

FIGURES | JACKSONVILLE (FL) INDUSTRIAL | Q2 2026

Industrial fundamentals improve through second quarter 2026

▼ 10.9%

Vacancy Rate

▲ 582,856

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 2.2M

SF Under Construction

▲ \$8.72

NNN/YR Direct Lease Rate

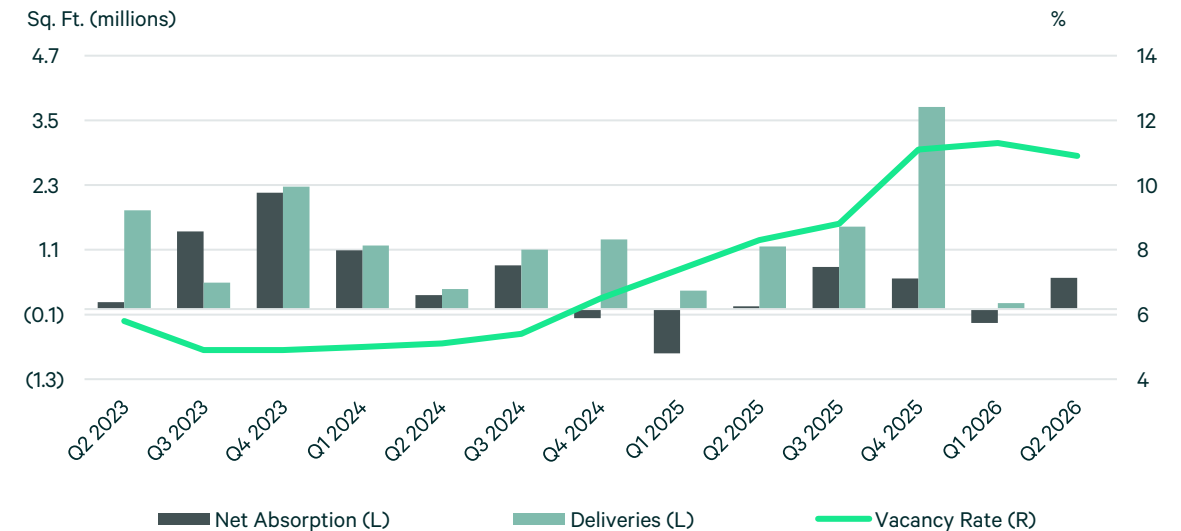
Note: Arrows indicate change from previous quarter.

Market Overview

The industrial market in Q2 2026 recorded notable changes in fundamentals. Net absorption improved by 842,000 sq. ft. quarter-over-quarter. It was 538,000 sq. ft. higher than in Q2 2025. Vacancy stood at 10.9%. Vacancy decreased by 40 bps quarter-over-quarter. Vacancy was 260 bps higher than a year earlier. Availability decreased by 70 bps quarter-over-quarter. Availability was 140 bps higher than in Q2 2025. Average asking rents rose by 0.9% quarter-over-quarter. They increased by 0.5% year-over-year.

Since Q2 2023, average asking rents increased by 25.5%. Over the same period, vacancy rose by 510 bps. The construction pipeline contracted by 3.2 million sq. ft. relative to Q2 2023. New leasing in the current quarter included a 1.1 million sq. ft. commitment by a confidential tenant in the Northside submarket. In the Westside submarket, Trane leased 604,000 sq. ft. Stellar Group added a 120,000 sq. ft. transaction. These three deals totaled 1.8 million sq. ft. of new commitments.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Availability Rate

Overall availability reached 12.6% in Q2 2026, a decline of 70 basis points (bps) quarter-over-quarter from 13.3% in Q1 2026. Direct availability eased to 12.1%, 40 basis points lower than the prior quarter's 12.5%. Year-over-year, overall availability rose 140 basis points from 11.2% in Q2 2025, while direct availability increased 180 basis points from 10.3%. Compared with Q2 2023, overall availability was 580 basis points higher than the 6.8% recorded three years earlier.

By submarket, Beaches posted the lowest overall availability in Q2 2026 at 0.8%, followed by Downtown Jacksonville at 1.5%. St. Johns County registered the highest availability at 42.3% in the quarter. Northside, Westside, Southside, and Clay County recorded overall availability between 9.1% and 15.2%.

