



Office Market Report

Jacksonville - FL (USA)

PREPARED BY

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Owner



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

218K

12 Mo Net Absorption in SF

(1.2M)

Vacancy Rate

10.9%

Market Asking Rent Growth

2.4%

Jacksonville's office market has experienced a clear downward shift in overall demand, with net absorption negative for four straight quarters. The pace of annual demand is down to -1.3 million SF as of the second quarter of 2024, and it is expected to remain under pressure for the next few years. Vacancy has risen by roughly 200 basis points in the last year to 10.9% as of the second quarter of 2024 with further vacancy growth expected in the year ahead.

Office leasing has been healthy within the last year at 2.4 million SF. However, both the total number (-5%) and the average size of office deals (-7%) have declined in that time, with the amount of available space having risen by more than 20%. The amount of sublease space on the market has also climbed by roughly 20% in the last 12 months. Much of the recent decline in demand was driven by several large blocks of space that were given back in the Butler/Baymeadows, Downtown Southbank, and Southside areas. Deals are still getting done, however, and the number of months it takes to get to a lease has declined by more than 50% since the period preceding the pandemic.

Speculative office development remains very restrained at present, and only 310,000 SF of office space construction is currently underway across the entire

market, the vast majority of which is medical-office space. Several buildings remain proposed in St Johns County's Durbin Park development and in the Nocatee project in Butler/Baymeadows; however, there are no immediate plans to break ground. The most significant building underway is an 80,000 SF office medical property for Baptist Health in Nassau County.

Overall, office market activity had been fairly healthy until 23Q4, but some headwinds are going to impact deal volume moving forward. An increasing number of employers are leaning into mandating stricter back-to-office requirements, but those mandates have yet to be reflected meaningfully in occupancy levels. That said, those shifts are expected to drag on vacancy in the years ahead. The base case vacancy forecast has the market in upper mid-11% range by the end of 2024; and the moderate downside forecast, which is linked to more widespread trends that will ultimately weigh on demand formation, has vacancy in Jacksonville closer to 13%.

Rent growth remains on a positive trajectory with year-over-year growth of 2.6% as of the second quarter of 2024; however, a weak projected rate of office demand in 2024 will put downward pressure on rent growth, with the pace of growth likely to turn negative by the third quarter of this year.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	19,188,102	16.9%	\$26.52	21.5%	175,854	0	6,300
3 Star	29,148,363	10.8%	\$25.17	13.3%	(41,105)	8,226	304,896
1 & 2 Star	20,821,624	5.7%	\$22.87	7.4%	(21,613)	0	0
Market	69,158,089	10.9%	\$24.85	13.8%	113,136	8,226	311,196

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.0%	10.3%	11.8%	14.5%	2009 Q4	6.4%	2000 Q1
Net Absorption SF	(1.2M)	592,967	(154,646)	2,859,328	2006 Q3	(1,367,143)	2024 Q1
Deliveries SF	218K	833,032	151,093	2,114,197	2006 Q4	89,500	2012 Q2
Market Asking Rent Growth	2.4%	1.6%	0.8%	8.8%	2007 Q3	-8.4%	2010 Q4
Sales Volume	\$221M	\$331.8M	N/A	\$941.5M	2020 Q1	\$44.4M	2001 Q2

Office leasing fundamentals in Jacksonville have been weakening of late, and more than -600,000 SF took place in the first quarter of 2024 alone. That helped to push trailing 12-month office demand down to -1.3 million SF as of the second quarter of 2024, and projections call for a continued rate of negative demand during 24Q1 as leases roll over and more space lands back on the market.

Deals are still getting done despite strengthening headwinds to deal activity, although the average lease size has shrunk in the past year, declining by more than 7% to 3,300 SF. Vacancy currently sits at 10.9%, well below the national average, but it has risen by 2.0% in the last year as the amount of vacant space on the market has risen by more than 20% in that time.

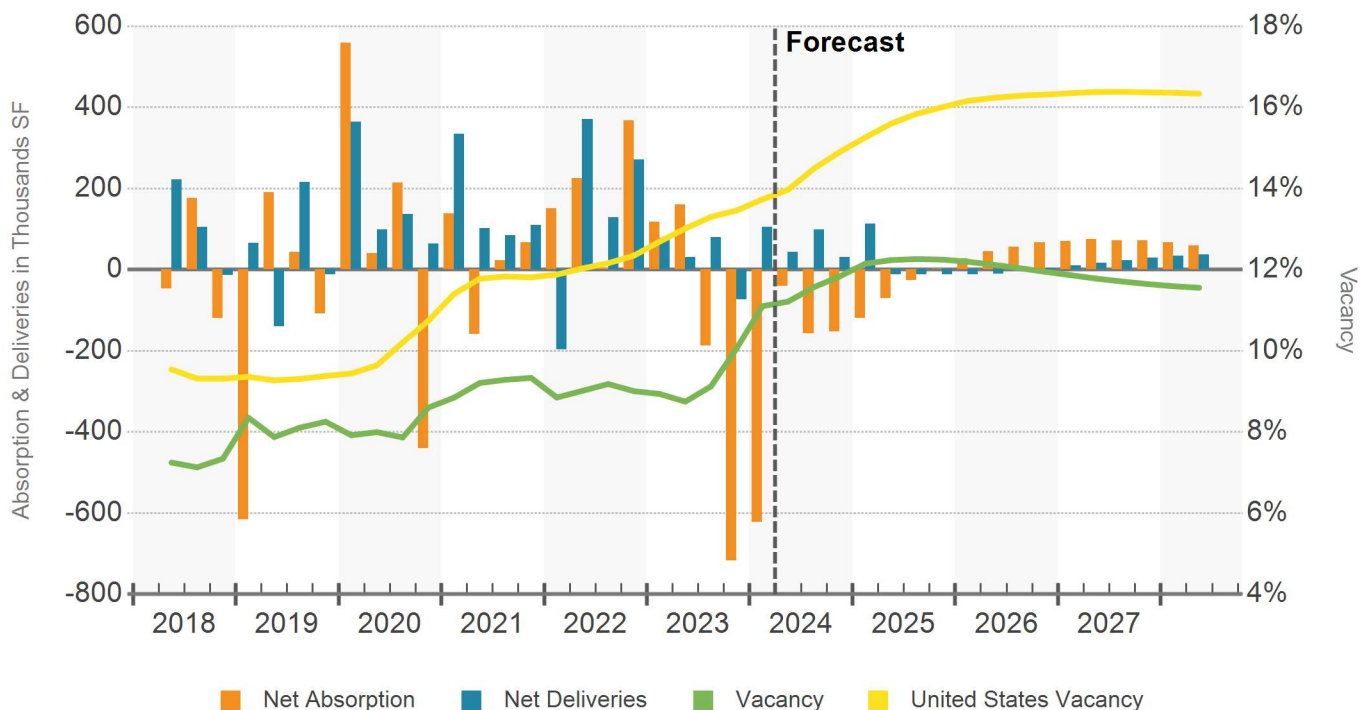
Net office demand has moved squarely into negative territory due mainly to several larger availabilities coming back on the market, primarily in the Butler/Baymeadows, Downtown Southbank, and Southside areas. There were roughly a dozen blocks of office space larger than 20,000 SF that became available during 24Q1 in these areas alone, the largest of which was a block of nearly 150,000 SF in the 301 West Bay building in the urban core. Additionally, roughly 121,000 SF of negative demand occurred in the Deerwood Center park in

Butler/Baymeadows when tenants, including Computershare and CEVA Logistics, vacated their space, and more than -90,000 SF of absorption occurred in Downtown Southbank's Prudential Office Tower following the move out of Home Depot Pro. Altogether, there were seven blocks of space larger than 50,000 SF that came back on the market at the end of 2023, contributing to the rise in vacancy.

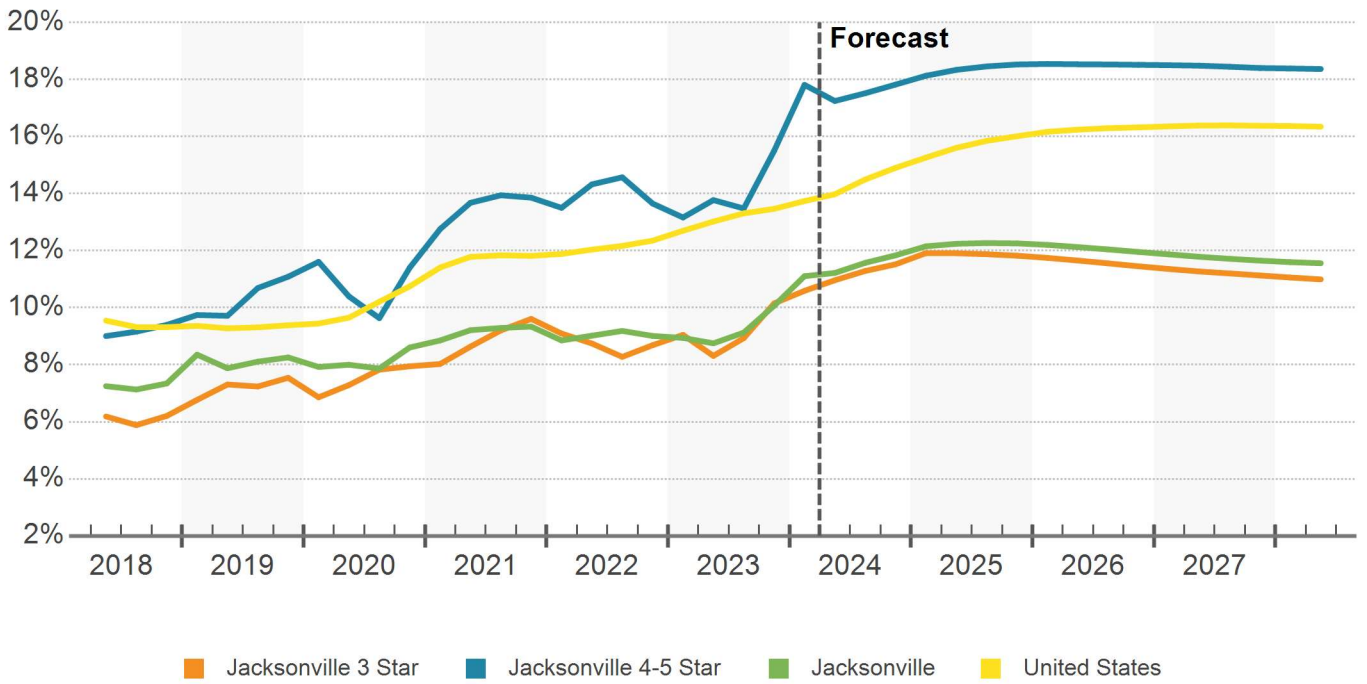
Larger deals are still being done, and roughly 40 leases, 10,000 SF or larger, have been signed over the last year. In June 2023, Stellar Energy signed a lease for 145,000 SF of office space in the Southside area, with plans to occupy its new space in March 2024 and use the property as its headquarters. The City of Jacksonville also signed a new lease for nearly 59,000 SF of 3 Star space at 532 Riverside Avenue in September 2023, taking space on three floors in the building.

Looking ahead, Jacksonville's vacancy rate is expected to remain elevated for the next few years as a declining trend in office demand and the impact of structural shifts in office space use continue to decrease the average leased footprint size. On a positive note, while Jacksonville is contending with an elevated rate of sublease availability, it has far less than the Orlando and Tampa markets.

