



Q2 2021 MARKET REPORT

Jacksonville Industrial

Q2 2021 JACKSONVILLE

Industrial Market Report

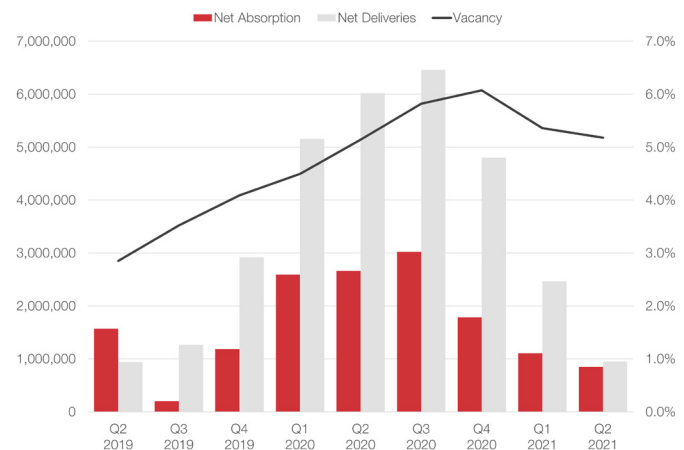
MARKET INDICATORS

	Current Q2 2021	Prior Q1 2021		Year Ago Q2 2020	
Vacancy	4.2%	5.1%	↓	5.8%	↓
Net Absorption (SF)	2,609,845	956,101	↑	1,887,617	↑
Construction (SF)	3,568,915	2,545,657	↑	398,829	↑
Deliveries (SF)	424,187	1,016,943	↓	5,022,972	↓
Average Asking Rent (PSF)	\$7.23	\$7.14	↑	\$6.82	↑
Average Cap Rate	7.0%	7.0%	-	7.0%	-

INDUSTRIAL OVERVIEW

Jacksonville's Industrial market has continued to tighten over the past year. With many companies fleeing to the business-friendly environment of Jacksonville, vacancies are compressed lower. More than 3.6 million sf of new construction is underway. However, this does not net substantial new availability because three-quarters of the new construction has been pre-leased.

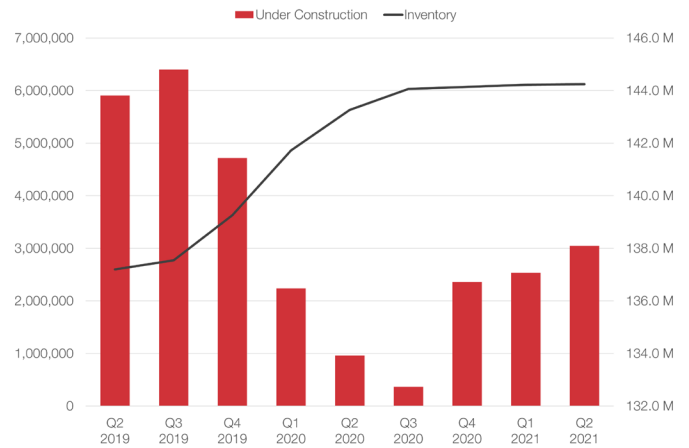
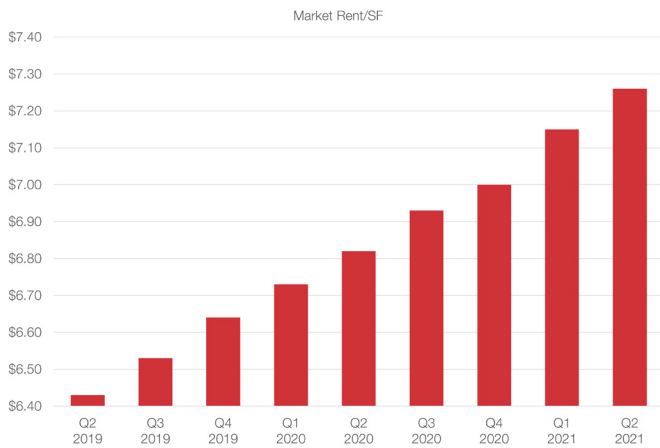
The industrial vacancy rate in Jacksonville is currently 4.3%. However, when accounting for available spaces with leases out for signature, this number is likely closer to 3.5%. In high demand markets such as Jacksonville's South Side, we are seeing few industrial spaces coming to market. Available industrial space in Jacksonville has reached a 2-year low. Many potential vacancies are trading off market or absorbed by expanding co-tenants.