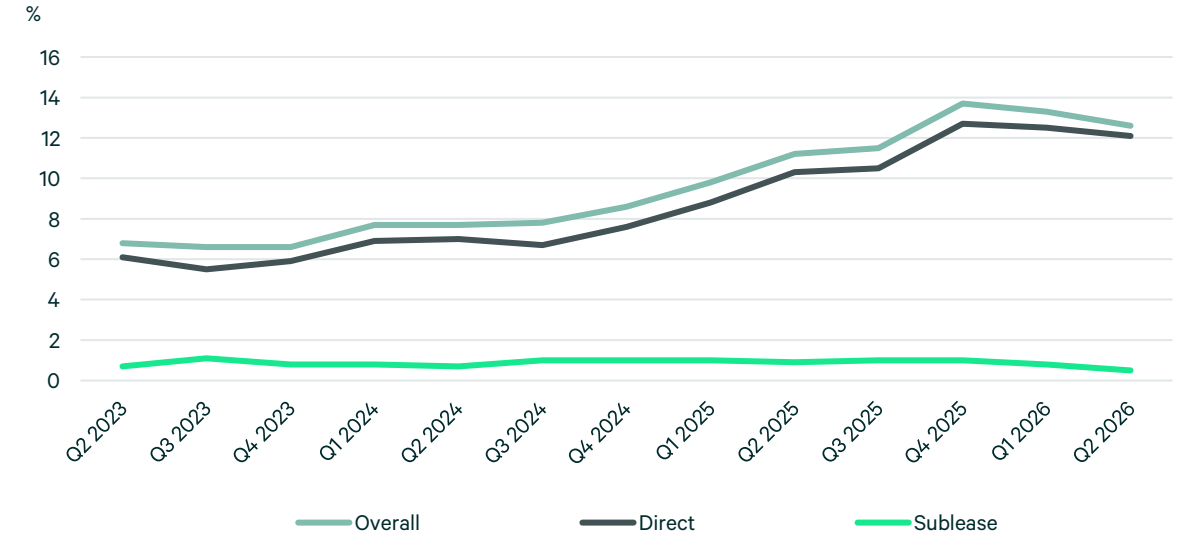
Sublease availability fell to 0.5% in Q2 2026, a decrease of 30 basis points quarter-over-quarter from 0.8% in Q1 2026. Total sublease space reached 668,791 sq. ft. in Q2 2026.

Asking Rent

As of Q2 2026, the market-wide average asking rent is \$8.72, up 0.9% quarter-over-quarter and 0.5% year-over-year. Rents increased from \$6.95 in Q2 2023 to \$8.04 by Q4 2023, then eased to \$7.75 by Q2 2024 before moving higher again and reaching \$8.68 in Q2 2025. Overall, average asking rents are approximately 25.5% above Q2 2023 levels, with intermittent pullbacks in early 2024 and Q3 2025 interrupting but not reversing the longer-term increase.

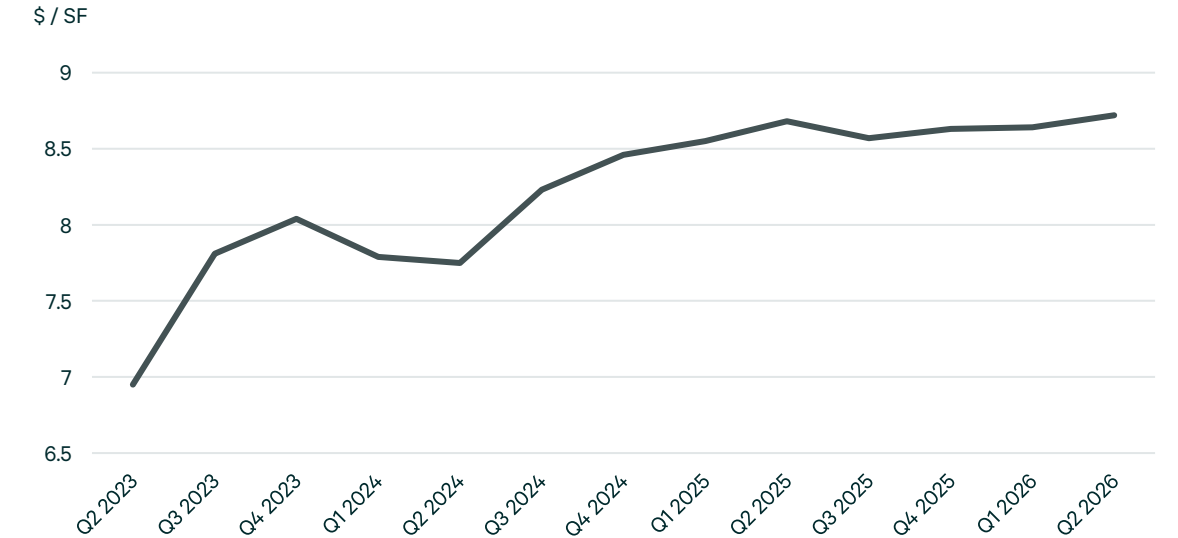
In Q2 2026, Beaches records the highest average asking lease rate at \$14.00, followed by Clay County at \$10.20. Southside averages \$10.12, St. Johns County \$9.42, and Northside \$9.24, while Westside posts the lowest rate at \$7.72. The spread from \$7.72 to \$14.00 highlights the variation in achievable rents across the market.

