0.08</b>	<b>147659</b>	<b>0</b>	<b>0</b>	<b>16.04</b>

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