

FIGURES | JACKSONVILLE (FL) OFFICE | Q3 2026

Jacksonville office market tightens as vacancy falls and rents remain stable



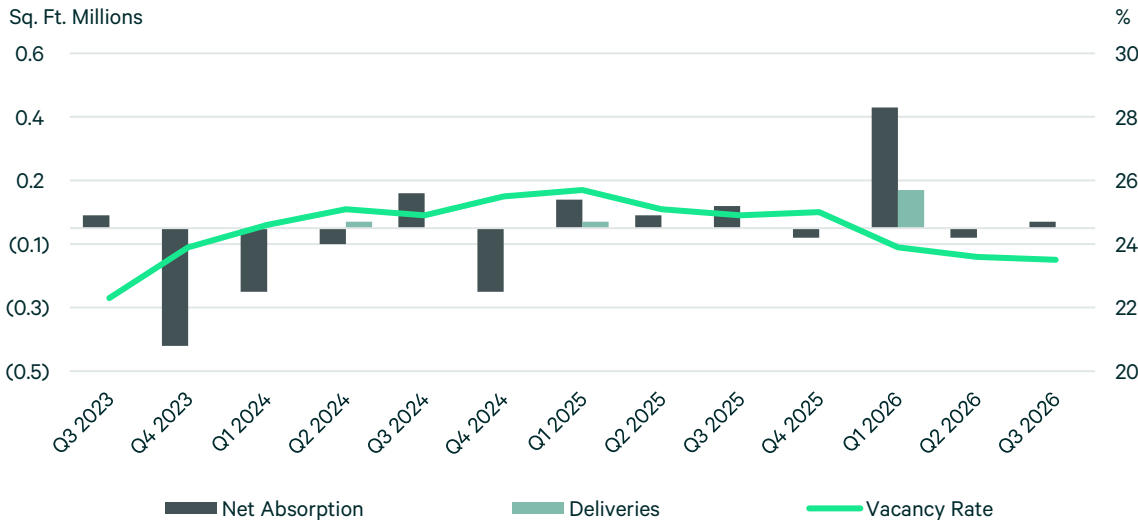
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions continued to tighten modestly as vacancy and availability edged lower. Vacancy fell 10 basis points quarter-over-quarter, from 23.6% to 23.5%, while availability declined from 26.0% to 25.2%. Occupancy improved, with net absorption totaling 23,000 sq. ft., even as leasing activity slowed to 190,000 sq. ft., down from 290,000 sq. ft. in Q2 2026. Average asking rents were essentially stable at \$23.56 per sq. ft., compared with \$23.57 per sq. ft. in Q2 2026, and construction exposure remained limited with 45,000 sq. ft. under construction across one project and no new deliveries.

Over the full period from Q3 2023 through Q3 2026, the market transitioned from rising vacancies and weak absorption in 2024 to a more stable environment, with stronger leasing and gradual rent growth. Vacancy increased from 22.3% in Q3 2023 to 25.7% in Q1 2025, then trended down to 23.5% by Q3 2026, while availability rose to 28.5% in Q4 2024 before easing to 25.2%. Net absorption swung sharply, with large negative readings in late 2023 and 2024 followed by meaningful gains, including 377,000 sq. ft. in Q1 2026. Leasing demand strengthened in 2025, when tenants signed 960,000 sq. ft. in Q1 2025 and 670,000 sq. ft. in Q2 2025, before moderating in 2026. Average asking rents moved within a narrow band but trended upward from \$22.71 per sq. ft. in Q3 2023 to \$23.56 per sq. ft. in Q3 2026, and construction activity stayed moderate, with total deliveries of 24,000 sq. ft. in Q2 2024, 19,000 sq. ft. in Q1 2025 and 125,000 sq. ft. in Q1 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy

Overall vacancy in Q3 2026 showed modest improvement for Class A space and slightly higher levels for Class B compared with recent quarters. The quarter closed with an overall vacancy rate of 23.5%, dropping 140 basis points year over year. Class A vacancy is 21.2% with class B at 25.3%. However, the vacancy rate for available space is only 21.4%, 2.1 percentage points (over 565,569 sq. ft.) of the vacant space in Jacksonville has been leased but will not be occupied until future quarters.