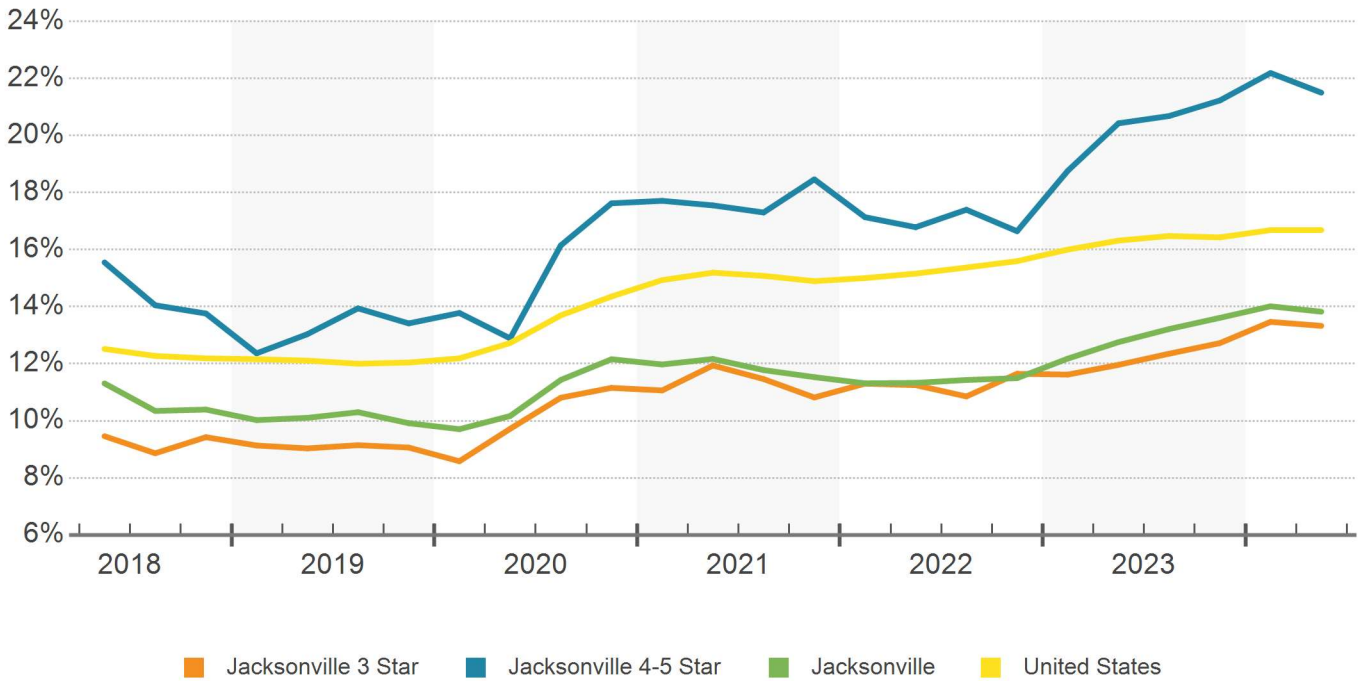
NET ABSORPTION, NET DELIVERIES & VACANCY



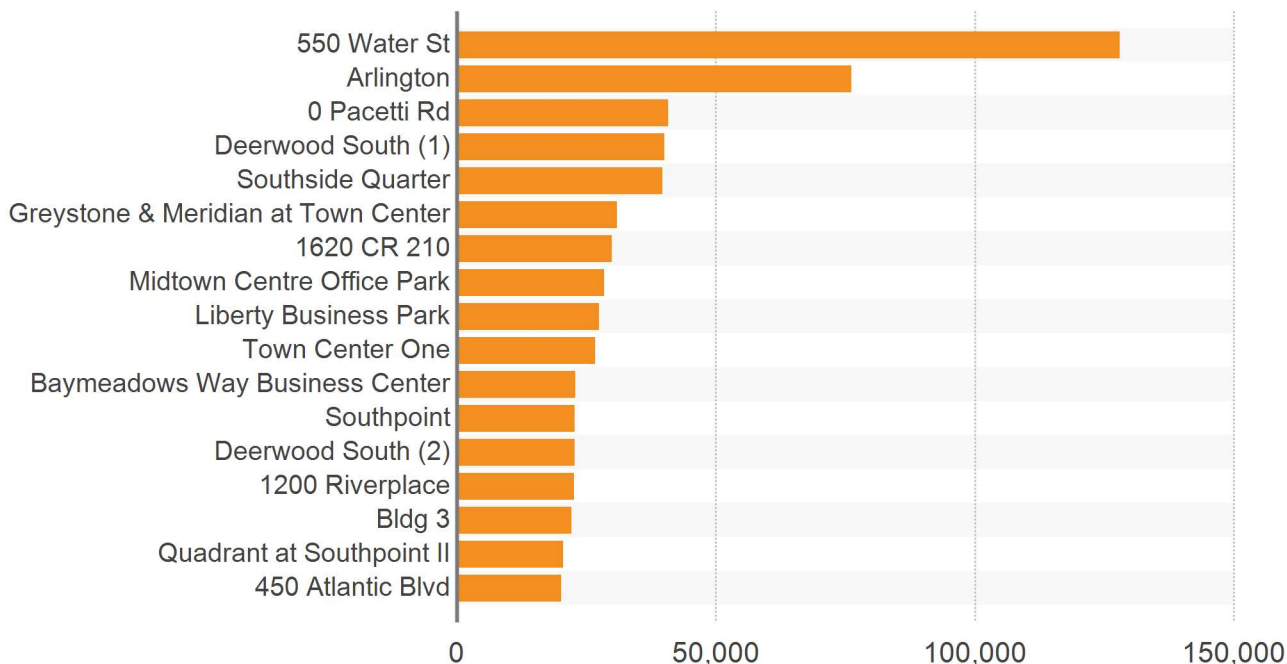
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
550 Water St	Downtown Northbank	235,934	0	128,000	0	0	0	128,000
Arlington	Arlington	76,258	0	0	76,258	0	0	76,258
0 Pacetti Rd	St Johns County	57,600	16,800	40,800	0	0	0	40,800
Deerwood South (1)	Southside	139,464	18,287	27,958	0	0	0	40,158
Southside Quarter	Southside	120,404	0	0	120,404	0	0	39,694
Greystone & Meridian at Town C...	Southside	31,000	0	0	0	0	0	31,000
1620 CR 210	St Johns County	30,000	0	0	0	0	0	30,000
Midtown Centre Office Park	Southside	28,507	0	0	0	0	0	28,507
Liberty Business Park	Butler/Baymeadows	39,350	0	0	0	0	0	27,490
Town Center One	Southside	160,000	10,200	(5,800)	0	0	0	26,787
Baymeadows Way Business Ce...	Butler/Baymeadows	47,079	1,237	18,815	0	0	0	22,908
Southpoint	Southside	169,328	40,366	12,200	9,020	0	0	22,828
Deerwood South (2)	Southside	130,148	49,083	0	0	0	0	22,803
1200 Riverplace	Downtown Southbank	342,695	97,517	14,086	4,003	0	0	22,710
Bldg 3	Butler/Baymeadows	114,788	30,870	16,272	1,270	0	0	22,170
Quadrant at Southpoint II	Southside	120,560	13,472	(1,641)	0	0	0	20,554
450 Atlantic Blvd	Beaches	20,250	0	0	0	0	0	20,250
Subtotal Primary Competitors		1,863,365	277,832	250,690	210,955	0	0	622,917
Remaining Jacksonville Market		67,294,724	7,294,582	(873,371)	(97,819)	0	0	(1,929,539)
Total Jacksonville Market		69,158,089	7,572,414	(622,681)	113,136	0	0	(1,306,622)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
StellarEnergy	Southside	112,777	Q2 23	Stellar Energy	-	-
532 Riverside Ave	Downtown Northbank	58,959	Q3 23	City of Jacksonville	JLL	-
Gramercy Woods	Butler/Baymeadows	56,601	Q4 23	HD Supply	-	CBRE
121 Atlantic Place	Downtown Northbank	53,214	Q4 23	Jacksonville University Co...	NAI Hallmark	International Managem...
Southpoint *	Southside	39,086	Q4 23	Genpact	-	Colliers
Capital Plaza at Deerwood Park	Southside	38,579	Q1 24	-	-	JLL
Flagler Center	Butler/Baymeadows	31,788	Q1 24	Tim Tebow Foundation	-	JLL
Flagler	Butler Corridor	31,788	Q1 24	Beeline	-	Cushman & Wakefield...
Town Center One	Southside	31,136	Q3 23	Kemper Insurance	Cushman & Wakefield	Savills
Greystone & Meridian at Town Center	Southside	31,000	Q2 23	Medical Microinstruments,...	The Cordell Group	Colliers
Blue Cross & Blue Shield	Southside	30,972	Q4 23	Berkley Insurance Company	-	-
Southbank	Downtown Southbank	30,718	Q3 23	Rogers Towers, PA	Newmark Phoenix R...	JLL
Deerwood South	Southside	29,000	Q4 23	-	-	Vanderbilt Office Prope...
Gramercy Woods	Butler/Baymeadows	23,064	Q3 23	-	-	JLL
Deerwood South	Southside	22,200	Q2 23	-	-	Vanderbilt Office Prope...
Butler Plaza	Southside	21,608	Q4 23	Fanatics	-	CBRE
Baymeadows Way Business Center	Butler/Baymeadows	20,300	Q3 23	Daniel Kids	Bold City Commercial	Three Lions Real Estat...
Belfort I	Butler/Baymeadows	18,381	Q1 24	-	-	SVR Commercial LLC
Building III	Beaches	18,269	Q1 24	Apco	-	CBRE
Southbank	Downtown Southbank	15,288	Q2 23	BDO United States	-	-
Flagler Center	Butler/Baymeadows	15,239	Q1 24	National Debt Relief	-	JLL
Pragmatic Works	Orange Park/Clay County	15,000	Q3 23	Pragmatic Works Training	-	-
Cypress Business Center	Butler/Baymeadows	15,000	Q3 23	Critical Alert	-	-
Deerwood South	Southside	14,914	Q3 23	-	-	Vanderbilt Office Prope...
Spring Lake Business Center 6	Butler/Baymeadows	14,645	Q2 24	-	-	Cushman & Wakefield...
Southbank *	Downtown Southbank	14,087	Q4 23	Regus	JLL	Colliers
Deerwood South	Southside	13,500	Q1 24	Brown & Brown Insurance	CBRE	Vanderbilt Office Prope...
Carlton Building 200	Southside	13,464	Q1 24	-	-	Vanderbilt Office Prope...
Bank of America Tower	Downtown Northbank	13,425	Q4 23	-	-	CBRE
501 Riverside Ave	Downtown Northbank	13,008	Q1 24	Pinnacle Financial Partners	Cushman & Wakefie...	NAI Hallmark
Southpoint Business Park	Southside	13,000	Q1 24	-	-	Newmark Phoenix Real...
Bank of America Tower	Downtown Northbank	12,281	Q2 24	Balch & Bingham LLP	-	CBRE
Bank of America Tower	Downtown Northbank	12,281	Q4 23	-	-	CBRE
Bldg 3	Butler/Baymeadows	11,633	Q4 23	-	-	Newmark Phoenix Real...
1200 Riverplace	Downtown Southbank	11,470	Q3 23	Truist	-	Newmark Phoenix Real...
Veranda	Beaches	10,850	Q4 23	-	-	Hillis Properties
Salisbury Lakes Business Park	Southside	10,650	Q4 23	JSC Systems	-	Prime Realty, Inc.
San Jose Professional Center	San Marco	10,512	Q2 24	Manco Logistics	-	International Managem...
Concourse	Southside	10,252	Q2 23	Nuvia Dental Implants	-	NAI Hallmark
Belfort I	Butler/Baymeadows	10,051	Q4 23	-	SVR Commercial LLC	SVR Commercial LLC

*Renewal

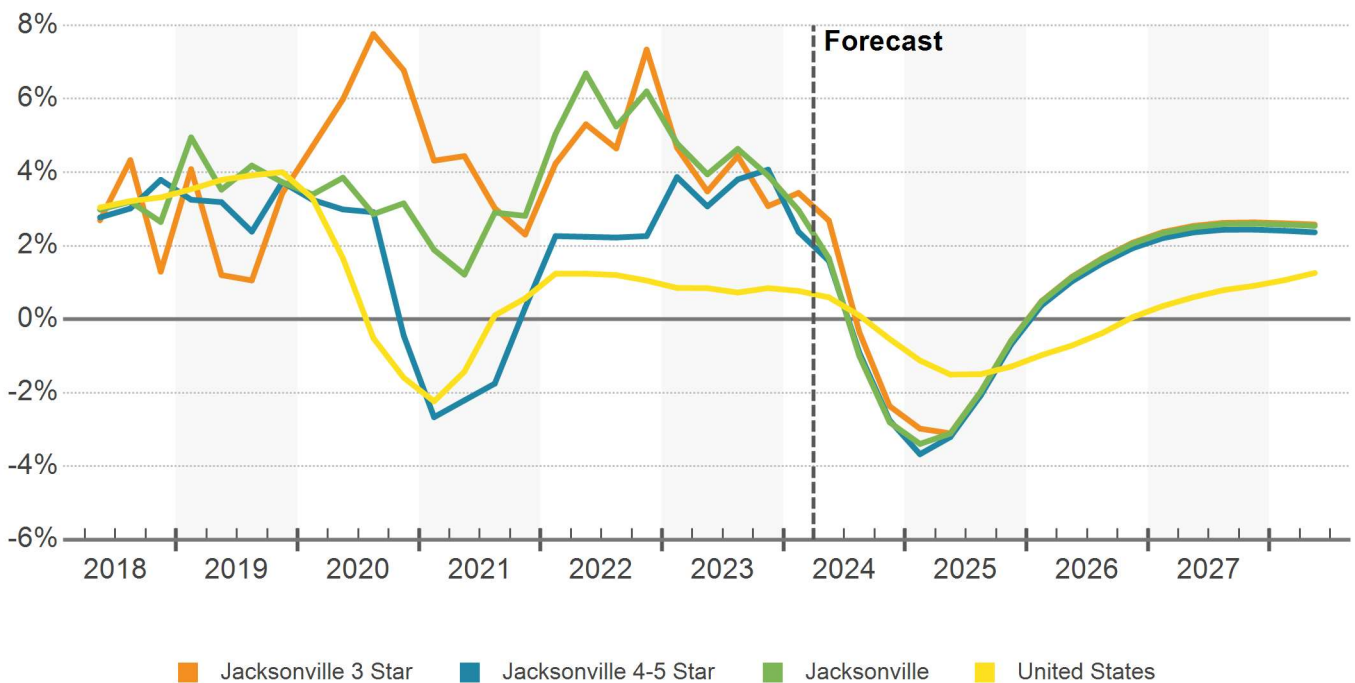
Rent growth in Jacksonville's office market remains on a positive trajectory, although it has been slowing for the past three quarters and has now moderated to 2.7% on an annual basis as of the second quarter of 2024. That's well ahead of the market's 10-year average performance and is far outpacing the 0.8% national rate of office rent growth.

Rents in Jacksonville also come at a discount to the neighboring Orlando and Tampa markets, where the average rents are between \$28.00/SF and \$29.00/SF and are well below the national average of \$35.00/SF. Landlords have mostly been holding rates steady and, in some cases, are increasing them despite a decelerating trend in leasing demand as they contend with the impact of elevated interest rates and rapidly growing insurance costs on operating budgets.

