



Q1 2021 MARKET REPORT

Jacksonville Retail

Q1 2021 JACKSONVILLE Retail Market Report

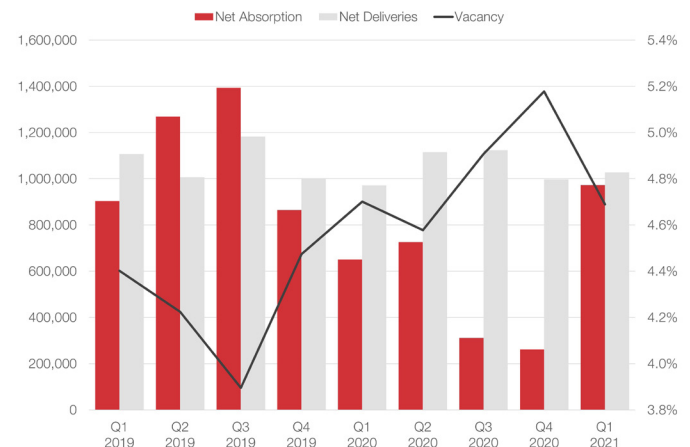
MARKET INDICATORS

	Current Q1 2021	Prior Q4 2020		Year Ago Q1 2020	
Vacancy	4.7%	5.2%	↓	4.6%	↑
Net Absorption (SF)	1,085,781	165,256	↑	726,315	↑
Construction (SF)	1,205,429	1,076,350	↑	1,301,620	↓
Deliveries (SF)	1,050,658	1,079,350	↓	1,523,814	↓
Average Asking Rent (PSF)	\$18.77	\$18.16	↑	\$18.19	↑
Average Cap Rate	7.3%	7.2%	↑	7.3%	-

RETAIL OVERVIEW

Retail vacancy has been ticking higher over the recent quarters in Jacksonville. Leasing activity is still below pre-coronavirus pandemic levels, and some speculative deliveries will likely cause vacancies to continue rising in the coming quarters. Despite this, the vacancy rate remains comfortably below the historical average and in line with the National Index.

Jacksonville is one of the fastest-growing metros in the country on a percentage basis. A strong population growth boosted consumer spending, which in turn bolstered retail demand. Developers followed suit and are currently 1.2 million SF of retail construction is underway. This represents around 1.2% of inventory under construction, well above the national figure. Roughly 70% of the retail space underway is preleased, and supply-

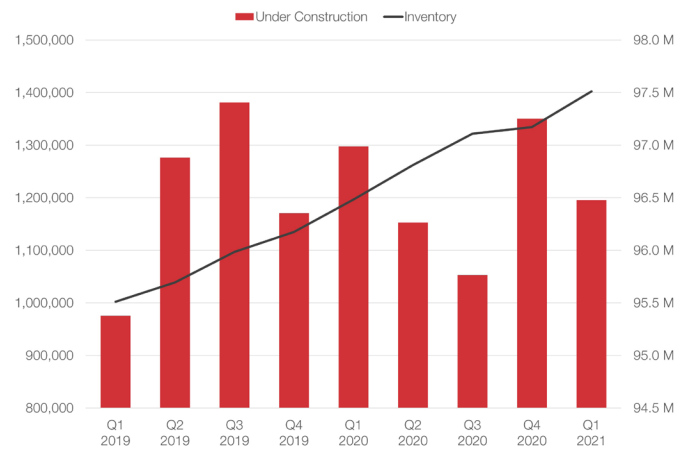
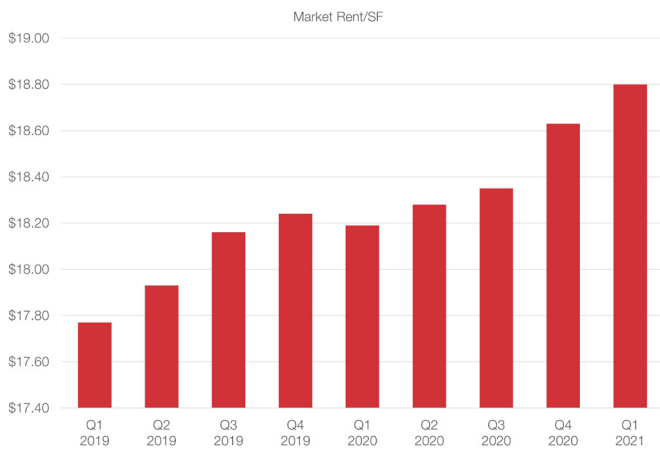


side pressure on the market is not a major cause for concern in the near term.

Restaurants and chains continue driving leasing volume in the market. Over the recent years, major specialty and discount grocers leased and moved

into new space in the metro, which helped bolster net absorption rates. Whole Foods is also underway on a 34,400-SF store at Jacksonville Beach, while in San Marco, developers are working on a new ALDI store that will encompass 20,400 SF. Both stores are expected to open early next year. Additionally, Earth Fare leased 24,000-SF of space at a St. Augustine shopping center and is expected to move in Q2'21.

