

FIGURES | JACKSONVILLE (FL) OFFICE | Q2 2026

Jacksonville office absorption continues to be buoyed by large transactions that occurred in 2025

▲ 23.7%

Vacancy Rate

▼ (14,996)

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 45,000

SF Under Construction

▼ \$23.54

FSG/YR Direct Lease Rate

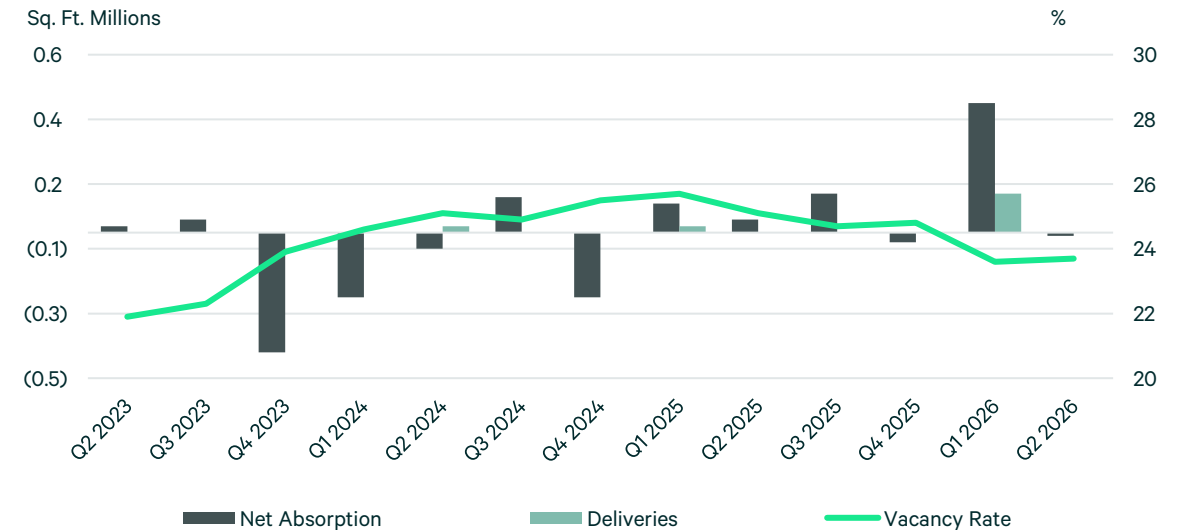
Note: Arrows indicate change from previous quarter.

Market Overview

Net absorption in the latest quarter was negative 15,000 sq. ft. This represented a quarter-over-quarter decline of 415,000 sq. ft. Year-to-date net absorption reached 385,000 sq. ft. Vacancy rose by 10 basis points on a quarter-over-quarter basis. The vacancy rate was 23.7% at the end of the quarter. Compared with the same period a year earlier, vacancy declined by 140 basis points. From Q2 2023, vacancy increased by 180 basis points. Availability declined by 80 basis points quarter-over-quarter. The availability rate stood at 25.8%.

Average asking rents increased by 3.1% compared Q2 2023. On a year-over-year basis, average asking rents rose by 1.8%. Rents edged down slightly on a quarter-over-quarter basis. Earlier in the year the market recorded a new delivery of 125,000 sq. ft. By the end Q1 2026, 45,000 sq. ft. remained under construction. Atlantic Logistics signed a 12,000 sq. ft. lease. The lease was in the I-95 Corridor submarket. A confidential tenant committed to 12,000 sq. ft. in Downtown Jacksonville. These sample transactions totaled 24,000 sq. ft.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

The quarter closed with an overall vacancy rate of 23.7%, dropping 140 basis points year over year. Class A vacancy is 22.0% with class B at 25.0%. However, the vacancy rate for available space is only 21.4%, 2.3 percentage points (over 626,000 sq. ft.) of the vacant space in Jacksonville has been leased but will not be occupied until future quarters.

At the submarket level, Beaches posted the lowest overall vacancy in Q2 2026 at 4.5%, followed closely by Clay County at 4.8%. Arlington recorded the highest vacancy at 41.2%, well above rates across the rest of the market.

In Q2 2026, sublease vacancy measured 2.4% for Class A and 2.2% for Class B, reflecting a 20 basis point decrease quarter-over-quarter for Class A and a 30 basis point increase for Class B. Marketwide sublease availability totaled 620,000 sq. ft. in Q2 2026.

