

## Metropolitan Area Economic Overview

### POPULATION

Total Est. 2006	1,248,194
Population Growth Index – 2011	2.03
Income Index	1.06
Affordability Index	1.22
Education Index	1.03
Age Index	1.00

### EMPLOYMENT

Total Est. 2006	538,759
Office Index	0.99
Health Services Index	0.96
Government Index	0.85
Retail Services Index	1.11
Wholesale Index	1.00

## Jacksonville At-A-Glance

(Rent/Square foot/Year)	Low	High	Effective Avg.	Vacancy
<b>DOWNTOWN OFFICE</b>				
New Construction (AAA)	N/A	N/A	N/A	N/A
Class A (Prime)	\$ 17.50	\$ 24.50	\$ 19.60	15.0%
Class B (Secondary)	\$ 10.50	\$ 18.50	\$ 14.50	18.0%
<b>SUBURBAN OFFICE</b>				
New Construction (AAA)	\$ 16.00	\$ 23.00	\$ 20.00	9.5%
Class A (Prime)	\$ 16.00	\$ 23.00	\$ 19.75	11.7%
Class B (Secondary)	\$ 14.00	\$ 18.00	\$ 17.75	12.5%
<b>INDUSTRIAL</b>				
Bulk Warehouse	\$ 3.50	\$ 5.00	\$ 3.90	5.9%
Manufacturing	\$ 3.00	\$ 6.00	\$ 4.20	5.0%
High Tech/R&D	\$ 7.50	\$ 14.00	\$ 9.54	15.1%
<b>RETAIL</b>				
Downtown	\$ 14.00	\$ 28.00	\$ 22.00	8.0%
Neighborhood Service Centers	\$ 14.00	\$ 28.00	\$ 14.25	5.2%
Community Power Center	\$ 12.50	\$ 28.00	\$ 21.00	6.8%
Regional Malls	\$ 20.00	\$ 35.00	\$ 35.00	2.6%

## DEVELOPMENT LAND

	Low (Price/Acre)	High (Price/Acre)
Office in CBD (Per Buildable SF)	\$ 25	\$ 60
Land in Office Parks	\$ 150,000	\$ 500,000
Land in Industrial Parks	\$ 120,000	\$ 180,000
Office/Industrial Land - Non-park	\$ 80,000	\$ 120,000
Retail/Commercial Land	\$ 120,000	\$ 785,000
Residential	\$ 8,000	\$ 75,000

## Market Overview

■ A steady growth pattern in Jacksonville, Florida continued in 2006 due to job growth in business services, healthcare and the leisure/hospitality sectors. The number of new jobs being created together with the overall quality of life is expected to result in a 10% population increase over the next five years. Population growth and low unemployment have benefited the commercial sectors and housing growth in the region.

The Jacksonville office market ended the third quarter 2006 with a vacancy rate of 12.0%. Net absorption for the overall Jacksonville office market for the quarter was 887,000 square feet, and 1.8 million square feet for the year through third quarter. The average quoted rental rate for all classes of office space was \$18.03 per square foot at the end of the third quarter. The average quoted rate in the Class A sector was \$19.74, and \$17.77 for Class B space. The average quoted asking rent in Jacksonville's CBD was \$17.88 at the end of the third quarter, and \$18.08 in the suburban markets. New construction has been steady with just over one million square feet delivered during the first nine months of 2006. An additional 830,000 square feet was under construction. Office building sales activity has been up compared to 2005 with an average sales price of \$90.43 per square foot. Cap rates have been lower in 2006, averaging 7.33% compared to the

first six months of 2005 when they averaged 10.74%.

The Jacksonville industrial market ended the third quarter 2006 with a vacancy rate of 6.6%. Net absorption for the overall industrial market was 532,412 square feet in the third quarter, 1.1 million square feet year-to-date. The average quoted asking rental rate for industrial space was \$4.46 per square foot at the end of the third quarter, down 0.9% from the second quarter when rents were reported at \$4.50 per square foot. About 1.63 million square feet was under construction. Industrial building sales volume was up compared to the previous year with an average price of \$62.11 per square foot. Cap rates have been higher in 2006, averaging 9.44%, compared to the first six months of 2005 when they averaged 8.74%.

The overall retail vacancy rate was 5.1%, virtually unchanged over the past two years. The average asking lease rate including new space was \$19.30 per square foot. At mid-year, about 2.69 million square feet of shopping center space was under construction. Most of the new construction continued to be pre-leased big box space. Over 1.72 million square feet of retail space is planned for development over the next few years. Most of that new space will be in anchored centers, lifestyle centers and the expansion of big box retailers such as Wal-Mart and Target.

Source: NAI Realvest Jacksonville