Low vacancy rates in the market have stimulated strong annual rent growth. Jacksonville's annual rent growth has held steadily over 6.0%. This is well above the national average of 5.1%. Given Jacksonville's tight industrial market conditions we will likely see above average rent growth rates for the foreseeable future.

After a frenetic year of sale transactions, Jacksonville saw investment activity slow slightly. However, this does not mean that there was a decrease in investment interest. The significant lack of inventory certainly contributes to this trend. Hundreds of millions of dollars are ready to be deployed by institutional investors in the

Jacksonville market. Large industrial portfolios leased by national credit tenants are rumored to trade below a 4% cap rate. We expect a continued steady cap rate compression into the near future.



"Jacksonville has many features that will continue to boost our rapidly growing economy. Jacksonville's improving infrastructure and business friendly environment has drawn various companies from across the country. With many industries looking to move to Northeast Florida, Jacksonville's economy has a bright future ahead."



Camden Padgett
INDUSTRIAL



NAI HALLMARK

Featured Industrial Transaction

NAI Hallmark Represents Shore Manufacturing

2145 Dennis Street
Jacksonville, Florida 32204

NAI Hallmark represented Shore Manufacturing in a 61 month lease for 70,000 square feet of warehouse space located at 2145 Dennis Street in Jacksonville, Florida. The transaction closed May, 2021.

The property comprised of a single-story warehouse/distribution facility situated on 2.51-acres in the West Side submarket.

NAI Hallmark served as the exclusive broker to Shore Manufacturing and assisted in initiating, structuring, and negotiating the transaction. This deal highlights NAI Hallmark's long-standing reputation as a leader within the industrial and manufacturing industries.

BROKERS

Jason Purdy

Vice President, Industrial
jp@naihallmark.com
+1 904 404 4462

Camden Padgett

Associate
cp@naihallmark.com
+1 904 404 4460

Q2 2021 JACKSONVILLE

Industrial Market Report

NOTABLE SALE TRANSACTIONS

Property	Building Size	Sale Price	Price / SF	Cap Rate	Vacancy
General Electric 600 Whittaker Road	469,830	\$29,600,000	\$63	—	100%
Florida Metal Products 6940 Stuart Avenue	117,025	\$8,842,714	\$76	—	0%

NOTABLE LEASE TRANSACTIONS

Property	Tenant	Leased SF	Building Class	Submarket
10501 Cold Storage Road	Cra-Z-Art	315,840	4 Star Industrial Distribution	Ocean Way
10089 North Main Street	—	240,000	4 Star Industrial Distribution	Ocean Way
6610 Pritchard Road, Building 300	Carparts.com	179,970	3 Star Industrial Distribution	West Side
3525 Imeson Road, Building 2	—	130,000	4 Star Industrial Distribution	West Side
3750 Cisco Drive West	—	119,212	4 Star Industrial Distribution	West Side
11530 New Berlin Road	—	117,920	5 Star Industrial Warehouse	Northeast
4601 Bulls Bay Highway	—	116,218	4 Star Industrial Warehouse	West Side

NOTABLE CONSTRUCTION PROJECTS

Property	Submarket	Size SF	Developer	Proj Delivery
Building C 2737 Ignition Drive	North Side	394,277	NorthPoint Development	Oct. 2022
Building 300 6610 Pritchard Road	West Side	235,200	Republic Property Company, Inc.	Dec. 2021
3750 Cisco Drive West	West Side	161,402	Becknell Industrial	Dec. 2021

