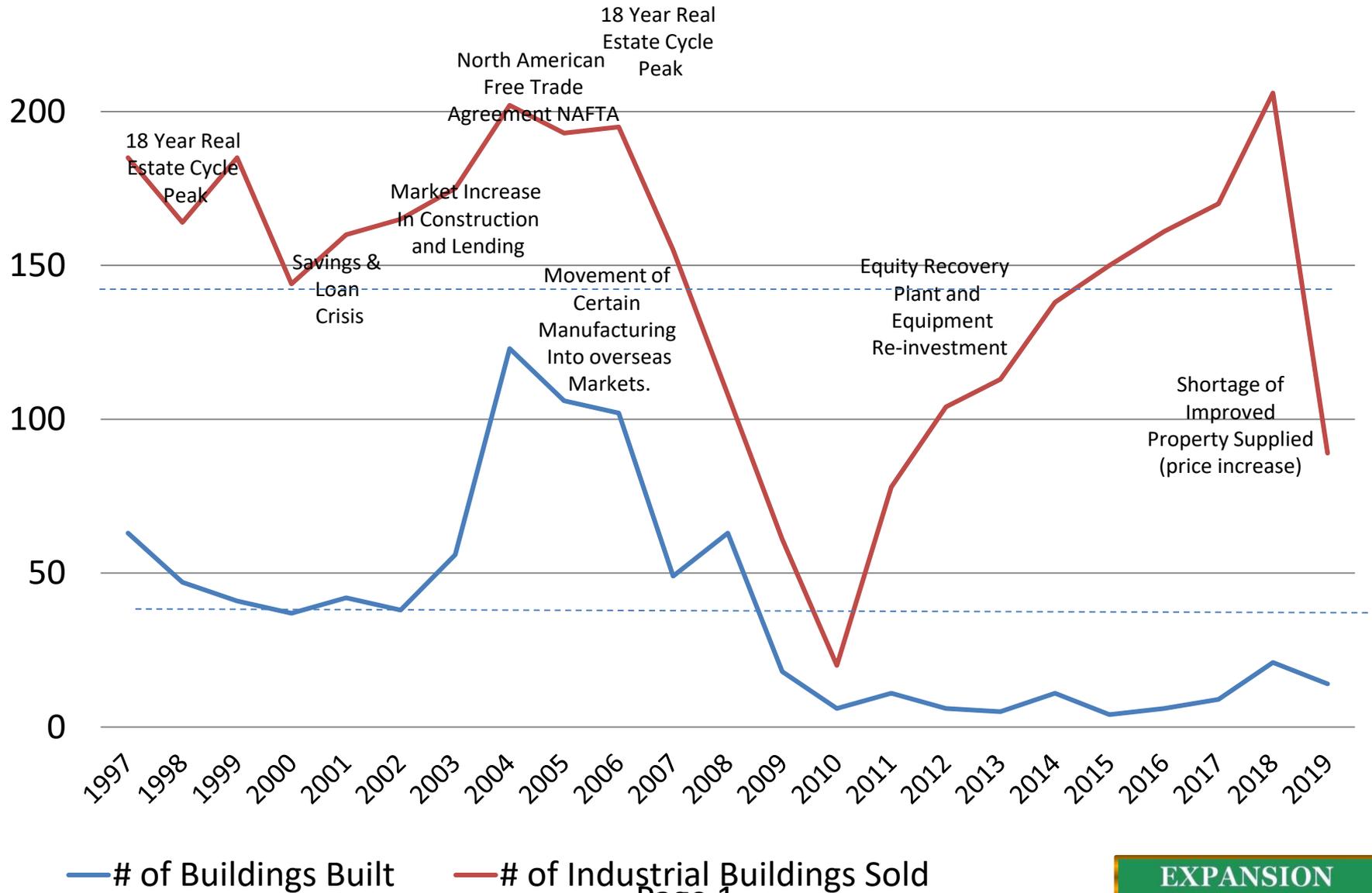


Duval County 1997 – 2019 Industrial Buildings Sold Compared With Industrial Buildings Built



The Quantity Sold versus Quantity Constructed graph reveals that in 2018, there were more industrial sales transactions than in 2003 of the previous peak of the 2000's. The number of Industrial Properties built increased to 21, which is not nearly the number of buildings built in 2003. The recovery of the Duval County Industrial Market is a recovery in the secondary pre built building market. The number of buildings constructed, is recovering from a 30 year low in quantity built. 21 Improved Industrial Properties built in 2018 is a five year high for Industrial construction.

The median number of sales transactions in a healthy market is 165 properties sold. Total sales volume of industrial properties increased beyond this volume in 2018, with over 206 Industrial properties sold. There is an active recovery from the deficit in industrial sales transfers in 2010. 2014 – 2018 brought a 5 year increase in quantity demanded as sales volume increased to normal levels in pre-existing Industrial Property Sales.

When comparing the construction trough after the S&L crisis, to the construction trough from 2009, the construction deficit indicates that there are definite continuing challenges in the Industrial land market. High construction costs have kept many local small to midsize businesses to relocate into existing buildings. Cash heavy or high liquidity large builders are the few benefitting from the economies of scale by building larger structures for larger tenants. Buyers of land are at an advantage if they can buy the land low enough that as the construction/land cycle returns, and plan for build to suit tenants for expected growth and development. Demand for Steel, Concrete and other construction materials in large overseas markets such as China and Australia, are keeping the prices of materials higher.

The land market is still challenged to come up to the levels of construction in prior years. New projects planned now will see more construction in the future, as demand for industrial build to suits will be required, and when the cost to build new properties falls below the price to own and retrofit existing properties.

The Industrial and Manufacturing sectors are likely to thrive in the upcoming years based on the activity and the ambition of industrial entrepreneurs.