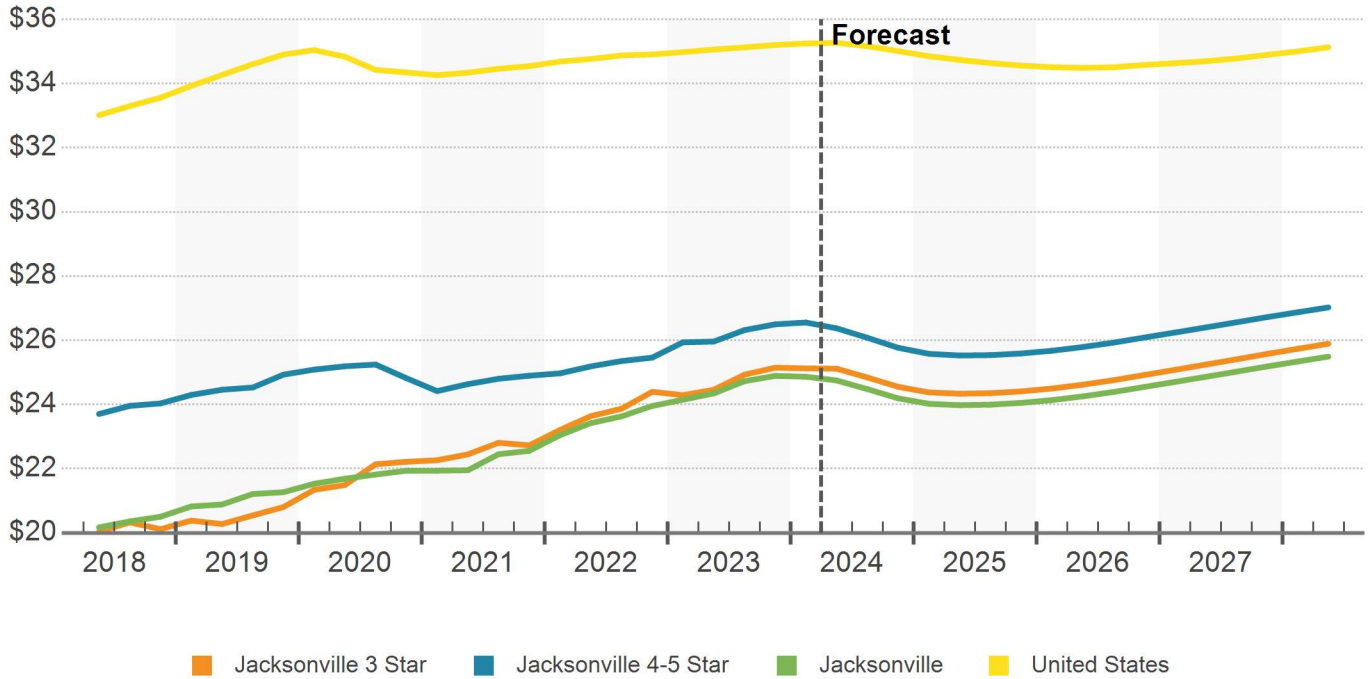
Rent performance in the urban core has been improving, which is notable given that occupancy has not yet returned to pre-pandemic levels, particularly in the Downtown Southbank area. Rent growth over the last year has grown to just under 3% annually in the Downtown Northbank Submarket, and is up approximately 2% in Downtown's Southbank area as well. The fastest pace of growth relative to overall inventory, however, has been in San Marco, followed by Riverside.

Looking ahead, the pace of rent growth is forecast to decline into negative territory during the second half of 2024, likely ending the year closer to -3%. A slow recovery is likely to follow in 2025, with a return to a healthier pace of annual growth in the 2% range likely by the end of 2026.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FOOT



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.76	\$1.52	\$0.73	\$3.62	\$5.28	\$11.91
Arlington	\$0.58	\$1.30	\$0.68	\$3.05	\$6.86	\$12.47
Beaches	\$0.58	\$1.31	\$0.69	\$3.19	\$6.81	\$12.58
Butler/Baymeadows	\$0.63	\$1.38	\$0.71	\$2.79	\$5.38	\$10.89
Downtown Northbank	\$0.61	\$1.16	\$0.59	\$1.62	\$7.01	\$10.99
Downtown Southbank	\$1.30	\$2.21	\$0.97	\$2.45	\$2.56	\$9.49
Mandarin	\$0.58	\$1.30	\$0.68	\$4.56	\$6.48	\$13.60
Nassau County	\$0.58	\$1.30	\$0.68	\$3.89	\$6.86	\$13.31
Northeast Jacksonville	\$0.58	\$1.30	\$0.68	\$3.62	\$6.86	\$13.04
Northwest Jacksonville	\$0.58	\$1.30	\$0.68	\$1.98	\$6.86	\$11.40
Orange Park/Clay County	\$0.52	\$1.17	\$0.62	\$1.73	\$6.31	\$10.35
Riverside	\$0.58	\$1.30	\$0.68	\$2.32	\$6.86	\$11.74
San Marco	\$0.76	\$1.54	\$0.75	\$5.15	\$5.80	\$14
Southside	\$0.95	\$1.80	\$0.79	\$5.27	\$3.88	\$12.69
St Johns County	\$0.55	\$1.23	\$0.64	\$1.81	\$6.46	\$10.69

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.63	\$1.31	\$0.62	\$2.64	\$4.31	\$9.51
Arlington	\$0.53	\$1.18	\$0.62	\$2.09	\$5.09	\$9.51
Baker County	\$0.55	\$1.24	\$0.65	\$1.07	\$5.41	\$8.92
Beaches	\$0.51	\$1.14	\$0.60	\$2.99	\$5	\$10.24
Butler/Baymeadows	\$0.51	\$1.14	\$0.60	\$3.30	\$3.52	\$9.07
Downtown Northbank	\$0.53	\$0.98	\$0.57	\$2.07	\$4.90	\$9.05
Downtown Southbank	\$1.17	\$2	\$0.87	\$2.70	\$1.25	\$7.99
Mandarin	\$0.51	\$1.15	\$0.61	\$2.35	\$5	\$9.62
Nassau County	\$0.53	\$1.19	\$0.62	\$2.14	\$5.20	\$9.68
Northeast Jacksonville	\$0.54	\$1.21	\$0.64	\$2.40	\$5.30	\$10.09
Northwest Jacksonville	\$0.55	\$1.24	\$0.65	\$1.20	\$5.48	\$9.12
Orange Park/Clay County	\$0.52	\$1.16	\$0.61	\$3.07	\$5.06	\$10.42
Riverside	\$0.53	\$1.19	\$0.62	\$2.68	\$5.03	\$10.05
San Marco	\$0.80	\$1.56	\$0.67	\$2.72	\$3.68	\$9.43
Southside	\$1.11	\$1.96	\$0.65	\$2.84	\$1.86	\$8.42
St Johns County	\$0.52	\$1.17	\$0.62	\$2.17	\$5.15	\$9.63

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.62	\$0.99	\$0.46	\$2.24	\$1.02	\$5.33
Arlington	\$0.51	\$1.01	\$0.46	\$1.49	\$0.43	\$3.90
Baker County	\$0.52	\$1.03	\$0.47	\$2.03	\$0.44	\$4.49
Beaches	\$0.52	\$1.04	\$0.47	\$3.31	\$0.28	\$5.62
Butler/Baymeadows	\$0.49	\$0.97	\$0.39	\$3.01	\$2.35	\$7.21
Downtown Northbank	\$0.34	\$0.65	\$0.53	\$1.85	\$3.85	\$7.22
Downtown Southbank	\$1.14	\$0.96	\$0.40	\$2.27	\$1.47	\$6.24
Mandarin	\$0.48	\$0.95	\$0.43	\$2.54	\$0.54	\$4.94
Nassau County	\$0.52	\$1.03	\$0.47	\$2.18	\$0.43	\$4.63
Northeast Jacksonville	\$0.52	\$1.03	\$0.47	\$2.46	\$0.44	\$4.92
Northwest Jacksonville	\$0.51	\$1.01	\$0.46	\$1.49	\$0.43	\$3.90
Orange Park/Clay County	\$0.52	\$1.03	\$0.47	\$2.13	\$0.44	\$4.59
Riverside	\$0.52	\$1.03	\$0.47	\$2.24	\$0.43	\$4.69
San Marco	\$0.79	\$1.01	\$0.43	\$2.09	\$0.94	\$5.26
Southside	\$1.09	\$1.04	\$0.42	\$2.31	\$1.51	\$6.37
St Johns County	\$0.52	\$1.04	\$0.47	\$2.32	\$0.44	\$4.79

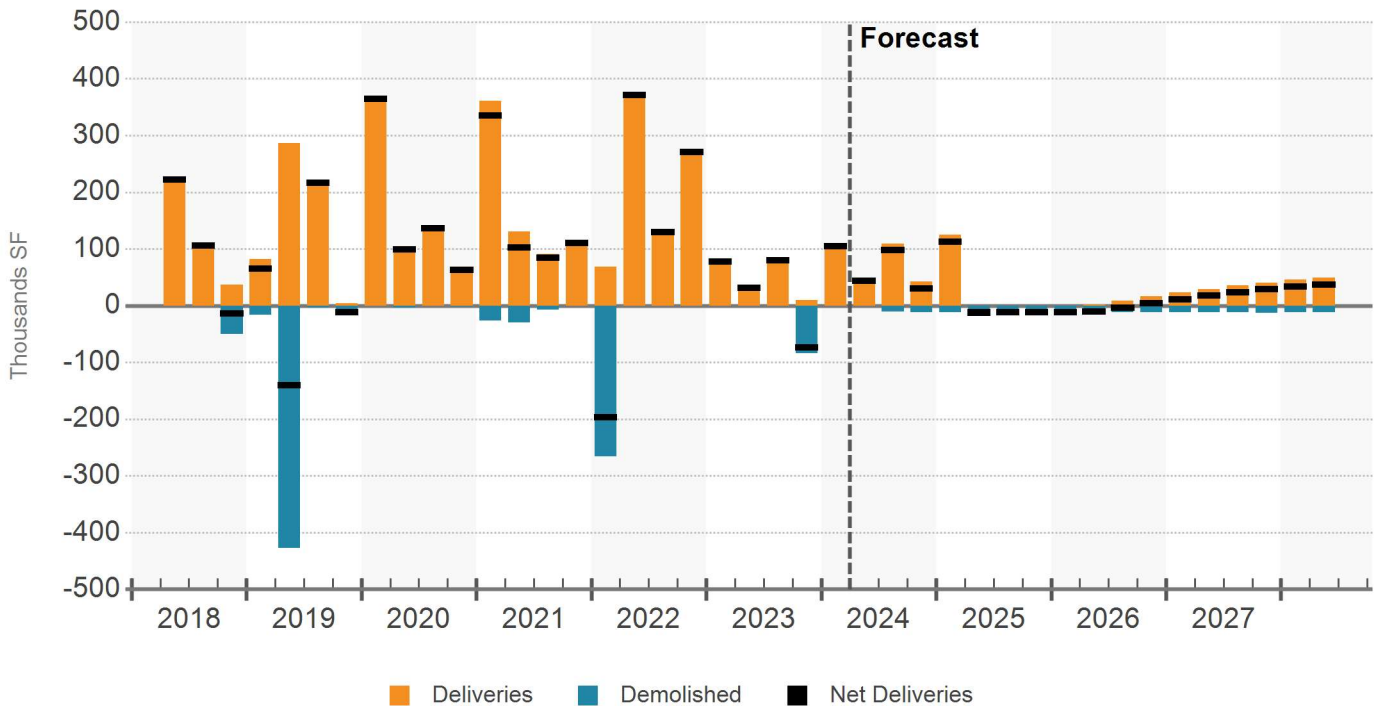
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Speculative construction has been mainly kept in check over the last few years, and new office development activity aligns with Jacksonville's 10-year average. There is a total of 310,000 SF under construction right now, comprising 0.4% of total inventory, along with 140,000 SF of new office space that has been completed in the past year. Fortunately, the new supply on the way has not contributed to any structural weakening in leasing fundamentals, as most of it is comprised of build-to-suit projects or medical office space that has been largely preleased. The modest construction pipeline is also being impacted by rising developer costs across the board. A rapid acceleration in insurance costs, along with a still-elevated interest rate environment and high costs for both construction materials and labor, are making projects difficult to pencil, and an expected slowing trend

in office demand in the near term is also discouraging new speculative development.

Very little office development is taking place across the market, and what is being built is primarily in the Beaches, Orange Park/Clay County, and St Johns County areas. Most office projects underway have a significant medical component, and the average size is 18,300 SF. The largest of these properties is being built in the Orange Park/Clay County area, where Paradigm Development is underway on a 35,000 SF medical office building called Branan Field Village. There has also been a slowdown in construction starts since the beginning of the year, with only 160,000 SF breaking ground in that time, including an 80,000 SF medical office building in Nassau County's Yulee area owned by Baptist Health.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Nassau County	1	80	80	100%	1	5,505	80,000	1
2	Orange Park/Clay County	8	77	49	64.4%	3	8,292	9,567	6
3	St Johns County	2	74	69	93.2%	2	7,613	37,050	2
4	Beaches	3	44	15	33.8%	5	9,606	14,811	3
5	Butler/Baymeadows	2	24	14	57.9%	4	36,851	12,066	4
6	Northeast Jacksonville	1	12	2	16.7%	6	9,869	12,000	5
7	Arlington	0	-	-	-	-	8,243	-	-
8	Baker County	0	-	-	-	-	4,028	-	-
9	Downtown Northbank	0	-	-	-	-	35,807	-	-
10	Downtown Southbank	0	-	-	-	-	22,969	-	-
	All Other	0	-	-	-		11,707	-	
Totals		17	311	229	73.7%		13,818	18,306	

