

A photograph of a restaurant interior, showing a long wooden table with several glassware and plates set on it. The background is dark with some light coming through windows. A white geometric shape is overlaid on the right side of the image.

Q3 2021 MARKET REPORT

# Jacksonville Retail

# Q3 2021 JACKSONVILLE Retail Market Report

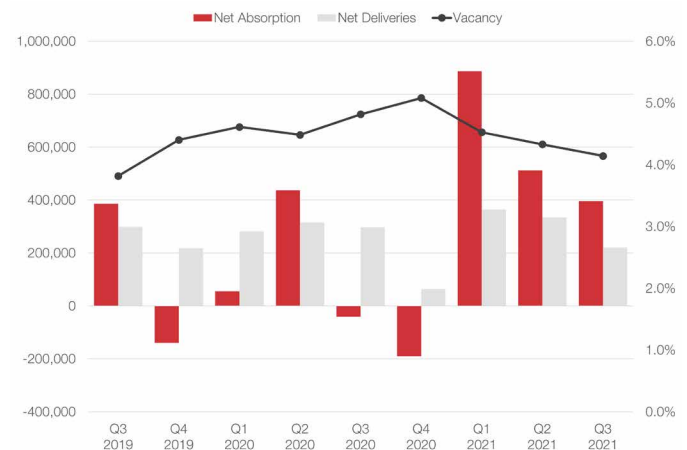
## MARKET INDICATORS

	Current Q3 2021	Prior Q2 2021	Year Ago Q3 2020
Vacancy	4.1%	4.3% ↓	4.8% ↓
Net Absorption (SF)	396,164	512,048 ↓	(40,740) ↑
Construction (SF)	951,527	1,181,204 ↓	1,086,299 ↓
Deliveries (SF)	221,254	334,872 ↓	297,429 ↓
Average Asking Rent (PSF)	\$19.81	\$19.38 ↑	\$18.52 ↑
Average Cap Rate	7.1%	7.3% ↓	7.3% ↓

## RETAIL OVERVIEW

Jacksonville's strong economic rebound and general pandemic resiliency have allowed the market to avoid some of the negative retail impacts seen in other markets over the past year. Continued population and job growth, along with a business-friendly environment have led to retailers, fast food concepts, and QSR's looking for expansion opportunities across Northeast Florida.

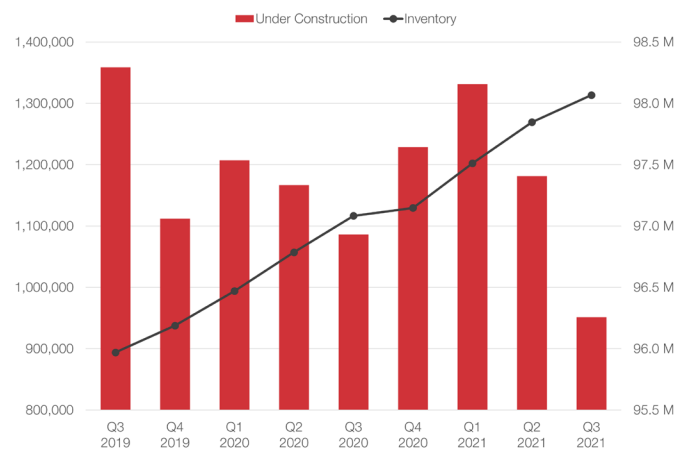
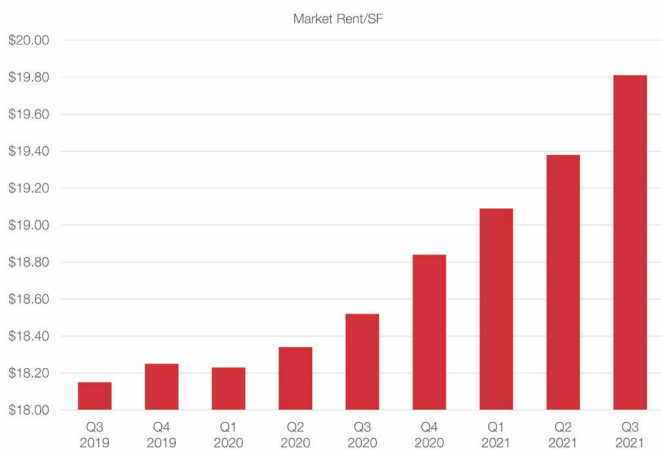
Jacksonville is one of the strongest rent growth markets in Florida, enjoying a growth rate more than three times the national average. Our market also boasts a low vacancy rate of 4.1%. St. John's County continues to lead the way both in rent growth and population growth, as well as median income levels. These strong economic trends should continue to attract development across the region.