Vacancy patterns across submarkets in Q3 2026 were highly uneven, with tight coastal and suburban nodes contrasting with much higher availability in select corridors. Clay County recorded the lowest overall vacancy rate at 5.1%, followed by Beaches at 5.3%, highlighting limited space in these smaller submarkets. At the other end of the spectrum, Arlington posted the highest overall vacancy at 42.1%, with elevated vacancy also present in South Duval/St. Johns County at 28.2%, the I-95 Corridor at 24.8%, and Downtown Jacksonville at 24.3%.

Sublease vacancy in Q3 2026 remained a small but important component of total availability across the market. Sublease vacancy rates held steady quarter-over-quarter at 2.8% for Class A and 2.3% for Class B, and total sublease vacancy across all submarkets reached 686,000 sq. ft. in the quarter.

Asking Rent

Asking rents in Q3 2026 remained stable quarter-over-quarter while continuing a gradual upward trend over the past three years. Overall average asking rent was \$23.56 per sq. ft., essentially unchanged from \$23.57 per sq. ft. in Q2 2026 but up 1.2% year-over-year from \$23.29 per sq. ft. in Q3 2025 and \$0.85 per sq. ft. above the \$22.71 per sq. ft. level recorded in Q3 2023. Class A space commanded the highest pricing, with the average asking rent at \$25.50 per sq. ft. in this quarter versus \$25.15 per sq. ft. in Q3 2025 and \$24.67 per sq. ft. in Q3 2023, consistently maintaining a premium over overall and Class B rates.

Submarket pricing in this quarter varied significantly. Beaches recorded the market’s top figures, with Class B space at \$39.00 per sq. ft. and Class A at \$38.33 per sq. ft., followed by East Butler Class A at \$35.00 per sq. ft. and a mid-tier cluster that included South Duval/St. Johns County Class A at \$26.71 per sq. ft., Downtown Jacksonville Class A at \$26.58 per sq. ft., Downtown Jacksonville Class B at \$23.87 per sq. ft., Westside Class B at \$25.92 per sq. ft., and I-95 Corridor Class A at \$24.18 per sq. ft. More affordable options were available in several suburban submarkets, with South Duval/St. Johns County Class B at \$15.13 per sq. ft., Southside Class B at \$18.64 per sq. ft., Mandarin Class B at \$19.14 per sq. ft., Arlington Class B at \$17.08 per sq. ft., Northside Class B at \$17.14 per sq. ft., Clay County Class B at \$21.00 per sq. ft., and I-95 Corridor Class B at \$20.73 per sq. ft.

Figure 2: Vacancy Rates by Class



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Figure 3: Average Direct Asking Rate by Class



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Net Absorption

Net absorption in Q3 2026 indicated modest occupancy gains at the market level amid gradually stabilizing conditions. Total net absorption for the quarter across Class A and Class B space was 22,000 sq. ft. This total exceeded quarter-over-quarter results by 53,000 sq. ft. but was 49,000 sq. ft. below year-over-year levels, reflecting a smaller net gain in occupied space on a year-over-year basis. Class A contributed 47,000 sq. ft. of positive absorption this quarter, while Class B posted negative 25,000 sq. ft., underscoring that improvement remained concentrated in higher-quality assets.

Submarket results in the quarter were uneven, with a handful of areas posting occupancy gains and others seeing further giveback of space. Downtown Jacksonville and the I-95 Corridor recorded the strongest positive net absorption, at 59,000 sq. ft. and 9,000 sq. ft., respectively. No other submarkets posted positive net absorption above 10,000 sq. ft. in the quarter, highlighting the limited scale of demand outside these highest-absorption submarkets. At the bottom of the range, South Duval/St. Johns County registered the weakest result, with net absorption totaling negative 47,733 sq. ft. in the quarter. Major tenants occupying space included Baptist Health (24,291 sq. ft.), NA Transportation (18,377 sq. ft.), Brooks Equipment (11,491 sq. ft.), and Gresham Smith (10,120 sq. ft.).