Under Construction Properties

Jacksonville Office

Properties

Square Feet

Percent of Inventory

Released

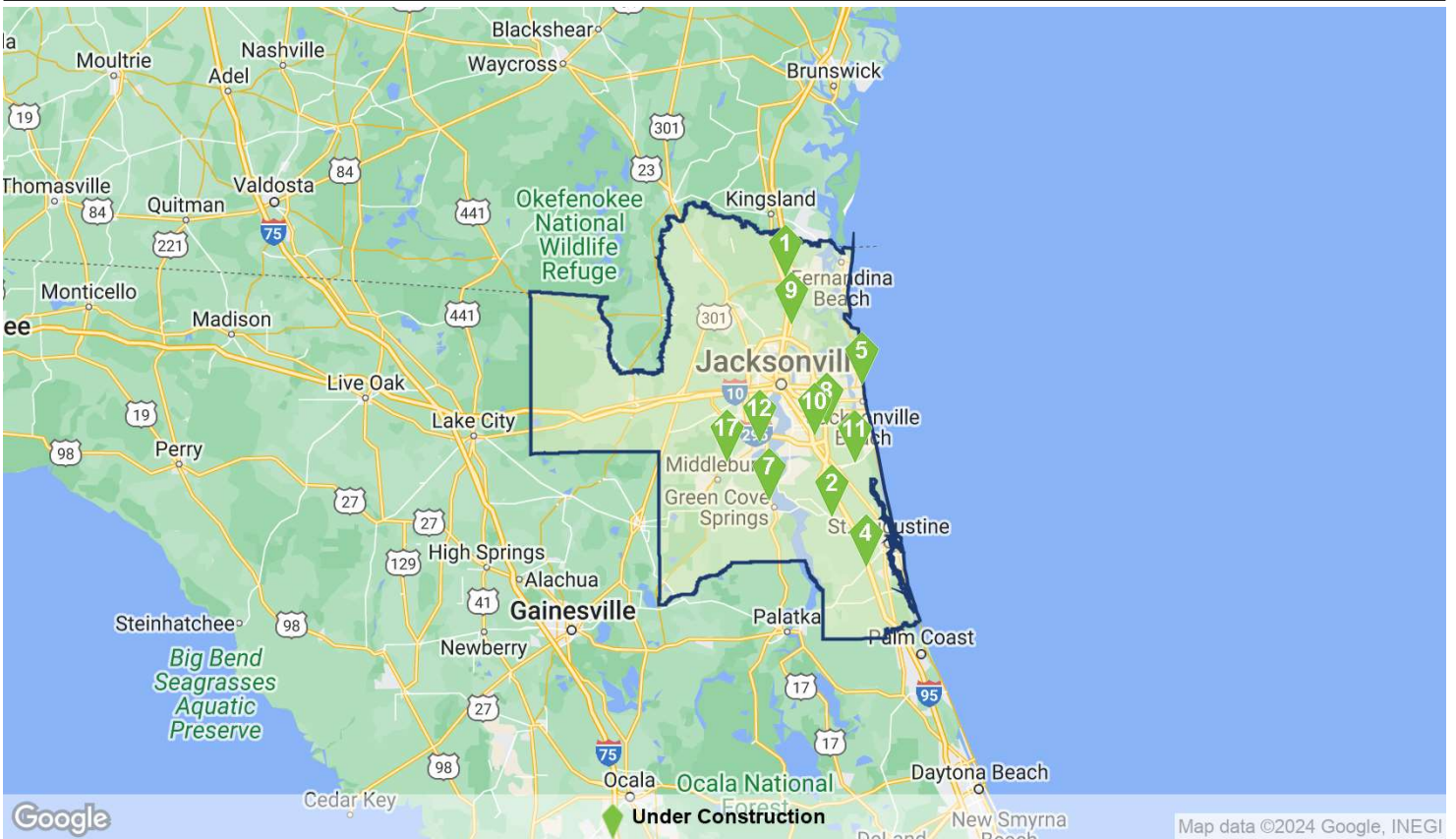
17

311,196

0.4%

73.7%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Nassau Crossing Medica... I-95 & Hwy A1A	★★★★☆	80,000	1	Mar 2024	Dec 2024	- Baptist Health
2 Registry	★★★★☆	44,100	1	Jan 2024	Jun 2024	-
3 Branan Field Village	★★★★☆	35,000	1	Jun 2023	May 2024	- Paradigm Development
4 3700 Deerpark Blvd	★★★★☆	30,000	2	Mar 2024	Jan 2025	-
5 42 East Coast	★★★★☆	22,932	3	May 2023	Nov 2024	-
6 0 Tavernier	★★★★☆	15,000	1	Apr 2023	Dec 2024	-
7 1211 N Orange Ave	★★★★☆	15,000	3	Nov 2023	Oct 2024	- Pragmatic Works Training

Under Construction Properties

Jacksonville Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 9084 R.G. Skinner	★ ★ ★ ★ ★	13,980	1	Apr 2022	Jun 2024	-
9 Professional Office 2 Main St	★ ★ ★ ★ ★	12,000	2	Mar 2023	Jun 2024	- Cross Regions Real Estate
10 10163 Fortune Pky	★ ★ ★ ★ ★	10,152	1	Aug 2023	Jun 2024	-
11 210 Markerside Ave	★ ★ ★ ★ ★	6,500	1	Jan 2024	Jul 2024	-
12 1419 Kingsley Ave	★ ★ ★ ★ ★	6,300	2	Jan 2022	Jun 2024	-
13 1650 Corsair Ln	★ ★ ★ ★ ★	4,496	1	Jan 2023	Jun 2024	-
14 1615 Corsair Ln	★ ★ ★ ★ ★	4,496	1	Apr 2023	Jun 2024	-
15 1620 Corsair Ln	★ ★ ★ ★ ★	4,496	1	Jan 2023	Jun 2024	-
16 1638 Corsair Ln	★ ★ ★ ★ ★	4,496	1	Jan 2023	Oct 2024	-
17 1646 Corsair Ln	★ ★ ★ ★ ★	2,248	1	Jan 2023	Jun 2024	-

Investors remain attracted to Jacksonville's office market for its long-term potential due to brisk in-migration and business growth and its affordability relative to other Florida markets. However, there has been a significant deceleration in deal activity that is likely going to continue for much of 2024. Total sales volume for the past year totals \$202 million, a decline of nearly 60% over the year prior but healthy given the headwinds to investment activity at present coming from weak current and projected office demand.

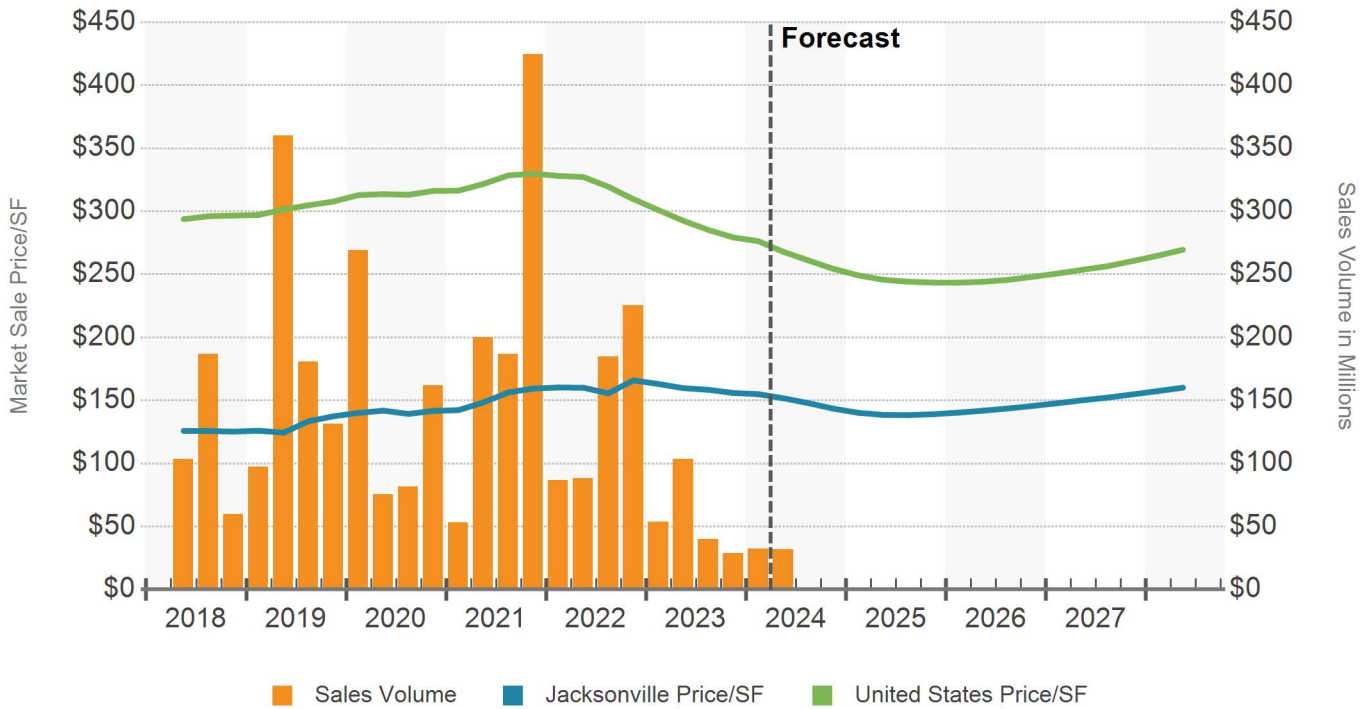
Debt has become much more expensive in the last year, and while there is still quite a bit of dry powder available, it is coming primarily from private investors, who are responsible for about 75% of all office investment volume in the past year. Given the economic headwinds facing investors, many are likely to remain on the sidelines well into 2024, and therefore, investment volume over the next several quarters is expected to be somewhat muted.

Distress in the office sector is beginning to work its way into transaction activity, with one major transaction taking place during the second quarter of 2024 that fell

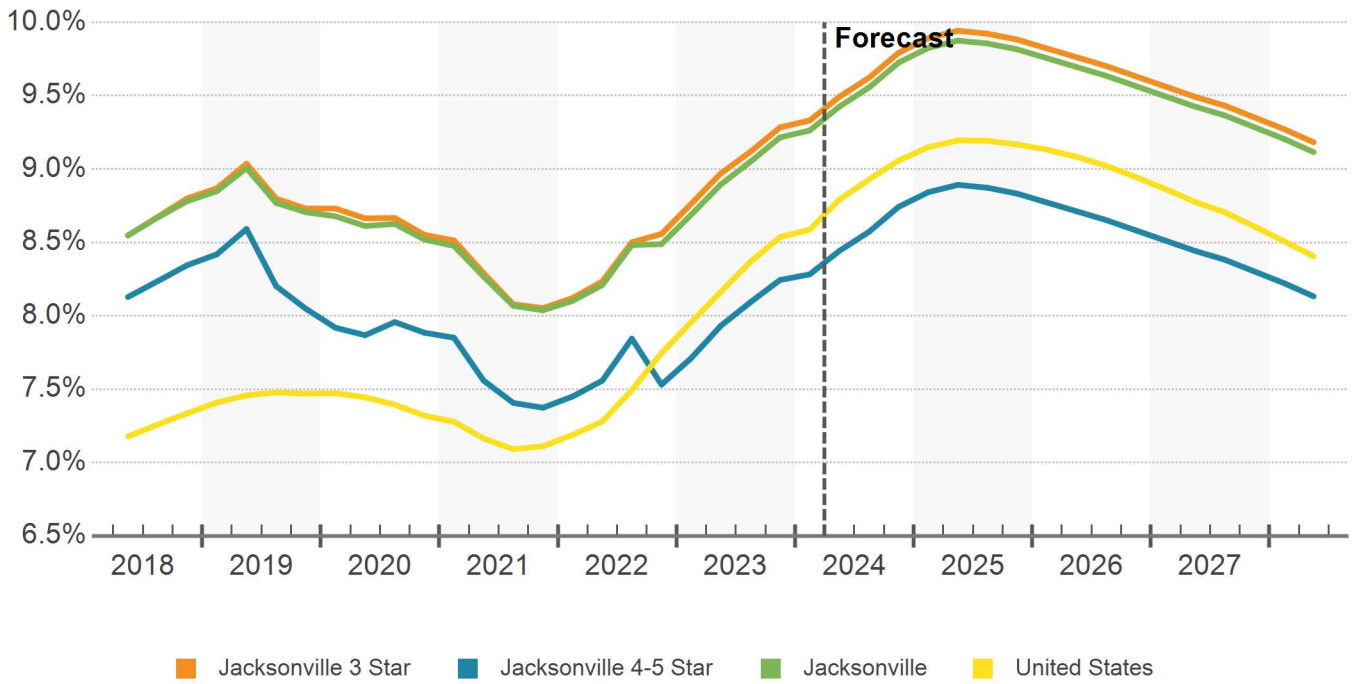
significantly short of its last trade. Wells Fargo Center is now called 1 Independent after transferring to new ownership to New York-based Argentica Investment Management LLC via a deed-in-lieu of foreclosure in April 2024. The tower, which has 700,000 SF of leasable space, sold for \$41.7 million but had previously traded to Banyan Street Capital and Allegiance Partners of New York in 2014 for \$75.3 million. The building will offer naming rights following Wells Fargo's decision to downsize its footprint from more than 105,000 SF in the tower to less than 50,000 SF in a move planned in the fourth quarter of this year.

Outside of the urban core, the largest single property sale over the last year occurred in June 2023, when locally based private investor Trevato Development Group acquired a 267,000-SF, 4-star office property in the Southside area for \$20 million (\$75/SF). The building was 100% at the time of the sale to American Heritage Life Insurance Company, but the new owner plans to transition the property to lifestyle office space. The building has been preleased to Stellar Energy.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Jacksonville Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

