

FIGURES | JACKSONVILLE OFFICE | Q4 2025

2025 recorded the highest annual office net absorption total since 2017

▼ 24.4%
Vacancy Rate

▲ 75,469
SF Net Absorption

▼ 102,424
SF Under Construction

▶ 0
SF Deliveries

▲ \$23.47
Full-Service / Lease Rate

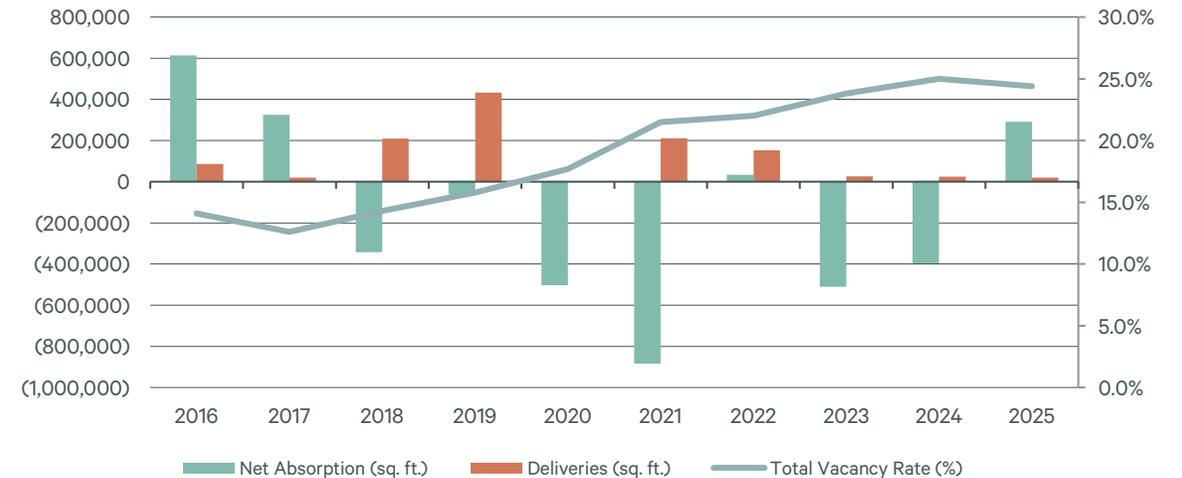
Note: Arrows indicate change from previous year.

OVERVIEW

- The quarter closed with an overall vacancy rate of 24.4%, dropping 60 basis points year over year.
- According to Real Capital Analytics, the sale of investment-grade properties during 2025 totaled approximately \$263.0 million across 2,949,988 sq. ft. (\$89.14 per sq. ft.) compared to \$133.7 million across 1,604,597 sq. ft. (\$83.35 per sq. ft.) during the same period in 2024.
- According to the Bureau of Labor Statistics, the unemployment rate in September was 4.3%, an 80 basis point increase compared to a year ago for Jacksonville. The rate is down from 10.8% in April 2020. The rate compares to Florida (3.9%) and the U.S. (4.4%).

The office market will experience a positive shift following the Federal Reserve's decision to lower the federal funds rate by 25 basis points on October 29 and December 10 bringing the federal funds rate to between 3.5%-3.75%. These reductions in interest rates are expected to stimulate sales activity and positively influence office leasing trends during 2026. However, challenges persist, particularly regarding the impact of tariffs which will shape how landlords and tenants navigate the market in 2026.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



Source: CBRE Research

DEMAND

Jacksonville’s downtown revitalization effort represents a transformative investment for parks and infrastructure, with more than \$300 million allocated to reshape the city’s core. As Riverfront Plaza and RiversEdge Park complete, these landmark projects are set to redefine the urban experience. The overarching vision is to create a dynamic, livable downtown that attracts residents and business alike, fostering a vibrant community where people can live, work and thrive.

Six leases over 100,000 sq. ft. were signed during 2025 (three renewals and three new leases), the most since 2015. Overall leasing activity increased 37.7% in 2025 compared to 2024, totaling 2,623,073 square feet with renewals accounting for 31.2 percent. The average lease size for new leases and expansions was 9,239 square feet compared to the median of 3,500 sq. ft. However, some tenants are still rightsizing their space needs as their lease comes up for renewal. During fourth quarter, more than 75,000 square feet were absorbed by Confidential Bank (26,235 sq. ft.), Taylor Day (12,594 sq. ft.), Microlumix (12,623 sq. ft.), Urban SDK (9,700 sq. ft.) and Prime AE (8,037 sq. ft.).