Figure 2: Availability Rates



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

Net absorption totaled 583,000 sq. ft. in Q2 2026, exceeding the negative 259,000 sq. ft. recorded in Q1 2026 by 842,000 sq. ft. quarter-over-quarter. Compared with Q2 2025, when net absorption was 45,000 sq. ft., Q2 2026 absorption exceeded that level by 1,195.6% year-over-year. The rolling four-quarter average improved to 419,250 sq. ft. in Q2 2026, exceeding the 284,750 sq. ft. average in Q1 2026 but remaining below peaks seen in prior years.

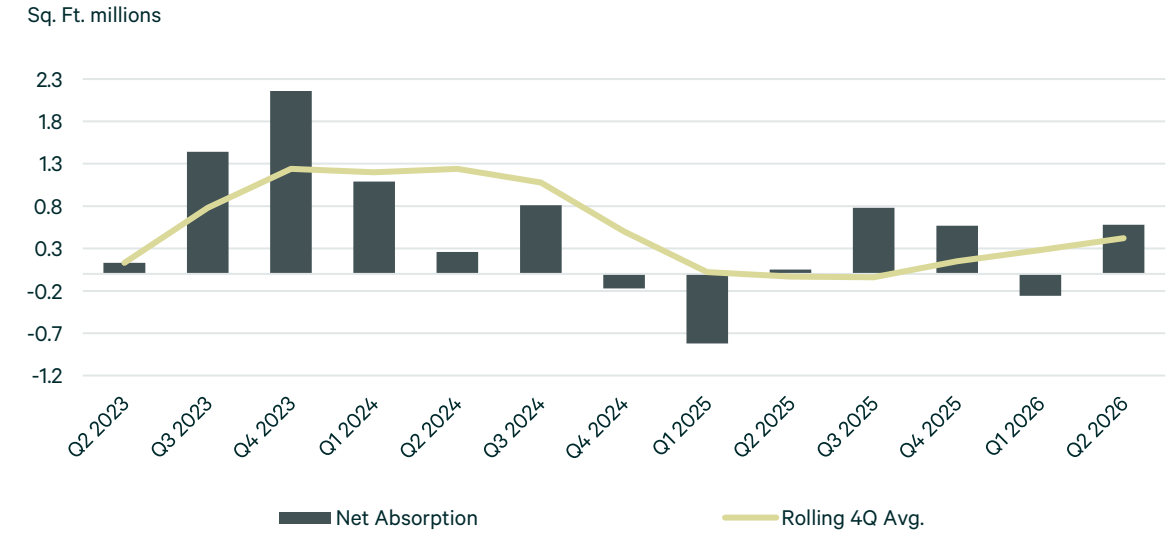
At the submarket level, Westside posted the highest net absorption in Q2 2026 at 326,000 sq. ft., with Northside following at 156,000 sq. ft., together capturing most of the quarter's positive demand. Southside and St. Johns County added 71,000 sq. ft. and 35,000 sq. ft. of net absorption, respectively, forming the next tier of growth submarkets. On the downside, Clay County recorded negative net absorption of 6,000 sq. ft., placing it at the bottom of the market in Q2 2026. Major tenants occupying space included Priority Tire (205,000 sq. ft.), Baker Sports Marketing (52,681 sq. ft.), Austine Hose (35,154 sq. ft.) and World Electric (34,600 sq. ft.).

