

Gainesville

Market snapshot

Q4 2023

As of November, Gainesville's unemployment rate dropped slightly by 20 basis points to 3.2% from the third quarter. Nonfarm employment growth increased 1.7% year over year, with the professional and business services sector increasing by 3.2%, and the education and health services sector growing by 2.4% during the same period.

-14.4%

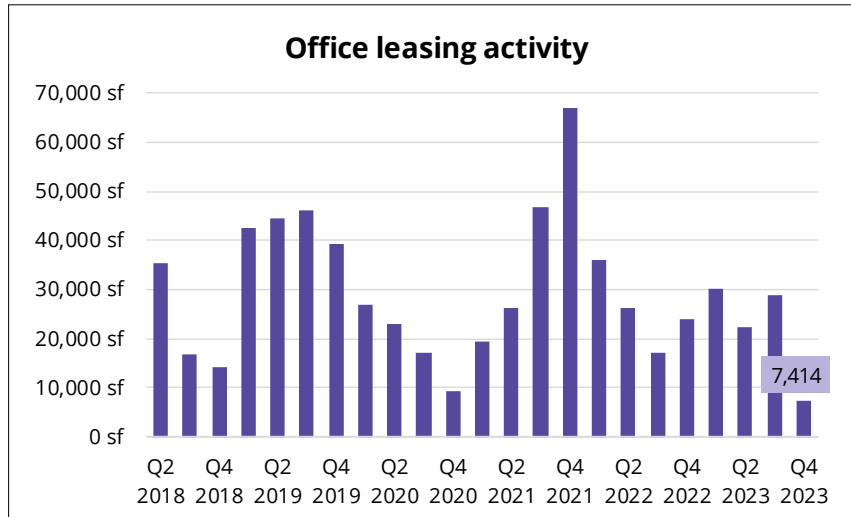
Office leasing activity experienced a slight year-over-year softening, amounting to more than 88,000 square feet in 2023.

96.5%

The retail occupancy rates continued to reach unprecedented levels, with limited available space. In Gainesville, the occupancy rate stood at 96.5% at the end of 2023.

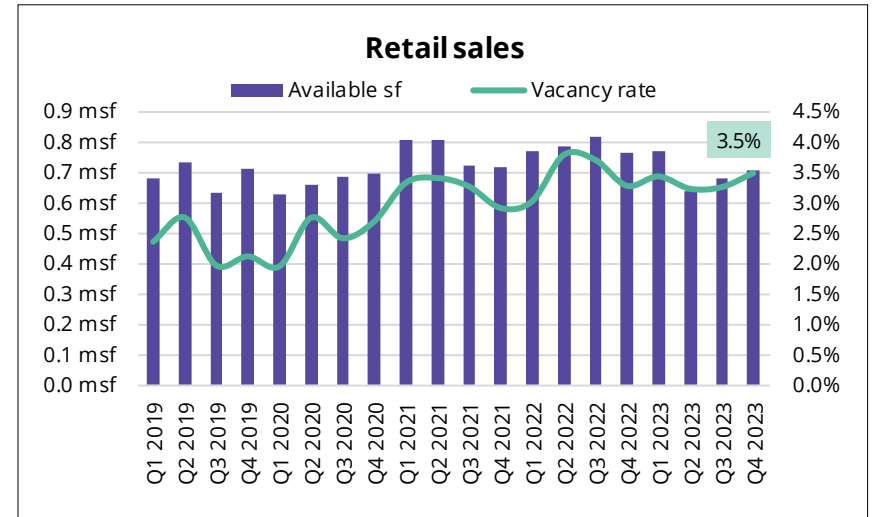
14.4%

Year over year, there was a notable 14.4% surge in industrial asking rates, reaching \$14.43 NNN per square foot.



Office leasing activity in 2023 amounted to over 88,000 square feet, indicating a year-over-year decrease of 14.4%. This decline is likely attributed to prolonged economic challenges hindering companies from making real estate decisions. The Federal Reserve's announcement of three anticipated rate cuts in 2024 is expected to alleviate economic pressures on companies and stimulate office leasing activity in 2024.