VACANCY

The quarter closed with an overall vacancy rate of 24.4%, dropping 60 basis points year over year. Class A vacancy is 21.2% with class B at 26.9%. However, the vacancy rate for available space is only 21.8%, 2.6 percentage points (over 706,000 sq. ft.) of the vacant space in Jacksonville has been leased but will not be occupied until future quarters. Sublease space dropped 21.2% over the past 12 months, with 700,598 (sq. ft.) currently available and 540,056 (sq. ft.) vacant.

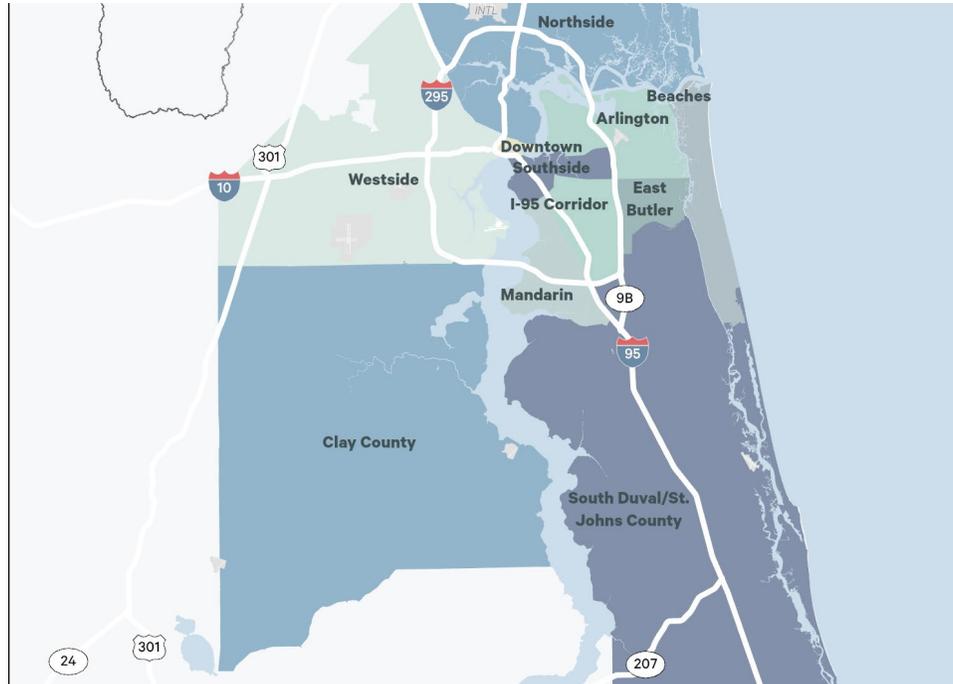
PRICING

The direct average asking lease rate rose, closing the year at \$23.47 per sq. ft., a year-over-year increase of 1.7%. Rental rates in class A office space rose to \$25.19 per sq. ft., while class B rents recorded \$22.28 per sq. ft.

FIGURE 2: Statistical Snapshot Q4 2025

Submarket	Total Inventory (Sq. Ft.)	Direct Vacancy (%)	Total Vacancy (%)	Q4 2025 Net Absorption (Sq. Ft.)	2025 Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Avg. Asking Lease Rate (\$/SF/FSG/G/MG)
CBD	8,116,143	27.4	28.7	38,249	22,418	102,424	24.09
Northbank	5,902,379	28.8	29.5	33,417	(1,741)	102,424	23.94
Southbank	2,213,764	23.8	26.8	4,832	24,159	0	24.67
Arlington	465,308	27.1	27.1	(1,040)	414	0	17.40
Beaches	734,968	6.7	6.7	(3,111)	3,230	0	35.28
Clay County	456,997	4.5	5.2	0	(5,392)	0	21.00
East Butler	524,344	11.4	12.5	8,037	10,336	0	34.20
I-95 Corridor	13,351,064	20.7	23.7	36,796	250,484	0	22.38
Baymeadows	3,749,971	26.7	32.6	10,219	35,556	0	20.14
Deerwood Park	4,821,140	20.2	21.9	26,673	198,282	0	23.67
South 95 Corridor	1,525,354	4.4	5.9	16,216	31,821	0	24.93
Southpoint	3,254,599	22.2	24.3	(16,312)	(15,175)	0	22.31
Mandarin	482,570	6.4	6.4	1,070	20,099	0	19.55
Northside	47,000	15.2	15.2	0	(648)	0	17.14
South Duval/St. Johns	2,104,768	26.5	27.7	1,905	9,608	0	25.26
Southside	676,781	31.6	31.6	(4,941)	(33,828)	0	18.78
Westside	194,543	14.4	14.4	(1,496)	15,095	0	21.11
Suburban Total	19,038,343	20.2	22.5	37,220	269,398	0	22.94
Jacksonville Total	27,154,486	22.4	24.4	75,469	291,816	102,424	23.47

Market Area Overview



ECONOMIC OUTLOOK

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

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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