Asking Rent

In Q2 2026, the overall average asking rent was \$23.54 per sq. ft., slightly below \$23.66 per sq. ft. in Q1 2026 but above \$23.13 per sq. ft. in Q2 2025. This reflects a modest quarter-over-quarter decline of about 0.5% and a year-over-year gain of roughly 1.8%, contributing to a cumulative increase of \$0.71 per sq. ft., or about 3.1%, from \$22.83 per sq. ft. in Q2 2023. Class A assets remain priced at a premium, with average asking rents holding steady at \$25.49 per sq. ft. quarter-over-quarter, up about 1.1% year-over-year and 3.5% over the full period, outpacing overall market growth.

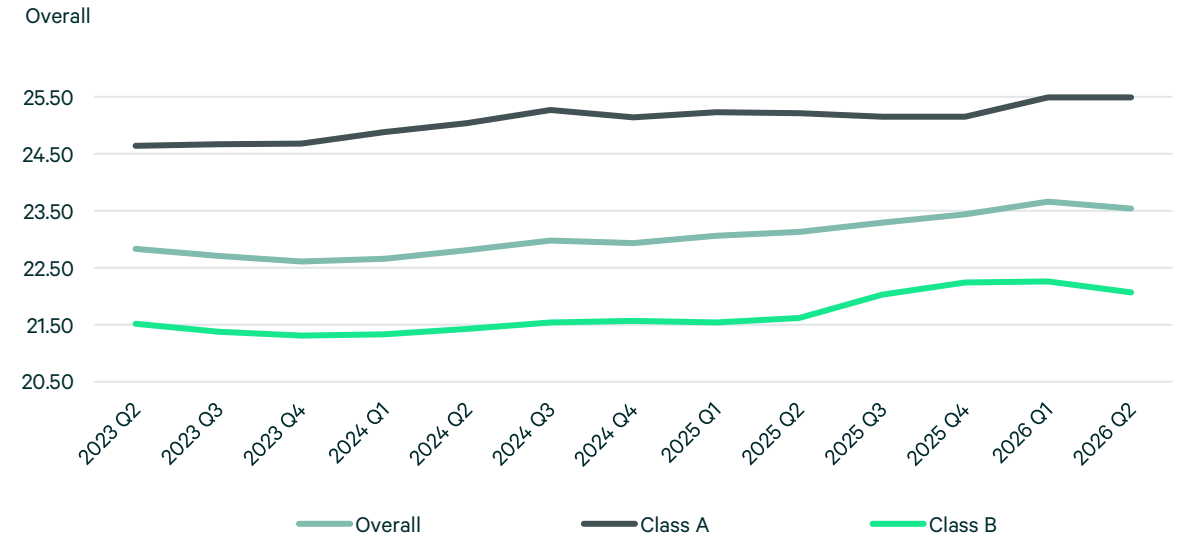
In Q2 2026, the highest Class A asking rents were recorded in Beaches at \$37.85 per sq. ft. and East Butler at \$35.00 per sq. ft., while Beaches also set the bar for Class B space at \$33.50 per sq. ft. Other higher-priced nodes included South Duval/St. Johns County and Downtown Jacksonville, where Class A asking rents reached \$26.72 and \$26.39 per sq. ft., respectively, followed by the I-95 Corridor at \$24.32 per sq. ft. By contrast, Class B rents clustered in the low- to mid-\$20.00s per sq. ft. in Westside and Clay County, and dipped into the high teens in Arlington, Northside, Southside, and Mandarin, underscoring a clear spread between lower-cost inland locations and premium coastal submarkets.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

Total market net absorption in Q2 2026 was negative 15,000 sq. ft., combining negative 8,000 sq. ft. in Class A and negative 7,000 sq. ft. in Class B space. This outcome was below the Q1 2026 level by 415,000 sq. ft., when the market recorded 400,000 sq. ft. of net absorption quarter-over-quarter. Compared with Q2 2025, when net absorption measured 42,000 sq. ft., current quarter demand was below the prior year by 57,000 sq. ft. year-over-year. Rolling four-quarter average net absorption in Q2 2026 stood at 37,000 sq. ft. for Class A and 82,000 sq. ft. for Class B, keeping trailing-year absorption in positive territory despite the latest quarterly decline.