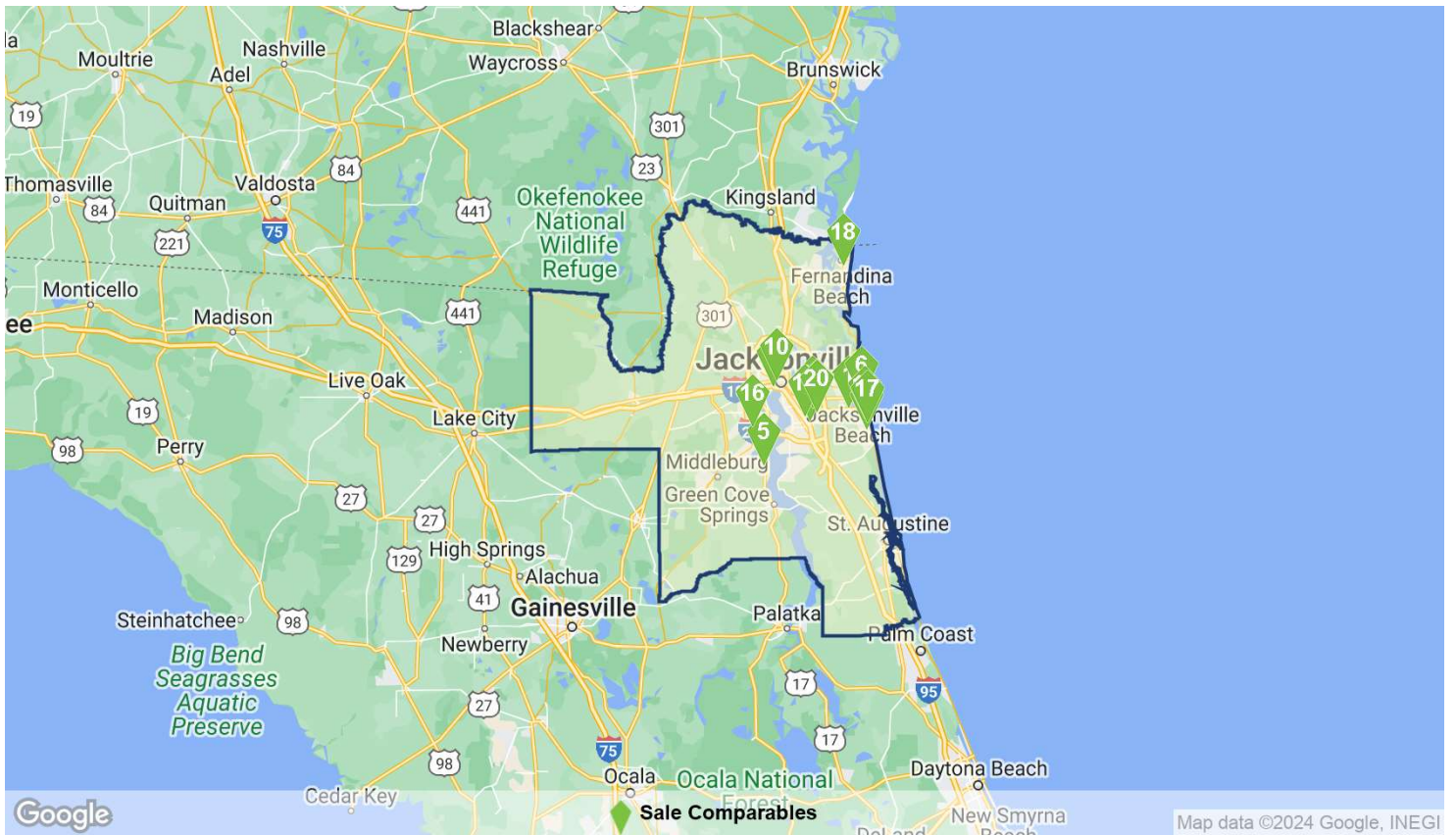
272

7.1%

\$132

8.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$2,642	\$1,327,790	\$715,000	\$20,000,000
Price/SF	\$0.94	\$132	\$187	\$769
Cap Rate	5.9%	7.1%	7.0%	8.6%
Time Since Sale in Months	0.2	6.6	6.8	12.0
Property Attributes	Low	Average	Median	High
Building SF	675	15,351	4,395	648,307
Stories	1	2	1	37
Typical Floor SF	675	7,412	3,780	141,586
Vacancy Rate At Sale	0%	8.0%	0%	100%
Year Built	1900	1976	1984	2024
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Jacksonville Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 StellarEnergy 1776 American Heritage Li...	★★★★★	1994	266,362	0%	6/1/2023	\$20,000,000	\$75	-
2 Phase I Bldg 100 1845 Town Center Blvd	★★★★★	2002	39,985	0%	6/16/2023	\$6,359,372	\$159	-
3 710 Lomax St	★★★★★	1961	10,113	0%	3/27/2024	\$6,000,000	\$593	6.5%
4 100 Corridor Rd S	★★★★★	2001	15,300	0%	6/14/2023	\$5,196,500	\$340	6.0%
5 August II - Phase I Bldg 200 1845 Town Center Blvd	★★★★★	2002	37,891	16.6%	6/16/2023	\$5,140,628	\$136	-
6 901 7th Ave S	★★★★★	2020	17,707	0%	6/16/2023	\$5,136,201	\$290	-
7 Greystone Bldg 300 10550 Deerwood Park Blvd	★★★★★	1998	50,000	21.1%	4/9/2024	\$4,475,401	\$90	-
8 Greystone Bldg 100 10550 Deerwood Park Blvd	★★★★★	1998	50,000	29.5%	4/9/2024	\$4,405,555	\$88	-
9 Greystone Bldg 500 10550 Deerwood Park Blvd	★★★★★	1999	50,000	100%	4/9/2024	\$4,311,077	\$86	-
10 Signet Center 800 W Monroe St	★★★★★	2003	21,960	0%	7/7/2023	\$4,190,000	\$191	-
11 Bldg 3 9428 Baymeadows Rd	★★★★★	1985	114,788	46.5%	6/22/2023	\$4,120,894	\$36	-
12 Greystone Bldg 200 10550 Deerwood Park Blvd	★★★★★	1999	37,356	0%	6/27/2023	\$4,100,000	\$110	-
13 St Johns Vein Center 8767 Perimeter Park Blvd	★★★★★	2000	10,647	0%	6/22/2023	\$4,050,000	\$380	-
14 510 A1A N	★★★★★	1994	10,317	0%	6/6/2023	\$3,425,000	\$332	-
15 Greystone Bldg 600 10550 Deerwood Park Blvd	★★★★★	1999	34,440	0%	4/9/2024	\$3,201,765	\$93	-
16 6200 Lake Gray Blvd	★★★★★	1991	31,590	0%	7/17/2023	\$3,160,000	\$100	-
17 Ponte Vedra Office 200 Executive Way	★★★★★	1988	10,608	0%	9/18/2023	\$3,000,000	\$283	-
18 1750 S 14th St	★★★★★	2002	19,972	26.0%	4/16/2024	\$2,900,000	\$145	-
19 Lakeside Plaza 8665 Baypine Rd	★★★★★	1988	44,572	30.5%	8/17/2023	\$2,874,154	\$64	-
20 Greystone Bldg 700 10550 Deerwood Park Blvd	★★★★★	1999	28,200	51.3%	4/9/2024	\$2,806,201	\$100	-

Jacksonville's economy has proven resilient over the past few years, and its unemployment rate remained low at 3.3% as of February 2024. According to Oxford Economics, strong in-migration, recovery in the tourism & hospitality industry, and healthy office demand enabled Jacksonville to achieve one of the highest rates of job growth in the nation during the first half of 2023. As of the end of 2023, job growth was being fueled by office-using industries including financial activities, professional & business services, and education & health services.

Relocating and expanding companies continue to be drawn to Jacksonville's low cost of doing business and overall quality of life. The housing market is developing at a brisk pace, and explosive growth in the multifamily and industrial sectors is due in large part to a surge in population over the past several years. The metro's diverse employment base is heavily represented by companies in the health and biomedical, financial services, and transportation and logistics sectors. In fact, one in every six jobs in Northeast Florida is in the health and life sciences sector, and the region's economic development efforts moving forward will be primarily focused on growing its biomedical and life sciences industries.

At the northeastern tip of Florida, Jacksonville does not have the same geographical restraints as other industrial peer markets throughout the peninsula. This allows the market to reach not only most of the state but also a significant portion of the eastern seaboard with same-day round trips. The market boasts the state's largest container port and second-largest vehicles port, has access to two of the state's primary roadway arteries, interstates 95 and 10, and has direct rail service.

Jacksonville's largest employer is the U.S. Navy, with

Naval Air Station Jacksonville employing more than 50,000 civilian employees, contractors, and active-duty personnel. The area's largest private employers include Baptist Health, Bank of America, Mayo Clinic, Southeastern Grocers, Florida Blue, Amazon, UF Health, Citi, JP Morgan Chase, all of whom employ more than 3,000 workers. There are 20 major banking, insurance, and investment services firms in Jacksonville that are on the Fortune Global 500 List, and CSX, Fidelity Information Services (FIS), FNF, and Landstar are also notably on the list of Fortune 1000 Companies. All in all, there are nearly 100 industry headquarters clustered in the Jacksonville region. The aerospace, aviation, and defense sectors are also well represented here, with over 100 skilled defense contractors affiliated with the aviation industry in Northeast Florida.

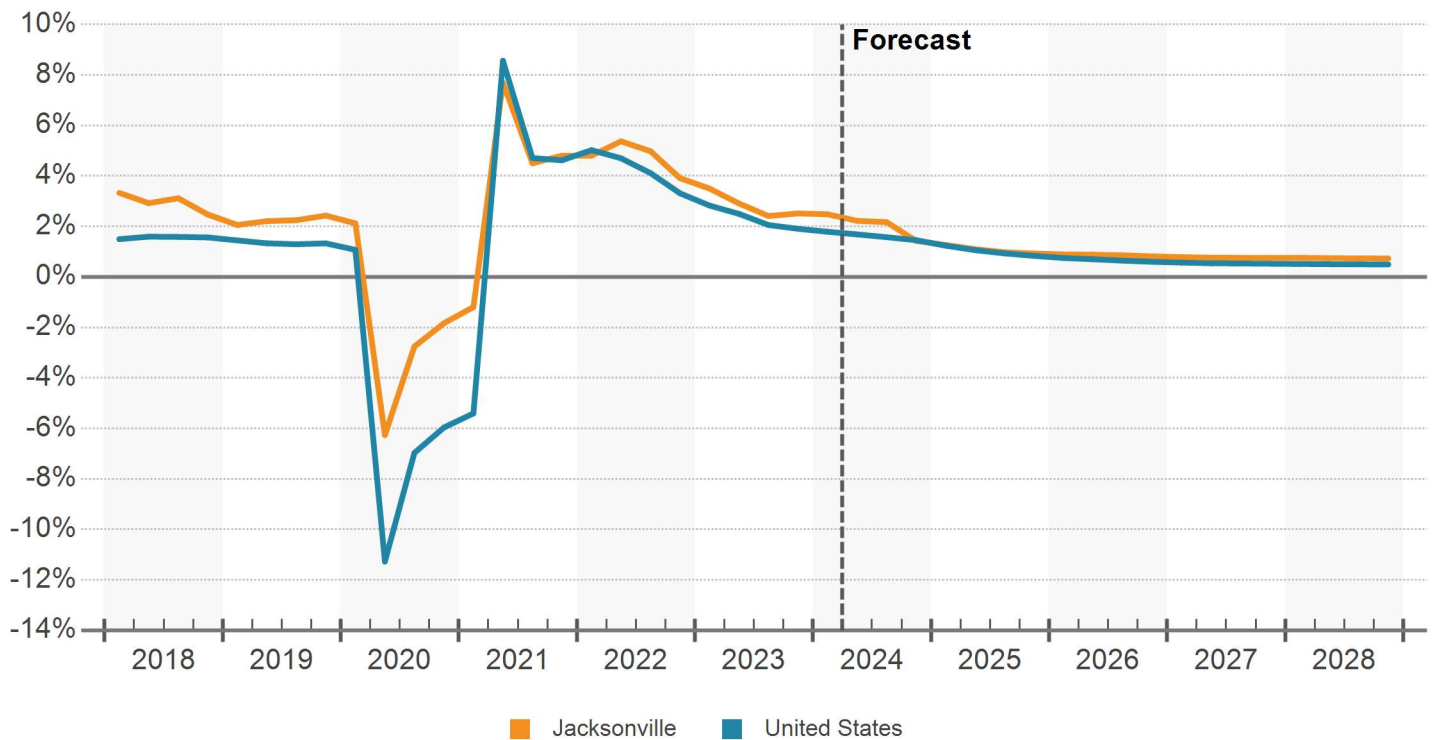
Four separate logistics sectors intersect in Jacksonville. The region's two deep-water ports, three major interstates, major railways, and an international airport system help Jacksonville rank as one of the best cities for logistics infrastructure according to *Global Trade Magazine*. Nearly 100 million consumers live within one day's drive of the metro, providing the captive population necessary to attract distribution companies and freight forwarders, and there are over 100 trucking firms located in Jacksonville. With three marine terminals, the Port of Jacksonville ("JAXPORT") is Florida's largest container port by volume and recently completed its harbor deepening project several years ahead of its original schedule. The project was necessary to meet the needs of larger cargo ships transiting from the Suez and Panama canals, and the new 47-foot depth for the channel will position JAXPORT as the first U.S. East Coast port of call for fully loaded new Panamax class vessels.

JACKSONVILLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	37	0.6	2.76%	0.31%	2.89%	0.69%	0.51%	0.47%
Trade, Transportation and Utilities	170	1.2	1.55%	0.27%	2.89%	1.04%	0.49%	0.39%
Retail Trade	86	1.1	3.05%	0.44%	1.92%	0.27%	0.56%	0.29%
Financial Activities	77	1.6	0.43%	0.83%	2.30%	1.53%	0.40%	0.38%
Government	81	0.7	3.74%	2.66%	1.08%	0.61%	0.90%	0.73%
Natural Resources, Mining and Construction	53	1.2	5.16%	2.63%	5.17%	2.45%	1.33%	0.90%
Education and Health Services	128	1.0	4.46%	4.06%	3.47%	2.04%	1.28%	0.84%
Professional and Business Services	123	1.1	0.09%	0.66%	2.41%	1.91%	1.10%	0.76%
Information	15	1.0	0.18%	-0.99%	4.60%	1.06%	0.71%	0.67%
Leisure and Hospitality	94	1.1	3.73%	2.87%	2.33%	1.51%	1.03%	1.08%
Other Services	28	0.9	1.44%	1.61%	2.34%	0.60%	0.60%	0.58%
Total Employment	805	1.0	2.39%	1.75%	2.72%	1.36%	0.87%	0.69%

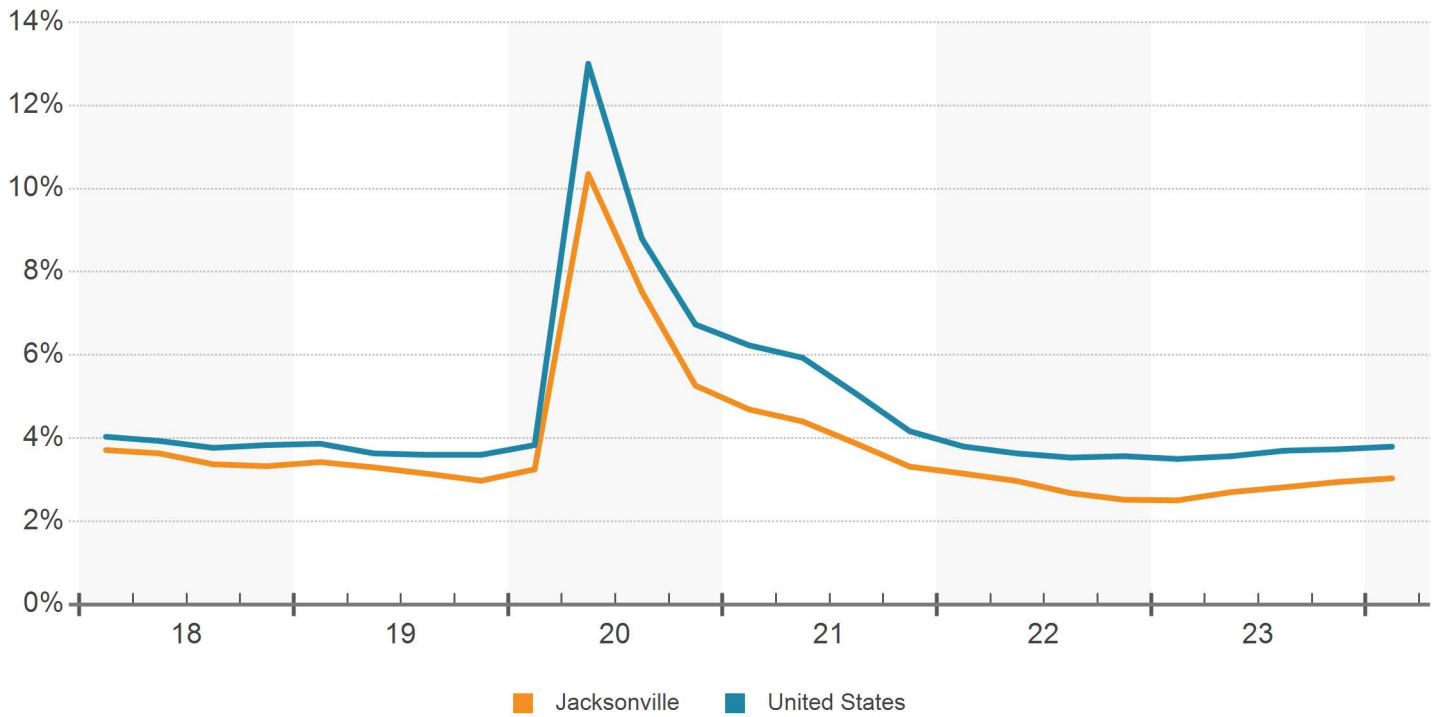
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

