



JACKSONVILLE, FL

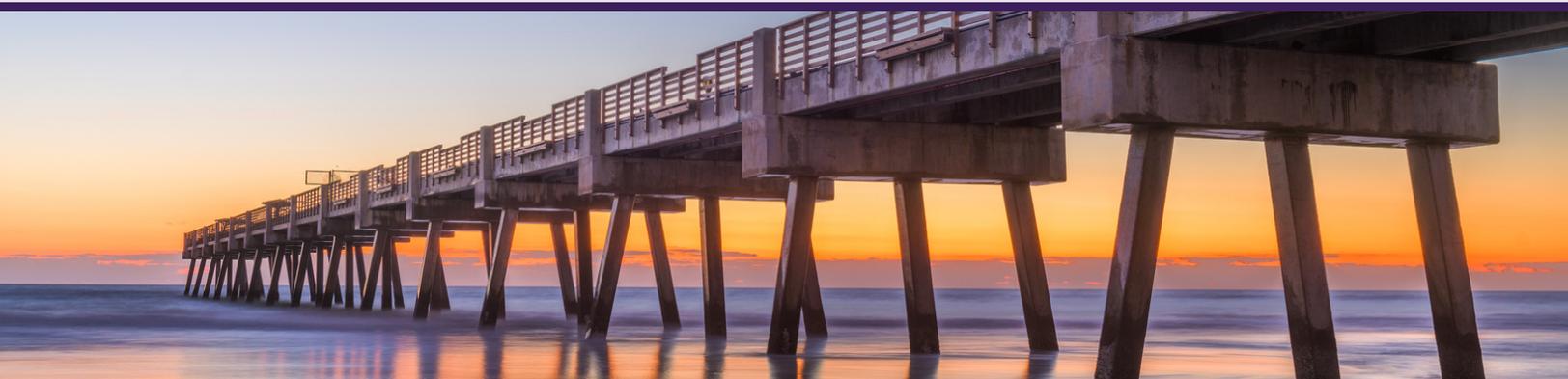
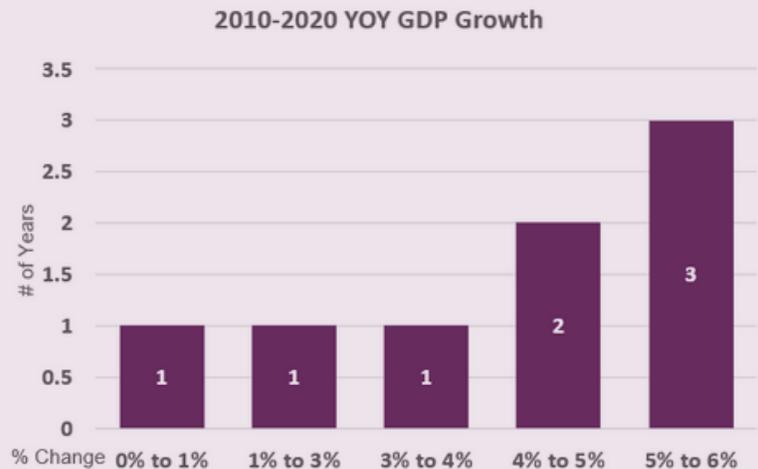
## PLUM LENDING MARKET SPOTLIGHT



PLUM LENDING MARKET SPOTLIGHTS ARE INTENDED TO GIVE INVESTORS AND BORROWERS A DETAILED OVERVIEW OF THE INFORMATION THAT IS ALLOWING PLUM TO PLACE COMMERCIAL REAL ESTATE DEBT IN GROWING MARKETS

# PLUM MARKET SPOTLIGHT - JACKSONVILLE, FL

- Jacksonville is the largest city in Florida, with a 2020 U.S. Census population of 949,611
- The median age in Jacksonville is 35.9 years compared to the Florida average of 42.2
- The Wall Street Journal ranked Jacksonville as 5th on their list of the hottest job markets in the United States, and Zillow ranked Jacksonville as the second-hottest housing market (2022)
- Jacksonville is one of the best cities for logistics infrastructure, according to Global Trade Magazine, due to two deep-water ports, three major interstates, major railways, and an international airport system
- One in every six jobs in Northeast Florida is in the health and life sciences sector
- Business leaders in Jacksonville are focusing their efforts on further developing the area's biomedical and fintech sectors due to higher wages and a strong multiplier effect



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## Commercial Real Estate Trends

### Office:

- Average asking rent for office space in Jacksonville is \$23.50 per square foot per year compared to the national average of \$35.00.
- Asking market rents are up approximately 5% year-over-year, but net effective rents remain depressed due to owners paying out significant TI allowances and offering longer free rent periods.
- Net absorption remained positive for the 5th consecutive quarter.
- Market leased occupancy is approximately 90%, but office brokers estimate actual headcount occupancy is closer to 70%.
- Dun & Bradstreet recently moved their headquarters to Jacksonville from New Jersey to the 218,700 SF Town Center Two building at 5335 Gate Parkway. They purchased the building for \$76,500,000 and it will house 500 employees.

