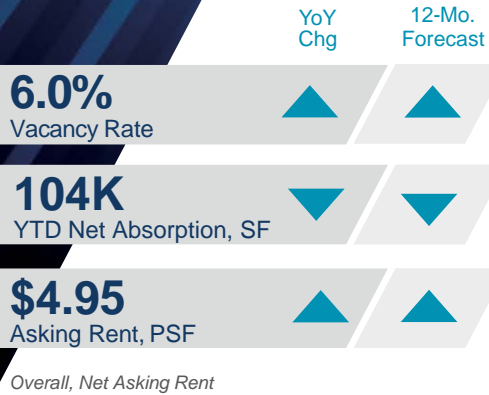
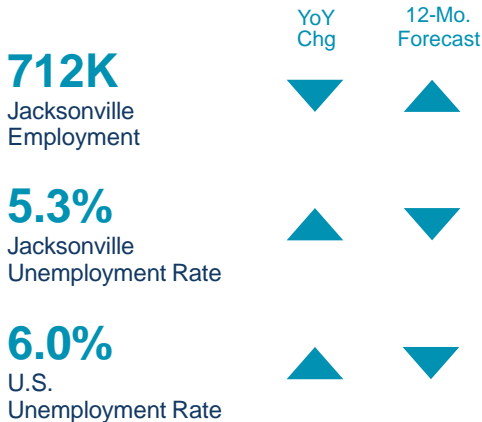


Industrial Q1 2021



ECONOMIC INDICATORS Q1 2021



Source: BLS, numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Jacksonville, part of the Northeast Florida region, had an unemployment rate of 3.8% in February 2021, down 30 basis points (bps) from the previous month's numbers and 60 bps higher than the region's rate from one year ago. Nonagricultural employment was 732,000, a decrease of 22,000 jobs, or 3.0%, over the year. Besides a small increase of 200 jobs in Transportation, Warehousing & Utilities, the only other major employment sectors to gain jobs in the last 12 months was Financial Activities, up 1,800 new positions or 2.7% year-over-year (YOY). Leisure & Hospitality was down by approximately 10,800 jobs in the last year.

SUPPLY

Overall vacancy ended the first quarter at 6.0%, an increase of 370 bps YOY on available space from new deliveries. The largest building to deliver over the last 12 months was the Wayfair Distribution Center at 1.0 msf. Vacant space in warehouse/distribution in the Northside submarket comprised over half of all vacant space in the market, totaling over 2.5 million square feet (msf). However, vacancy in the Northside steadily decreased over the last year, falling by 320 bps YOY to 10.9%. In the first quarter, 190,000 square feet (sf) was completed in the Northside submarket and an additional 2.8 msf was under construction, over 65% in the Northside submarket. Several large projects were proposed with construction start dates sometime before the end of 2021.

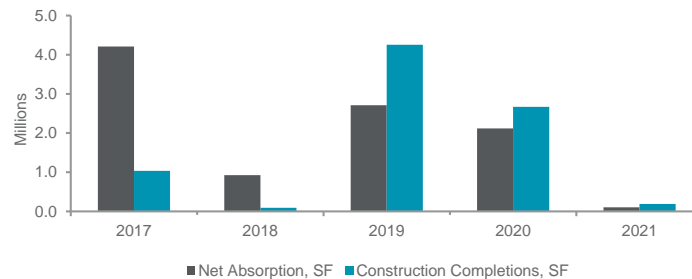
DEMAND

New leasing activity totaled 1.0 msf in the first quarter with over half deriving from the Westside submarket. As the traditional distribution hub for the region, leasing in the Westside was dominated by warehouse/distribution product. Furthermore, tenants such as Amazon and Sarnova moved into warehouse/ distribution space, accounting for about half of positive absorption levels in the first quarter at 52,700 sf. E-commerce and retail suppliers signed for the most space in the first three months of the year, with several recent deals as well as build-to-suit projects locating closer to where consumers live.

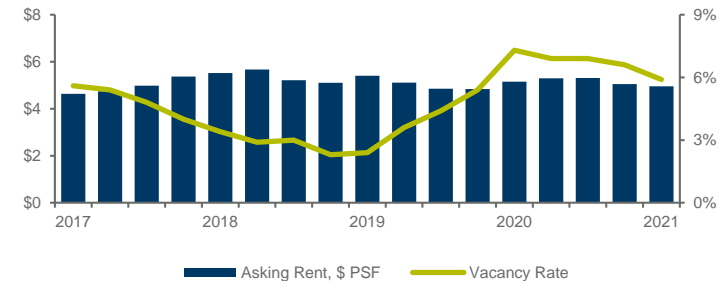
MARKET PRICING

Overall asking rents for industrial space decreased marginally YOY by \$0.20 to \$4.95 per square foot (psf) triple net. Manufacturing, a moderate contributor of the industrial market, had the most rental gains for the quarter, up 21.5% to \$4.44 psf in the last 12 months. The St. Johns County submarket had the highest growth in rents at \$9.25 psf, up 68.8% since the first quarter of 2020 on new space from deliveries priced at the top of the market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (WD)
Downtown	4,713,319	49,702	1.1%	0	0	0	0	\$4.38	N/A	N/A
Northside	26,962,793	2,590,724	10.8%	404,883	404,883	0	0	N/A	\$6.00	\$4.71
Westside	47,341,006	1,974,865	4.2%	-257,862	-257,862	997,509	0	\$3.75	N/A	\$4.10
Southside	18,773,553	1,015,170	5.4%	9,184	9,184	0	0	\$5.90	\$9.90	\$6.30
Orange Park Clay	2,122,672	183,254	8.3%	-17,958	-17,958	0	0	N/A	\$10.00	\$3.73
Beaches	523,634	46,000	8.8%	0	0	0	0	N/A	N/A	N/A
St Johns County	1,269,577	4,960	0.4%	-3,070	-3,070	0	0	N/A	N/A	\$9.25
JACKSONVILLE TOTALS	98,706,554	5,858,082	5.9%	135,177	135,177	2,839,342	190,000	\$4.44	\$9.83	\$4.59

