

FIGURES | JACKSON INDUSTRIAL | 2023

Industrial asking rates increase amid rising vacancy



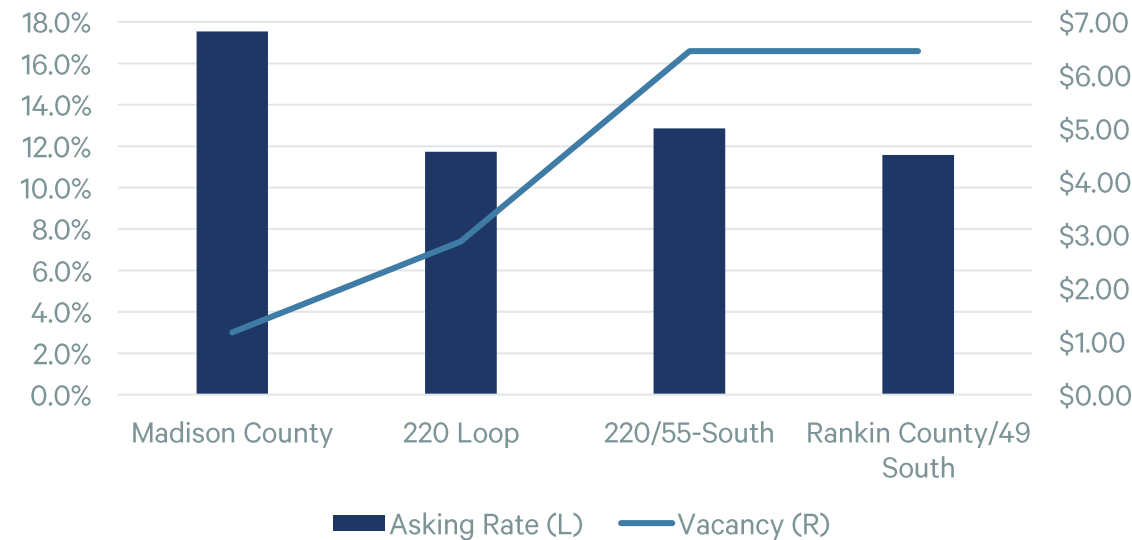
Note: Arrows indicate change from previous bi-annual reporting period.

Key Takeaways

- The Jackson industrial market’s vacancy rate increased 250 basis points year-over-year, largely attributed to one vacancy in the 220/55 South Submarket.
- The average asking rental rate grew to \$5.13/NNN in 2023, up 17.9% year-over-year, as Jackson remains a landlord’s market due to the supply and demand imbalance.
- The year ended with 1.1M square feet of vacancies market wide, nearly double the square feet of year end 2022.