Among submarkets, Downtown Jacksonville posted the highest positive net absorption in Q2 2026 at 30,422 sq. ft., followed by Southside and Beaches were the next strongest positive submarkets, recording 4,000 sq. ft. and 2,000 sq. ft. of net absorption. On the downside, the I-95 Corridor registered the most negative net absorption at negative 45,000 sq. ft., while South Duval/St Johns County followed with negative 12,000 sq. ft. Major tenants occupying space were Haskell (127,096 sq. ft.), APR Energy (27,935 sq. ft.), Orbis Education Service (26,374 sq. ft.) and Undisclosed (22,938 sq. ft.). Major tenants vacating space included Haskell (121,000 sq. ft) in a move to 701 San Marco Blvd, Duos Technologies vacated sublease (40,000 sq. ft.) and Regency Electric (11,652 sq. ft.).

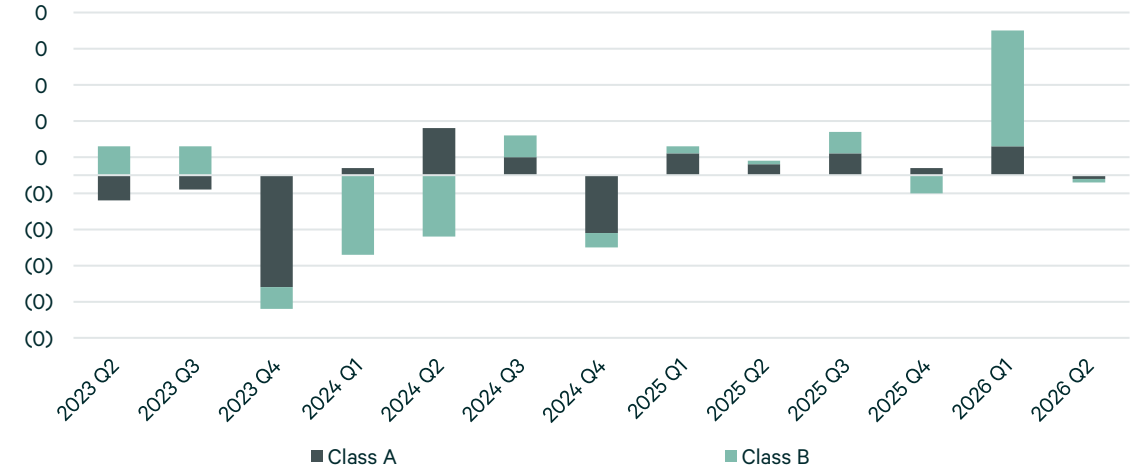
Construction Activity

In Q2 2026, the market had 45,000 sq. ft. under construction and no construction deliveries. Under construction space increased quarter-over-quarter from 0 sq. ft. in Q1 2026 but declined from 125,000 sq. ft. in Q2 2025, a negative 64.0% year-over-year change. No space delivered in Q2 2026, compared with 125,000 sq. ft. delivered in Q1 2026 and 0 sq. ft. in Q2 2025, leaving year-to-date 2026 deliveries at 125,000 sq. ft.

Under construction activity is concentrated in the South Duval/St. Johns County submarket, which has 45,000 sq. ft. underway. No other submarkets currently report space under construction. The sole project, 280 at Bartram Pointe at 280 Rainier Ln, totals 45,000 sq. ft. of general office space, is 0.0% pre-leased, and is scheduled to deliver in Q2 2027.

