

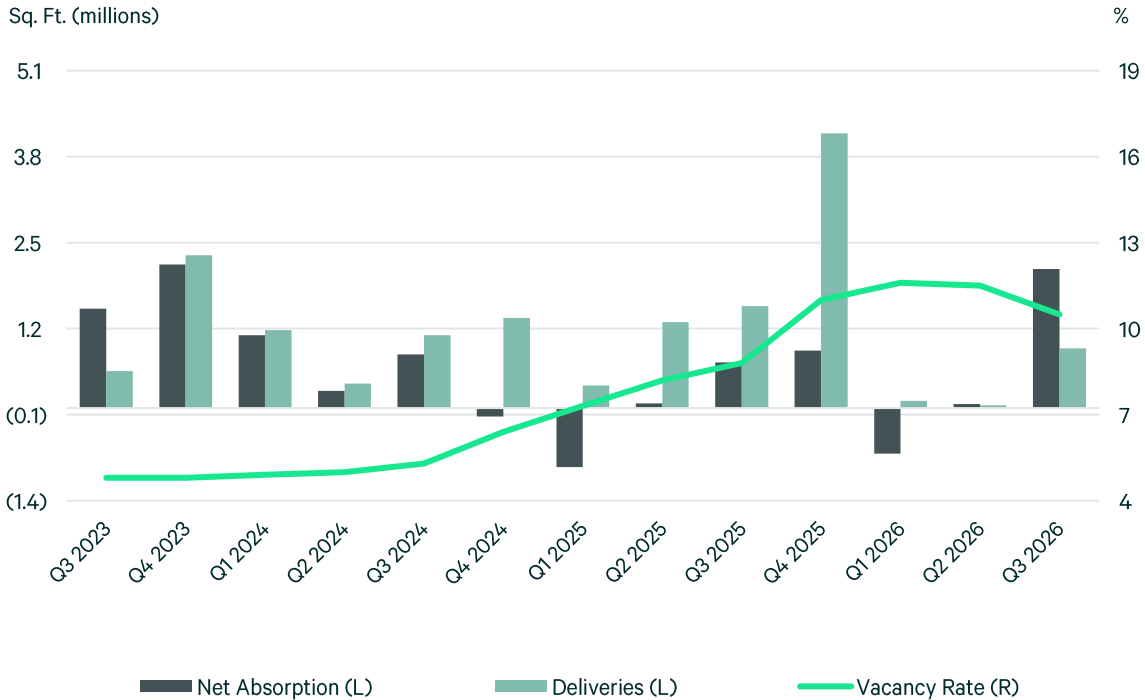
Industrial demand accelerates as vacancy continues to tighten

Market Overview

In Q3 2026, market conditions showed early signs of stabilization after a prolonged period of softer occupancy. The earliest period provided was Q3 2023. From that point to the current quarter, the vacancy rate rose 570 basis points. Over the same span, the availability rate increased 590 bps, signaling more space was marketed for lease. Average asking rents grew 11.3%, indicating that pricing remained resilient despite softer occupancy. Year-over-year, under construction space declined by 3.0 million sq. ft., narrowing the pipeline of upcoming completions.

Within the current quarter, operating fundamentals improved as strong net absorption coincided with moderating vacancy and a smaller development pipeline. Net absorption reached 2.1 million sq. ft., indicating that occupiers took more space than they returned. Vacancy ended the period at 10.5%. Availability finished at 12.4%. Quarter-over-quarter, vacancy was 100 bps lower, reinforcing the sense of emerging stabilization. Quarter-over-quarter, the change in availability was a modest decline of 20 bps, suggesting supply pressure began to ease. Average asking rents rose 1.0% year-over-year and were broadly stable quarter-over-quarter, consistent with gradual pricing adjustment. Under construction space totaled 1.8 million sq. ft., highlighting the smaller pipeline now in place. Deliveries in the quarter amounted to 901,000 sq. ft., adding new space to the inventory. Leasing remained active, with three large new leases in the sample totaling 1.0 million sq. ft. ID Logistics Warehousing, FCP Euro, and Eucatex of North America anchored this new demand in the Westside and Northside submarkets.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Availability Rate

