

# Industrial Highlights

Jacksonville | Q1 2014



## Improving local economic conditions boost industrial market activity

Jacksonville's industrial market continues to gain ground as economic conditions improve in the region. At the local level, the metro area increased total employment by 3.3 percent or 19,800 jobs for the year ending February 2014. Out of that total, industrial using employment sectors made up roughly 33.0 percent, adding 6,500 jobs over the year. Trade, transportation and utilities made up the majority of new industrial positions with 4,400 new jobs added. Construction employment grew by 1,700 jobs, while manufacturing employment grew by 400 jobs. These employment gains have helped reduce the MSA's unemployment rate by 100 basis points over the year, from 7.1 to 6.1 percent. Another positive for Jacksonville's labor market is that its labor force is expanding. From January to February 2014, Jacksonville's labor force grew by 1.05 percent or 7,400 individuals. For the year ending February 2014, the labor force has expanded by 2.06 percent or roughly 14,342 individuals. Some of these individuals may have dropped out of the labor force during the downturn and are now returning as better job prospects become available with the pick up in economic activity. The broader improvement in economic conditions at the local, national and global level has been a key driver new development in Jacksonville, which is having a big impact on the area's industrial market.

Improving economic conditions are attracting new development to Jacksonville that will enhance the marketability of the area's industrial market. For example, a 4,474-acre multimodal business park at Cecil Commerce Center is being developed on the Westside at I-10 and State Road 23. The Port of Jacksonville recently picked a contractor to design and build an intermodal container transfer facility, which is slated to be completed by 2015. The new facility will speed up the transfer of containers from ships to trains, improving the port's efficiency. These infrastructure improvements will help attract and retain businesses in the



Arrows represent change from prior quarter

area. One example is Vistakon, Johnson and Johnson's Vision Care division, which recently expanded its facilities in the Southside with the addition of a two-story, 104,454-square-foot distribution center. Heading into the remainder of 2014, expect conditions in Jacksonville's industrial market to tighten, with vacancies continuing to trend lower in response to a pick up in regional economic activity.

### Leasing activity

#### Westside

- Dupuy Storage, a general warehousing and storage company, renewed a lease for 71,298 square feet at 1610-1630 Industrial Boulevard in Jacksonville.
- Veterans Moving, a warehousing and storage company, signed a new lease for 13,500 square feet at the Westgate Distribution Center in Jacksonville.

#### Northeast

- Air Locker, Inc., a wholesaler of motor vehicle supplies and parts, signed a new lease for 23,300 square feet at 3700 Port Jacksonville Parkway in Jacksonville.

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### *Sales Activity*

- Over the quarter, Liberty Property Trust sold off 23 buildings totaling 1.2 million square feet to Greenfield Acquisition Partners for \$155 million. The transaction was part of a 62-property portfolio sale which included office and industrial properties.

### *Construction Activity*

- A 297,246-square-foot industrial distribution building broke ground during the quarter at 13564 Waterworks Street in Jacksonville. The building is expected to be completed during the second half of 2015. FedEx is slated to occupy 93,000 square feet once completed.

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