

Jacksonville

Office market snapshot | Q1 2024

The unemployment rate in Jacksonville sits at 3.3% as of February 2024, up 20 basis points from the start of last quarter but still noticeably lower than the national unemployment rate of 3.9%. Office-related job postings saw a 27.3% increase since last quarter. This was driven by a 34.6% increase in the consulting, research, accounting, and recruiting sector, as well as a 22.9% increase in the banking, finance, insurance, and real estate sector.

330k sf

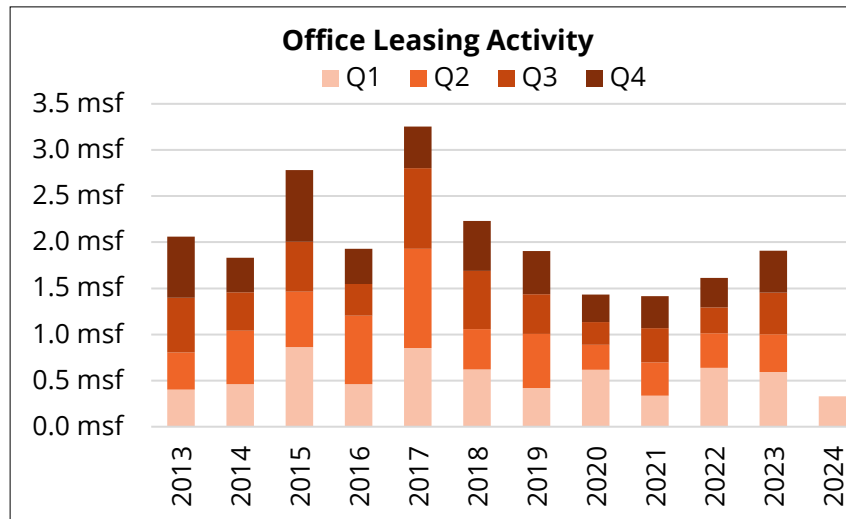
The first quarter of 2024 showed softened leasing activity in Jacksonville, down 44.3% when compared to the first quarter of 2023.

98.7%

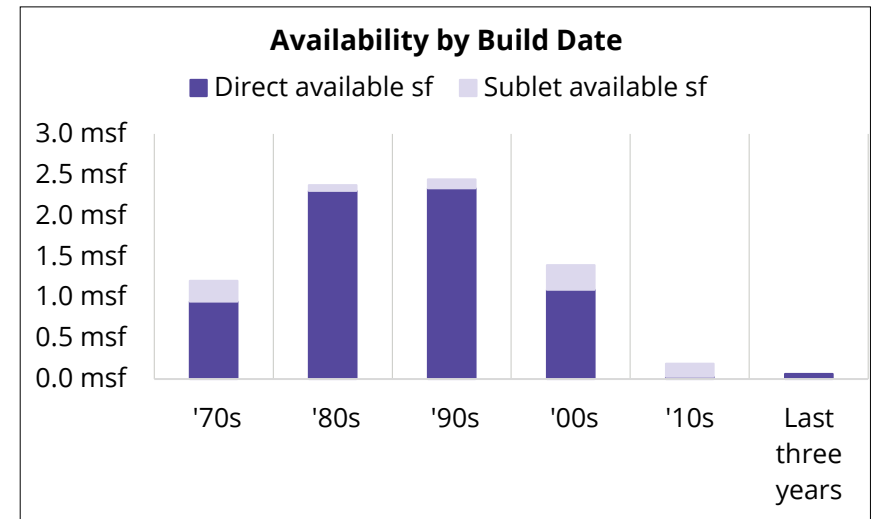
Almost all the available direct office space in Jacksonville is in buildings built prior to 2010, leaving few options for employers seeking new space.

27.2%

The overall availability rate in Jacksonville has hit its highest mark in the past seven years, up from 22.5% at the start of 2023.



After two successive years of increasing office leasing activity, the first quarter of 2024 marked a notable downturn, with first quarter leasing volume hitting its lowest point in over a decade. This decline underscores the ongoing trend of softened demand for office space.

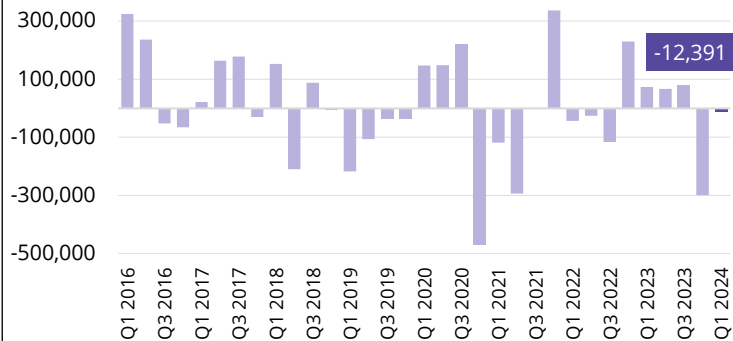


Jacksonville's available space is largely centered in older buildings, with properties built in the '80s and '90s accounting for 62.8% of availabilities in the market. Employers seeking newer spaces will have to look towards sublease space, where there is just over 160,000 square feet of space in buildings built in the 2010s.