Availability in the Jacksonville industrial market eased slightly in Q3 2026 but remained well above levels seen in recent years. The overall availability rate was 12.4% in Q3 2026, down from 12.6% in Q2 2026, a decrease of 20 basis points quarter-over-quarter, while direct availability fell from 12.0% to 11.6%, a 40 bps decline. Year-over-year, overall availability increased from 11.9% in Q3 2025 to 12.4%, a rise of 50 bps, and direct availability rose from 10.9% to 11.6%, up 70 bps over the same period. Compared with Q3 2023, overall availability climbed from 6.5% to 12.4%, a 590 bps increase, and direct availability rose from 5.4% to 11.6%, a 620 bps gain, underscoring how much conditions loosened over the past three years.

Conditions varied sharply by submarket in Q3 2026, with some areas still tightly supplied and others carrying significant availability. Beaches recorded the lowest overall availability rate at 1.3%, followed by Downtown Jacksonville at 4.3%. St. Johns County posted the highest overall availability rate at 33.4%, while Northside at 13.1% and Westside at 11.2% also reported double-digit availability.

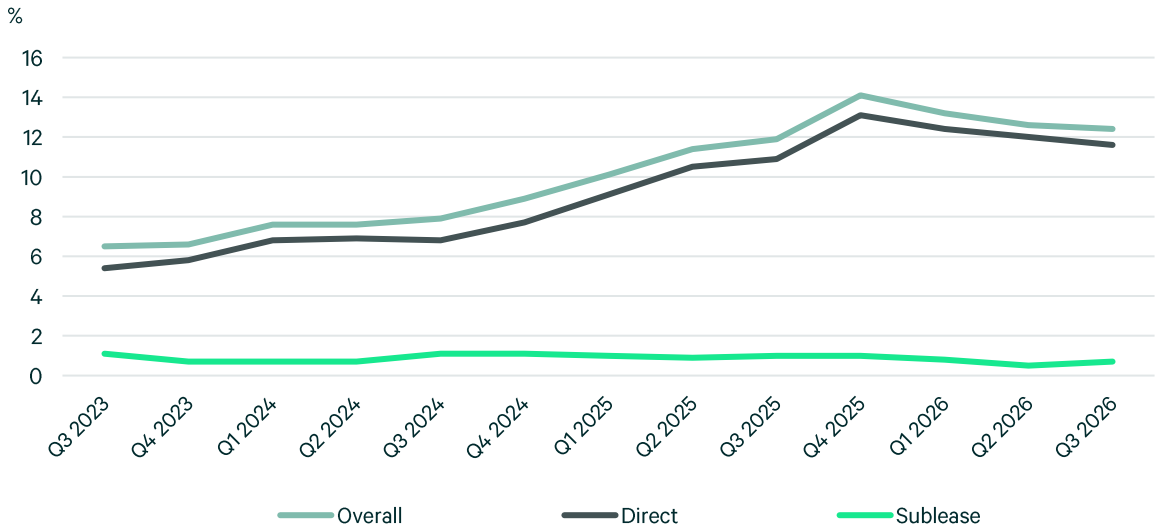
Sublease availability ticked up in Q3 2026, with the market sublease rate rising from 0.5% in Q2 2026 to 0.7%, an increase of 20 bps quarter-over-quarter. Total sublease space available in Q3 2026 reached 961,843 sq. ft., concentrated mainly in Westside and Northside.

Asking Rent

In Q3 2026, average asking rents edged down from Q2 2026 but remained modestly above levels in Q3 2025. The average asking rent was \$8.69 per sq. ft. in Q3 2026, compared with \$8.74 per sq. ft. in Q2 2026 and \$8.60 per sq. ft. in Q3 2025, reflecting a quarter-over-quarter decline of 0.6% and a year-over-year increase of 1.1%. Over the data series from Q3 2023, when the market averaged \$7.81 per sq. ft., rents dipped to a low of \$7.76 per sq. ft. in Q2 2024 before they moved higher to \$8.69 per sq. ft. in Q3 2026, an overall increase of 11.3%.