Figure 4: Net Absorption Trend

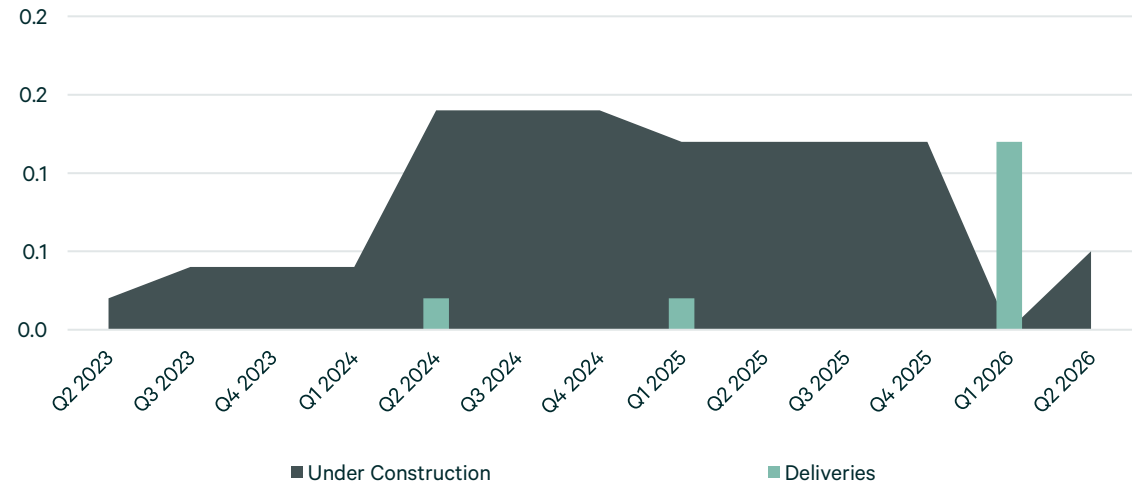
Class A



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity

Sq. Ft. Millions



Source: CBRE Research, Q2 2026

Leasing Activity

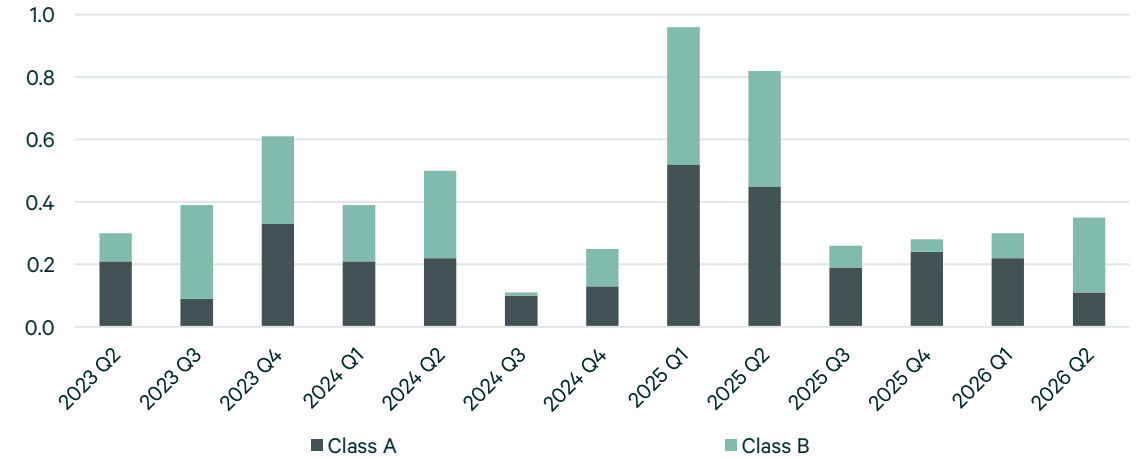
Total leasing reached 382,000 sq. ft. in Q2 2026, representing a 27.2% increase quarter-over-quarter from 300,000 sq. ft. in Q1 2026 and a 226.2% decline year-over-year from 864,000 sq. ft. in Q2 2025. Activity remains well below the recent peak of 956,000 sq. ft. recorded in Q1 2025.

Among submarkets, Downtown Jacksonville posted the highest positive leasing in Q2 2026 with 234,000 sq. ft., while the I-95 Corridor also recorded positive demand totaling 109,000 sq. ft. In Downtown Jacksonville, leasing was dominated by Class B space at 190,000 sq. ft. versus 44,000 sq. ft. in Class A, whereas in the I-95 Corridor Class A accounted for 55,000 sq. ft. and Class B for 51,000 sq. ft.;

YTD leasing activity dropped 266.8% in 2026 compared to the same period in 2025, totaling 682,053 square feet with renewals accounting for 41.4 percent. The average lease size for new leases and expansions was 5,493 square feet compared to the median of 2,500 sq. ft. However, some tenants are still rightsizing their space needs as their lease comes up for renewal.

