



Q2 2021 MARKET REPORT

Jacksonville Retail

Q2 2021 JACKSONVILLE

Retail Market Report

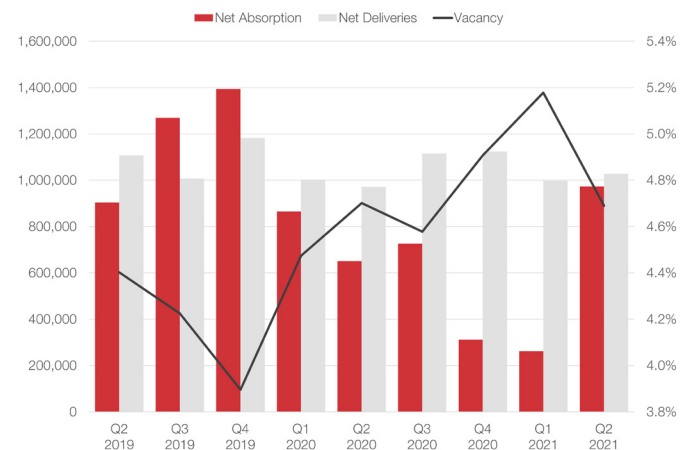
MARKET INDICATORS

	Current Q2 2021	Prior Q1 2021		Year Ago Q2 2020	
Vacancy	4.3%	4.7%	↓	4.6%	↓
Net Absorption (SF)	1,189,902	1,085,781	↑	310,989	↑
Construction (SF)	1,076,592	1,205,429	↓	1,147,245	↓
Deliveries (SF)	1,040,609	1,050,658	↓	1,544,377	↓
Average Asking Rent (PSF)	\$18.91	\$18.77	↑	\$18.25	↑
Average Cap Rate	7.3%	7.3%	-	7.3%	-

RETAIL OVERVIEW

Despite rumors in the past few years of a retail apocalypse and an economic downturn caused by the Covid-19 pandemic, retail in northeast Florida is alive and well proving that real estate with good accessibility and high traffic will always be a need. After a few consecutive quarters of retailers taking a conservative wait and see approach due to the economic downturn, vacancy rate is on the decline again. Steady population and job growth, which has outperformed the national average for the past eight years, along with an increase in median income have been the key demographic ingredients causing retailers, restaurant chains, fitness users, and more to chase newfound discretionary income.

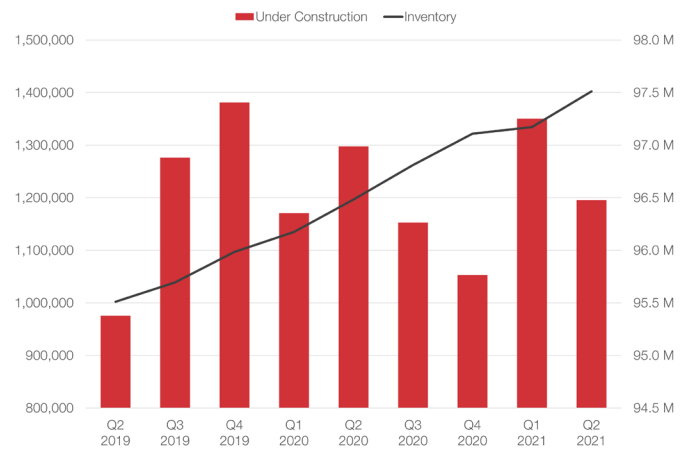
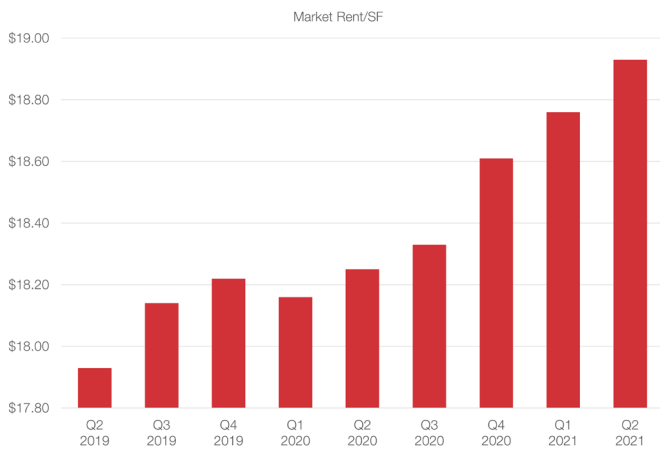
While the market as a whole has performed well, Southside/Gate Pkwy, St. John's County, and Riverside have seen the most activity,



and will maintain momentum with numerous active developments happening in each of those submarkets. St. John's County remains a hot spot for developers as Gatlin Development Co. Inc. recently announced another grocery anchored project in St. John's County at the intersection of U.S. 1 and Racetrack Rd.