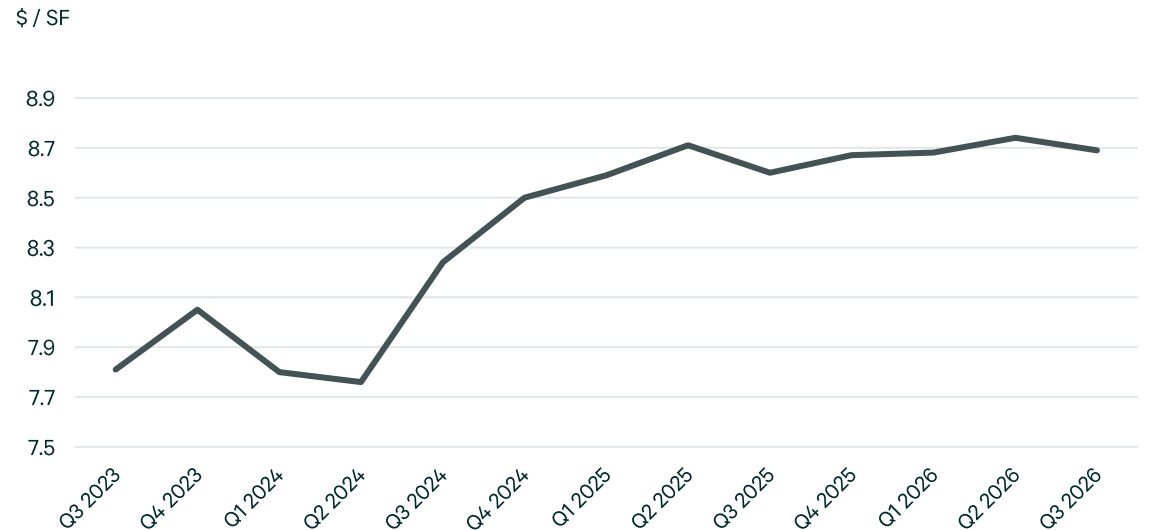
Across submarkets, Q3 2026 asking rents showed a wide spread between the highest- and lowest-priced areas. Beaches posted the highest average asking lease rate at \$15.87 per sq. ft., while Westside recorded the lowest at \$7.78 per sq. ft., highlighting a clear pricing gap between the coastal submarket and the rest of the market. Clay County at \$10.25 per sq. ft., Southside at \$10.12 per sq. ft., St. Johns County at \$9.51 per sq. ft., and Northside at \$8.87 per sq. ft. all clustered in a mid-range band, indicating that most submarkets were priced between the Beaches level and the Westside level.

Figure 2: Availability Rates



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption in Q3 2026 reflected a sharp swing back to occupancy growth after several quarters of mixed results. Net absorption totaled 2.1 million sq. ft. in the quarter, exceeding the 61,000 sq. ft. of space taken in Q2 2026 by 2.0 million sq. ft. on a quarter-over-quarter basis and exceeding the 688,000 sq. ft. recorded in Q3 2025 by 1.4 million sq. ft. on a year-over-year basis. Earlier in 2026, occupiers returned 693,000 sq. ft. in Q1 2026, resulting in negative net absorption, and then took a modest 61,000 sq. ft. in Q2 2026, underscoring the scale of the rebound in the quarter. The rolling four-quarter average net absorption rose to 584,500 sq. ft. in the quarter, exceeding Q2 2026 by 354,000 sq. ft. and highlighting how recent gains began to rebuild occupancy after the weak readings seen through 2025 and early 2026. Major occupiers included ID Logistics (650,000 sq. ft.), Trane Technologies (603,529 sq. ft.), Samsonite (477,267 sq. ft.), Phoenix Products (204,800 sq. ft.), Eucatex of North America (109,945 sq. ft.), and Petroleum Containment (107,730 sq. ft.).