With rising demand, landlords should be able to push for higher rates and secure tenants with less concessions such as free rent, and Tenant Improvement Allowance.

Retail investment activity is picking up with each of the past three quarters posting accelerating sales volume. Single-tenant net-leased assets by strong credit-worthy tenants such as Walgreens, and discount retailer concepts have driven much of the sales volume in Jacksonville.

Market cap rates have held relatively flat over the past two years and remain near a 15-year low. Jacksonville offers a slightly higher yield for retail investors than the national index.



*“Retail in Jacksonville continued its post pandemic bounce back in Q3. Retail demand remains high as established regional and national brands continue to chase strong population growth and increasing median income in our metro. More retailers and restaurants who have already established a presence in Orlando, Tampa, and South Florida will look to plant their flag here in Northeast Florida.”...*



**Eric Yi**  
Senior Associate, Retail  
eyak@naihallmark.com



NAI HALLMARK

## Featured Retail Transaction

### Former Quality Foods Grocery Big Box

27 7th Street East  
Jacksonville, Florida 32206

The former Quality Foods Grocery Big Box is located at the corner of Hubbard Street and East 8th Street in the main commercial block of the flourishing Springfield Historic District. The Property consists of a 65,879 square foot big box situated on 2.77 acres and an additional 0.30-acre parcel.

Senior Associate Eric Yi and Vice President Austin Kay brokered the transaction on behalf of the seller, TSG Realty. The buyer was Urban Capital Realty, LLC and purchased the property for \$2,375,000.

“This property presents itself as a great redevelopment opportunity as it sits in the heart of historic Springfield, adjacent to the main drag of shops, restaurants, breweries, etc. on Main St. As the market continues to grow, opportunities for big blocks of space like this are becoming limited. I expect investors and developers to continue seeking out properties for creative projects that fit the fabric of the neighborhood,” said Senior Associate Eric Yi of NAI Hallmark.

#### 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

## Q3 2021 JACKSONVILLE

# Retail Market Report

### NOTABLE SALE TRANSACTIONS

Property	Building Size SF	Sale Price	Price / SF	Cap Rate	Vacancy
<b>Riverside Market Square</b> 2033 Riverside Avenue	27,888	\$11,510,377	\$413	—	0%
<b>Branan Field Walk*</b> 1803 & 1805 Blanding Boulevard	14,551	\$6,613,000	\$454	—	0%
<b>South Ortega Marketplace</b> 6331 Roosevelt Boulevard	29,921	\$5,855,096	\$196	—	0%
<b>Ida Claire</b> 10209 River Coast Drive	6,735	\$5,250,000	\$780	—	0%
27 7th Street East**	65,879	\$2,375,000	\$37	—	100%
<b>Premier Plaza**</b> 3118 Edgewood Avenue West	61,085	\$2,150,000	\$29	—	

NAI Hallmark related transactions.

\*Please email db@naihallmark.com

\*\*Please email ey@naihallmark.com

### NOTABLE LEASE TRANSACTIONS

Property	Tenant	Leased SF	Building Class	Submarket
<b>Antlers I &amp; II</b> 8411 Southside Boulevard	Beauty Depot	9,750	4 Star Retail Neighborhood Center	Butler/Baymeadows
<b>Town Center Village</b> 11240-11312 Beach Boulevard	New Spring Home & Patio	9,380	3 Star Retail Community Center	Southside
<b>Millennium Center*</b> 11744 Beach Boulevard	European Leather Gallery	8,800	3 Star Retail Strip Center	Southside
<b>Cove Plaza</b> 1401-1435 South Orange Avenue	Golf Car Services, Inc.	8,514	3 Star Retail Storefront Retail/Office	Orange Park/ Clay County
1509 Hendricks Avenue	V Pizza	8,270	2 Star Lodge/ Meeting Hall	Downtown Southbank
<b>Cedar Hills Shopping Center</b> 3520-3566 Blanding Boulevard	ChenMed	7,658	3 Star Retail Freestanding	Riverside