Figure 6: Leasing Activity Trend

Class A



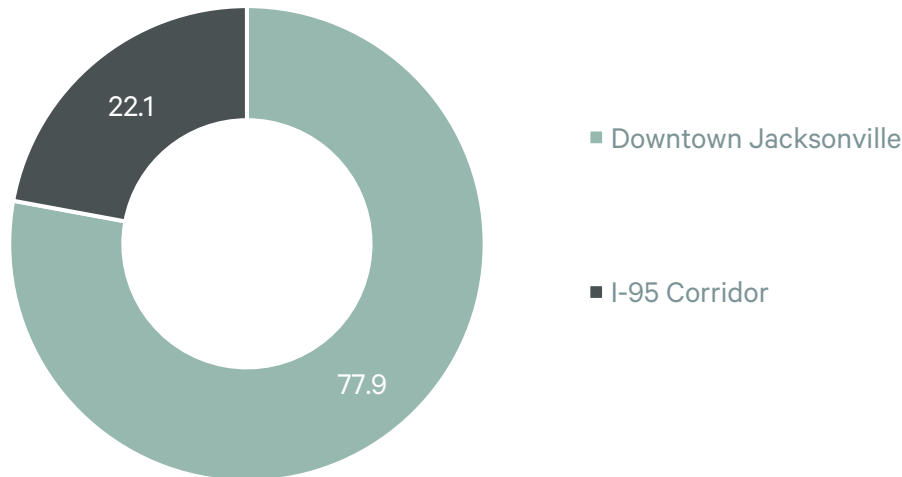
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Everbank FSB	174,000	Renewal	301 W Bay St	Downtown Jacksonville
Norlee Group	29,000	New Lease	4600 E Touchton Rd	I-95 Corridor
Atlantic Logistics	12,000	New Lease	8800 Baymeadows Way W	I-95 Corridor
Confidential Tenant	12,000	New Lease	1 Independent Dr	Downtown Jacksonville
Brooks Equipment	11,000	New Lease	6700 Southpoint Pkwy	I-95 Corridor

Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	12.09M	22.0	23.0	19.5	3.6	25.49	(8,000)	72,000	-	45,000
Class B	15.11M	25.0	28.0	25.6	2.5	22.07	(7,000)	313,000	-	-
Total	27.21M	23.7	25.8	22.9	3.0	23.54	(15,000)	385,000	-	45,000

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	8.48M	21.9	24.7	20.8	3.9	25.20	85,000	87,000	-	45,000
Class B	10.48M	24.1	24.7	21.1	3.6	19.54	(130,000)	(128,000)	-	-
Total	18.97M	23.1	24.7	21.0	3.7	22.82	(45,000)	(41,000)	-	45,000

Source: CBRE Research, Q2 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	3.61M	22.2	19.2	16.4	2.9	26.39	(92,000)	(15,000)	-	-
Class B	4.63M	27.1	35.7	35.7	-	23.86	123,000	441,000	-	-
Total	8.24M	25.0	28.5	27.2	1.3	24.46	30,000	426,000	-	-

