

Jacksonville

Office market snapshot | Q3 2024

Jacksonville's unemployment rate was 3.7% at the end of August, up 30 basis points year over year but still below the national average of 4.2%. Over the past year, nonfarm employment grew by 1.7%, driven by a 3.8% increase in the education and health services sector. Meanwhile, the financial activities sector saw a 2.9% decline.

-4.5%

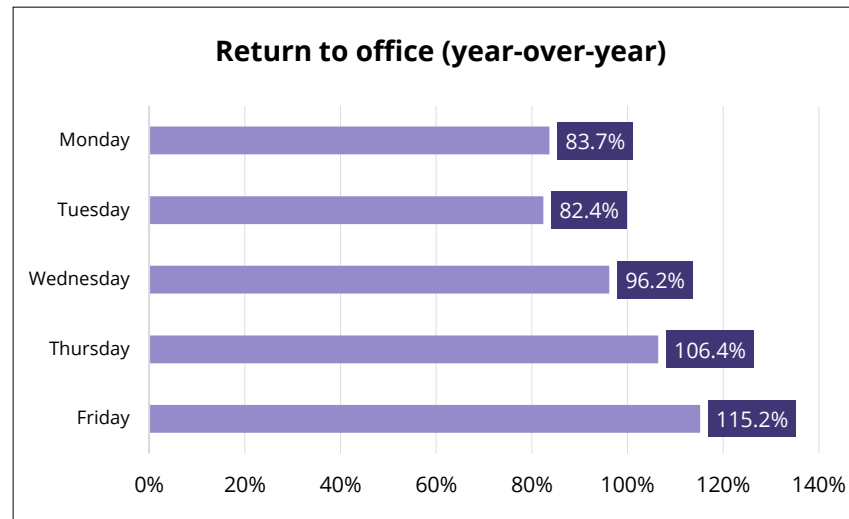
Jacksonville's return-to-office rate is down 4.5% compared to last year's total.

5,096 sf

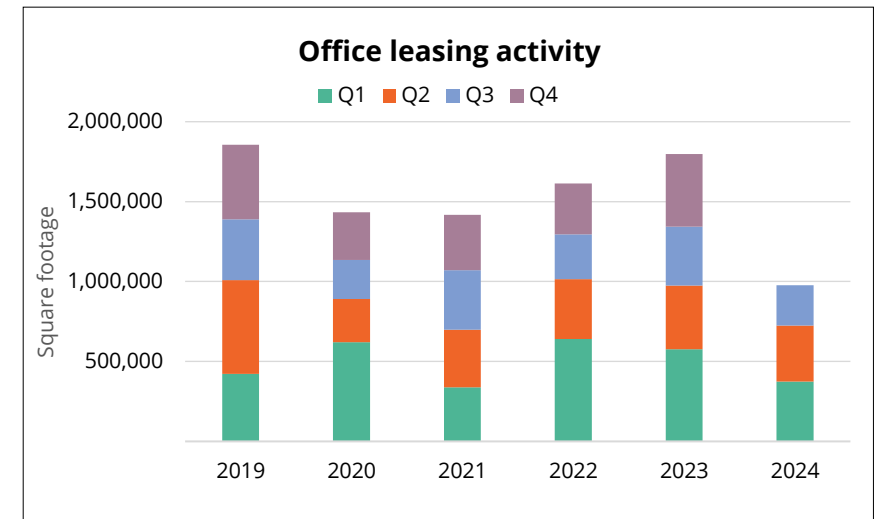
The average office lease size this year has been 5,096 square feet, down 19% from last year's average of 6,264 square feet.

87k sf

Jacksonville saw positive quarterly net absorption for the first time in a year at +87,000 square feet.



