

FIGURES | JACKSON OFFICE | H2 2022

Suburban submarkets excel as flight to quality and consolidations continue

▲ 19.2%

Vacancy Rate

▼ -68K

SF Net Absorption

▶ 0

SF Under Construction

▼ 80K

SF Completions

▲ \$19.85

Lease Rate

Note: Arrows indicate change from previous bi-annual reporting period.

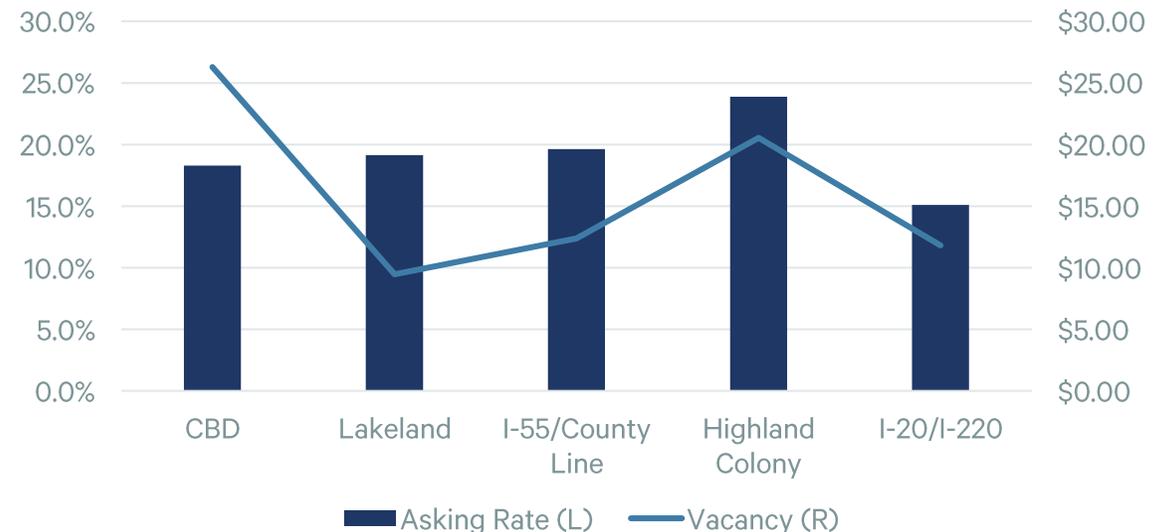
Key Takeaways

- The Lakeland submarket recorded the lowest vacancy rate to close 2022 at 9.5%, despite 80,000 square feet being delivered to the market.
- In 2022, the Jackson office market recorded -68,228 square feet of net absorption, as call centers follow post-COVID, work from home trends.
- Total vacancy is 1,293,052 square feet, up from 1,192,790 square feet in 2021.

The downtown submarket had the largest drop in occupancy with 154,262 square feet becoming available, pushing the vacancy rate to 26.3%, 669-basis points up from H2 2021. Due to the water crisis in Jackson, the vacancy rate is anticipated to continue climbing in 2023. Even with the Community Bank Headquarters delivering approximately 80,000 square feet to the Lakeland submarket, the vacancy rate fell to 9.5%, making it the lowest vacancy rate in the Jackson market at year end. Overall net absorption for 2022 was -68,228 square feet, as post-pandemic trends cause more employees to work remotely.