Leasing Activity

Leasing activity in Class A space in Q3 2026 stayed solid but remained below the peaks reached in early 2025. Class A tenants signed leases totaling 185,000 sq. ft. in the quarter, up from 108,000 sq. ft. in Q2 2026 and slightly below the 192,000 sq. ft. recorded in Q3 2025, representing a 71.3% quarter-over-quarter increase and a 3.6% year-over-year decrease. Over the year from Q4 2025 through Q3 2026, Class A leasing totaled 634,000 sq. ft., underscoring that occupier demand remained active even as volumes were lower than in early 2025.

Within Class A space, the I-95 Corridor and Downtown Jacksonville were the two submarkets with positive leasing activity in the quarter. The I-95 Corridor recorded 140,000 sq. ft. of Class A leasing, while Downtown Jacksonville accounted for 46,000 sq. ft., indicating that both submarkets posted positive leasing activity in the quarter.

YTD leasing activity dropped 52.7% in 2026 compared to the same period in 2025, totaling 1.12 million square feet with renewals accounting for 36.3 percent. The average lease size for new leases and expansions was 5,653 square feet compared to the median of 3,063 sq. ft. However, some tenants are still rightsizing their space needs as their lease comes up for renewal.

Figure 4: Net Absorption Trend

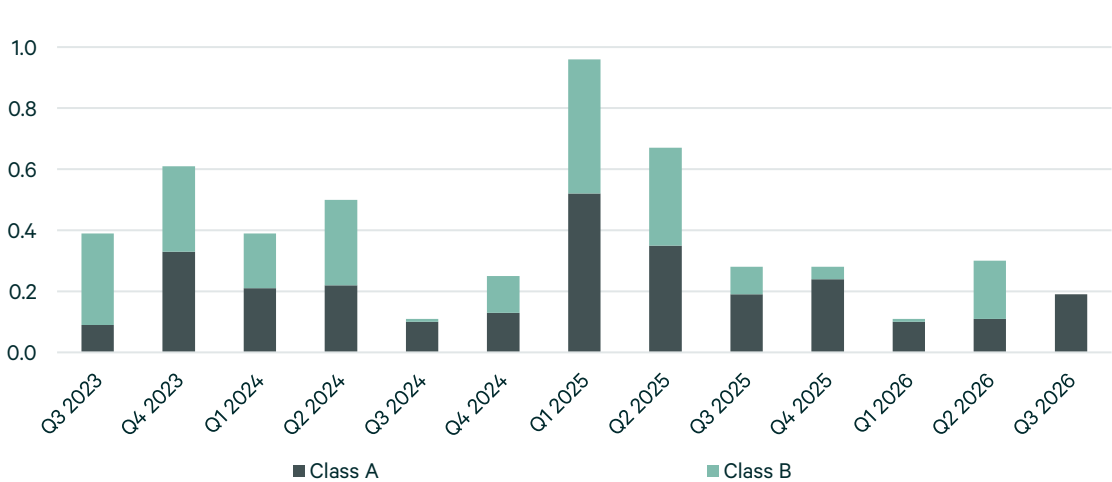
Sq. Ft. (millions)