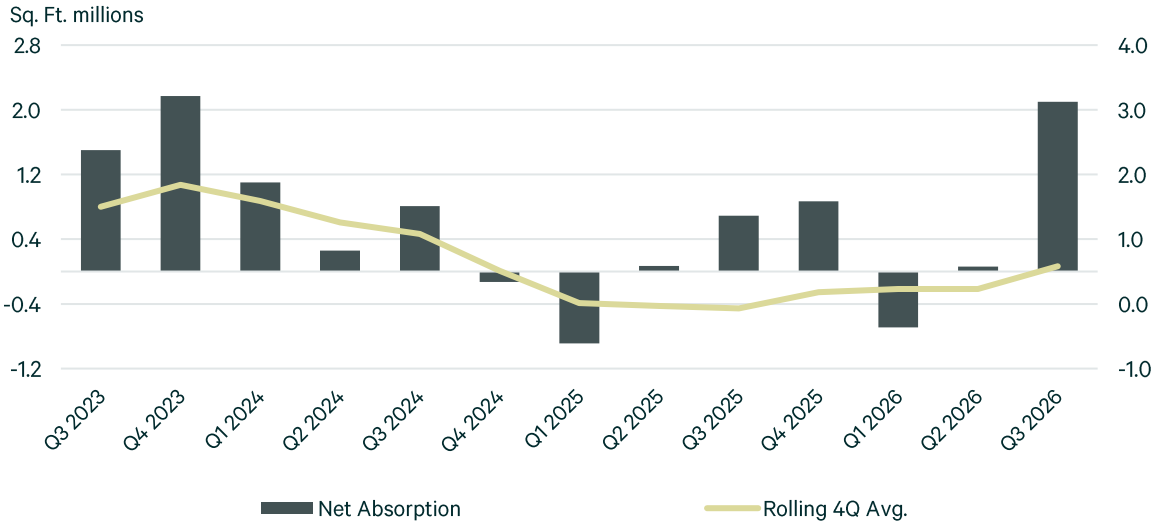
In the quarter, Westside and Northside recorded the highest positive net absorption among submarkets, at 1.6 million sq. ft. and 415,000 sq. ft., respectively. Southside and Clay County followed as the next strongest submarkets with positive net absorption, posting 140,000 sq. ft. and 23,000 sq. ft., respectively. By contrast, Downtown Jacksonville and Beaches saw occupiers give back 22,000 sq. ft. and 2,000 sq. ft., respectively, registering negative net absorption and partially offsetting the strength elsewhere.

Construction Activity

In Q3 2026, under construction space in the market totaled 1.8 million sq. ft., while construction deliveries amounted to 901,000 sq. ft. Under construction area fell 30.3% quarter-over-quarter and 62.8% year-over-year while deliveries remained 41.5% lower year-over-year. Speculative construction completions added 696,304 sq. ft. of vacant space to the market during Q3 2026.

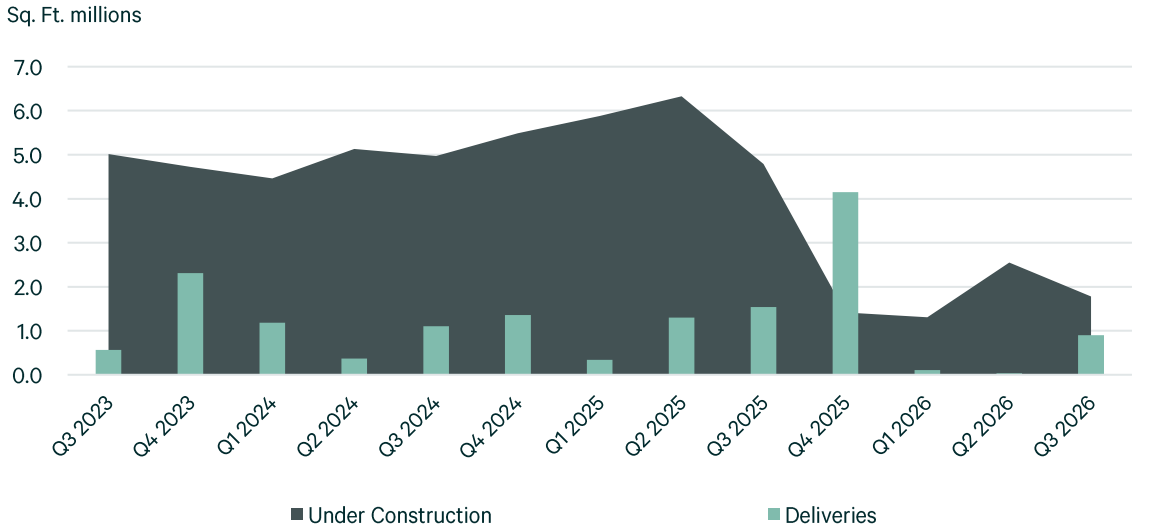
Northside and Westside recorded the highest under construction activity in the quarter, together accounting for the bulk of projects underway. Northside was dominated by Airport Commerce Center Phase 3 at 1.1 million sq. ft. and 100.0% pre-leased, while Westside’s pipeline totaled 527,000 sq. ft. across the 370,000 sq. ft. Publix Cold Storage Facility, the 97,000 sq. ft. Pritchard Park building, and the 60,000 sq. ft. Pritchard Park Building 2. Clay County also had development activity, with the 48,000 sq. ft. 1358 Energy Cove R&D/Flex project under construction.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



