



## Commercial development grows in scope and scale in St. Johns County

By Colleen Jones  
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Commercial market valuation has nearly doubled year-over-year in St. Johns County, largely due to pent-up demand for retail space as well as the increased scale of commercial projects.

The total commercial market valuation for fiscal year 2019 thus far is \$314.3 million compared with \$163 million at the same time period in 2018. The monthly snapshot tells a similar story, with \$58.1 million on the books in commercial valuation by this May (the most recent data available) compared with just \$35.4 in May 2018. The number of commercial permits submitted and issued remained relatively steady.

“I think this is related to the larger square footage of projects we’re seeing come in over the last year or so,” said Melissa Glasgow, director of economic development for St. Johns County. “And that will certainly add significantly to our tax base.”

Jason Ryals, executive director of Collier International Northeast Florida, called the nearly 100% increase in commercial market valuation over the last 12 months “staggering.”

Regional business leaders say the booming residential market over the last few years — especially in the county’s northwest — is driving commercial investment in those areas.

With big master-planned communities like RiverTown and Beachwalk being built out along the corridor of County Road 210, developers see an opportunity to capture a large segment of the retail customer base of these up-and-coming neighborhoods by building sprawling retail complexes.

The first phase of Durbin Park, for example, will include 1,600 acres of commercial space, some of which has already opened, such as the Walmart and Home Depot. Once completely built out, Durbin Park will be the largest shopping area in Northeast Florida, with nearly 2 million square feet of retail.

At the same time, retail space — not surprisingly — is at a premium. A recent report by Collier International Northeast Florida shows retail market vacancy rates nearing all-time lows, and new commercial construction at almost pre-recession levels. In St. Johns County, for example, the current vacancy rate is just 4.2%. Rental rates are averaging \$17.45 per square foot, within \$0.30 of the high seen in mid-2008. Of new retail construction in the region, 65 percent is in St. Johns County.

Ryals said developers are attracted to St. Johns County because it is largely made up of affluent young families and also because the county continues to grow at such a high rate.

Ryals said it can actually be difficult to get retail space in St. Johns County because many of the planned communities like Nocatee control the rate of retail growth as well as the mix of tenants at its Town Center. In some cases, applicants are on a waiting list two years long.

Colliers International is the leasing agents for Beachwalk, being built on C.R. 210.

“I am sure Beachwalk would love to have 400,000 square feet for retail, but that’s a lot to absorb all at once,” Ryals said.

Negotiations with tenants are still being worked out, but Ryals said: “There are some very big pieces coming together there.”

He imagines the complex will be a draw for both Beachwalk residents and outside residents.

Other large shopping and dining centers in various stages of development across the county include The Shoppes at St. Johns, The Forum at Greenbriar and the Gateway Village Center in Palencia, among others.