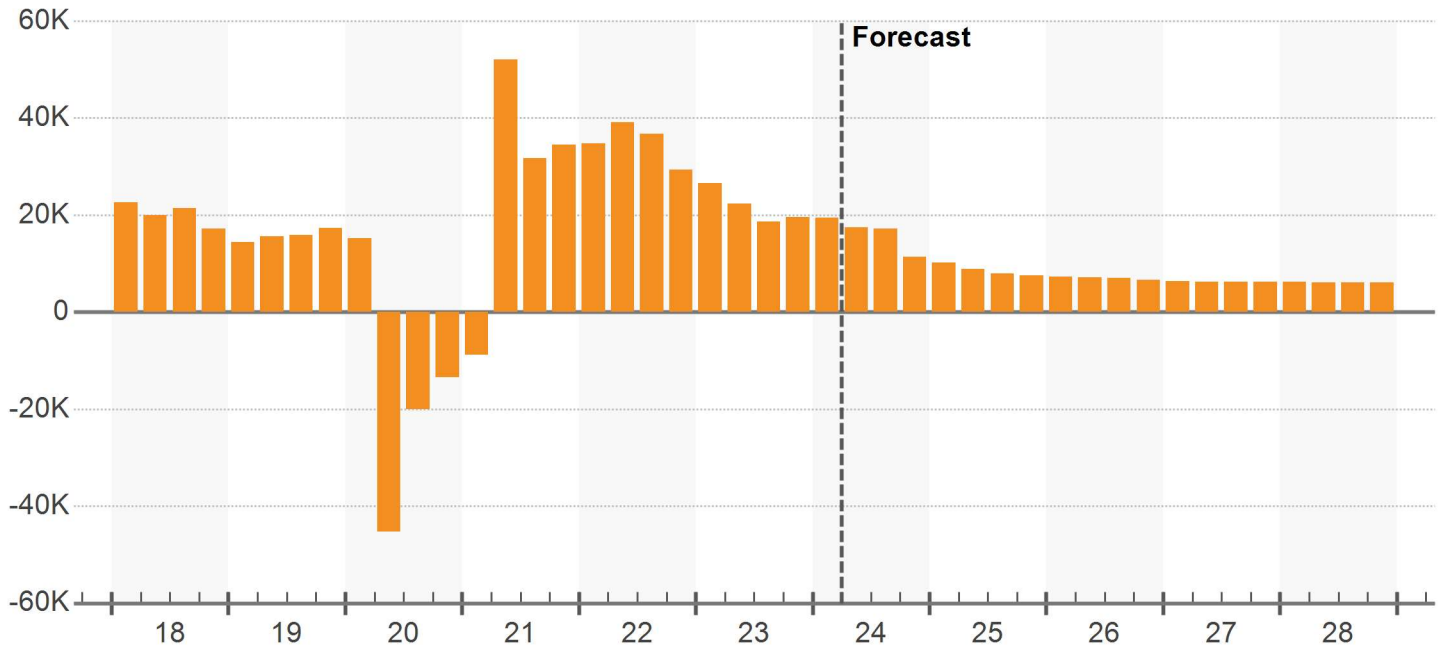


Source: Oxford Economics

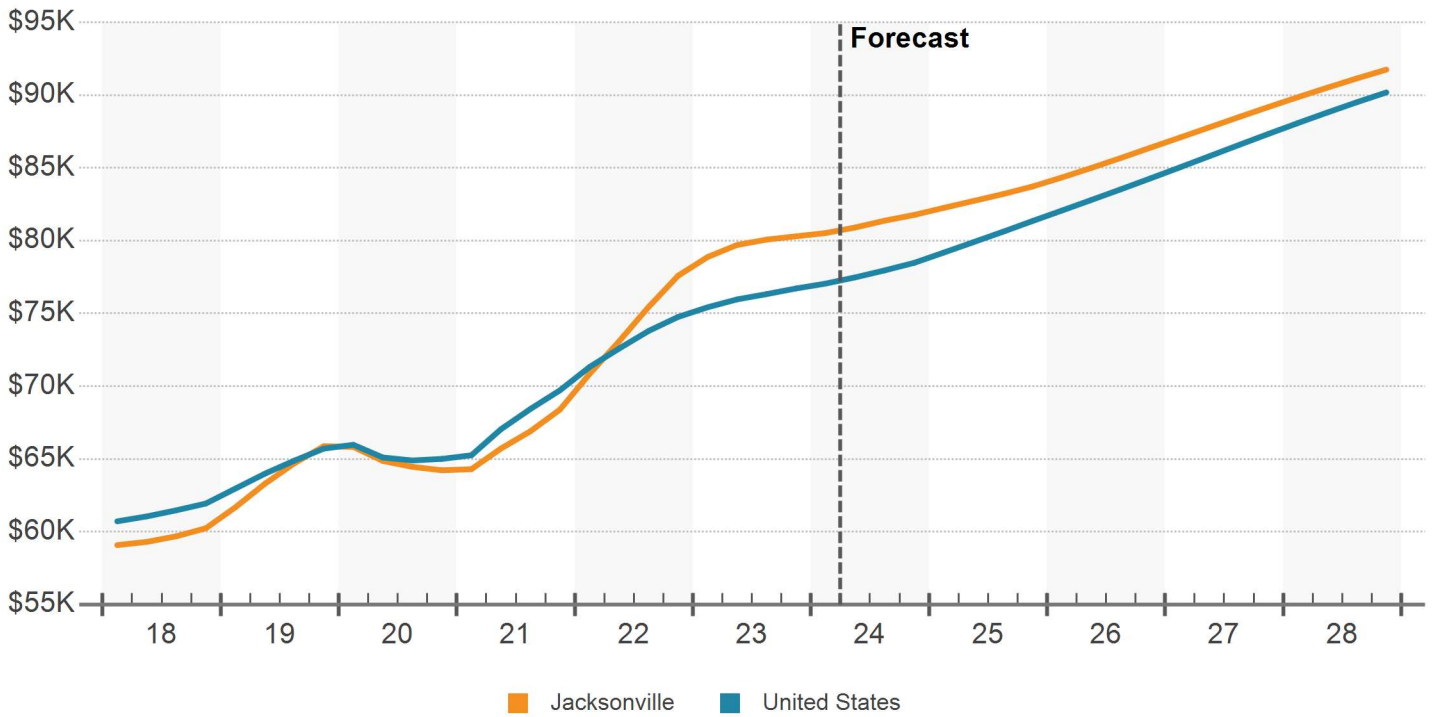
UNEMPLOYMENT RATE (%)



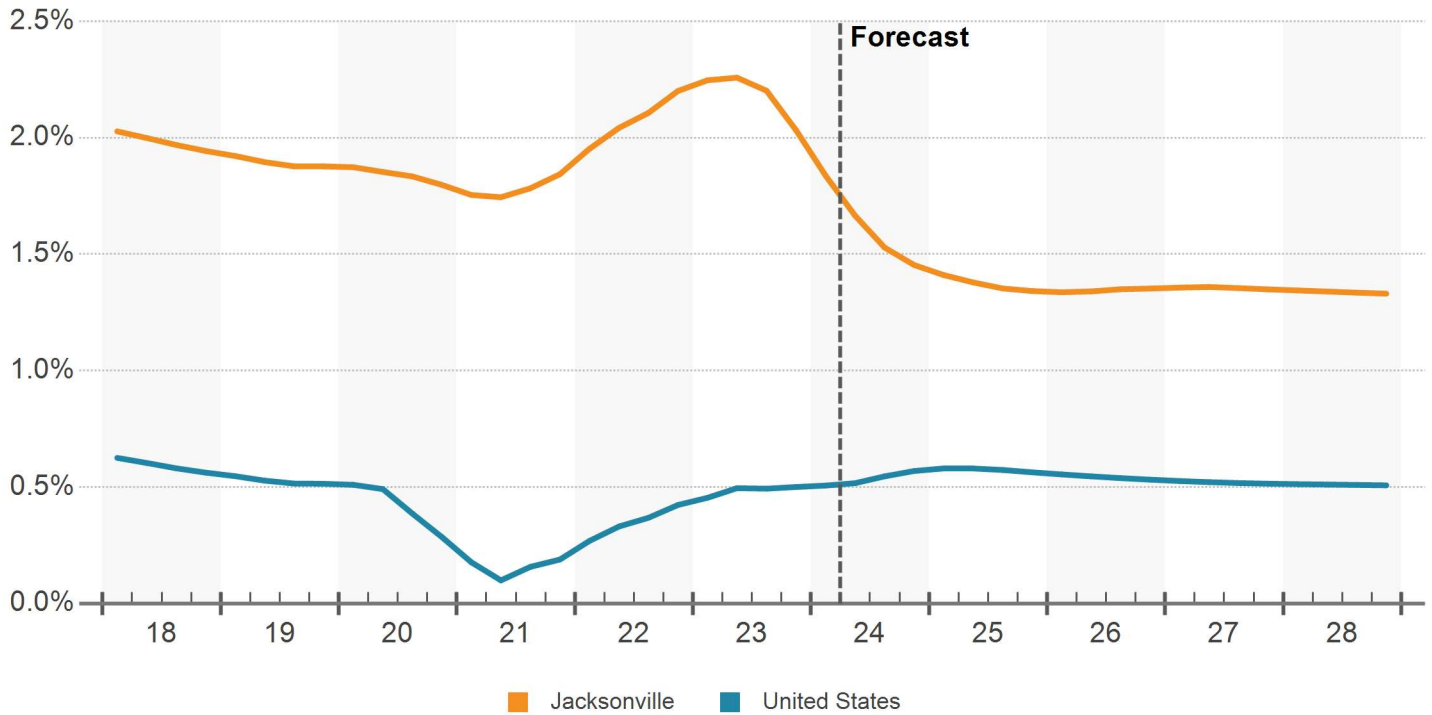
NET EMPLOYMENT CHANGE (YOY)



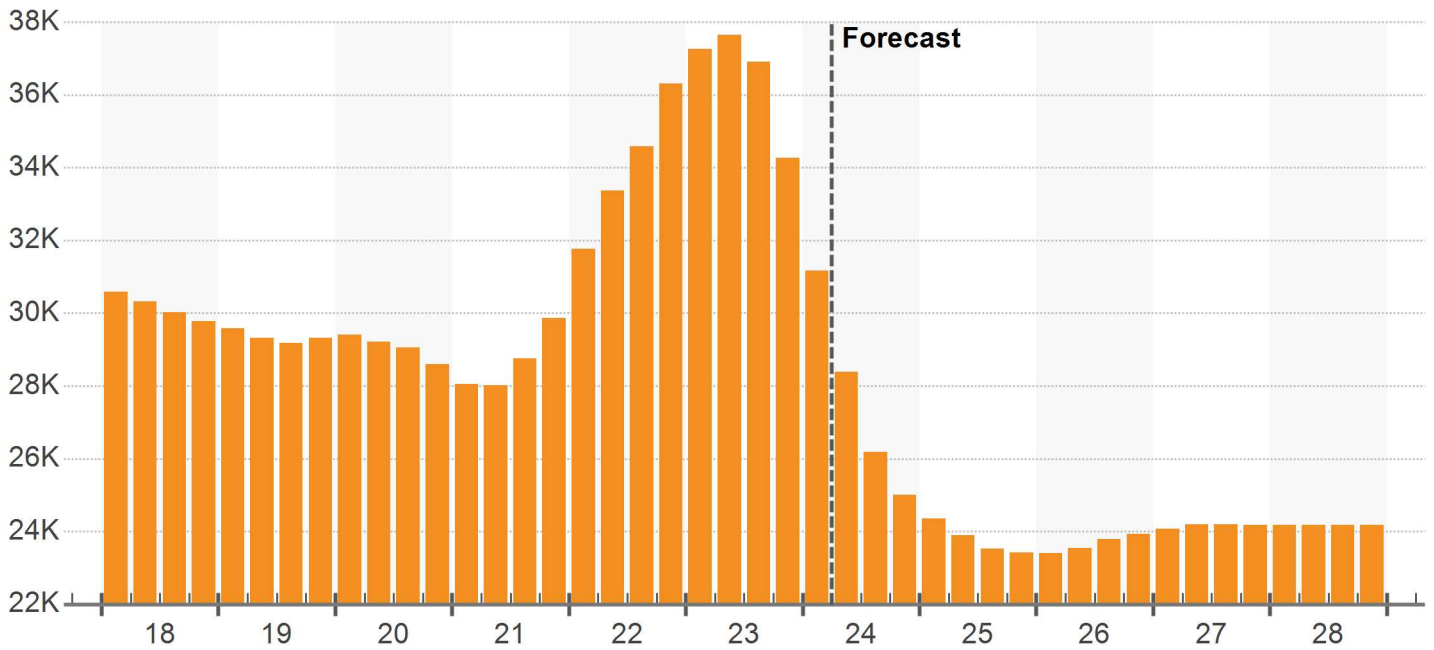
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