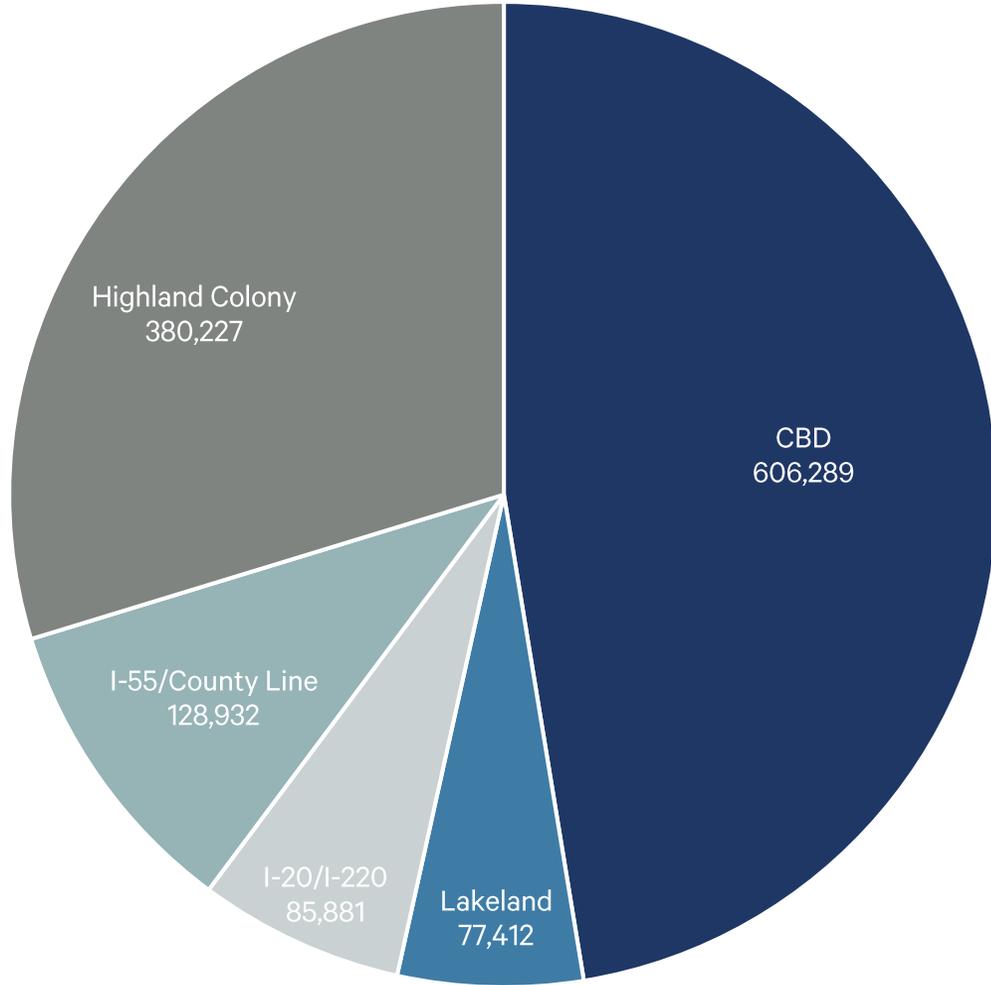
The I-20/I-220 submarket was the only suburban submarket with negative net absorption, which is largely attributed to the Mississippi Department of Revenue and Entergy giving back space at South Pointe Business Park.

FIGURE 1: Vacancy vs. Asking Rate



Source: CBRE Research, H2 2022

FIGURE 2: Jackson MSA Vacant Space by Submarket



Source: CBRE Research, H2 2022

FIGURE 3: Jackson MSA Office Market Statistics

Submarket	Inventory (sq. ft.)	Total Vacancy Rate (%)	2022 Net Absorption (sq. ft.)	Weighted Avg. Rent (\$/SF/Year)	2022 Deliveries
CBD	2,305,536	26.3%	-154,262	18.21	0
Lakeland	816,550	9.5%	63,205	23.06	80,000
I-55/County Line	1,040,269	13.8%	26,597	20.73	0
Highland Colony	1,851,356	20.5%	17,058	21.91	0
I-20/I-220	727,504	11.8%	-20,826	17.90	0
Jackson MSA	6,741,215	19.2%	-68,228	19.85	80,000

Source: CBRE Research, H2 2022

FIGURE 4: Key Leasing Transactions

Tenant	Location	Size (sq. ft.)	Submarket	Transaction Type
Horne	385 B Highland Colony Pkwy	16,500	Highland Colony	Renewal
Leidos	500 Clinton Center Pkwy	16,198	I-20/I-220	Renewal
Young Williams	500 Clinton Center Pkwy	11,399	I-20/I-220	Renewal
Federal Government	10 Canebrake Blvd	9,723	Lakeland	New Lease
Magnolia Health/Centene	200 Renaissance	8,158	Highland Colony	New Lease

Source: CBRE Research, H2 2022

Market Area Overview



Survey Criteria

The Jackson Office MarketView reports provide statistics based on a revised set of inventory consisting of office properties in the following submarkets: Central Business District, Lakeland, I-55/County Line, Highland Colony Parkway/ Madison and I-20/I-220. All properties are Class A or B, are greater than 10,000 sq. ft. and are not owner occupied. Properties used primarily for medical and government purposes have been removed from the data set. Historical data in all figures is reflective of the current set of inventory rather than previously published report figures.

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