



# Jacksonville office market report

Q1 2022

**AVISON  
YOUNG**

# Office market trends

## 01

### Leasing activity heats up

The Jacksonville market is off to a hot start in 2022 with leasing activity at an all-time high post-pandemic with over 550,000 square feet (sf) leased in the first quarter. This is 40% higher than the first quarter of 2021. Most of the leasing activity was concentrated in the I-95/9A Corridor submarket with two of the top five deals signed during the first quarter of 2022. There was a 125,000-sf class A office lease signed to take the entire building at 100 Palmetto Park Place, which was recently delivered in 2021.

## 02

### Robust economic performance

The unemployment rate in Jacksonville is the lowest it has been in 10 years at 2.8%, which is three-tenths of a percent lower than the state and 1.3% lower than the national average. This is a 140-basis point decrease from February 2021, when unemployment stood at 4.2%. Jacksonville's job growth saw a 5.4% increase year-over-year, adding back 38,900 jobs as of February 2022. Most of the job growth came from the construction industry, which was up 9.2% year-over-year. However, 1.1% of the job growth came from January to February 2022, which is the fastest month-over-month job growth the city has seen in a while.

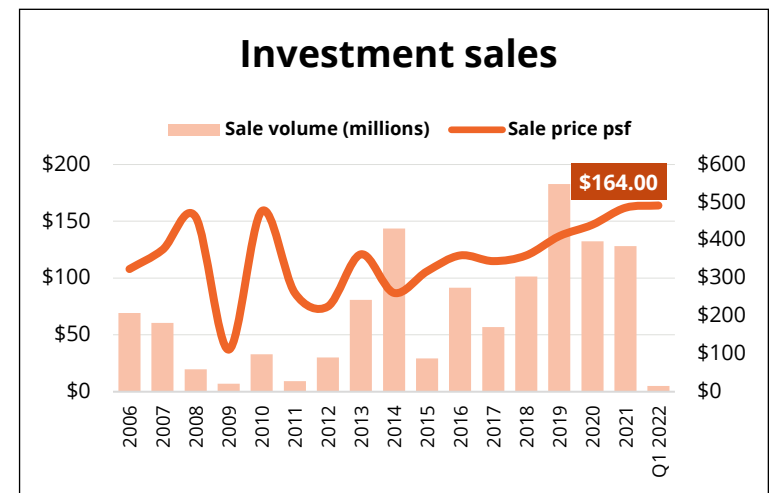
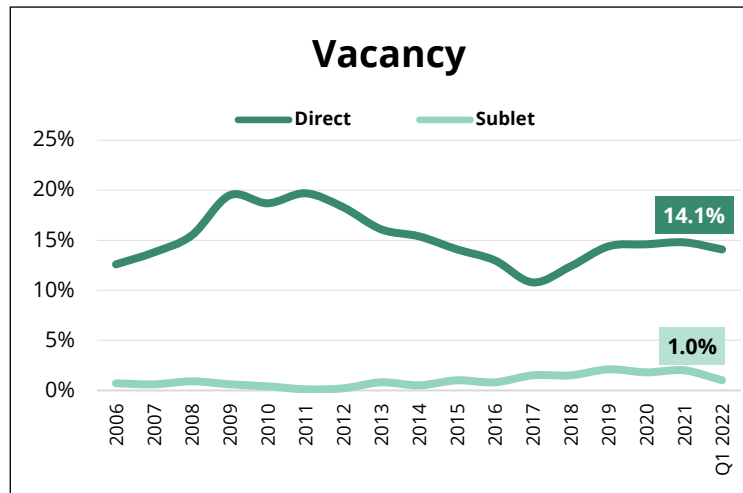
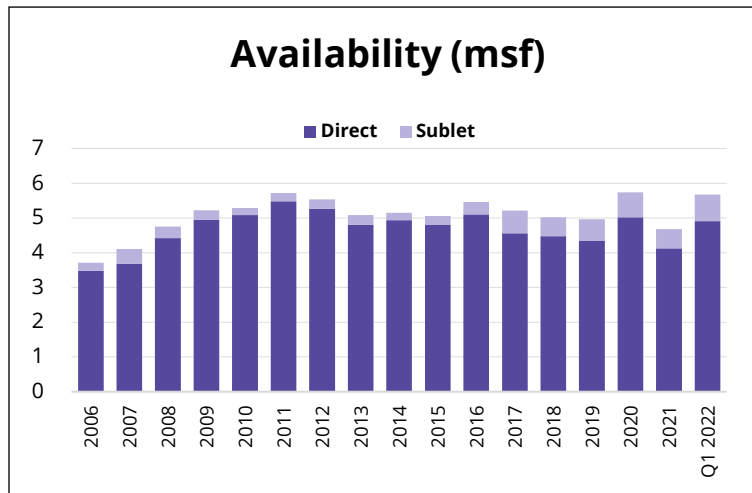
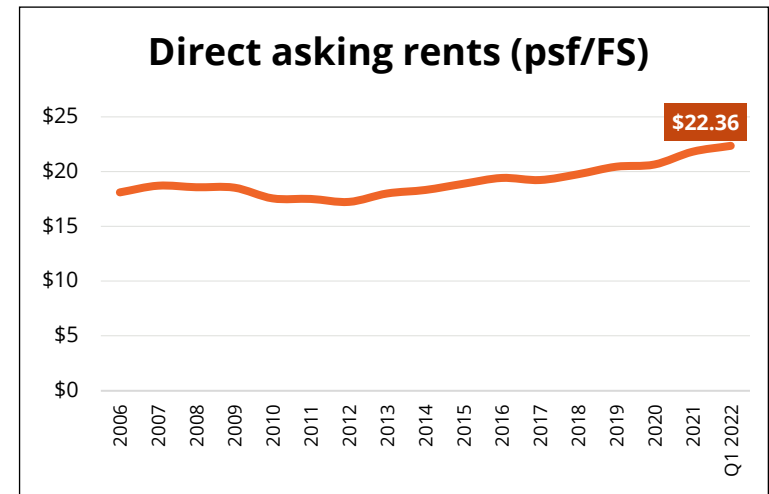
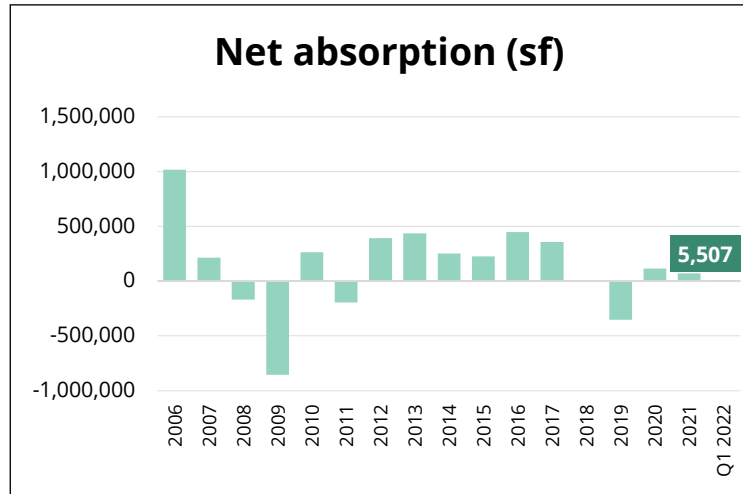
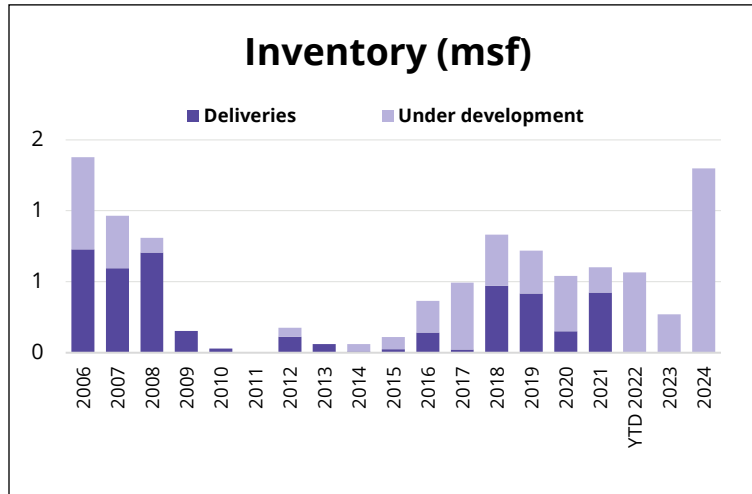
## 03

### Sublease availability shrinking

Jacksonville's sublease availability decreased by 28% year-over-year, reducing by 264,000 sf. This is attributed to the continued job growth as companies consider choosing Jacksonville for company expansions and regional headquarters relocations. The city offers an attractive cost of living, a talented labor force, and constant growth in population.