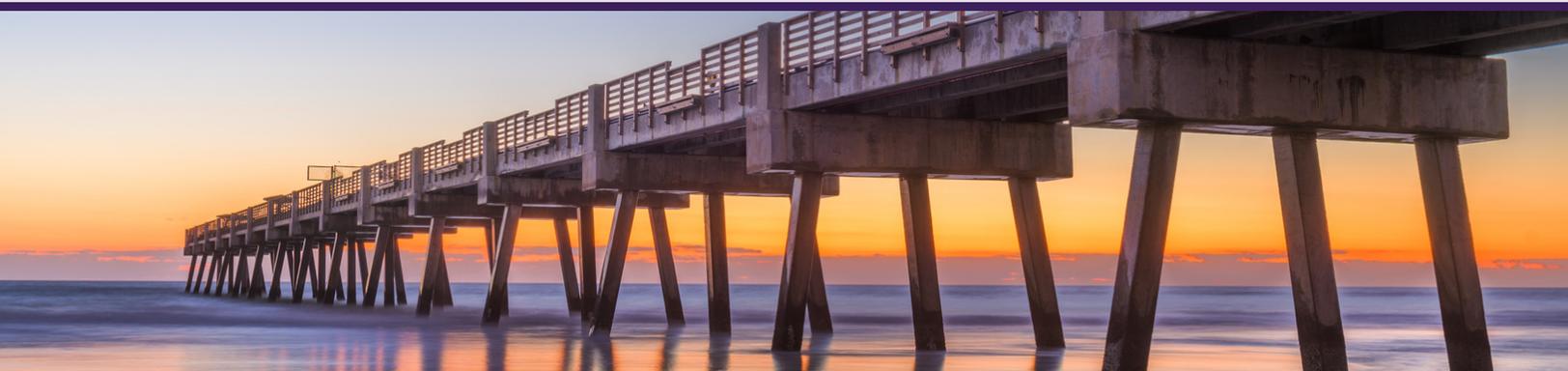
### Industrial:

- Jacksonville industrial occupancy is slightly above 97%, marking a three-year high.
- Rent growth remains resilient, up 15% year-over-year.
- Amazon is the largest industrial tenant in the market, with more than 1.5 million SF leased since the beginning of 2021.
- Over 8 million SF of industrial product is currently under construction in the Jacksonville market.
- 12 month sales volume reached an all-time high in Q2 2022 at approximately \$1.2B. Capital markets activity over the next year is expected to slow meaningfully due to the increase in interest rates and cost of debt.

### Multifamily:

- Multifamily occupancy is slightly above 94%, with around 100,000 total units in the Jacksonville market.
- Asking rents are up roughly 7% over the last 12 months to an average of \$1,500 per unit.
- Jacksonville is in the middle of a moderate supply wave, with over 9,500 units under construction. This is expected to have a negative impact on occupancy and a positive impact on average asking rents.

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## CAPITAL TO LOCAL MARKETS

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## Sales Activity:

- Vista Brooklyn, a 308-unit multifamily complex, sold for \$126,300,000 (\$410.065/Unit) in December 2021. The property was delivered in May 2021 and was 98% occupied at the time of the sale.
- In November 2022, The Loree apartment complex sold for \$84,250,000 (\$280,833/Unit). The property was built in 2016 and was 100% occupied at sale.
- 225 N Pearl St, a 7-story office building in Downtown Northbank, sold for approximately \$95M (\$602/SF) in November 2022. The property is 100% occupied by JEA on a 20-year lease. The buyer was Colorado-based Real Capital Solutions.
- One Imeson Park Blvd sold for \$68,250,000 (\$40/SF) in July 2022. The industrial warehouse was built in 1974 and was 100% leased at time of sale. In 2018, the property traded for \$47,750,000 when it was 74% occupied.

## Largest employers in Jacksonville:

- United States Navy - 17,000
- Amazon - 16,000
- Baptist Health - 12,400
- Bank of America - 7,700
- Mayo Clinic - 6,400

## Jacksonville serves as the headquarters for four Fortune 500 Companies:

- CSX Transportation
- FIS
- Fidelity National Financial (FNF)
- Landstar Systems

## Recent Developments:

- Boeing announced a planned \$160 million facility at Cecil Airport that will include a 270,000 SF hangar and more than 100,000 SF of office space, which will add 400 new high-paying jobs.
- Amazon recently opened a new 478,000 SF distribution center in North Jacksonville, which added 500 new jobs.

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