CBRE Research

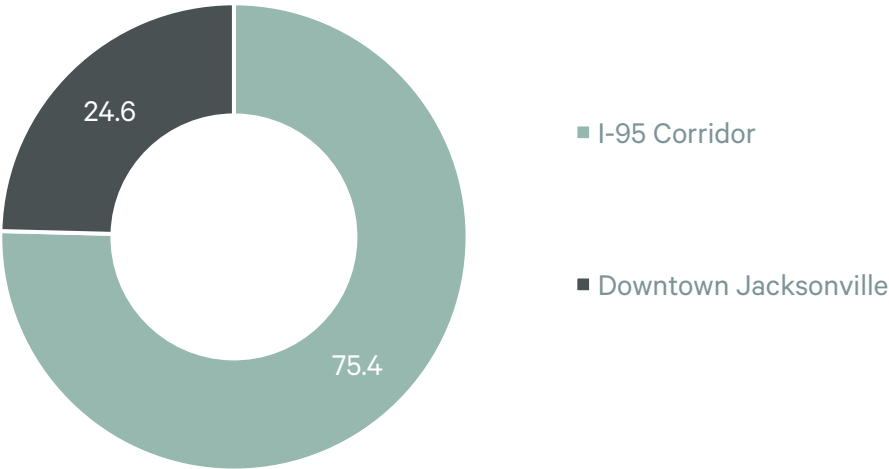
Figure 5: Leasing Activity Trend

Sq. Ft. (millions)



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Figure 6: Leasing by Submarket (% of Total Activity)



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Construction Activity

In Q3 2026, the market recorded 45,000 sq. ft. under construction and no new deliveries, while calendar year deliveries through the quarter totaled 125,000 sq. ft. Under construction space remained unchanged quarter-over-quarter at 45,000 sq. ft. but fell year-over-year from 125,000 sq. ft. in Q3 2025, a 64.0% decline, while deliveries were unchanged at 0 sq. ft. both quarter-over-quarter and year-over-year. This pattern reflected a transition from the larger 125,000 sq. ft. pipeline that prevailed through Q4 2025 to a more modest level of ongoing construction activity.

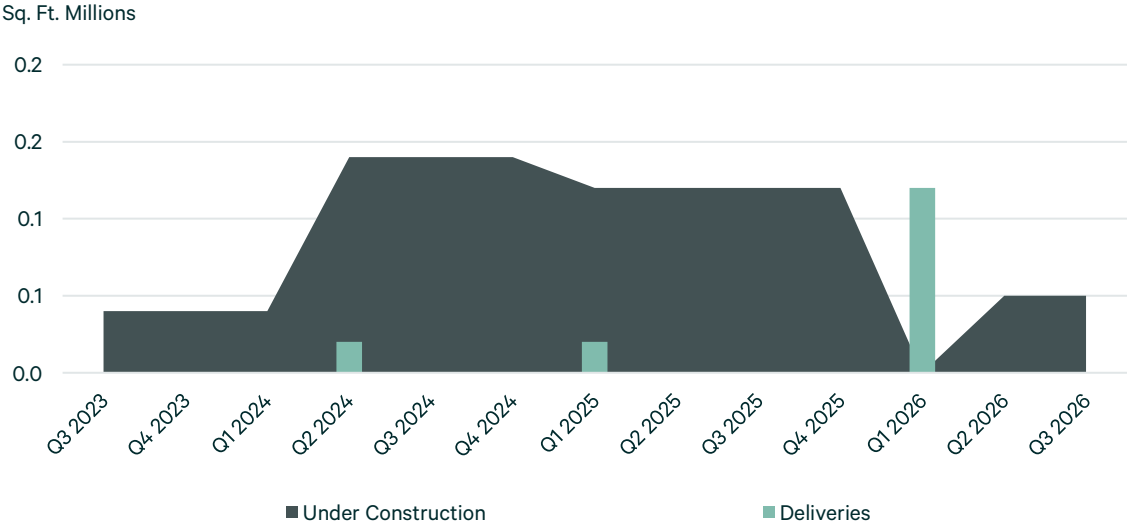
Under construction activity in the quarter was concentrated in the South Duval/St. Johns County submarket, which accounted for all 45,000 sq. ft. underway. No other submarkets reported under construction activity above zero. The largest and only project under construction was 280 at Bartram Pointe, a 45,000 sq. ft. general office development at 280 Rainier Ln that was 0.0% pre-leased and scheduled to deliver in Q2 2027.