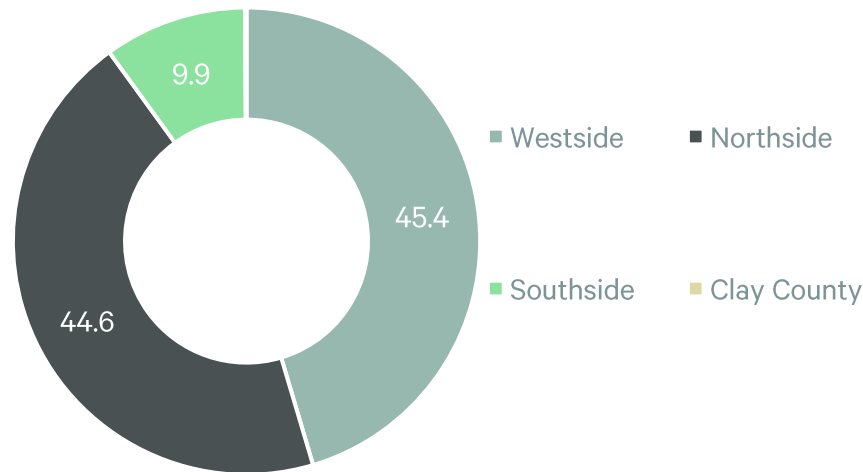
Source: CBRE Research, Q3 2026

Leasing Activity

Leasing activity in Q3 2026 remained solid but eased from the elevated pace earlier in the year. Total leased area this quarter reached 2.5 million sq. ft., compared with 3.3 million sq. ft. in Q2 2026, representing a 25.8% quarter-over-quarter decline, while year-to-date 2026 leasing totaled 8.4 million sq. ft. across the first three quarters. Despite this pullback, activity was stronger than in Q3 2025, with the quarter's total 16.7% higher year-over-year. Year to date leasing increased 35.5% compared to the same period in 2025. Renewals only accounted for 16.5% of total leasing activity.

