



Jacksonville industrial market report

Q1 2022

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Industrial market trends

01

Industrial users are increasing their space requirements

During the first quarter of 2022, leasing activity reached 1.9 million square feet (msf) leased—a 26% increase year-over-year. The total number of leases signed during the quarter decreased by 29%, indicating that companies are adjusting to supply chain delays and need additional space for inventory storage. The largest lease of the quarter was Crown Products for 469,830 square feet (sf) at 600 Whittaker Road in Imeson Industrial Park. This facility will be used to distribute beer for Anheuser-Busch by rail and truck.

02

Development remains on fire in the Northside and Westside submarkets

Industrial development remains strong in Jacksonville with over 1.2 msf of warehouse space delivered in the first quarter. Meanwhile, 5.7 msf is under construction in the market, with 4 msf concentrated in the Northside submarket. Industrial developers continue targeting Jacksonville due to its strong population growth, robust labor force and advantageous location at the northeastern tip of Florida with the ability to service both markets to the north, as well as most of Florida's east coast. There is 9.7 msf of industrial space expecting to break ground within the next three years to satisfy the rapidly growing demand for industrial space.

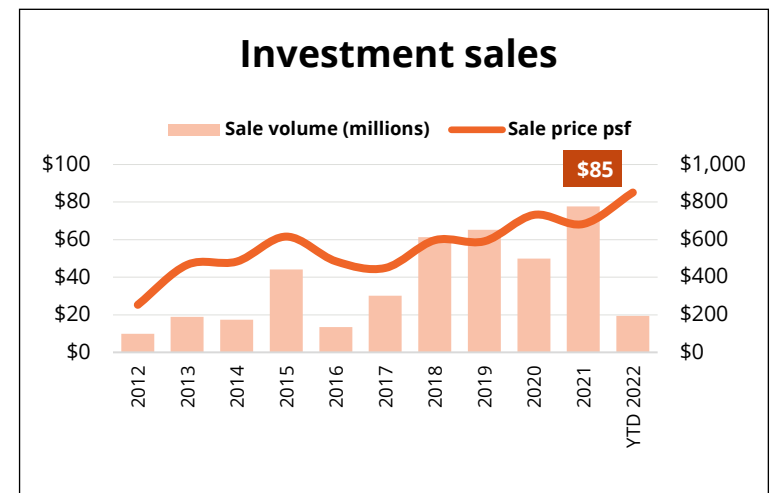
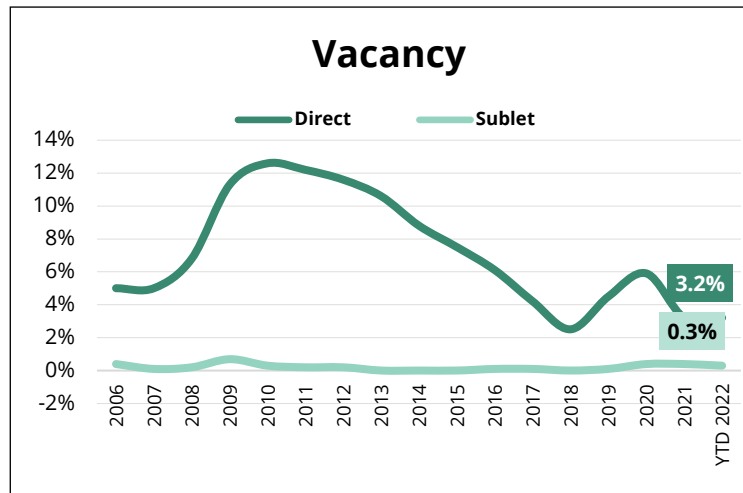
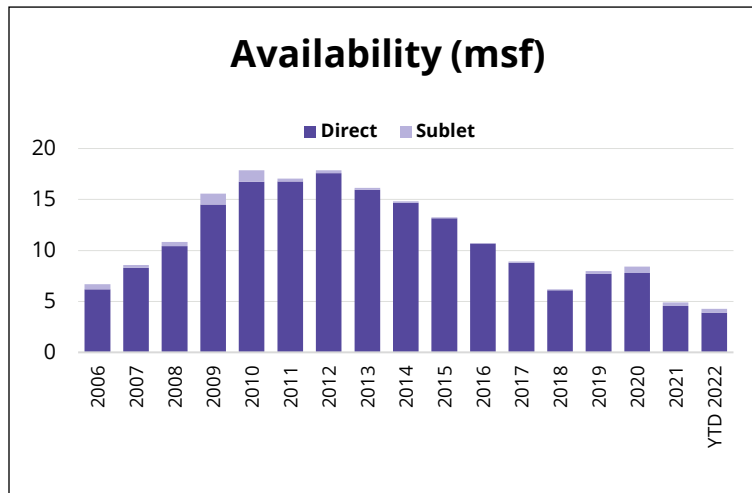
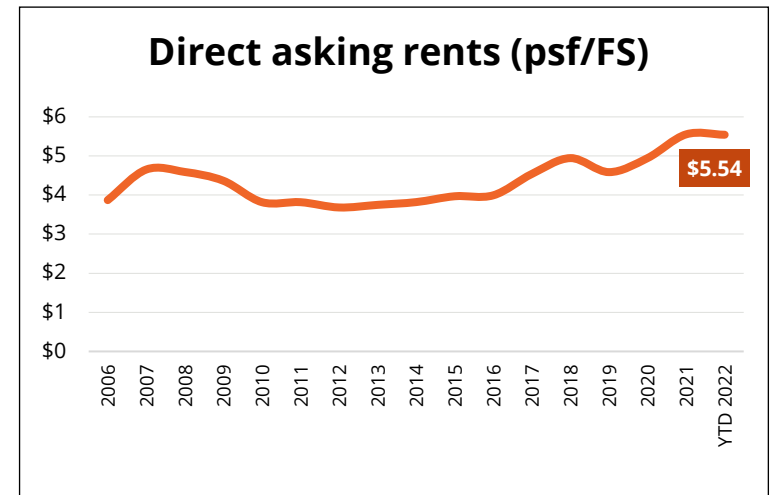
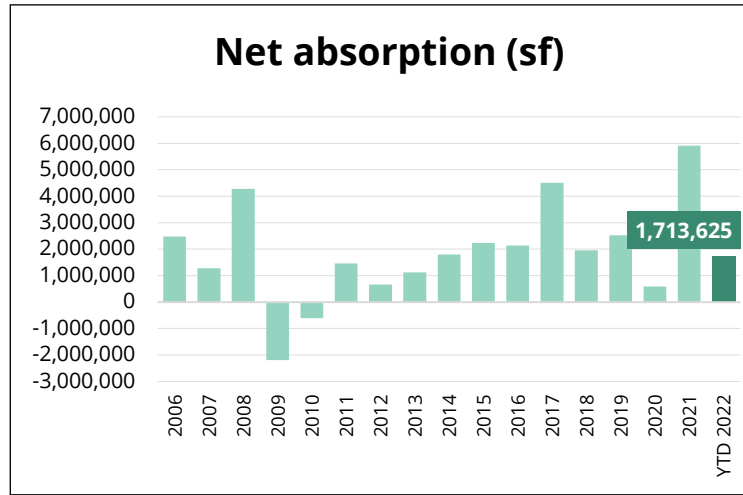
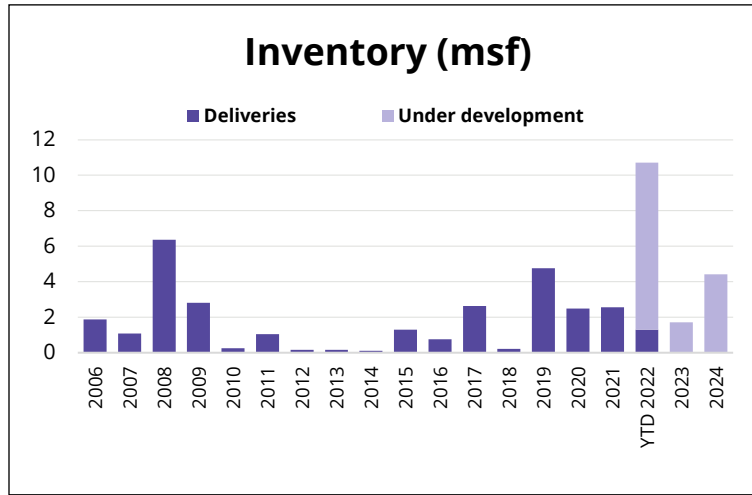
03