Some of the brands that have capitalized on our market's economic growth include Dollar General, Five Below, Visionworks, Culver's, Whataburger and many more. We also saw the return of some box users absorbing space as Bailey's Powerhouse Gym, Crunch Fitness, and Tractor Supply announced new leases. A good sign for landlords across our market.

As the economic trends in northeast Florida continue to point up, look for retailers to continue to capitalize and find opportunities to plant their flags.



"After an industry-wide pause brought by the COVID-19 pandemic, the retail market in Jacksonville is making a very strong comeback. Many retailers including fitness groups, restaurants, and salon operators are actively expanding in the market taking full advantage of available space. One key factor we see in recent deals is the increasing cost of construction and labor shortage causing a delay in build outs. While this is uncharted territory for the retail sector, we are confident in navigating this process with our clients.

Overall, we are excited to see positive movement and are looking forward to a successful year."



Austin Kay
RETAIL SALES & LEASING



NAI HALLMARK

Featured Retail Transaction

Millennium Business Center

11744 Beach Boulevard
Jacksonville, Florida 32246

NAI Hallmark represented the landlord, Millennium Business Center LLC, in a 120 month lease for 8,800 square feet of retail space located at 11744 Beach Boulevard in Jacksonville, Florida, which brought the property to 100% occupancy. The space was formerly occupied by Mattress 1 and was quickly backfilled. The lease transaction, which was completed with an athletic training facility, D1 Training, closed April 2021. D1 Training was represented by Abby Walsh of Franklin St.

The retail/flex center is comprised of a single-story 26,400 square foot building situated on 2.13-acres in the Southside submarket. The property features 395 linear feet of frontage on Beach Boulevard and is home to co-tenants PPG Paints, More Space Place, European Leather Gallery, and Conviva Care Center.

NAI Hallmark served as the exclusive broker to Millennium Business Center LLC, and assisted in initiating, marketing, structuring, and negotiating the lease transaction.

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

Q2 2021 JACKSONVILLE

Retail Market Report

NOTABLE SALE TRANSACTIONS

Property	Building Size SF	Sale Price	Price / SF	Cap Rate	Vacancy
Villages of Amelia 463911-463935 State Road 200	44,686	\$10,280,000	\$230	6.8%	0%
Main Street Place 12961 North Main Street, Bldg 2	33,884	\$6,452,127	\$190	—	0.9%
Nocatee Town Center East 150 Pine Lake Drive	15,062	\$5,177,272	\$344	—	0%

NOTABLE LEASE TRANSACTIONS

Property	Tenant	Leased SF	Building Class	Submarket
Gateway Town Center 5258 Norwood Avenue	—	39,530	3 Star Retail	Downtown Northbank
Harbour Village Shopping Center 13475 Atlantic Boulevard	Crunch	32,670	4 Star Retail	Arlington
Mandarin Emporium 10503 San Jose Boulevard	Far West Events Inc	23,500	2 Star Retail	Mandarin
Regency Court 9218-9398 Arlington Expressway	MV Barbel	16,936	4 Star Retail	Southside
Millenium Center 11744 Beach Boulevard	D1 Sports Training	8,800	3 Star Retail	Southside