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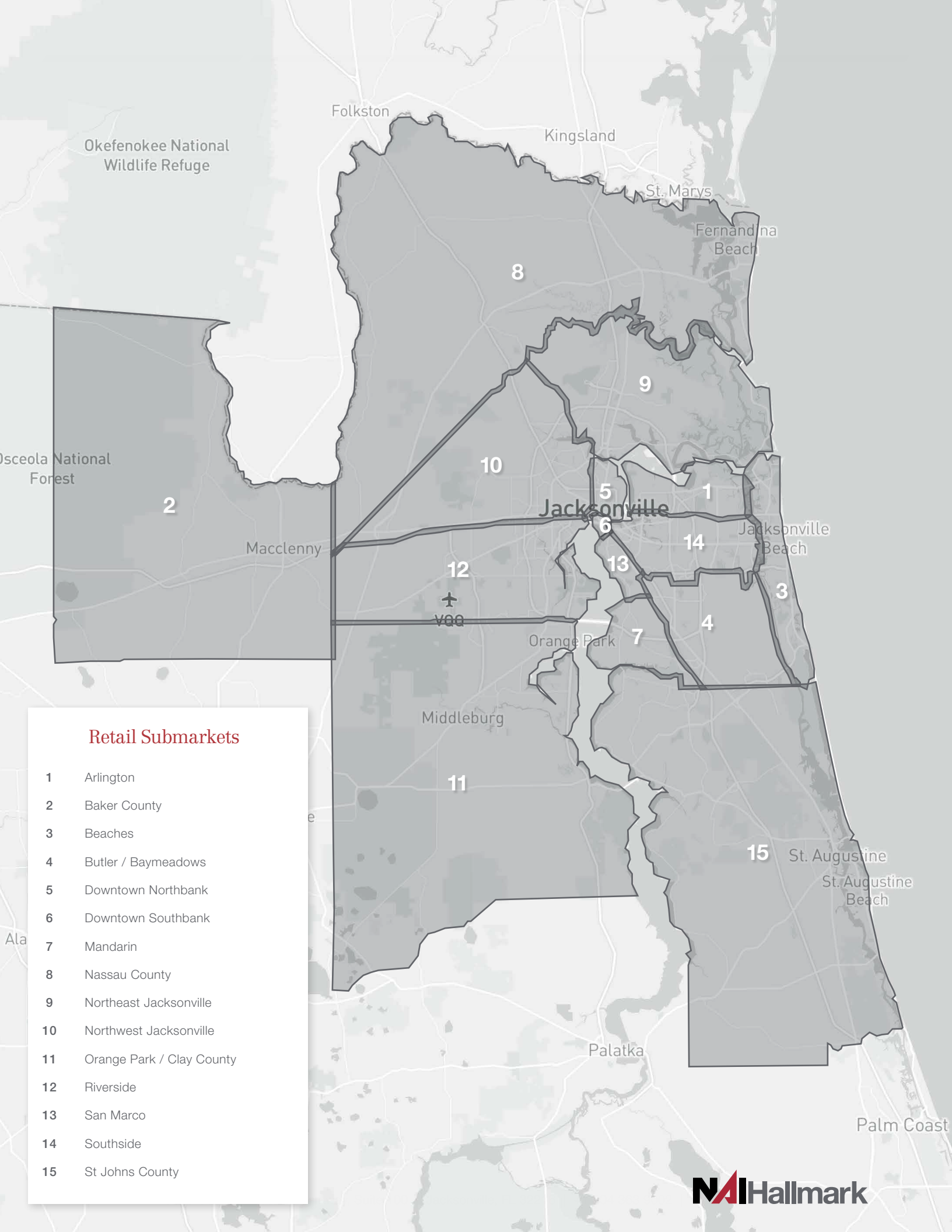
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	VACANCY RATE	MARKET RENT / SF	MARKET SALE PRICE / SF	UNDER CONSTRUCTION	INVENTORY SF	MARKET CAP RATE
Arlington	5.3%	\$15.48	\$167	—	7,573,975	7.1%
Baker County	1.4%	\$14.49	\$175	—	1,426,632	7.4%
Beaches	3.2%	\$25.45	\$244	44,742	5,283,107	6.8%
Butler/Baymeadows	3.5%	\$27.88	\$197	37,119	5,623,981	7.0%
Downtown Northbank	9.2%	\$13.13	\$144	—	3,725,855	7.5%
Downtown Southbank	7.0%	\$22.29	\$239	58,946	664,079	6.9%
Mandarin	3.3%	\$22.92	\$194	—	4,733,238	7.0%
Nassau County	2.9%	\$18.15	\$163	84,860	6,103,056	7.4%
Northeast Jacksonville	5.2%	\$20.01	\$197	165,953	3,781,377	7.1%
Northwest Jacksonville	5.6%	\$12.84	\$141	5,636	4,575,774	7.7%
Orange Park/Clay County	5.8%	\$19.63	\$185	39,880	10,948,437	7.1%
Riverside	2.9%	\$18.41	\$168	40,560	13,847,933	7.3%
San Marco	3.7%	\$17.16	\$178	5,000	2,926,140	7.3%
Southside	3.2%	\$20.88	\$206	152,231	14,876,770	7.0%
St Johns County	3.6%	\$21.99	\$238	316,600	11,961,044	6.9%
<b>Jacksonville MSA</b>	<b>4.1%</b>	<b>\$19.81</b>	<b>\$201</b>	<b>951,527</b>	<b>97,965,925</b>	<b>7.1%</b>
<b>National Index</b>	<b>4.7%</b>	<b>\$22.26</b>	<b>\$220</b>	<b>49.4M</b>	<b>11.7B</b>	<b>7.0%</b>