Sources: CoStar, U.S. Bureau of Labor Statistics



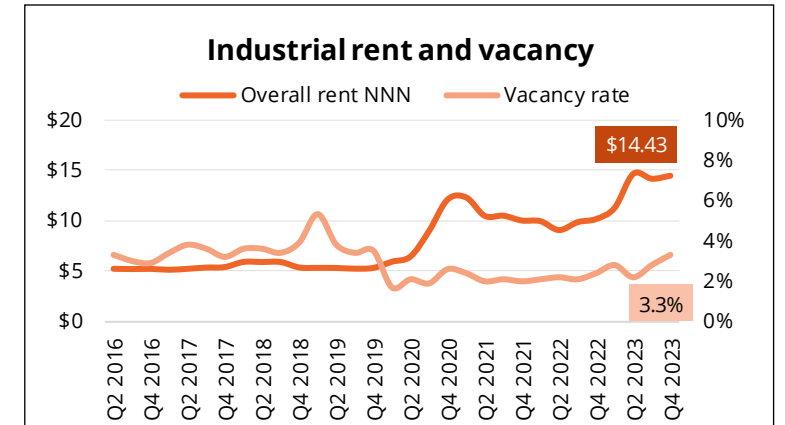
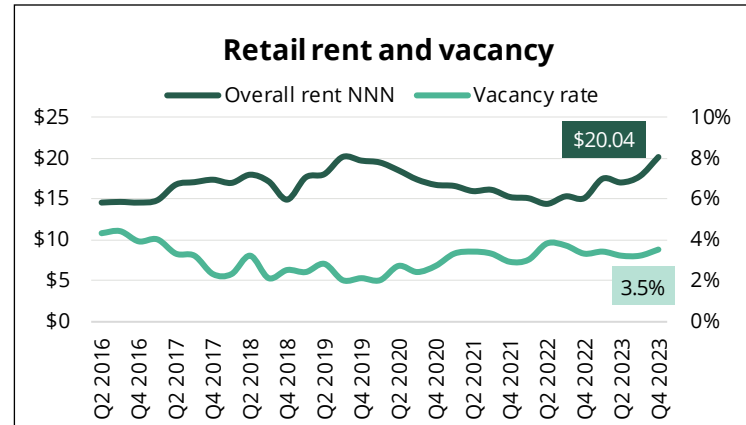
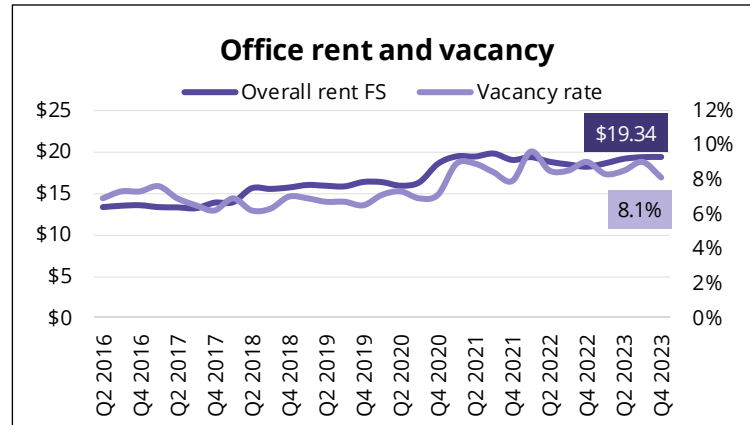
The retail sector in Gainesville continues to thrive, characterized by limited available space, slightly exceeding 700,000 square feet, and a 3.5% vacancy rate. This has led to a notable 33% year-over-year increase in asking rates. Amidst these strong market conditions, investor activity remains vigorous, reflecting retail sales surpassing \$112 million in 2023. These indicators collectively point toward sustained growth and opportunities within the Gainesville retail market.



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Recent office leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
ADT	3205 S.W. 47 th Ave.	6,425	Renewal	Direct
Maxim Healthcare *	201 S.E. 2 nd Ave.	4,543	New	Direct
Confidential	1090 N.W. 8 th Ave.	1,617	New	Direct
Mold Alert	7733 W. Newberry Rd.	1,570	New	Direct

*Avison Young represented the landlord in these transactions

Recent retail leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Mainstreet Beauty Max*	1002-1320 N. Main St.	20,585	New	Direct
Sushi Sake	104 N.W. 17 th St.	4,649	New	Direct
Confidential	Newberry Village	2,600	New	Direct
Haile Kitchen & Bath	5240 N.W. 34 th St.	1,887	New	Direct

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption sf (4Q23)	Net absorption sf (YTD)	Annual asking rent psf
Office	4,570,099	-	-	7.5%	1.1%	8.6%	40,647	39,504	\$19.34 FS
Retail	19,268,889	59,123	-	3.2%	0.3%	3.5%	(43,836)	17,494	\$20.04 NNN
Industrial	13,443,441	71,600	120,000	3.3%	0.0%	3.3%	(62,692)	(59,738)	\$14.43 NNN

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