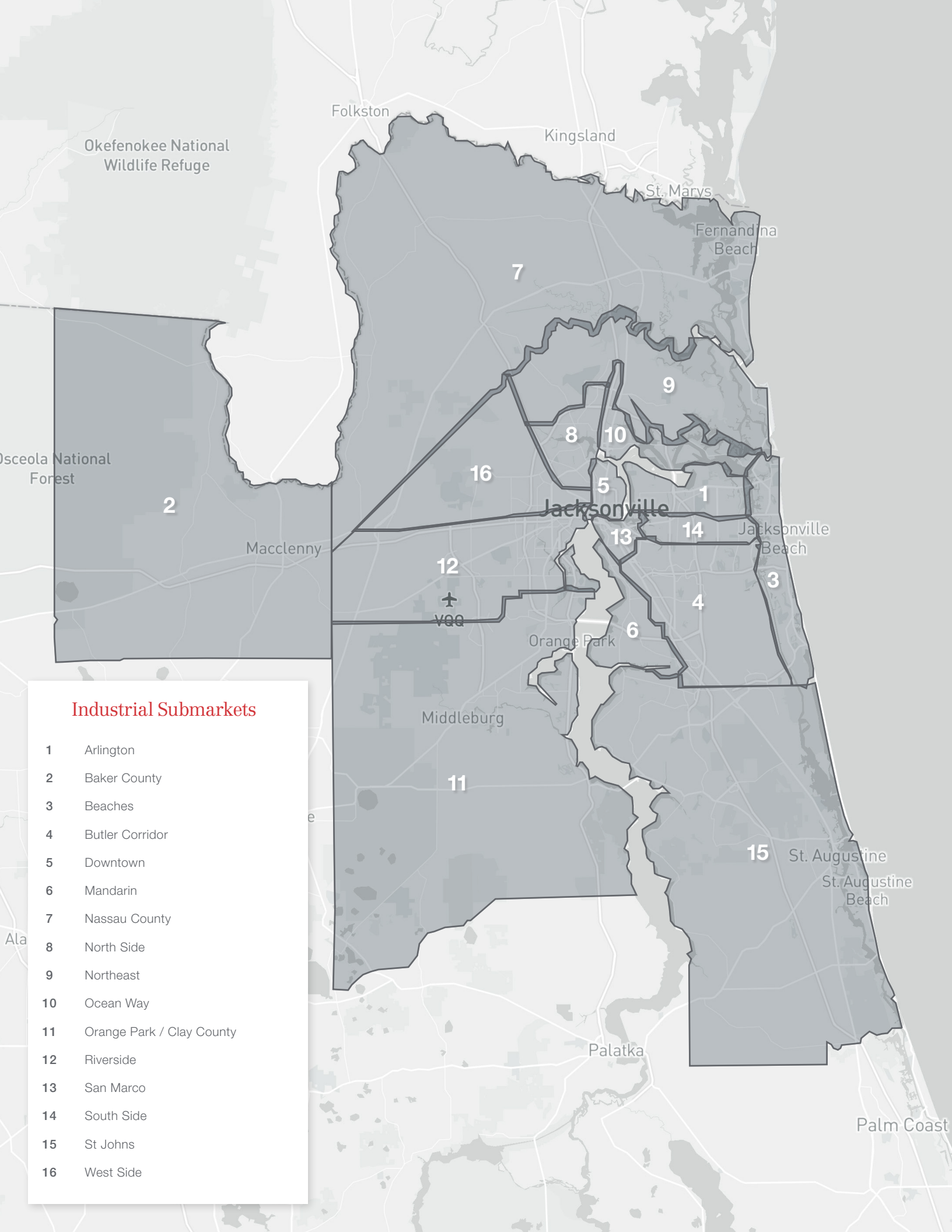
Q2 2021 JACKSONVILLE

Industrial Market Report

	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
Arlington	1.6%	\$9.43	\$87	—	1,020,014	7.4%
Baker County	3.4%	\$5.98	\$82	—	1,350,145	6.3%
Beaches	2.5%	\$13.74	\$139	14,263	1,199,600	6.6%
Butler Corridor	6.3%	\$9.00	\$86	55,618	20,586,376	7.1%
Downtown	2.2%	\$5.58	\$50	19,000	11,609,877	7.5%
Mandarin	0.9%	\$9.87	\$91	—	1,694,412	7.2%
Nassau County	0.0%	\$7.15	\$82	—	3,311,706	6.5%
North Side	4.8%	\$6.06	\$54	394,277	8,824,111	7.0%
Northeast	14.7%	\$6.30	\$67	—	4,713,427	6.6%
Ocean Way	5.0%	\$8.07	\$57	1,840,690	15,083,858	6.8%
Orange Park/Clay County	2.7%	\$7.68	\$70	9,750	5,801,450	7.2%
Riverside	1.1%	\$6.57	\$70	278,237	21,892,954	7.0%
San Marco	3.6%	\$7.91	\$71	—	4,836,210	7.2%
South Side	2.1%	\$10.47	\$102	—	1,673,940	7.2%
St Johns	1.6%	\$9.33	\$100	167,052	5,962,153	6.7%
West Side	5.4%	\$6.14	\$60	790,028	35,189,650	6.9%
Jacksonville MSA	4.2%	\$7.23	\$68	3.6M	145M	7.0%
National Index	5.1%	\$9.24	\$118	405M	17.3B	6.5%

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

The information contained herein has been given to us by sources we deem reliable. We have no reason to doubt the accuracy of information supplied, however, we cannot, and do not, make any guarantees. All information should be verified before relying thereon. We are not responsible for errors, misuse, or misinterpretation of information contained herein & make no warranty of any kind, express or implied, with respect to the property or any other matters.



Folkston

Kingsland

St. Marys

Fernandina Beach

Okefenokee National Wildlife Refuge

7

9

8

10

16

5

1

Osceola National Forest

2

Jacksonville

Jacksonville Beach

Macclenny

13

14

12

✈️
VQQ

4

3

Orange Park

6

Middleburg

11

15

St. Augustine

St. Augustine Beach

Industrial Submarkets

- 1 Arlington
- 2 Baker County
- 3 Beaches
- 4 Butler Corridor
- 5 Downtown
- 6 Mandarin
- 7 Nassau County
- 8 North Side
- 9 Northeast
- 10 Ocean Way
- 11 Orange Park / Clay County
- 12 Riverside
- 13 San Marco
- 14 South Side
- 15 St Johns
- 16 West Side