At over \$18.70/SF, the average retail asking rent in Jacksonville is 20% lower than the national average. Among submarkets, Butler/Baymeadows commands some of the highest asking rents at over \$26/SF. The heavily tourist-focused Beaches Submarket has the second-highest average rent, near \$24/SF. Other high-rent submarkets include St Johns County and Downtown Southbank submarkets, both offering average asking rents around \$21/SF.



“Jacksonville’s retail market appears to be on the rebound after Q1 2021. The formula of continued population growth, increased vaccination numbers, and a significantly lower average asking rent compared to the national average make for an attractive landing spot for retailers and restaurants alike.”



Eric Yi
SENIOR ASSOCIATE, RETAIL



NAI HALLMARK

Featured Retail Transaction

Riverside Village

1541-1551 Riverside Avenue
Jacksonville, FL 32204

Riverside Village is located in the historic residential neighborhood of Five Points, and dates back to the early 20th century. The property consists of four medical and office buildings situated on 1.3 acres near Memorial Park and the St. Johns River.

In February 2021, Austin Kay and Eric Yi negotiated a 10-year lease behalf of the landlord to Blue Orchid Thai Cuisine. One of the medical buildings will be converted into the 4,200 SF restaurant. Riverside Village will be home to the restaurant's second location.

BROKERS

Austin Kay

Vice President, Retail
ak@naihallmark.com
+1 904 493 4495

Eric Yi

Senior Associate, Retail
ey@naihallmark.com
+1 904 493 4494

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NOTABLE SALE TRANSACTIONS

Property	Building Size	Sale Price	Price / SF	Cap Rate	Vacancy
Academy Sports & Outdoors 9041 Southside Boulevard	77,994 SF	\$9,800,000	\$126	7.8%	—
Greenway Kia of Jacksonville 10564 Phillips Highway	40,272 SF	\$7,000,000	\$174	—	—
Deerwood Station 8101 Southside Boulevard	21,524 SF	\$6,829,000	\$317	6.6%	—
St John The Divine Greek Orthodox Church 3850 Atlantic Boulevard	12,404 SF	\$1,030,000	\$83	—	—

NOTABLE LEASE TRANSACTIONS

Property	Tenant	Leased SF	Building Class	Submarket
Beach Boulevard Shopping Center 7538 Beach Boulevard	International Asian Market	50,000	3 Star Shopping Center	Southside
Crossings at Wildlight 76303 William Burgess Road	Publix	48,000	4 Star Storefront	Nassau County
Aaron Rents 4316 University Boulevard South	Aaron Rents	19,456	3 Star Freestanding	Southside
Riverside Village 1551 Riverside Avenue	Blue Orchid Thai Cuisine	4,200	4 Star Freestanding	Riverside
Julington Plaza 12636 San Jose Boulevard	Berkshire Hathaway	3,120	4 Star Freestanding	Mandarin

NOTABLE CONSTRUCTION PROJECTS

Property	Submarket	Size SF	Developer	Proj Delivery
Durbin Creek Crossing SWC Race Track & St John	St Johns County	224,000	Undisclosed	2021
Fountains at St John's 1620 County Road 210 West	St Johns County	130,000	Cross Regions Real Estate	2021
Crossings at Wildlight 76303 William Burgess Road	Nassau County	77,187	Undisclosed	2022
205 Rivertown Shops Drive		65,965	Undisclosed	2021
Daily's 3011 Marbon Road	Mandarin	60,000	Undisclosed	2021