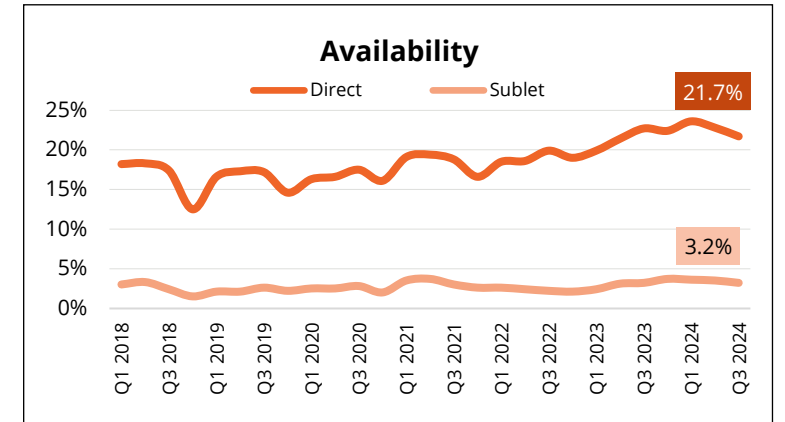
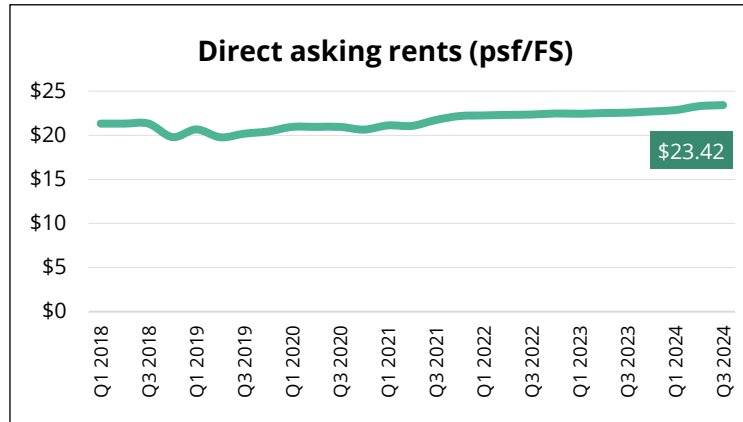
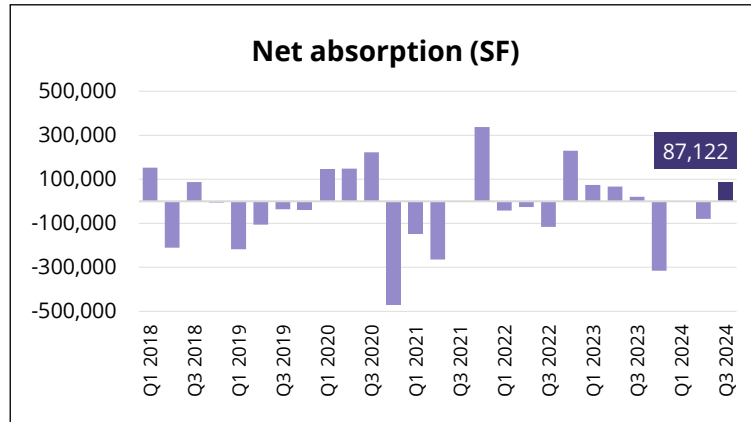
Jacksonville's return-to-office rate currently stands at 45.5% of 2019 levels, significantly below the U.S. average of 60.4%. Over the past year, the city's return-to-office rate has declined by an additional 4.5%. Mondays and Tuesdays experienced the largest drop in office attendance, with year-over-year declines of 10% and 15%, respectively. In contrast, Thursdays and Fridays saw notable increases in office visits, rising by 8.9% and 25.9% year over year.



Jacksonville's office leasing activity reached 950,000 square feet in the first three quarters of this year, a 27% decrease from the same period last year. This decline is partly due to tenants favoring smaller spaces, with the average lease size dropping to 5,096 square feet, down 19% from last year's average of 6,264 square feet.

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Recent Leasing Activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Bank of America	9000 Southside Blvd	52,470	Renewal	Direct
Stillwater Insurance Company	6800 Southpoint Pkwy	33,043	Renewal	Direct
Momentum Transportation	5220 Belfort Rd	24,669	New	Direct
Southville Preschool	10550 Deerwood Park Blvd	13,720	New	Direct

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
I-95/9A Corridor	13,666,814	24,408	-	18.5%	3.9%	22.3%	3.3%	45,651	(83,289)	\$23.31
Northbank	4,894,241	-	-	18.0%	1.2%	19.2%	(0.7%)	29,906	29,925	\$24.11
Southbank	2,172,825	-	-	16.2%	3.3%	19.4%	0.7%	17,052	(31,328)	\$22.95
Southside	1,662,499	-	-	6.8%	0.0%	6.8%	1.1%	31,377	(15,060)	\$19.32
Arlington	1,117,736	-	-	22.5%	0.5%	23.0%	(6.0%)	(8,525)	64,410	\$25.62
Westside	915,324	-	-	9.2%	0.0%	9.2%	(3.2%)	(5,792)	27,176	\$24.24
Beaches	696,691	-	22,932	7.4%	0.0%	7.4%	3.3%	(21,573)	(27,928)	\$36.42
Clay County	600,465	-	-	1.4%	0.0%	1.4%	(1.9%)	4,500	7,583	\$21.88
Mandarin	521,252	-	-	9.4%	0.0%	9.4%	2.2%	(3,547)	(14,364)	\$21.52
St. John's County	385,046	-	-	2.2%	0.0%	2.2%	(2.5%)	(159)	5,099	\$28.16
Nocatee	351,152	-	-	11.0%	0.0%	11.0%	(11.7%)	(1,768)	41,058	\$30.00
Northside	114,608	-	-	17.5%	0.0%	17.5%	4.3%	0	1,870	\$26.79
Market total	27,098,653	24,408	22,932	16.2%	2.4%	18.6%	1.2%	87,122	5,152	\$23.42

Type	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Trophy	2,421,832	-	-	17.8%	2.3%	20.1%	(1.2%)	9,666	25,658	\$25.52
Class A	11,190,695	24,408	22,932	19.4%	2.7%	22.1%	2.9%	8,661	(6,212)	\$24.54
Class B	13,486,126	-	-	13.2%	2.3%	15.5%	0.4%	68,795	(14,294)	\$20.82
Market total	27,098,653	24,408	22,932	16.2%	2.4%	18.6%	1.2%	87,122	5,152	\$23.42