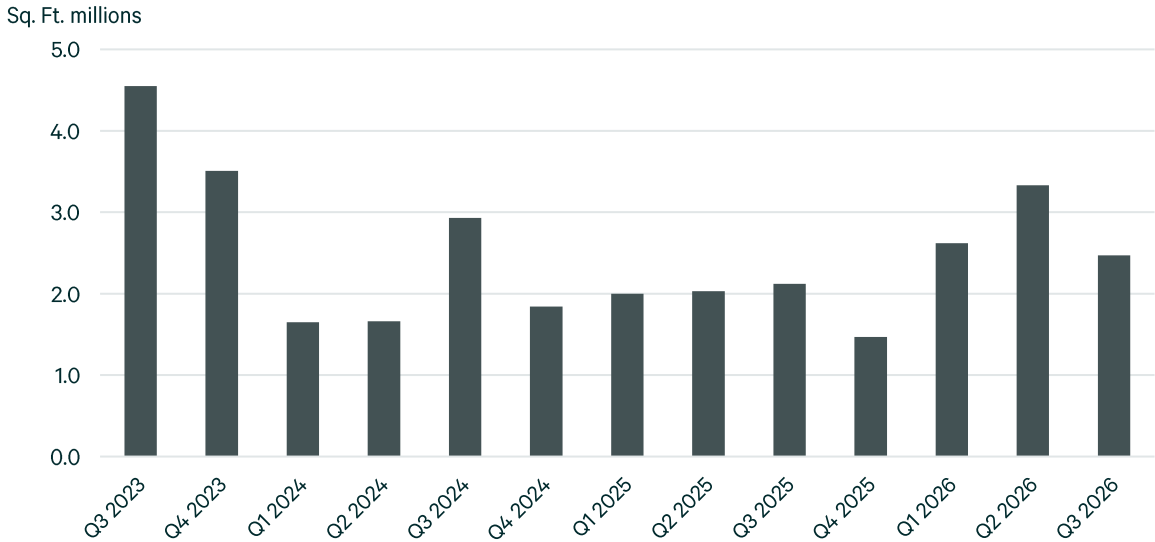
Leasing commitments were concentrated in the Westside and Northside submarkets. Westside recorded 1.1 million sq. ft. of leased area while Northside closely followed at 1.1 million sq. ft., making them the two most active submarkets this quarter. Southside posted 245,000 sq. ft. of leasing and Clay County registered 2,000 sq. ft., both contributing positive but smaller volumes of activity.

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



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
ID Logistics	650,000	New Lease	9984 Pritchard Rd	Westside
Suddath Global Logistics	316,000	Renewal	1 Imeson Park Blvd	Northside
FCP Euro	267,000	New Lease	1215 Imeson Rd	Northside
Floworks International	128,000	Renewal	136 Eastport Rd	Northside
Eucatex of North America	110,000	New Lease	10145 Eastport Rd	Northside
Costco Wholesale Corp.	86,000	Renewal	10490 N Busch Dr	Northside
Muscle Foods USA	82,000	New Lease	8291 Forshee Dr	Westside
ColdTrack	55,000	New Lease	11180 Blasius Rd	Northside

Source: CBRE Research, Q3 2026

Market Statistics by Product Type

Figure 9

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	107.72M	11.8	13.5	12.7	0.7	8.56	1.91M	1.30M	696,000	1.73M
Manufacturing - General	18.73M	4.5	6.5	6.1	0.5	6.03	145,000	139,000	205,000	-
R&D/Flex	9.23M	8.0	11.1	10.2	0.9	12.28	49,000	37,000	-	48,000
Total	135.68M	10.5	12.4	11.6	0.7	8.69	2.10M	1.47M	901,000	1.78M

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 10

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	22.13M	6.7	7.5	7.4	0.1	10.57	2,000	(44,000)	-	175,000
50K-99,999 SF	17.03M	6.7	8.8	7.8	0.9	9.86	194,000	146,000	-	158,000
100K-249,999 SF	38.80M	13.9	16.4	15.5	0.9	8.73	416,000	428,000	354,000	-
250K-499,999 SF	27.46M	17.6	20.1	19.2	0.9	8.34	(360,000)	(466,000)	-	370,000
500K-749,999 SF	14.29M	7.4	8.6	7.4	1.2	6.70	1.34M	1.38M	547,000	-
750,000 SF +	15.97M	2.3	3.1	3.1	-	-	513,000	29,000	-	1.08M
Total	135.68M	10.5	12.4	11.6	0.7	8.69	2.10M	1.47M	901,000	1.78M

Source: CBRE Research, Q3 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	282,000	1.3	1.3	1.3	-	15.87	(2,000)	(1,000)	-	-
Clay County	3.51M	4.9	12.9	12.9	-	10.25	23,000	11,000	-	48,000
Downtown Jacksonville	793,000	2.8	4.3	4.3	-	-	(22,000)	(22,000)	-	-
Northside	48.81M	12.2	13.1	12.4	0.7	8.87	415,000	(137,000)	901,000	1.20M
Southside	23.04M	7.9	9.2	8.9	0.3	10.12	140,000	(158,000)	-	-
St. Johns County	4.87M	33.2	33.4	33.4	-	9.51	-	110,000	-	-
Westside	54.38M	8.6	11.2	10.2	1.0	7.78	1.55M	1.67M	-	528,000
Total	135.68M	10.5	12.4	11.6	0.7	8.69	2.10M	1.47M	901,000	1.78M