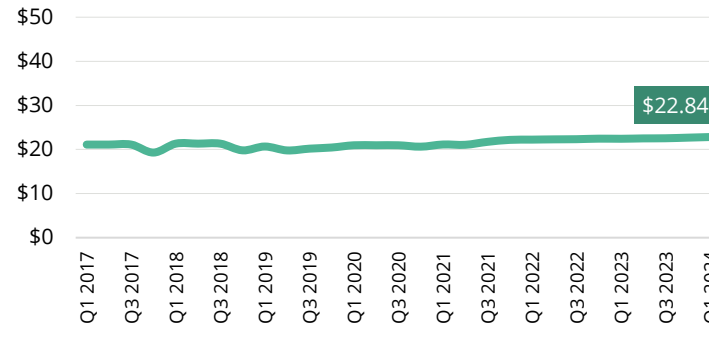
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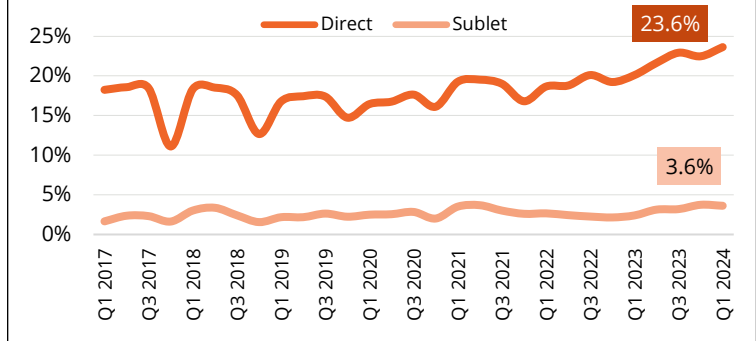
Net absorption (SF)



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Johnson & Johnson	10301 Deerwood Park Blvd	38,579	Renewal	Direct
Tim Tebow Foundation*	12735 Gran Bay Pkwy	31,788	New	Sublease
Cancer Specialists of North Florida	7751 Belfort Pkwy	18,381	New	Direct
Everlong Captive	153 Fort Wade Rd	18,269	New	Direct

Top Projects Under Development

Property	Estimated Delivery Date	Building Size (sf)	Submarket
42 East Coast Dr	November 2024	22,932	Beaches

Note: * Avison Young represented the transaction

Source: AVANT by Avison Young, CoStar

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
I-95/9A Corridor	13,642,406	-	-	18.0%	3.7%	21.7%	2.4%	(32,855)	(32,855)	\$ 22.59
Northbank	4,894,241	-	-	18.3%	1.4%	19.7%	(0.1%)	3,102	3,102	\$ 24.30
Southbank	2,172,825	-	-	13.5%	4.0%	17.5%	(0.8%)	10,548	10,548	\$ 23.02
Southside	1,662,499	-	-	6.4%	0.0%	6.4%	(1.9%)	(7,369)	(7,369)	\$ 18.44
Arlington	1,117,736	-	-	21.4%	0.0%	21.4%	1.8%	26,222	26,222	\$ 26.23
Westside	915,324	-	-	10.5%	0.7%	11.2%	(3.8%)	8,328	8,328	\$ 17.02
Beaches	696,691	-	22,932	4.9%	0.0%	4.9%	0.3%	(10,695)	(10,695)	\$ 38.18
Clay County	600,465	-	-	3.3%	0.0%	3.3%	(1.2%)	(3,882)	(3,882)	\$ 19.16
Mandarin	521,252	-	-	8.3%	0.0%	8.3%	(0.5%)	(8,851)	(8,851)	\$ 22.20
St. John's County	385,046	-	-	2.7%	0.0%	2.7%	(7.0%)	3,061	3,061	\$ 27.07
Nocatee	351,152	-	-	22.7%	0.0%	22.7%	(17.7%)	-	-	\$ 30.00
Northside	114,608	-	-	19.1%	0.0%	19.1%	10.4%	-	-	\$ 26.79
Market total	27,074,245	-	22,932	15.9%	2.4%	18.3%	0.6%	(12,319)	(12,319)	\$22.84

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Trophy	2,421,832	-	-	17.6%	2.9%	20.4%	(1.1%)	17,400	17,400	\$25.50
Class A	11,190,695	-	22,932	19.4%	2.6%	22.0%	2.9%	(21,266)	(21,266)	\$24.30
Class B	13,461,718	-	-	12.6%	2.3%	24.9%	(0.9%)	(8,525)	(8,525)	\$20.36
Market total	27,074,245	-	22,932	15.9%	2.4%	18.3%	0.6%	(12,319)	(12,319)	\$22.84