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
13450 Waterworks Street	Westside	Amazon	278,237	New
2619 Ignition Dr	Northside	Sarnova	130,846	New

*Renewals are not including in Leasing Activity

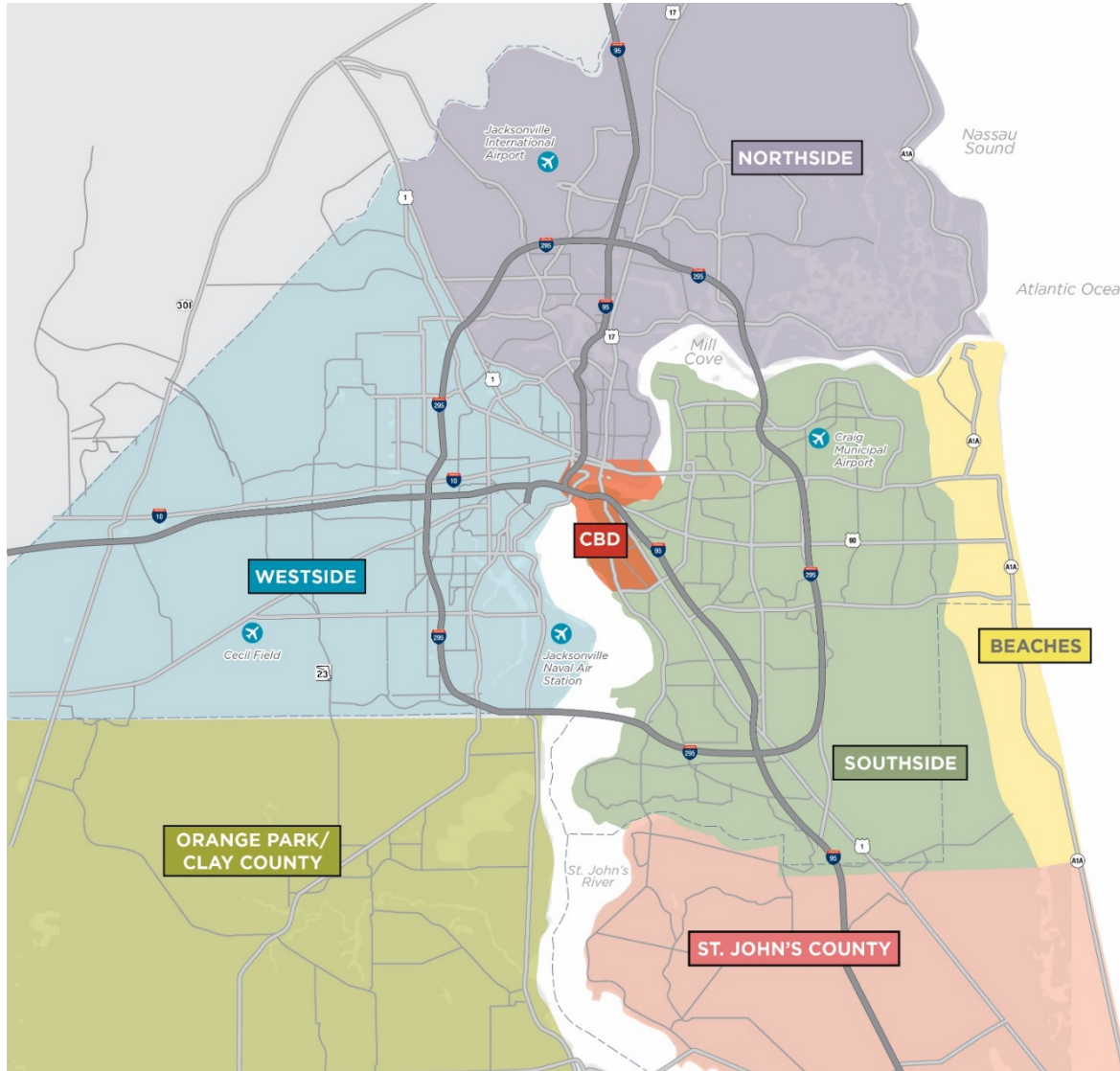
KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4627 JP Hall Boulevard	Orange Park/Clay County	Real Capital Solutions, Inc. Parkway Property	793,583	\$40.6M \$51
10501 Cold Storage Rd – Building A	Northside	VanTrust Real Estate LLC LBA Realty	552,720	Portfolio Sale
11001 Pritchard Road	Westside	Becknell Industrial Raith Capital Partner	480,000	Portfolio Sale

KEY CONSTRUCTION COMPLETIONS Q1 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3525 Imeson Road #2	Northside	N/A	190,000	Warehouse Rentals N/A

INDUSTRIAL SUBMARKETS



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