Source: CBRE Research, Q3 2026

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

Industrial investment sales activity in Jacksonville (FL) in Q3 2026 was measured across quarterly and annual comparisons. Sales volume in the quarter totaled \$190.02 million, declining 1.3% quarter-over-quarter from \$192.47 million in Q2 2026 but increasing 35.9% year-over-year compared with \$139.76 million in Q3 2025. Year-to-date 2026 industrial sales volume reached \$572.04 million, comprising \$189.55 million in Q1 2026, \$192.47 million in Q2 2026 and the current quarter total.

Buyer composition and individual asset trades provided detail on Q3 2026 transaction activity. Private buyers accounted for 57.2% of Q3 2026 volume, while institutional buyers represented 42.8%; cross-border, public, and user/other buyers each recorded 0.0%. The largest transaction in the quarter was the sale of Center Pointe Business Park, an 11-building office and industrial park totaling 537,800 sq. ft. for \$80.8 million, or \$166.91 per sq. ft purchased by Merritt Properties. The second largest sale was Northport Logistics Center on the Northside, a 976,825 sq. ft. facility acquired by LBA Realty for an undisclosed price. In addition, InSpace at Jax on the Northside, totaling 230,000 sq. ft., which NorthBridge CRE acquired for \$35.10 million, or \$152.46 per sq. ft., followed by Cypress Point Business Park on the Southside at 226,500 sq. ft. and \$28.20 million, or \$124.28 per sq. ft. Additional reported trades included 401 Ellis Road North on the Westside at 104,160 sq. ft. and \$7.90 million, or \$75.46 per sq. ft., and 9388 Pritchard Road on the Westside at 107,730 sq. ft. and \$15.50 million, or \$143.88 per sq. ft.

Figure 12: Quarterly Sales Volume

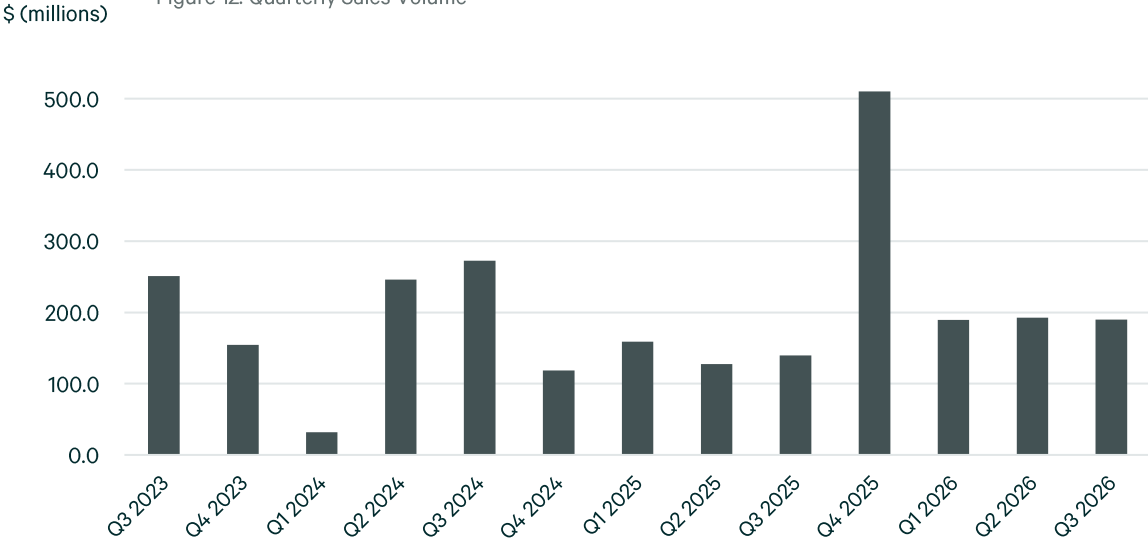


Figure 13: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
Center Pointe Business Park	Southside	Merritt Properties	\$89.8M	537,800	\$166.91
InSpace at Jax	Northside	NorthBridge CRE	\$35.1M	230,000	\$152.46
Cypress Point Business Park	Southside	BlueCrest Capital Advisors	\$28.2M	226,500	\$124.28
9388 Pritchard Road	Westside	Petroleum Containment	\$15.5M	107,730	\$143.88
401 Ellis Road North	Westside	GIC	\$7.9M	104,160	\$75.46
Northport Logistics Center	Northside	LBA Realty	N/A	976,825	N/A