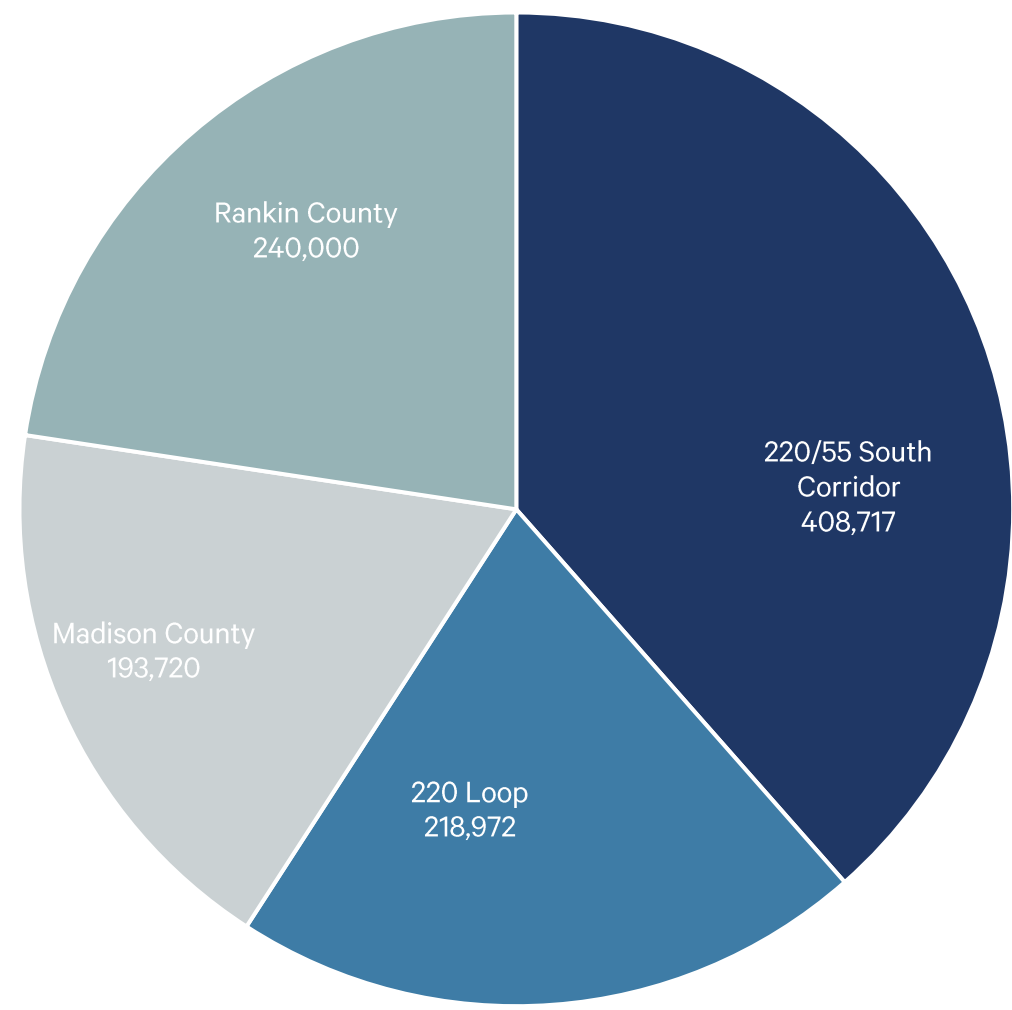
The Jackson industrial market expanded in 2023, with the total inventory growing 29.2%. The Madison County submarket’s average asking rental rate grew 94.9% year-over-year to \$6.82/NNN per square foot following 2.9 million square feet of new inventory delivered in 2023. Most of the delivered square footage is attributed to a large e-commerce company occupying a 2.8M square foot distribution center. However, two unoccupied buildings, accounting for 99,042 square feet, were added to the tracked set, leading to the large increase in the average asking rental rate. The 220/55 South Submarket had the largest increase in vacant square footage in 2023, with 373,000 square feet being made available at 1001 Industrial Park Drive, pushing the average asking rental rate to \$5.41/NNN per square foot, a 353-basis point increase year-over-year. With no deliveries expected in 2024, the vacancy rate will likely begin to compress, as tenants have fewer leasing options. However, two data center complexes will be built in the Jackson market, a \$10 billion investment, creating at least 1,000 jobs for the region.

FIGURE 1: Vacancy vs. Asking Rate



Source: CBRE Research, 2023

FIGURE 2: Jackson MSA Vacant Space by Submarket



Source: CBRE Research, 2023

FIGURE 3: Jackson MSA Industrial Market Statistics

Submarket	Inventory (sq. ft.)	Vacancy Rate (%)	2023 Deliveries (sq. ft.)	Avg. NNN Asking Lease Rate (\$/ sq. ft./yr)	
Madison County	6,507,197	3.0%	2,900,000	\$	6.82
220 Loop	2,952,449	7.4%	0	\$	4.56
220/55-South	2,462,051	16.6%	0	\$	5.41
Rankin County/49 South	1,446,580	10.4%	0	\$	4.50
Jackson MSA	13,368,277	7.9%	2,900,000	\$	5.13