Construction Activity

Under construction volume stood at 2.2 million sq. ft. in Q2 2026, rising 142.3% quarter-over-quarter but remaining 63.1% below the same period a year earlier. The total included 1.28 million sq. ft. that are build-to-suit, with 901,984 sq. ft. speculative. Construction deliveries dropped to 0 sq. ft., a 100.0% decline on both a quarter-over-quarter and year-over-year basis

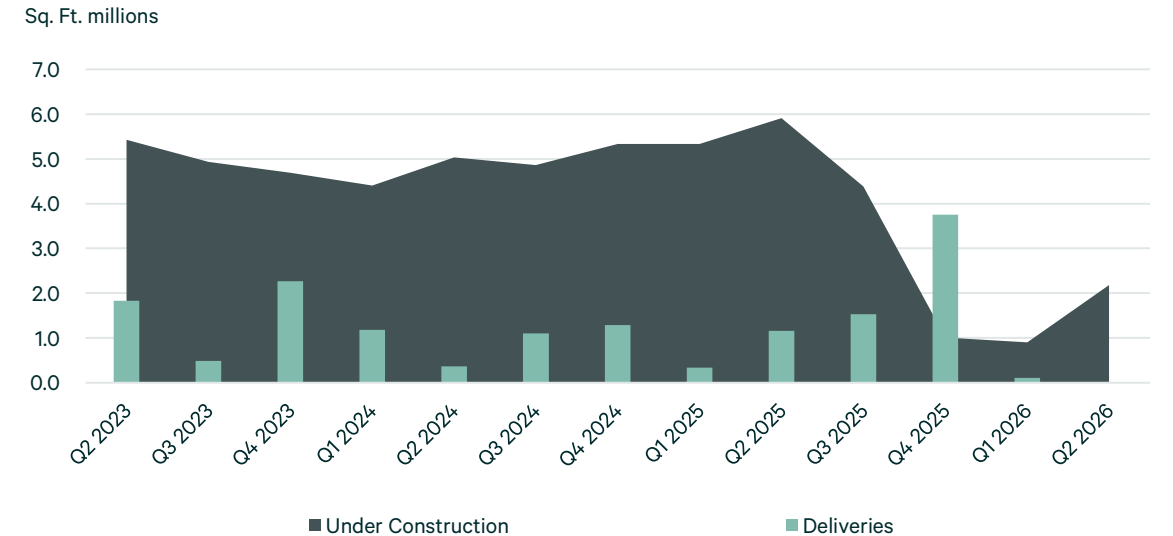
In Q2 2026, construction is concentrated in the Northside submarket, where four projects totaling 2.0 million sq. ft. are underway and 64.8% pre-leased, led by the fully pre-leased 1.1 million sq. ft. Airport Commerce Center Phase 3; Westside has two projects named Pritchard Park totaling 158,000 sq. ft. that is unleased. Clay County has one R&D/Flex project totaling 48,000 sq. ft. that is unleased. There are no other submarkets with projects under construction.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

Leasing Activity

Leasing activity reached 2.7 million sq. ft. in Q2 2026, bringing 2026 year-to-date volume to 5.0 million sq. ft. This latest quarter represents a 12.1% quarter-over-quarter increase and a 45.7% year-over-year gain, extending the momentum that began in Q1 2026, when leasing rose to 2.4 million sq. ft., up 77.3% quarter-over-quarter and 31.1% year-over-year.

By submarket, Northside and Westside accounted for the highest levels of demand, each posting about 1.3 million sq. ft. of leased space. Southside and Clay County also recorded positive leasing, with 77,000 sq. ft. and 12,000 sq. ft. transacted, respectively, highlighting the wide spread in activity across the market.