Figure 7: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
PaySafe	77,000	Renewal/Expansion	5335 Gate Pkwy	I-95 Corridor
Confidential Tenant	39,000	Renewal	10301 Deerwood Park Blvd	I-95 Corridor
Marks Gray	19,000	Renewal	1200 Riverplace Blvd	Downtown Jacksonville
Rissman, Barrett	16,000	New Lease	1 Independent Dr	Downtown Jacksonville
Cure Holdings	15,000	New Lease	5011 Gate Pkwy	I-95 Corridor
Momentum Transportation USA	11,000	New Lease	5220 Belfort Rd	I-95 Corridor

Source: CBRE Research, Q3 2026

Figure 8: Construction Activity



CBRE Research

Market Statistics

Figure 9: 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	8.34M	21.4	23.4	19.7	3.7	25.14	(12,000)	54,000	-	45,000
Class B	10.48M	24.5	24.7	20.9	3.7	19.64	(19,000)	(166,000)	-	-
Total	18.82M	23.1	24.1	20.4	3.7	22.79	(31,000)	(111,000)	-	45,000

Source: CBRE Research, Q3 2026

Figure 10: 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	20.6	18.1	15.2	2.9	26.58	59,000	44,000	-	-
Class B	4.63M	27.2	35.3	35.3	-	23.87	(6,000)	435,000	-	-
Total	8.24M	24.3	27.8	26.5	1.3	24.51	53,000	479,000	-	-

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 11: 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	11.95M	21.2	21.8	18.4	3.5	25.50	47,000	98,000	-	45,000
Class B	15.11M	25.3	27.9	25.3	2.6	22.14	(25,000)	270,000	-	-
Total	27.1M	23.5	25.2	22.3	3.0	23.56	22,000	368,000	-	45,000

Market Statistics by Submarket

Figure 12

Submarket	Total Inventory (Sq. Ft.)	Direct Vacancy (%)	Total Vacancy (%)	Q3 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	23.0	24.3	53,489	479,370	0	0	24.51
Northbank	6,026,988	25.3	25.9	16,943	308,874	0	0	24.36
Southbank	2,213,764	16.9	19.9	36,546	170,496	0	0	25.00
Arlington	465,308	41.8	42.1	(4,067)	(4,067)	0	0	17.08
Beaches	734,968	4.7	5.3	2,296	9,186	0	0	38.52
Clay County	456,997	4.3	5.1	0	692	0	0	21.00
East Butler	560,580	10.5	14.5	(2,850)	(10,633)	0	0	35.00
I-95 Corridor	13,190,557	21.2	24.8	8,676	(115,019)	0	0	22.83
Baymeadows	3,674,516	33.6	39.9	(33,373)	(235,826)	0	0	20.50
Deerwood Park	4,736,088	18.3	19.8	21,212	114,297	0	0	24.71
South 95 Corridor	1,525,354	4.2	5.7	2,874	2,874	0	0	24.50
Southpoint	3,254,599	19.3	23.9	17,963	3,636	0	0	21.70
Mandarin	482,570	9.1	9.1	7,750	(13,298)	0	0	19.14
Northside	47,000	15.2	15.2	0	0	0	0	17.14
South Duval/St. Johns	2,009,860	24.6	28.2	(47,733)	(95,479)	45,000	0	23.23
Southside	676,781	14.7	14.7	1,903	113,995	0	0	18.64
Westside	194,543	12.7	12.7	3,246	3,246	0	0	25.92
Suburban Total	18,819,164	20.0	23.1	(30,779)	(111,377)	45,000	0	22.79
Jacksonville Total	27,059,916	20.9	23.5	22,710	367,993	45,000	0	23.56

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Investment Sale Activity

Investment sale volume in the Jacksonville (FL) Office market totaled \$97.88 million in Q3 2026, up 770.0% quarter-over-quarter from \$11.25 million in Q2 2026 and up 8.2% year-over-year from \$90.50 million in Q3 2025. Total 2026 volume through Q3 2026 was \$235.47 million, following quarterly volumes of \$96.00 million in Q1 2025, \$53.79 million in Q2 2025, \$90.50 million in Q3 2025 and \$91.50 million in Q4 2025.