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

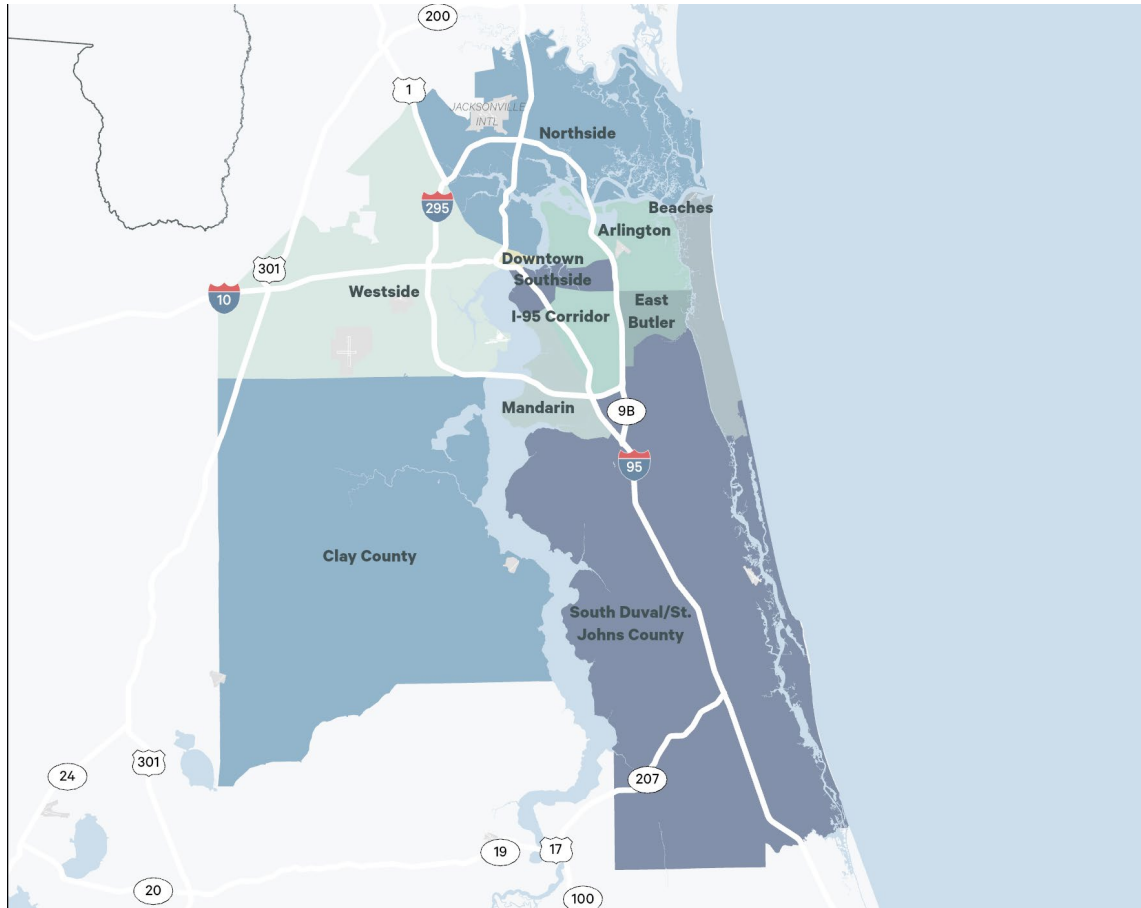
Submarket	Total Inventory (Sq. Ft.)	Direct Vacancy (%)	Total Vacancy (%)	Q2 2026 Net Absorption (Sq. Ft.)	2026 Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Construction Deliveries (Sq. Ft.)	Avg. Direct Asking Rate (\$/SF/FSG/G/MG)
CBD	8,240,752	23.7	25.0	30,422	425,881	0	0	24.46
Northbank	6,026,988	25.6	26.2	(110,433)	291,931	0	0	24.38
Southbank	2,213,764	18.6	21.6	140,855	133,950	0	0	24.76
Arlington	465,308	41.2	41.2	0	0	0	0	17.12
Beaches	734,968	4.5	4.5	3,382	12,962	0	0	37.16
Clay County	456,997	4.0	4.8	1,892	1,892	0	0	21.00
East Butler	524,344	10.5	15.0	0	(7,783)	0	0	35.00
I-95 Corridor	13,226,793	21.4	24.9	(44,975)	(134,995)	0	0	22.91
Baymeadows	3,710,752	33.1	38.9	(57,941)	(211,084)	0	0	20.41
Deerwood Park	4,736,088	18.5	20.3	23,822	93,085	0	0	24.75
South 95 Corridor	1,525,354	4.4	5.9	0	0	0	0	24.50
Southpoint	3,254,599	20.3	24.7	(10,856)	(16,996)	0	0	21.86
Mandarin	482,570	6.0	6.0	1,558	2,068	0	0	19.22
Northside	47,000	15.2	15.2	0	0	0	0	17.14
South Duval/St. Johns	2,155,995	26.5	27.8	(11,647)	(27,112)	45,000	0	23.34
Southside	676,781	15.0	15.0	4,372	112,092	0	0	18.61
Westside	194,543	14.4	14.4	0	0	0	0	21.11
Suburban Total	18,965,299	20.4	23.1	(45,418)	(40,876)	45,000	0	22.82
Jacksonville Total	27,206,051	21.4	23.7	(14,996)	385,005	45,000	0	23.54

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 Class A and Class B office buildings 10,000 sq. ft. and greater in size in Clay, Duval and St. Johns Counties. Excludes: owner occupied, government and medical buildings.

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