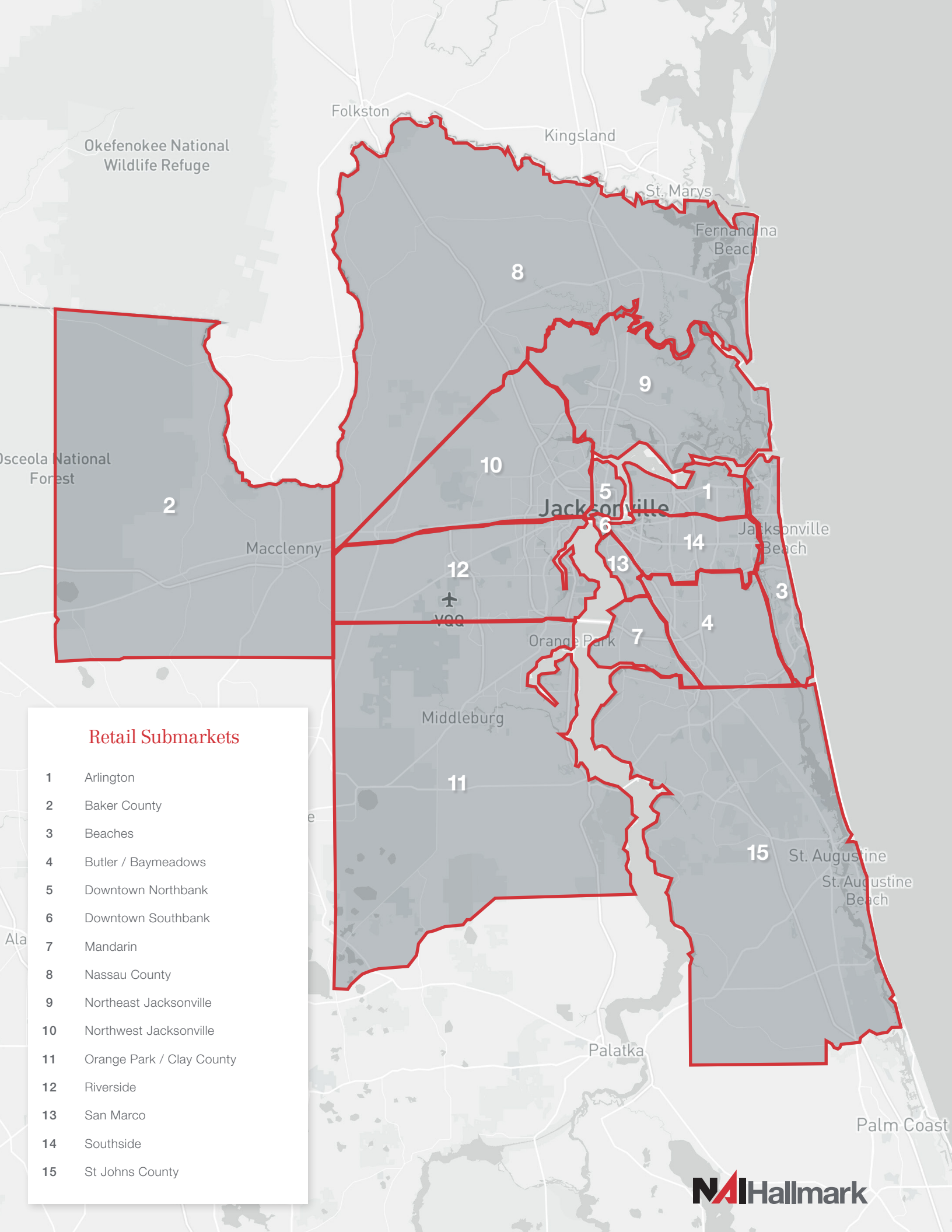
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	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
Arlington	6.1%	\$14.82	\$157	—	7,776,082	7.3%
Baker County	1.4%	\$14.03	\$177	—	1,440,826	7.5%
Beaches	3.4%	\$23.99	\$233	17,315	5,246,036	6.9%
Butler/Baymeadows	3.2%	\$26.48	\$187	59,820	5,596,049	7.2%
Downtown Northbank	10.3%	\$12.40	\$132	—	3,681,918	7.7%
Downtown Southbank	8.7%	\$21.22	\$220	51,500	654,830	7.0%
Mandarin	4.7%	\$21.77	\$185	66,658	4,762,526	7.1%
Nassau County	3.1%	\$17.34	\$150	94,147	6,066,363	7.7%
Northeast Jacksonville	4.6%	\$19.17	\$182	22,967	3,760,476	7.3%
Northwest Jacksonville	6.5%	\$12.08	\$138	5,636	4,498,047	7.8%
Orange Park/Clay County	5.1%	\$18.48	\$176	74,708	10,851,957	7.2%
Riverside	3.5%	\$17.42	\$160	61,715	13,708,231	7.4%
San Marco	4.9%	\$16.28	\$168	3,500	2,973,617	7.4%
Southside	4.3%	\$19.81	\$192	96,542	14,961,804	7.1%
St Johns County	4.1%	\$20.81	\$228	650,921	11,505,666	7.0%
Jacksonville MSA	4.7%	\$18.77	\$181	1,205,429	97,511,122	7.3%
National Index	5.1%	\$21.65	\$213	45,564,079	11,657,232,626	7.1%

Source: NAI Hallmark, CoStar Property®, & ESRI®, Real Capital Markets®, RealPages®

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Retail Submarkets

- 1 Arlington
- 2 Baker County
- 3 Beaches
- 4 Butler / Baymeadows
- 5 Downtown Northbank
- 6 Downtown Southbank
- 7 Mandarin
- 8 Nassau County
- 9 Northeast Jacksonville
- 10 Northwest Jacksonville
- 11 Orange Park / Clay County
- 12 Riverside
- 13 San Marco
- 14 Southside
- 15 St Johns County

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NAI Hallmark has a 28-year history of successfully managing commercial real estate to its highest performance. Our team is committed to providing best-in-class service to our clients and takes an owner's perspective approach to unlock the full potential of every deal.

It would be our privilege to work with you.



get in touch

6675 Corporate Center Parkway, Suite 100
Jacksonville, Florida USA 32216

+1 904 363 9002
info@naihallmark.com