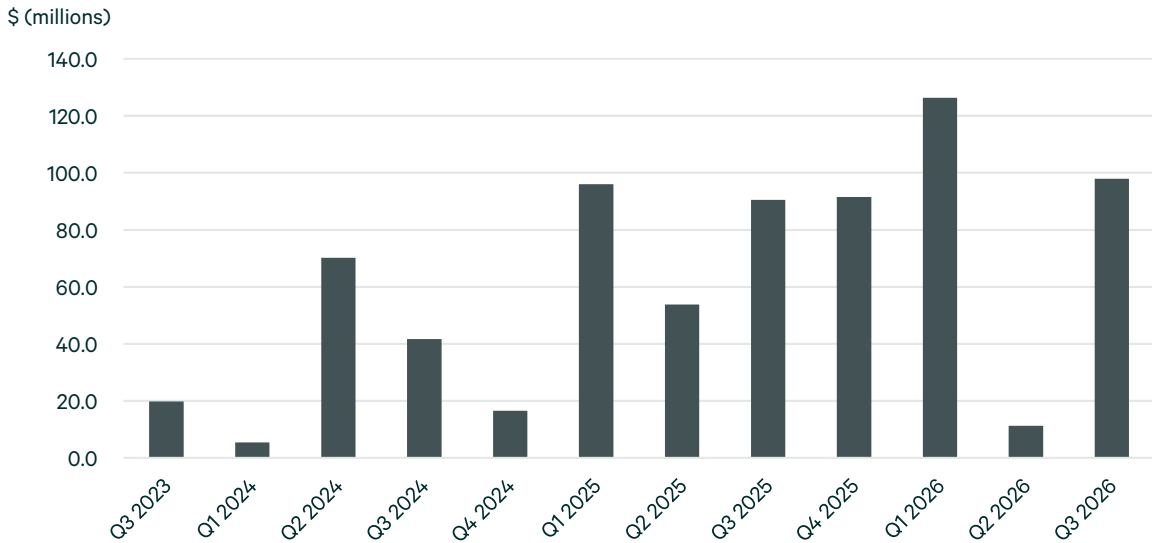
Buyer composition in the quarter consisted of private buyers with the highest share at 55.5% of volume and institutional buyers at 44.5%, while cross-border, public and user/other buyers each recorded a 0.0% share. The largest transaction in the quarter was Gramercy Woods 600 in the I-95 Corridor, totaling 297,026 sq. ft. and trading for \$56.00 million, or \$188.38 per sq. ft. The second-largest sale was Butler Plaza I, at 80,914 sq. ft. and 14.5 million, or \$179.57 per sq. ft., followed by 6800 Southpoint Parkway Center, at 78,859 sq. ft. and \$9.00 million, or \$114.13 per sq. ft., followed by Corporate Center at 59,800 sq. ft. for \$8.30 million (\$138.80 per sq. ft.), The Grover Stewart Building at 53,520 sq. ft. for \$3.70 million (\$69.59 per sq. ft.), 13133 Professional Drive at 3,321 sq. ft. for \$3.40 million (\$1,023.79 per sq. ft.), and 7948 Baymeadows Way at 44,717 sq. ft. for \$3.00 million (\$67.09 per sq. ft.).