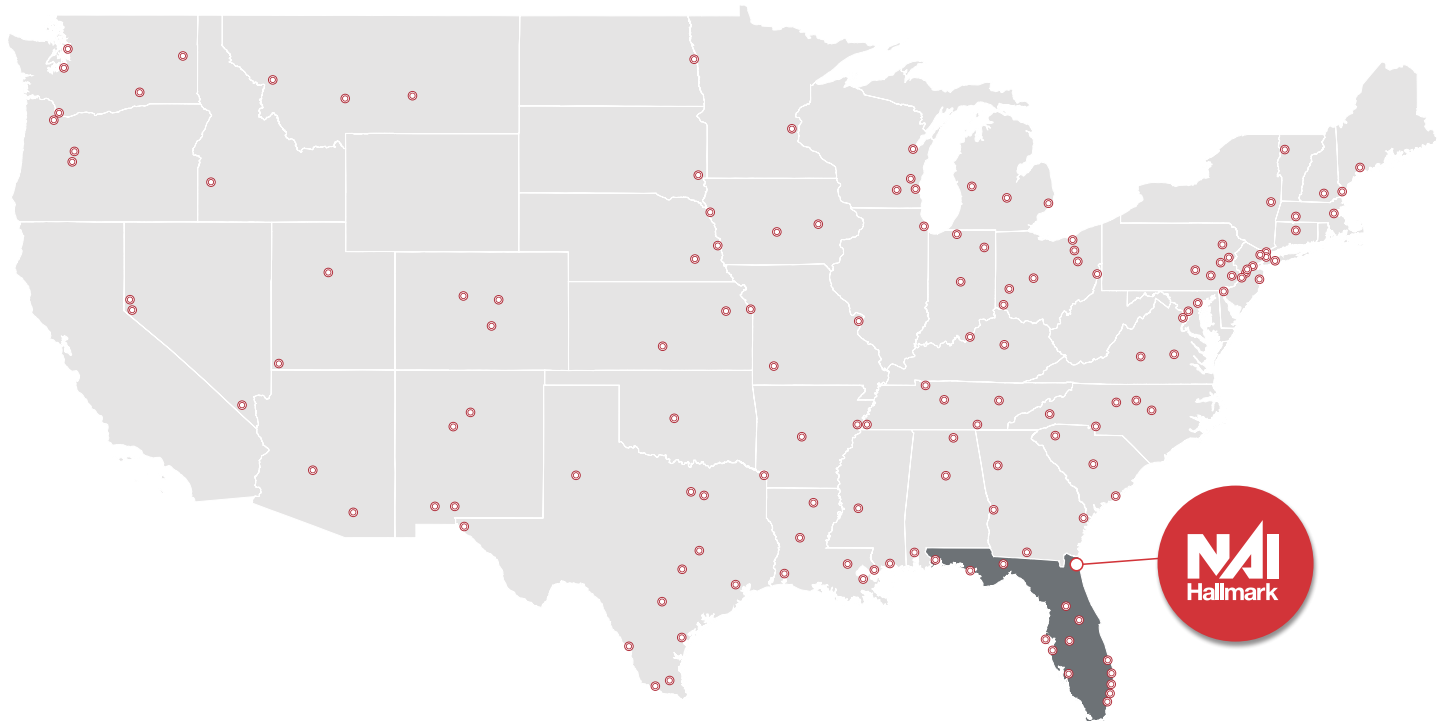
Palatka

Palm Coast

Q2 2021 JACKSONVILLE

Our Market and Beyond

NAI Hallmark is the Northeast Florida representative for NAI Global, the world's largest network real estate professionals. We are among the best in the industry, serving clients in our market and beyond.



Together, we act and think as a team, working in unison to deliver seamless, exceptional results for our clients with local, regional or global needs.

Whether you need to buy, sell, lease or manage property across the United States and beyond, NAI Hallmark is your local point of entry into a world of creative solutions in commercial real estate.

THE PREMIER MANAGED

Commercial Real Estate Network

NAI Global is the single largest, most powerful global network of owner-operated commercial real estate brokerage firms. NAI Global member firms are leaders in their local markets and span the world with 300+ offices and more than 5,100 professionals supported by the central resources of the NAI Global organization.

NAI Global professionals achieve extraordinary results for clients locally and globally through creativity, collaboration, and the consistent delivery of exceptional knowledge and service that only market-leading firms can provide.

Market your products and services to this global audience either year round via our special packages designed to put your name in lights and keep it there or via an event sponsorship or exhibit.

Top 4 Brand

300+

Offices Worldwide

43

Countries

5,100+

Professionals

1.1+

Billion

SQUARE FEET
MANAGED

\$20

Billion

TRANSACTION
VOLUME

\$1.5

Billion

TOTAL GROSS
REVENUE

NAIGlobal.

Q2 2021 MARKET REPORT

Jacksonville Industrial

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