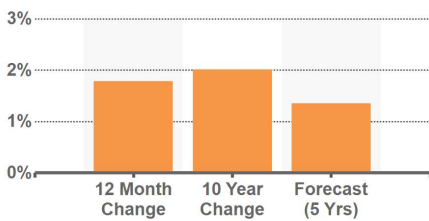


DEMOGRAPHIC TRENDS

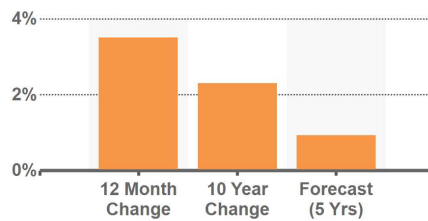
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,729,115	335,935,844	1.8%	0.5%	2.0%	0.5%	1.4%	0.5%
Households	695,150	131,218,422	1.9%	0.7%	2.4%	0.9%	1.5%	0.6%
Median Household Income	\$80,648	\$77,190	1.9%	2.1%	4.6%	3.9%	2.8%	3.4%
Labor Force	884,583	167,654,531	3.5%	0.7%	2.3%	0.7%	0.9%	0.5%
Unemployment	3.0%	3.8%	0.5%	0.3%	-0.4%	-0.3%	-	-

Source: Oxford Economics

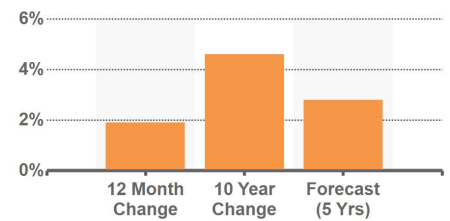
POPULATION GROWTH



LABOR FORCE GROWTH



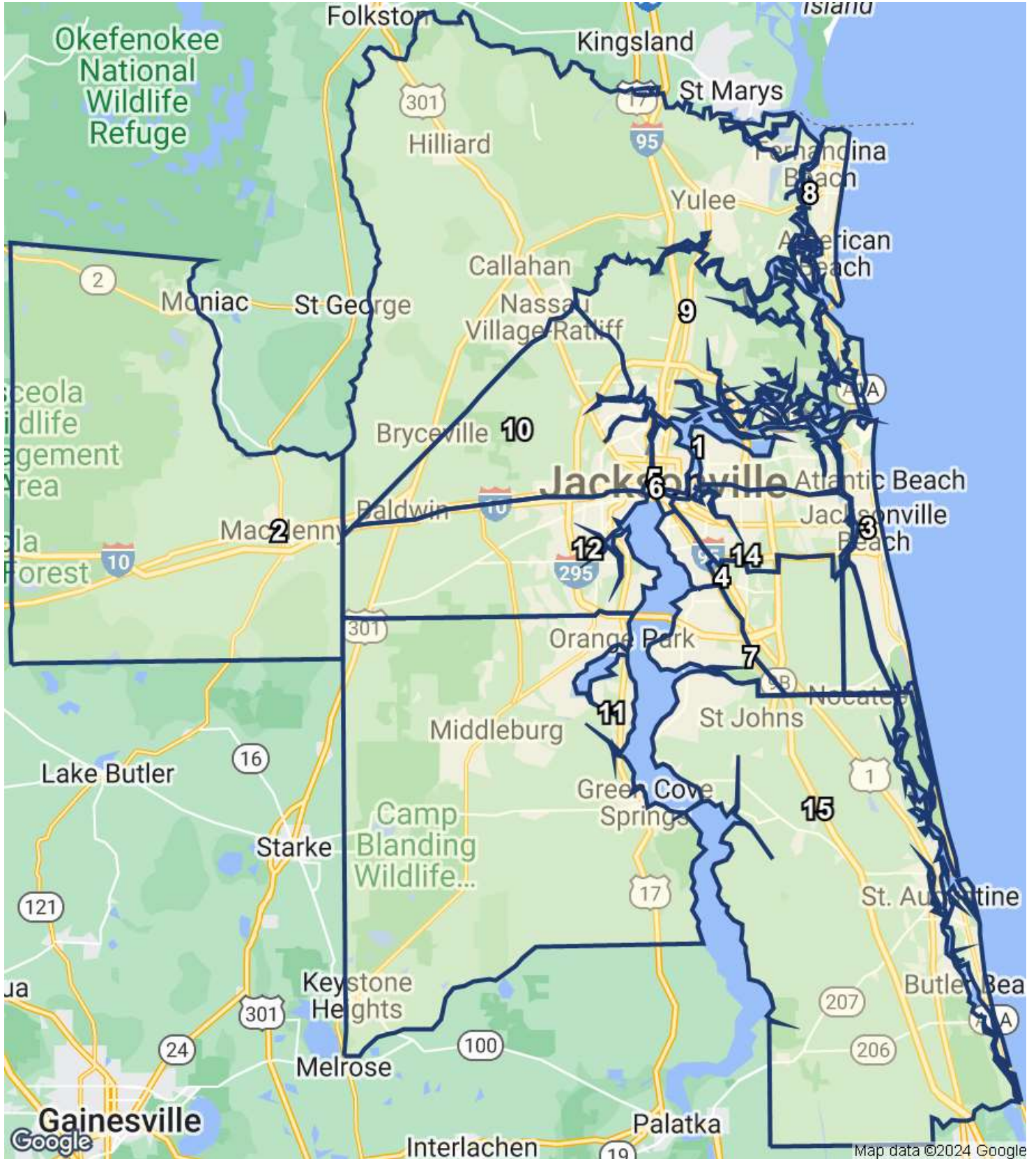
INCOME GROWTH



Source: Oxford Economics

Submarkets

JACKSONVILLE SUBMARKETS



Submarkets

Jacksonville Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Arlington	227	1,871	2.7%	11	0	0	0%	-	0	-	-	-
2	Baker County	35	141	0.2%	15	0	0	0%	-	0	-	-	-
3	Beaches	411	3,948	5.7%	4	5	36	0.9%	2	3	44	1.1%	4
4	Butler/Baymeadows	286	10,539	15.2%	3	2	28	0.3%	3	2	24	0.2%	5
5	Downtown Northbank	378	13,535	19.6%	2	0	0	0%	-	0	-	-	-
6	Downtown Southbank	138	3,170	4.6%	7	0	0	0%	-	0	-	-	-
7	Mandarin	311	2,582	3.7%	9	0	0	0%	-	0	-	-	-
8	Nassau County	259	1,426	2.1%	12	4	16	1.2%	4	1	80	5.6%	1
9	Northeast Jacksonville	85	839	1.2%	14	0	0	0%	-	1	12	1.4%	6
10	Northwest Jacksonville	195	1,163	1.7%	13	0	0	0%	-	0	-	-	-
11	Orange Park/Clay County	454	3,764	5.4%	6	1	6	0.2%	5	8	77	2.0%	2
12	Riverside	661	3,111	4.5%	8	0	0	0%	-	0	-	-	-
13	San Marco	274	1,923	2.8%	10	0	0	0%	-	0	-	-	-
14	Southside	788	17,317	25.0%	1	0	0	0%	-	0	-	-	-
15	St Johns County	503	3,830	5.5%	5	8	137	3.6%	1	2	74	1.9%	3

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Arlington	\$23.74	11	2.8%	7	-0.5%	7
2	Baker County	\$21.78	15	2.6%	11	-2.2%	15
3	Beaches	\$33.10	1	3.3%	1	0.2%	3
4	Butler/Baymeadows	\$23.73	12	2.7%	8	0.3%	2
5	Downtown Northbank	\$23.96	8	2.5%	13	-0.5%	6
6	Downtown Southbank	\$24.45	5	2.1%	15	-1.3%	10
7	Mandarin	\$24.38	6	3.0%	4	0%	4
8	Nassau County	\$26.81	3	3.0%	5	-0.7%	8
9	Northeast Jacksonville	\$25.05	4	2.9%	6	-1.6%	13
10	Northwest Jacksonville	\$22.65	13	2.7%	9	-2.1%	14
11	Orange Park/Clay County	\$23.84	9	3.0%	3	-0.1%	5
12	Riverside	\$22.44	14	2.6%	12	-1.5%	12
13	San Marco	\$23.82	10	2.7%	10	-1.0%	9
14	Southside	\$24.35	7	2.3%	14	-1.4%	11
15	St Johns County	\$29.39	2	3.3%	2	0.7%	1

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Arlington	165,299	8.8%	10	52,292	2.8%	2	-
2	Baker County	5,250	3.7%	4	0	0%	-	-
3	Beaches	218,831	5.5%	8	13,696	0.3%	5	2.7
4	Butler/Baymeadows	2,028,665	19.2%	15	(506,588)	-4.8%	14	-
5	Downtown Northbank	1,503,648	11.1%	12	(125,550)	-0.9%	12	-
6	Downtown Southbank	598,998	18.9%	14	(179,786)	-5.7%	13	-
7	Mandarin	122,201	4.7%	6	(18,048)	-0.7%	8	-
8	Nassau County	27,520	1.9%	2	29,541	2.1%	3	0.6
9	Northeast Jacksonville	12,673	1.5%	1	23,709	2.8%	4	-
10	Northwest Jacksonville	34,747	3.0%	3	6,569	0.6%	6	-
11	Orange Park/Clay County	263,562	7.0%	9	(60,610)	-1.6%	10	-
12	Riverside	159,407	5.1%	7	(19,615)	-0.6%	9	-
13	San Marco	178,743	9.3%	11	(118,008)	-6.1%	11	-
14	Southside	2,099,351	12.1%	13	(520,106)	-3.0%	15	-
15	St Johns County	153,519	4.0%	5	115,883	3.0%	1	1.0

Supply & Demand Trends

Jacksonville Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	69,610,617	155,700	0.2%	200,889	0.3%	0.8
2027	69,454,917	79,754	0.1%	288,243	0.4%	0.3
2026	69,375,163	(22,716)	0%	194,217	0.3%	-
2025	69,397,879	76,157	0.1%	(215,975)	-0.3%	-
2024	69,321,722	276,319	0.4%	(973,603)	-1.4%	-
YTD	69,158,089	112,686	0.2%	(509,545)	-0.7%	-
2023	69,045,403	114,352	0.2%	(626,432)	-0.9%	-
2022	68,931,051	574,203	0.8%	745,935	1.1%	0.8
2021	68,356,848	631,258	0.9%	69,397	0.1%	9.1
2020	67,725,590	662,788	1.0%	372,392	0.5%	1.8
2019	67,062,802	129,076	0.2%	(492,231)	-0.7%	-
2018	66,933,726	576,581	0.9%	334,015	0.5%	1.7
2017	66,357,145	169,589	0.3%	803,806	1.2%	0.2
2016	66,187,556	81,641	0.1%	805,540	1.2%	0.1
2015	66,105,915	168,762	0.3%	833,119	1.3%	0.2
2014	65,937,153	20,678	0%	711,034	1.1%	0
2013	65,916,475	188,313	0.3%	659,815	1.0%	0.3
2012	65,728,162	167,431	0.3%	627,714	1.0%	0.3

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	19,553,689	204,601	1.1%	180,328	0.9%	1.1
2027	19,349,088	128,580	0.7%	126,117	0.7%	1.0
2026	19,220,508	26,106	0.1%	23,495	0.1%	1.1
2025	19,194,402	0	0%	(135,282)	-0.7%	-
2024	19,194,402	6,300	0%	(440,300)	-2.3%	-
YTD	19,188,102	0	0%	(267,596)	-1.4%	-
2023	19,188,102	60,712	0.3%	(302,297)	-1.6%	-
2022	19,127,390	659,296	3.6%	607,631	3.2%	1.1
2021	18,468,094	277,375	1.5%	(207,899)	-1.1%	-
2020	18,190,719	126,624	0.7%	55,464	0.3%	2.3
2019	18,064,095	450,275	2.6%	103,095	0.6%	4.4
2018	17,613,820	271,103	1.6%	132	0%	2,053.8
2017	17,342,717	117,887	0.7%	185,872	1.1%	0.6
2016	17,224,830	158,425	0.9%	268,474	1.6%	0.6
2015	17,066,405	259,557	1.5%	526,666	3.1%	0.5
2014	16,806,848	34,143	0.2%	63,428	0.4%	0.5
2013	16,772,705	163,542	1.0%	197,542	1.2%	0.8
2012	16,609,163	48,574	0.3%	402,786	2.4%	0.1

Supply & Demand Trends

Jacksonville Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	29,453,259	0	0%	42,569	0.1%	0
2027	29,453,259	0	0%	94,564	0.3%	0
2026	29,453,259	0	0%	109,435	0.4%	0
2025	29,453,259	125,000	0.4%	22,102	0.1%	5.7
2024	29,328,259	276,975	1.0%	(152,749)	-0.5%	-
YTD	29,148,363	97,079	0.3%	(89,219)	-0.3%	-
2023	29,051,284	138,096	0.5%	(299,555)	-1.0%	-
2022	28,913,188	(79,093)	-0.3%	194,580	0.7%	-
2021	28,992,281	371,581	1.3%	(139,634)	-0.5%	-
2020	28,620,700	494,475	1.8%	342,082	1.2%	1.4
2019	28,126,225	124,991	0.4%	(258,807)	-0.9%	-
2018	28,001,234	314,543	1.1%	337,932	1.2%	0.9
2017	27,686,691	76,499	0.3%	362,639	1.3%	0.2
2016	27,610,192	(57,762)	-0.2%	521,774	1.9%	-
2015	27,667,954	(34,694)	-0.1%	124,387	0.4%	-
2014	27,702,648	3,702	0%	435,886	1.6%	0
2013	27,698,946	95,568	0.3%	307,703	1.1%	0.3
2012	27,603,378	118,133	0.4%	126,539	0.5%	0.9

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	20,603,669	(48,901)	-0.2%	(22,008)	-0.1%	-
2027	20,652,570	(48,826)	-0.2%	67,562	0.3%	-
2026	20,701,396	(48,822)	-0.2%	61,287	0.3%	-
2025	20,750,218	(48,843)	-0.2%	(102,795)	-0.5%	-
2024	20,799,061	(6,956)	0%	(380,554)	-1.8%	-
YTD	20,821,624	15,607	0.1%	(152,730)	-0.7%	-
2023	20,806,017	(84,456)	-0.4%	(24,580)	-0.1%	-
2022	20,890,473	(6,000)	0%	(56,276)	-0.3%	-
2021	20,896,473	(17,698)	-0.1%	416,930	2.0%	-
2020	20,914,171	41,689	0.2%	(25,154)	-0.1%	-
2019	20,872,482	(446,190)	-2.1%	(336,519)	-1.6%	-
2018	21,318,672	(9,065)	0%	(4,049)	0%	-
2017	21,327,737	(24,797)	-0.1%	255,295	1.2%	-
2016	21,352,534	(19,022)	-0.1%	15,292	0.1%	-
2015	21,371,556	(56,101)	-0.3%	182,066	0.9%	-
2014	21,427,657	(17,167)	-0.1%	211,720	1.0%	-
2013	21,444,824	(70,797)	-0.3%	154,570	0.7%	-
2012	21,515,621	724	0%	98,389	0.5%	0