Sales volume spikes

Industrial sales volume in the first quarter of 2022 rose by 55% year-over-year to \$194 million. This performance is the strongest first-quarter sales volume since 2018. The top sale of the quarter was 13450 Waterworks Street in Westside, which is occupied by Amazon. The property sold to Stockbridge Real Estate for \$215 psf.



Industrial market indicators



Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
Crown Products	600 Whittaker Road	Feb. 2022	469,830	New	Direct	Northside
Shoreside Logistics	10501 Cold Storage Road	March 2022	236,880	New	Direct	Northside
Henry Schein	4925 Bulls Bay Highway	March 2022	198,408	New	Direct	Westside
Confidential Tenant	13398 International Parkway	March 2022	193,224	New	Direct	Northside
Cenntro Automotive	2240 Lane Avenue North	March 2022	100,000	New	Direct	Westside

Recent sales activity

Buyer	Address	Sale date	Building Size	Sale price	Sale price psf	Seller
Stockbridge Real Estate	13450 Waterworks Street	Feb. 2022	278,300	\$59,934,711	\$215	Hillwood
Farallon Cap Management	86554 Gene Lassere Boulevard & 4925 Bulls Bay Highway *Portfolio Sale	Feb. 2022	661,208	\$50,000,000	\$77	Brenan Investment Group
Principal RE Investors	6610 Pritchard Road	Feb. 2022	235,200	\$35,300,000	\$150	Jeffery Yarckin
Redfearn Capital	7051 Stuart Avenue	March 2022	155,895	\$16,800,000	\$108	Graham Capital
SROA Capital	369 Blanding Boulevard	March 2022	56,310	\$12,150,000	\$216	Felix Granados

Significant Construction Activity

Property	Address	Delivery Date	Building Size	% Preleased	Developer	Submarket
Florida Gateway Logistics – Building 8	9980 Pritchard Road	Jan. 2023	1,000,350	0	CT Realty	Northside
Becknell at Westlake Industrial Park – Building 3	13522 Pritchard Road	Dec. 2022	477,362	0	Brecknell Industrial	Northside
Park 295 Industrial Park - Building D	2845 Ignition Drive	Dec. 2022	435,943	100	NorthPoint Development	Northside
Imeson Park Blvd	Imeson Park Blvd	July 2023	421,600	0	-	Northside

Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
Beaches	168,135	0.0%	0.0%	-	-	-	-	\$16.35	\$16.35	-
Clay County	4,139,953	0.0%	0.0%	0.0%	682,095	682,095	-	\$3.50	\$3.50	-
Downtown Jacksonville	6,747,364	2.1%	2.1%	0.0%	361,082	361,082	351,520	\$6.72	\$6.72	-
Northside	28,323,137	4.5%	4.5%	0.0%	193,370	193,370	4,024,551	\$7.54	\$7.54	-
Southside	17,389,710	2.7%	2.5%	3.2%	-28,802	-28,802	153,236	\$8.27	\$7.23	\$11.36
St. Johns County	2,902,484	0.2%	0.2%	0.0%	-1,000	-1,000	21,600	-	-	-
Westside	51,931,894	3.8%	3.8%	6.9%	506,880	506,880	1,366,756	\$4.26	\$4.26	-
Market Total	111,602,677	3.5%	3.5%	3.2%	1,713,625	1,713,625	5,917,663	\$5.54	\$5.45	\$11.36

Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	107,712,528	3.5%	1,713,625	1,713,625	5,886,045	351,009
Flex	3,890,149	3.2%	0	0	31,618	15,627
Market Total	111,602,677	3.5%	1,713,625	1,713,625	5,917,663	366,636

For more market insights
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