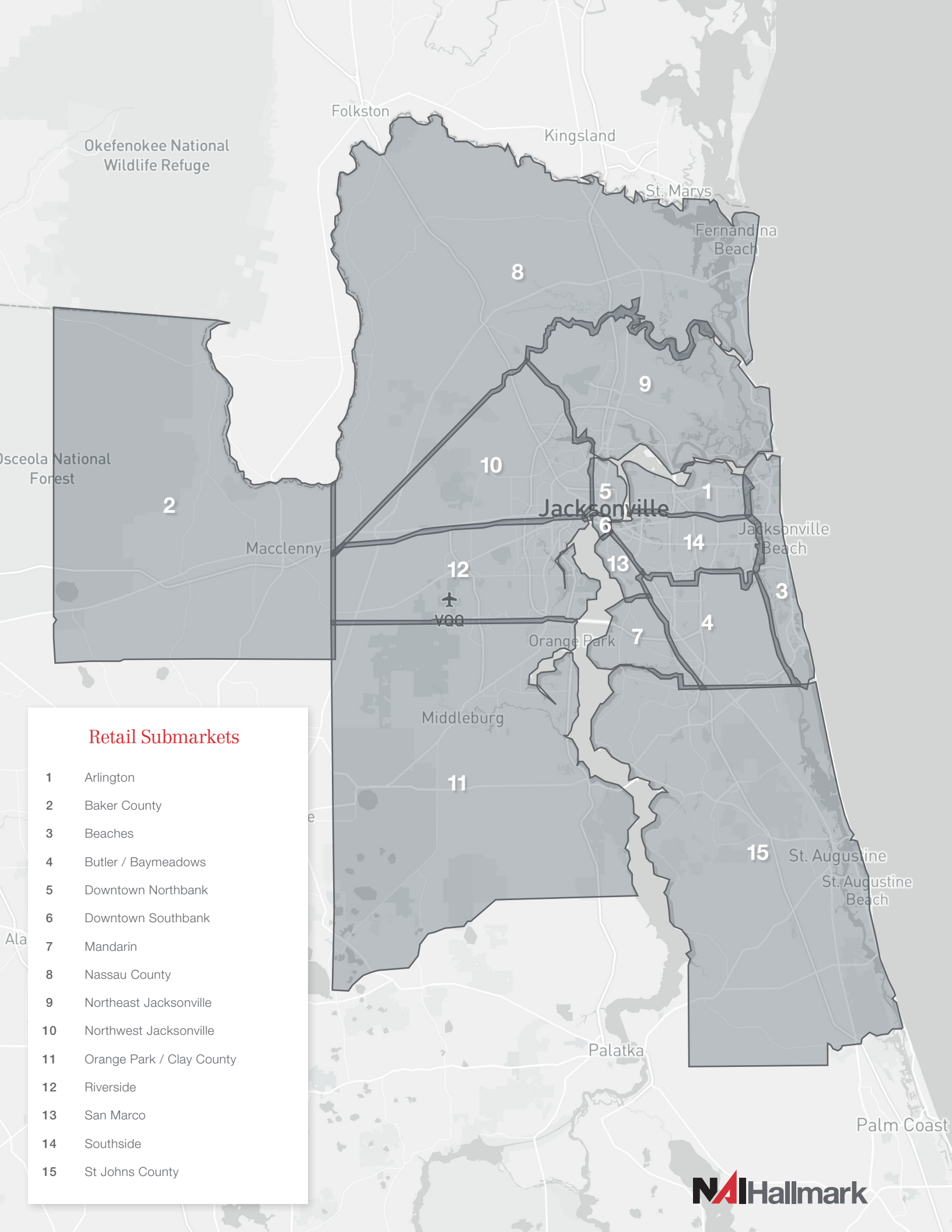
Q2 2021 JACKSONVILLE

Retail Market Report

	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
Arlington	5.2%	\$14.87	\$160	—	7,739,689	7.3%
Baker County	1.5%	\$13.89	\$169	—	1,452,567	7.5%
Beaches	3.2%	\$24.23	\$236	27,315	5,256,288	6.9%
Butler/Baymeadows	3.5%	\$26.93	\$192	31,000	5,612,796	7.1%
Downtown Northbank	9.2%	\$12.41	\$135	6,934	3,684,190	7.6%
Downtown Southbank	6.6%	\$20.95	\$220	51,500	655,097	7.0%
Mandarin	5.3%	\$22.08	\$189	—	4,763,542	7.1%
Nassau County	2.7%	\$17.28	\$152	107,362	6,109,509	7.7%
Northeast Jacksonville	4.6%	\$19.45	\$182	43,953	3,790,461	7.4%
Northwest Jacksonville	7.0%	\$12.17	\$135	5,636	4,574,593	7.9%
Orange Park/Clay County	5.1%	\$18.57	\$178	32,580	10,907,588	7.2%
Riverside	2.6%	\$17.50	\$161	66,600	13,755,267	7.4%
San Marco	6.1%	\$16.33	\$174	3,500	2,925,990	7.3%
Southside	4.2%	\$19.96	\$196	152,231	14,899,794	7.1%
St Johns County	3.8%	\$21.04	\$226	547,981	11,763,935	7.0%
Jacksonville MSA	4.3%	\$18.91	\$183	1.1M	97.9M	7.3%
National Index	5.0%	\$21.98	\$216	46.4M	11.7B	7.1%

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.