# Office market indicators



# Office market activity

## Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
Treace Medical Concepts	100 Palmetto Park Place	Feb. 2022	125,000	New	Direct	Nocatee
Energy Authority	1301 Riverplace Boulevard	March 2022	28,367	New	Direct	Southbank
Northwestern Mutual	4345 Southpoint Boulevard	Jan. 2022	26,090	New	Direct	I-95/9A Corridor
Birdsong	9000 Southside Boulevard	March 2022	26,007	New	Direct	I-95/9A Corridor
Complete Health	841 Prudential Drive	March 2022	16,283	New	Sublease	Southbank

## Large contiguous space availabilities

Previous Tenant	Address	Date available	Block size	Floors	Asking rent	Landlord Broker
Citicorp	8787 Baypine Road	June 2019	185,776	1-4	\$20.75 FS	Foundry Commercial
Multiple Tenants	225 Water Street	Nov. 2011	153,355	2-11	\$24.00 FS	JLL
CSX	550 Water Street	Nov. 2021	128,000	3-10	\$19.75 FS	NAI Hallmark
Blue Cross Blue Shield	532 Riverside Avenue	Sept. 2020	126,833	9-15	\$22.50 FS	JLL
Voya Financial	8900 Prominence Parkway	Sept. 2019	84,700	3-4	\$21.50 FS	JLL

## Significant Construction Activity

Property	Address	Delivery Date	Building Size	% Preleased	Developer	Submarket
JEA HQ	325 West Adams Street	Sept. 2022	153,000	100%	Ryan Companies	Northbank
310 3 <sup>rd</sup> Street	310 3 <sup>rd</sup> Street	Sept. 2022	25,764	100%	-	Beaches

# Office market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			Class A	Class B	1Q22	YTD	Construction	Total	Class A	Class B
Northbank	4,694,186	22.4%	25.4%	8.5%	20,999	20,999	153,000	\$21.99	\$22.41	\$20.22
Southbank	2,136,858	28.4%	21.2%	8.0%	-9,400	-9,400	-	\$23.52	\$23.66	\$19.00
<b>Urban Subtotal</b>	<b>6,831,044</b>	<b>25.4%</b>	<b>23.9%</b>	<b>8.4%</b>	<b>11,599</b>	<b>11,599</b>	<b>153,000</b>	<b>\$22.37</b>	<b>\$22.76</b>	<b>\$20.16</b>

By Submarket	Inventory (sf)	Total %	Class A	Class B	1Q22	YTD	Construction	Total	Class A	Class B
Arlington	883,337	21.2%	15.9%	22.5%	3,694	3,694	-	\$17.80	-	\$17.80
Beaches	716,691	6.0%	6.0%	5.8%	-3,016	-3,016	25,764	\$30.40	\$30.60	\$29.40
I-95/9A Corridor	13,526,276	18.2%	15.3%	20.6%	32,945	32,945	-	\$21.93	\$23.29	\$20.50
Mandarin	521,252	9.1%	-	9.1%	-16,551	-16,551	-	\$18.96	-	\$18.96
Nocatee	351,152	69.7%	69.7%	-	-11,545	-11,545	-	\$30.00	\$30.00	-
Northside	114,608	8.7%	-	8.7%	-2,833	-2,833	-	\$17.74	-	\$17.74
Southside	1,662,499	4.8%	-	4.8%	-5,078	-5,078	-	\$17.17	\$15.26	\$17.22
St. John's County	335,190	5.3%	11.8%	3.6%	-8,084	-8,084	-	\$22.24	-	\$22.24
Westside	936,445	10.9%	36.3%	5.7%	-3,615	-3,615	-	\$23.93	\$22.98	\$24.02
Clay County	622,055	22.5%	100.0%	11.0%	7,991	7,991	-	\$23.20	\$23.25	\$23.14
<b>Suburban Subtotal</b>	<b>19,669,505</b>	<b>16.9%</b>	<b>18.6%</b>	<b>15.9%</b>	<b>-6,092</b>	<b>-6,092</b>	<b>25,764</b>	<b>\$22.37</b>	<b>\$23.87</b>	<b>\$21.19</b>
<b>Market Total</b>	<b>26,500,549</b>	<b>17.7%</b>	<b>25.4%</b>	<b>15.0%</b>	<b>5,507</b>	<b>5,507</b>	<b>178,764</b>	<b>\$22.38</b>	<b>\$12.34</b>	<b>\$21.08</b>

# Office market stats by class

By Class	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	Construction	Available Sublease
Class A	12,715,310	25.4%	2,347	2,347	178,764	379,436
Class B	13,785,239	15.0%	3,160	3,160	-	388,579
<b>Market Total</b>	<b>26,500,549</b>	<b>17.7%</b>	<b>5,507</b>	<b>5,507</b>	<b>178,764</b>	<b>768,015</b>

For more market insights  
and information visit  
**avisonyoung.com**

**Mark Montgomery, CCIM**

Senior Vice President

+ 1 904 512 0545

[mark.montgomery@avisonyoung.com](mailto:mark.montgomery@avisonyoung.com)

**Evie Linger**

Florida Regional Lead, Innovation & Insight

+ 1 954 903 3714

[evie.linger@avisonyoung.com](mailto:evie.linger@avisonyoung.com)

**Jason Steele**

Senior Insight Analyst

+ 1 813 314 7808

[jason.steele@avisonyoung.com](mailto:jason.steele@avisonyoung.com)