Figure 13: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
Butler Plaza I	I-95 Corridor	Wounded Warrior	\$14.5M	80,914	\$179.57
6800 Southpoint Parkway Center	I-95 Corridor	Gregory Khodara	\$9M	78,859	\$114.13
Corporate Center	I-95 Corridor	Ware GRP Real Estate Hldg LLC	\$8.3M	59,800	\$138.80
Gramercy Woods 600	I-95 Corridor	Bank of America	\$56M	297,026	\$188.38
7948 Baymeadows Way	I-95 Corridor	Hani H Hajje	\$3M	44,717	\$67.09
The Grover Stewart Building	Downtown Jacksonville	25 N Market Finance LLC	\$3.7M	53,520	\$69.59

Source: CBRE Research, Q3 2026
CBRE RESEARCH

Figure 14 Quarterly Sales Volume

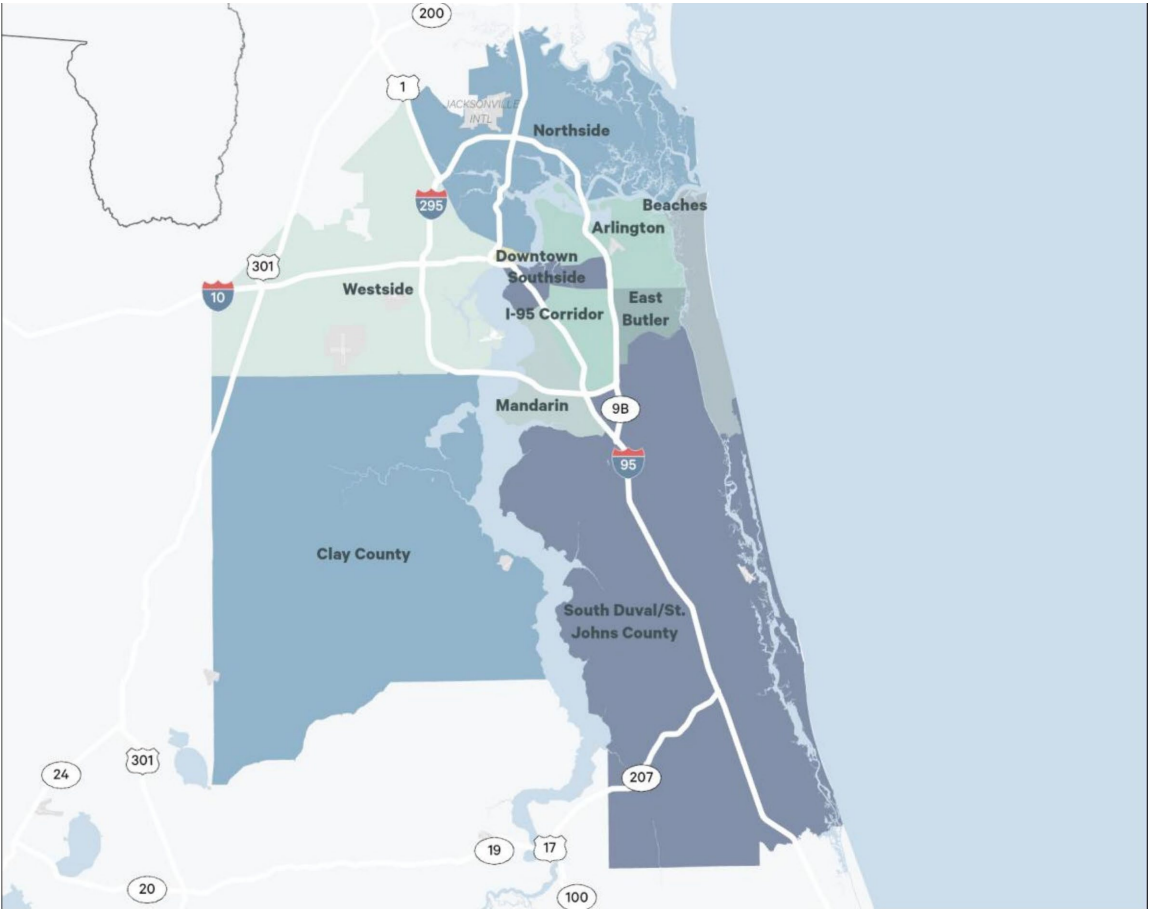


MSCI Real Capital Analytics
%
Figure 15: Buyer Composition



MSCI Real Capital Analytics

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. 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.

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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