Figure 6: Leasing Activity Trend

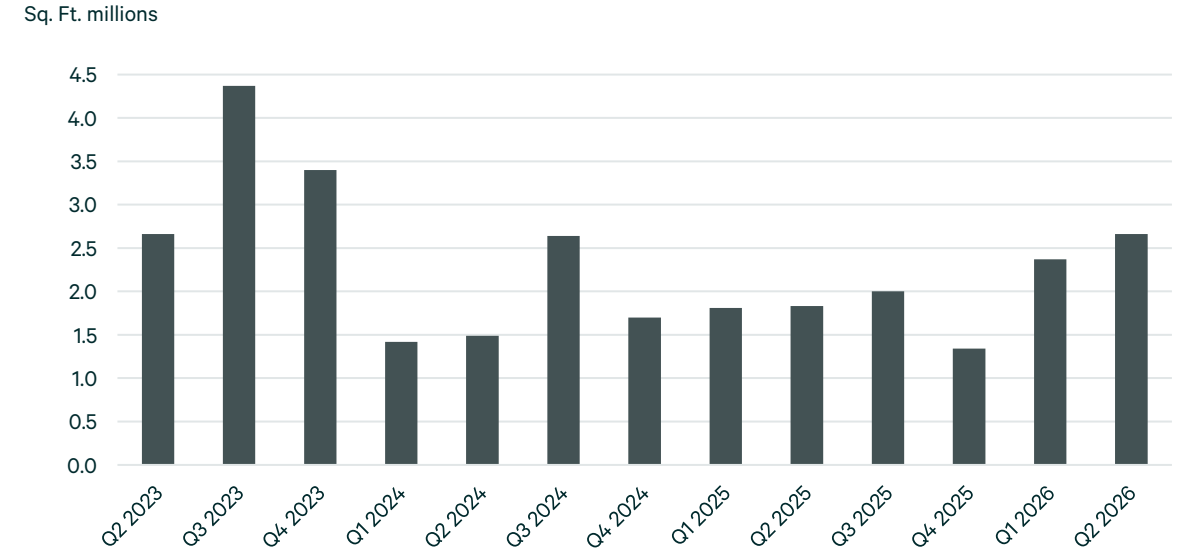


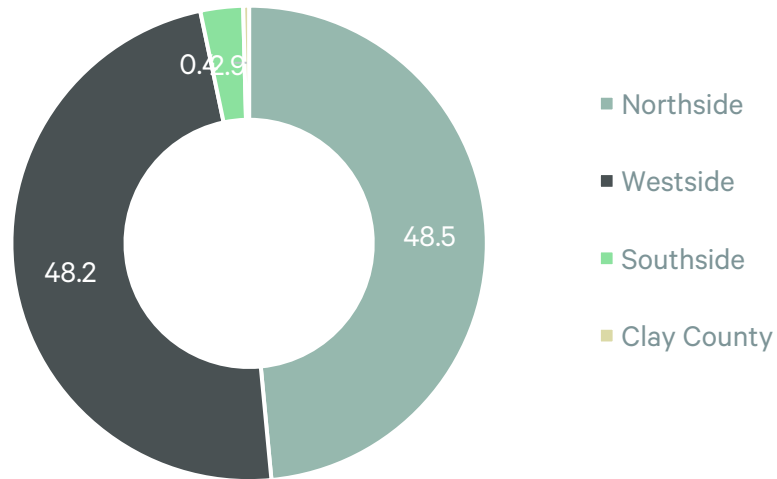
Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	1,076,000	New Lease	1985 Air Commerce Dr	Northside
Trane	604,000	New Lease	5550 POW-MIA Memorial Pkwy	Westside
PAE Applied Technologies	153,000	Renewal	8500 Westside Industrial Dr	Westside
Stellar Group	120,000	New Lease	1550 N Ellis Rd	Westside
Iron Mountain	112,000	Renewal	5633 Doolittle Rd	Westside
Shore Manufacturing	86,000	New Lease	5245 Commonwealth Ave	Westside
Skypaxx	61,000	New Lease	2155 N Ellis Rd	Westside
Orange Park Machine Washing	60,000	New Lease	6400 Youngerman Cir	Westside

Source: CBRE Research, Q2 2026

Source: CBRE Research, Q2 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	21.05M	6.0	6.8	6.6	0.2	10.59	73,000	46,000	-	48,000
50K-99,999 SF	16.79M	7.5	8.9	8.4	0.5	9.94	86,000	30,000	-	158,000
100K-249,999 SF	38.15M	14.1	15.8	15.0	0.8	8.82	167,000	19,000	-	354,000
250K-499,999 SF	26.57M	13.4	20.1	19.1	1.0	8.47	205,000	286,000	-	-
500K-749,999 SF	13.26M	18.2	13.0	13.0	-	6.62	53,000	39,000	-	547,000
750,000 SF +	15.97M	3.1	4.1	4.1	-	-	-	(96,000)	-	1.08M
Total	131.79M	10.9	12.6	12.1	0.5	8.72	583,000	324,000	-	2.18M

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	105.15M	12.1	13.8	13.2	0.5	8.65	517,000	271,000	-	1.93M
Manufacturing - General	17.65M	5.0	6.9	6.8	0.0	5.75	(15,000)	1,000	-	205,000
R&D/Flex	8.98M	7.9	10.6	9.6	1.0	12.24	80,000	53,000	-	48,000
Total	131.79M	10.9	12.6	12.1	0.5	8.72	583,000	324,000	-	2.18M