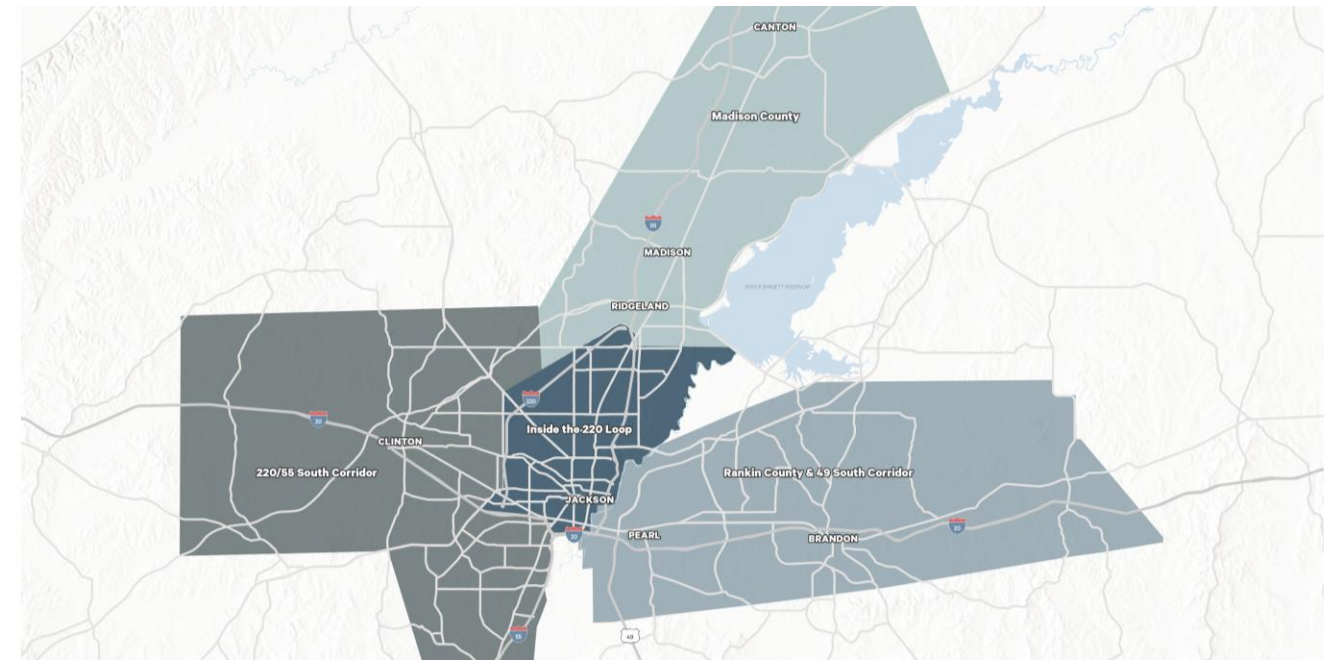
Source: CBRE Research, 2023

FIGURE 4: Key Transactions

Tenant	Location	Size (sq. ft.)	Submarket	Transaction Type
Undisclosed	435 Church Rd	407,583	Madison County	Sale
Undisclosed	1014 Industrial Park Dr	118,000	220/55 South	Sale
Hunter Engineering	232 Old Jackson Rd	106,000	Madison County	New Lease
Undisclosed	750 Boling St	96,600	220 Loop	New Lease

Source: CBRE Research, 2023

Market Area Overview



Survey Criteria

The Jackson Industrial MarketView reports provide statistics based on a revised set of inventory consisting of Industrial properties in the following submarkets: 220/55 South, 220, Madison County and Rankin County/49 South Corridor. All properties are Class A, B or C+, are greater than 50,000 square feet and are not owner occupied.

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