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

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### Retail Submarkets

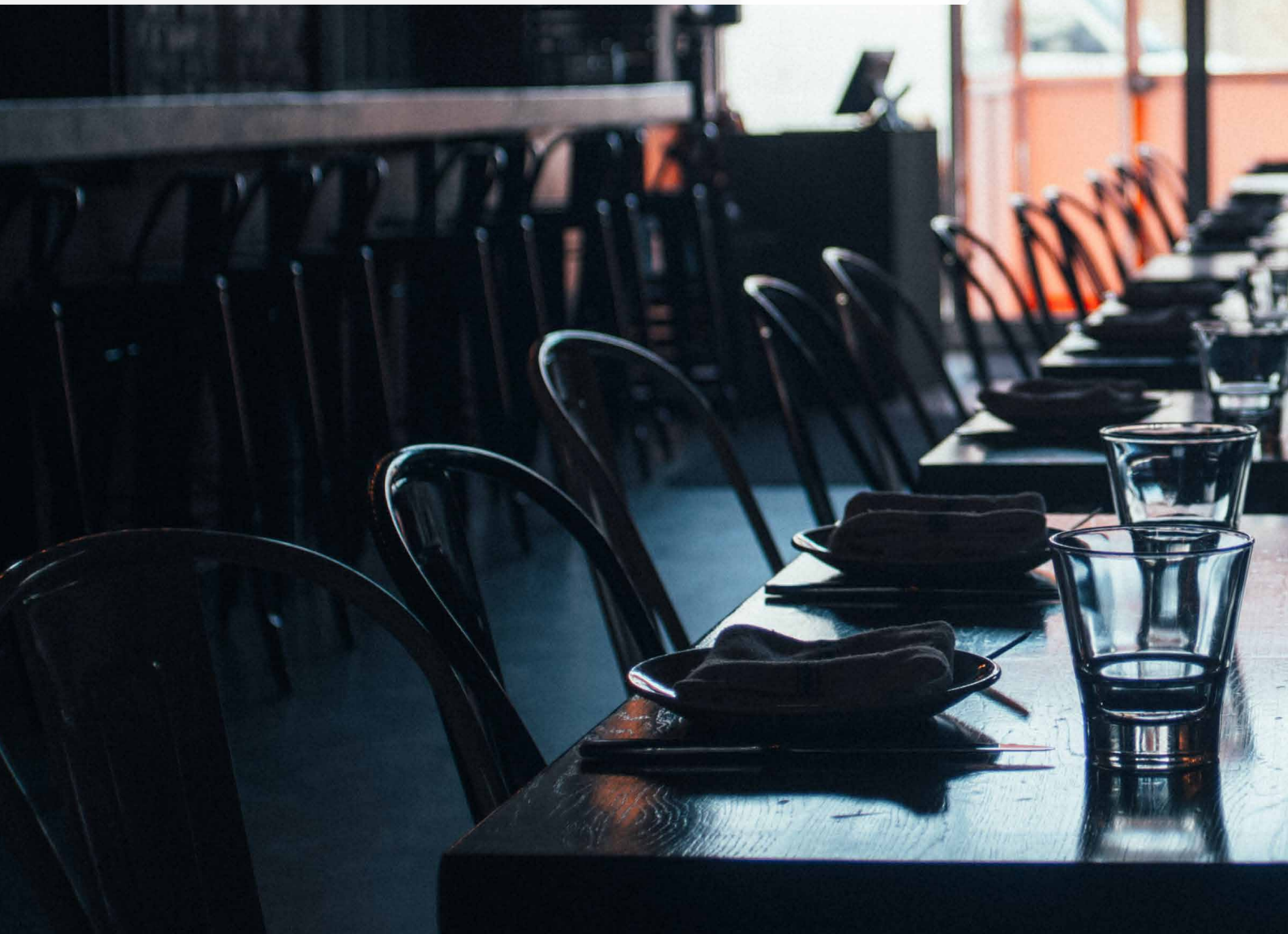
- 1 Arlington
- 2 Baker County
- 3 Beaches
- 4 Butler / Baymeadows
- 5 Downtown Northbank
- 6 Downtown Southbank
- 7 Mandarin
- 8 Nassau County
- 9 Northeast Jacksonville
- 10 Northwest Jacksonville
- 11 Orange Park / Clay County
- 12 Riverside
- 13 San Marco
- 14 Southside
- 15 St Johns County

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## 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

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

+1 904 363 9002  
info@naihallmark.com