Okefenokee National Wildlife Refuge

Folkston

Kingsland

St. Marys

Fernandina Beach

8

9

Osceola National Forest

2

10

Jacksonville

1

Macclenny

Jacksonville Beach

12



VQQ

6

13

14

3

Orange Park

7

4

Middleburg

11

15

St. Augustine

St. Augustine Beach

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

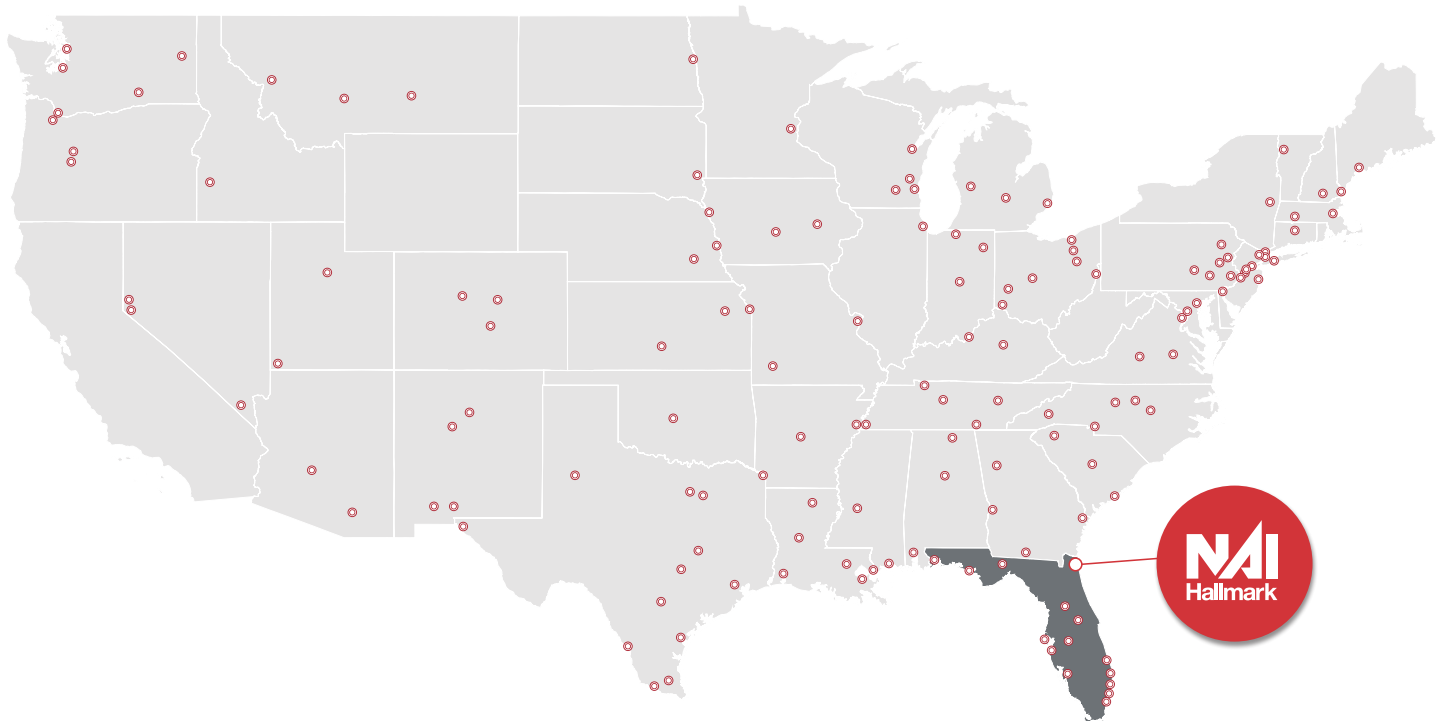
Palatka

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 Retail

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