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Beaches	163,000	0.8	0.8	0.8	-	14.00	1,000	1,000	-	-
Clay County	2.89M	6.6	15.2	15.2	-	10.20	(6,000)	(12,000)	-	48,000
Downtown Jacksonville	812,000	-	1.5	1.5	-	-	-	-	-	-
Northside	47.33M	10.6	12.4	12.1	0.3	9.24	156,000	(79,000)	-	1.98M
Southside	22.53M	6.5	9.1	8.8	0.3	10.12	71,000	158,000	-	-
St. Johns County	3.81M	42.0	42.3	42.3	-	9.42	35,000	93,000	-	-
Westside	54.26M	11.3	12.3	11.5	0.8	7.72	326,000	164,000	-	158,000
Total	131.79M	10.9	12.6	12.1	0.5	8.72	583,000	324,000	-	2.18M

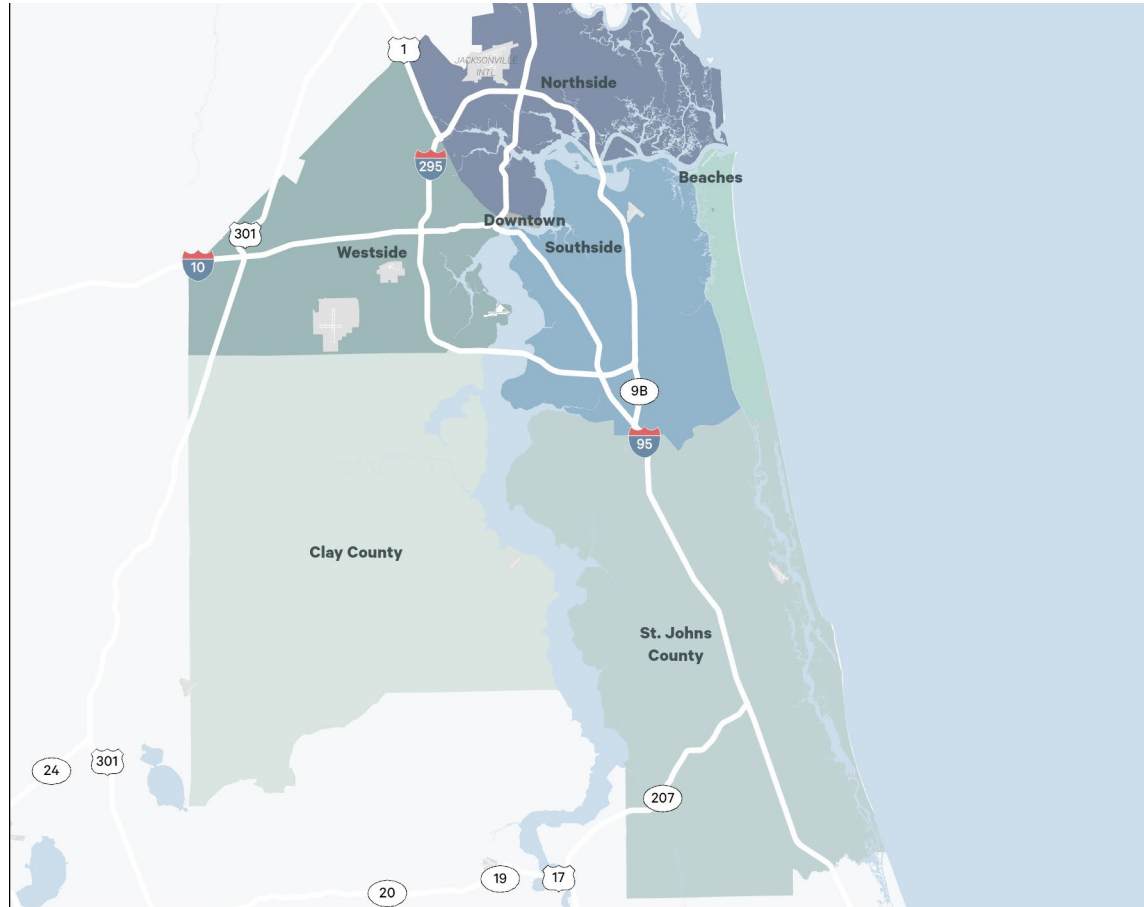
Source: CBRE Research, Q2 2026

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Survey Criteria: Includes all competitive industrial buildings 10,000 sq. ft. and greater in size in Clay, Duval and St. Johns counties.

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