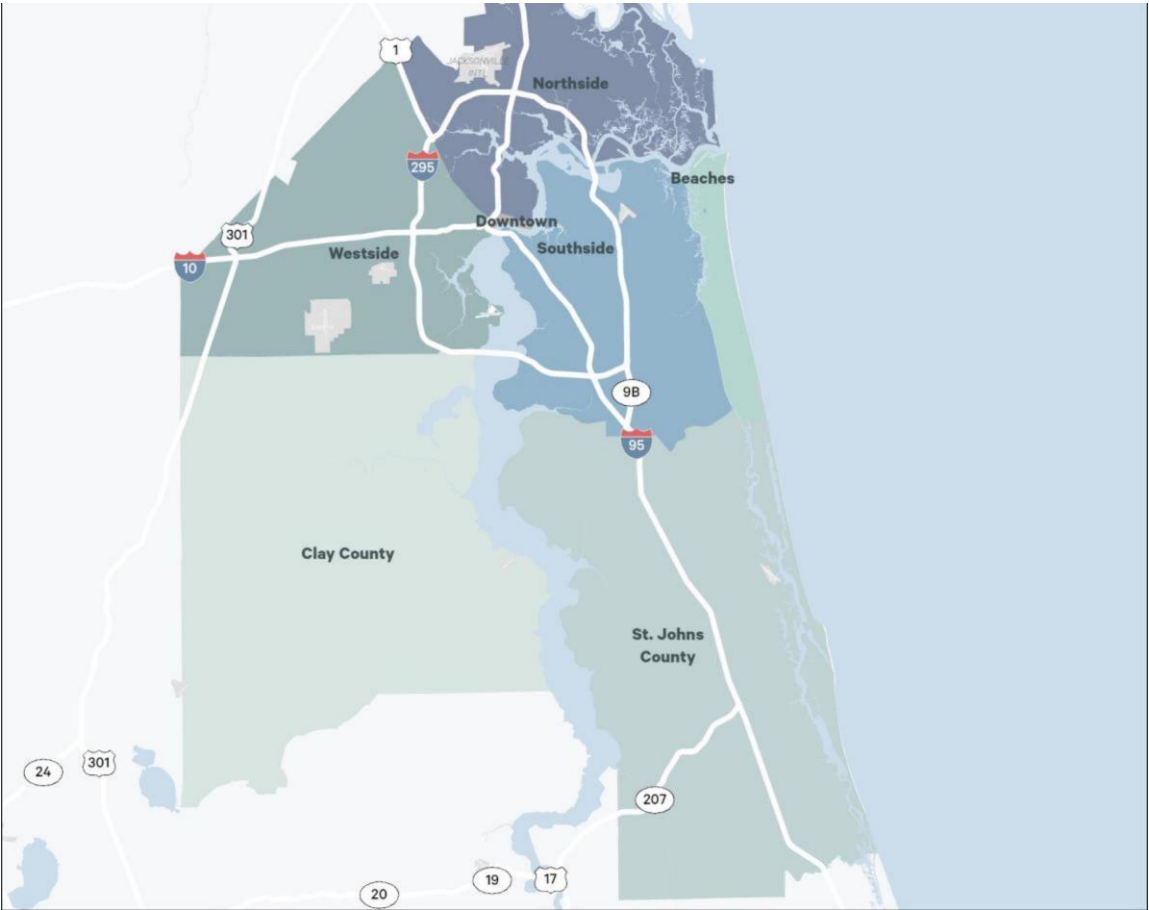
Source: CBRE Research, Q3 2026

Figure 14: Buyer Composition



Source: MSCI Real Capital Analytics, Q3 2026

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 , Nassau and St Johns counties.

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