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$25.79	128	2.4%	3.6%	8,046,207	11.6%	-0.1%
2027	\$25.18	125	2.6%	1.2%	8,089,393	11.6%	-0.3%
2026	\$24.55	122	2.1%	-1.4%	8,291,075	12.0%	-0.3%
2025	\$24.05	120	-0.6%	-3.4%	8,501,483	12.3%	0.4%
2024	\$24.19	120	-2.8%	-2.8%	8,202,362	11.8%	1.8%
YTD	\$24.85	124	2.6%	-0.1%	7,572,414	10.9%	0.9%
2023	\$24.89	124	3.9%	0%	6,950,183	10.1%	1.1%
2022	\$23.96	119	6.2%	-3.8%	6,209,399	9.0%	-0.3%
2021	\$22.56	112	2.8%	-9.4%	6,381,131	9.3%	0.7%
2020	\$21.94	109	3.2%	-11.9%	5,825,910	8.6%	0.3%
2019	\$21.27	106	3.7%	-14.6%	5,535,514	8.3%	0.9%
2018	\$20.50	102	2.6%	-17.6%	4,914,030	7.3%	0.3%
2017	\$19.97	99	3.2%	-19.8%	4,671,464	7.0%	-1.0%
2016	\$19.36	96	8.4%	-22.2%	5,305,681	8.0%	-1.1%
2015	\$17.86	89	0.8%	-28.2%	6,029,580	9.1%	-1.0%
2014	\$17.72	88	4.1%	-28.8%	6,693,937	10.2%	-1.1%
2013	\$17.02	85	0.5%	-31.6%	7,384,293	11.2%	-0.7%
2012	\$16.94	84	0.8%	-31.9%	7,855,795	12.0%	-0.7%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$27.32	128	2.2%	3.1%	3,583,673	18.3%	-0.1%
2027	\$26.72	126	2.4%	0.8%	3,559,722	18.4%	-0.1%
2026	\$26.08	123	1.9%	-1.6%	3,557,569	18.5%	0%
2025	\$25.59	120	-0.7%	-3.4%	3,555,162	18.5%	0.7%
2024	\$25.77	121	-2.8%	-2.8%	3,419,880	17.8%	2.3%
YTD	\$26.52	125	2.2%	0.1%	3,240,869	16.9%	1.4%
2023	\$26.50	125	4.1%	0%	2,973,273	15.5%	1.8%
2022	\$25.46	120	2.3%	-3.9%	2,610,264	13.6%	-0.2%
2021	\$24.90	117	0.3%	-6.0%	2,558,599	13.9%	2.5%
2020	\$24.82	117	-0.4%	-6.3%	2,073,325	11.4%	0.3%
2019	\$24.93	117	3.7%	-5.9%	2,002,165	11.1%	1.7%
2018	\$24.03	113	3.8%	-9.3%	1,654,808	9.4%	1.4%
2017	\$23.15	109	1.4%	-12.6%	1,383,837	8.0%	-0.4%
2016	\$22.83	107	9.3%	-13.8%	1,451,822	8.4%	-0.7%
2015	\$20.90	98	2.1%	-21.1%	1,561,871	9.2%	-1.7%
2014	\$20.47	96	5.2%	-22.7%	1,828,980	10.9%	-0.2%
2013	\$19.45	91	1.8%	-26.6%	1,858,265	11.1%	-0.3%
2012	\$19.12	90	1.8%	-27.9%	1,892,265	11.4%	-2.2%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$26.21	127	2.5%	4.2%	3,234,756	11.0%	-0.1%
2027	\$25.57	124	2.6%	1.7%	3,277,325	11.1%	-0.3%
2026	\$24.92	121	2.1%	-0.9%	3,371,889	11.4%	-0.4%
2025	\$24.41	119	-0.6%	-2.9%	3,481,324	11.8%	0.3%
2024	\$24.55	119	-2.4%	-2.4%	3,378,426	11.5%	1.4%
YTD	\$25.17	122	3.4%	0.1%	3,134,987	10.8%	0.6%
2023	\$25.15	122	3.1%	0%	2,948,689	10.1%	1.5%
2022	\$24.40	119	7.3%	-3.0%	2,511,038	8.7%	-0.9%
2021	\$22.73	110	2.3%	-9.6%	2,784,711	9.6%	1.7%
2020	\$22.22	108	6.8%	-11.7%	2,273,496	7.9%	0.4%
2019	\$20.81	101	3.4%	-17.3%	2,121,103	7.5%	1.3%
2018	\$20.12	98	1.3%	-20.0%	1,737,305	6.2%	-0.2%
2017	\$19.86	97	2.0%	-21.0%	1,760,694	6.4%	-1.1%
2016	\$19.46	95	10.0%	-22.6%	2,046,834	7.4%	-2.1%
2015	\$17.70	86	2.6%	-29.6%	2,626,370	9.5%	-0.6%
2014	\$17.25	84	1.2%	-31.4%	2,785,451	10.1%	-1.6%
2013	\$17.04	83	3.9%	-32.2%	3,217,635	11.6%	-0.8%
2012	\$16.40	80	0.4%	-34.8%	3,429,770	12.4%	-0.1%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$23.80	130	2.5%	3.3%	1,227,778	6.0%	-0.1%
2027	\$23.21	126	2.7%	0.7%	1,252,346	6.1%	-0.5%
2026	\$22.60	123	2.2%	-1.9%	1,361,617	6.6%	-0.5%
2025	\$22.12	121	-0.5%	-4.0%	1,464,997	7.1%	0.3%
2024	\$22.23	121	-3.5%	-3.5%	1,404,056	6.8%	1.8%
YTD	\$22.87	125	2.0%	-0.8%	1,196,558	5.7%	0.8%
2023	\$23.05	126	5.0%	0%	1,028,221	4.9%	-0.3%
2022	\$21.94	120	8.9%	-4.8%	1,088,097	5.2%	0.2%
2021	\$20.16	110	6.7%	-12.5%	1,037,821	5.0%	-2.1%
2020	\$18.89	103	1.9%	-18.0%	1,479,089	7.1%	0.3%
2019	\$18.55	101	4.2%	-19.5%	1,412,246	6.8%	-0.4%
2018	\$17.80	97	3.4%	-22.8%	1,521,917	7.1%	0%
2017	\$17.21	94	7.4%	-25.3%	1,526,933	7.2%	-1.3%
2016	\$16.02	87	4.8%	-30.5%	1,807,025	8.5%	-0.2%
2015	\$15.28	83	-3.5%	-33.7%	1,841,339	8.6%	-1.1%
2014	\$15.84	86	7.3%	-31.3%	2,079,506	9.7%	-1.1%
2013	\$14.76	80	-6.0%	-36.0%	2,308,393	10.8%	-1.0%
2012	\$15.71	86	0.5%	-31.9%	2,533,760	11.8%	-0.5%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$165.77	161	8.9%
2027	-	-	-	-	-	-	\$154.87	150	9.3%
2026	-	-	-	-	-	-	\$145.68	141	9.6%
2025	-	-	-	-	-	-	\$139.08	135	9.8%
2024	-	-	-	-	-	-	\$143.50	139	9.7%
YTD	71	\$64.2M	2.2%	\$1,366,646	\$152.99	7.1%	\$155.13	151	9.3%
2023	288	\$225.3M	3.1%	\$1,048,099	\$141.10	7.1%	\$155.92	151	9.2%
2022	340	\$584.4M	6.3%	\$2,213,486	\$147.81	7.1%	\$165.91	161	8.5%
2021	430	\$864.8M	8.0%	\$2,573,886	\$188.60	7.8%	\$159.45	155	8.0%
2020	389	\$587.7M	7.5%	\$2,379,328	\$125.01	7.9%	\$141.73	138	8.5%
2019	394	\$769.7M	9.9%	\$2,574,385	\$121.93	8.0%	\$137.45	133	8.7%
2018	367	\$494.2M	7.7%	\$2,167,424	\$119.04	8.5%	\$125.27	122	8.8%
2017	286	\$340M	5.3%	\$1,943,043	\$108.41	7.5%	\$125.17	121	8.4%
2016	307	\$382.8M	6.9%	\$1,831,575	\$113.98	8.8%	\$128.55	125	8.0%
2015	432	\$310.1M	5.7%	\$1,255,356	\$101.69	8.9%	\$124.82	121	7.9%
2014	342	\$551.1M	10.7%	\$2,365,295	\$89.30	8.3%	\$119.86	116	7.9%
2013	306	\$544.9M	8.5%	\$2,358,793	\$101.47	8.5%	\$114.80	111	8.1%

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4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$206.80	185	8.0%
2027	-	-	-	-	-	-	\$192.70	172	8.3%
2026	-	-	-	-	-	-	\$180.97	162	8.6%
2025	-	-	-	-	-	-	\$172.52	154	8.8%
2024	-	-	-	-	-	-	\$178.39	159	8.7%
YTD	4	\$625K	4.5%	\$312,490	\$114.38	-	\$194.16	173	8.3%
2023	2	\$21.9M	1.4%	\$10,931,900	\$80.63	-	\$195.02	174	8.2%
2022	13	\$270.1M	8.6%	\$24,556,668	\$164.65	-	\$210.60	188	7.5%
2021	18	\$302.1M	10.5%	\$23,239,954	\$178.27	-	\$189.64	169	7.4%
2020	11	\$271.2M	11.2%	\$24,653,213	\$133.22	7.8%	\$165.41	148	7.9%
2019	30	\$463.8M	17.4%	\$16,564,062	\$152.26	7.4%	\$162.64	145	8.0%
2018	17	\$152.3M	7.9%	\$21,753,609	\$136.96	7.0%	\$141.17	126	8.3%
2017	12	\$44.6M	3.9%	\$11,145,295	\$76.48	5.4%	\$141.03	126	8.0%
2016	18	\$241.4M	13.3%	\$16,092,735	\$124.52	8.0%	\$145.65	130	7.6%
2015	125	\$174.7M	10.4%	\$10,277,651	\$120.75	7.5%	\$141.31	126	7.5%
2014	13	\$266.2M	21.3%	\$22,185,238	\$77.21	8.1%	\$133.84	120	7.5%
2013	23	\$338.4M	16.9%	\$15,382,338	\$121.77	8.9%	\$128.79	115	7.7%

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Sale Trends

Jacksonville Office

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$158.06	154	9.0%
2027	-	-	-	-	-	-	\$147.66	144	9.4%
2026	-	-	-	-	-	-	\$138.90	135	9.6%
2025	-	-	-	-	-	-	\$132.62	129	9.9%
2024	-	-	-	-	-	-	\$136.77	133	9.8%
YTD	29	\$28.3M	0.9%	\$1,417,185	\$143.81	7.3%	\$147.43	144	9.3%
2023	98	\$115M	3.5%	\$1,532,672	\$176.46	6.9%	\$148.06	144	9.3%
2022	141	\$193.6M	5.4%	\$1,897,651	\$141.57	6.9%	\$156.99	153	8.6%
2021	164	\$300.6M	7.0%	\$2,423,890	\$187.48	7.3%	\$154.18	150	8.1%
2020	154	\$239.7M	7.2%	\$2,327,193	\$122.34	8.6%	\$137	134	8.6%
2019	150	\$161.5M	5.7%	\$1,454,817	\$106.41	8.1%	\$132.55	129	8.7%
2018	125	\$240.2M	8.2%	\$2,793,569	\$124.86	8.7%	\$121.34	118	8.8%
2017	102	\$234.9M	7.2%	\$3,307,966	\$121.37	8.4%	\$121.75	119	8.4%
2016	108	\$81.4M	3.6%	\$1,130,119	\$111.58	9.2%	\$125.67	122	8.0%
2015	103	\$68.1M	2.8%	\$850,742	\$118.72	9.5%	\$122.76	120	7.8%
2014	133	\$237.7M	9.6%	\$2,864,434	\$115.22	8.6%	\$117.62	115	7.9%
2013	99	\$116.2M	6.1%	\$1,844,772	\$72.96	7.9%	\$113.45	111	8.0%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$138.86	146	9.8%
2027	-	-	-	-	-	-	\$130.18	136	10.1%
2026	-	-	-	-	-	-	\$122.74	129	10.4%
2025	-	-	-	-	-	-	\$117.39	123	10.6%
2024	-	-	-	-	-	-	\$120.86	127	10.5%
YTD	38	\$35.3M	1.9%	\$1,410,548	\$162.28	6.5%	\$130.05	136	10.1%
2023	188	\$88.5M	4.1%	\$641,501	\$131.25	7.3%	\$131	137	10.0%
2022	186	\$120.7M	5.3%	\$799,183	\$127.59	7.2%	\$137.34	144	9.3%
2021	248	\$262.1M	7.1%	\$1,317,306	\$203.60	8.2%	\$139.09	146	8.6%
2020	224	\$76.8M	4.7%	\$577,503	\$108.74	7.3%	\$126.58	133	9.1%
2019	214	\$144.5M	9.2%	\$902,892	\$82.57	8.1%	\$121.16	127	9.3%
2018	225	\$101.7M	7.0%	\$752,967	\$91.14	8.7%	\$116.17	122	9.2%
2017	172	\$60.6M	4.0%	\$605,857	\$97.95	7.4%	\$115.37	121	8.8%
2016	181	\$60M	6.0%	\$492,128	\$86.93	8.7%	\$116.87	123	8.4%
2015	204	\$67.3M	5.7%	\$448,623	\$65.40	9.0%	\$112.54	118	8.4%
2014	196	\$47.1M	3.8%	\$341,615	\$71.40	8.2%	\$110.13	115	8.3%
2013	184	\$90.2M	5.2%	\$618,145	\$90.43	9.2%	\$103.81	109	8.5%

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