

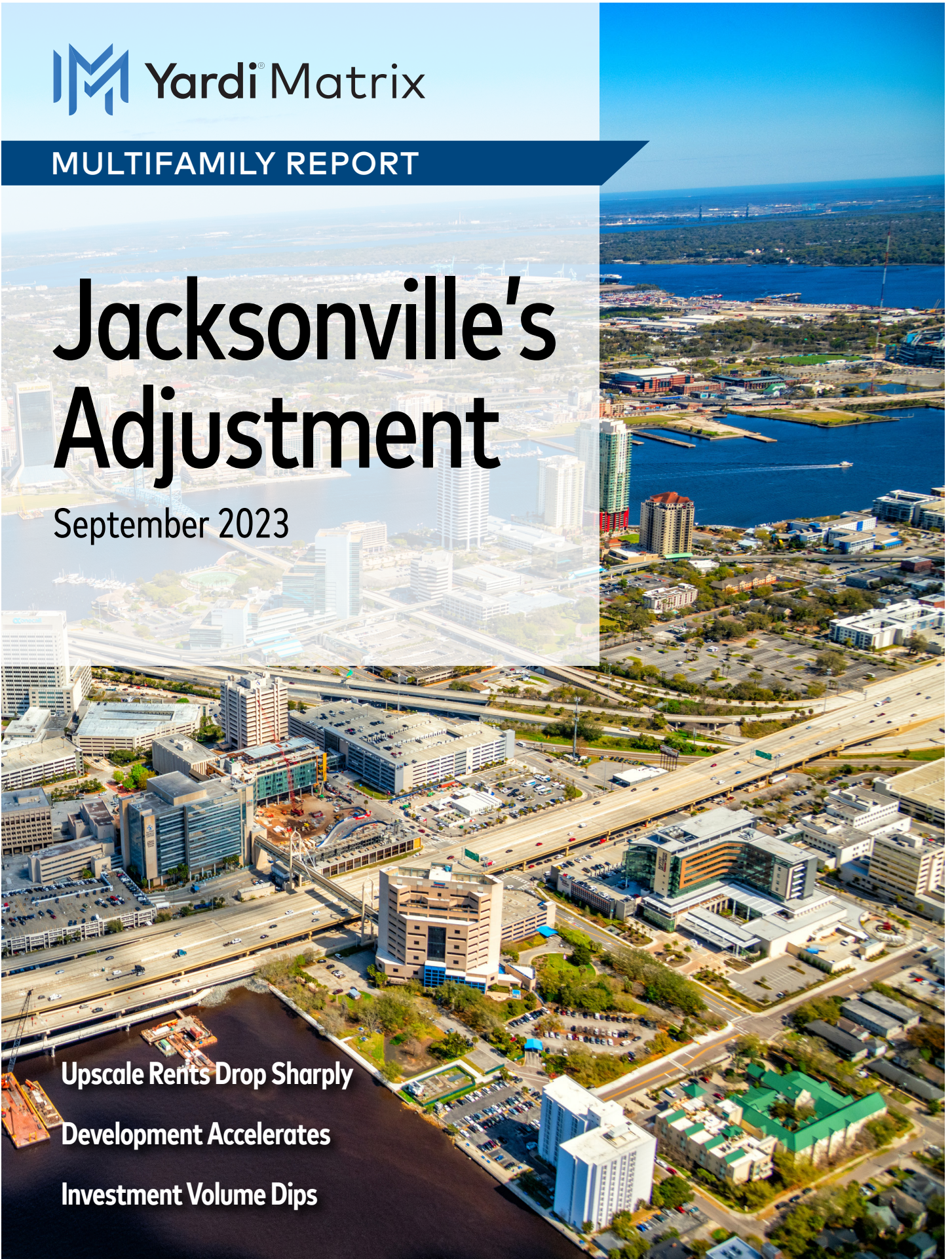


MULTIFAMILY REPORT

Jacksonville's Adjustment

September 2023

Upscale Rents Drop Sharply
Development Accelerates
Investment Volume Dips



JACKSONVILLE MULTIFAMILY



New Supply Softens Rents, Occupancy

Jacksonville's affordability is attractive to residents and businesses alike, compared to other major Florida markets, with the metro's fundamentals healthy amid murky economic waters. Development remained robust, and investment activity stayed above the national average. Still, the recent supply expansion dented rent growth, which again fell into negative territory, down 0.2% on a trailing three-month basis through July, while the U.S. rate rose 0.3%. Moreover, occupancy in stabilized properties declined by 160 basis points in the 12 months ending in June, to 93.0%.

The metro's unemployment rate clocked in at 3.0% in June, 50 basis points above January's rate, according to data from the Bureau of Labor Statistics, outperforming the U.S. (3.6%), but trailing the state (2.6%). Employment maintained its steady performance, up 4.9%, or 31,800 jobs, in the 12 months ending in May, well above the 2.8% national average. All sectors added positions, led by leisure and hospitality (6,400 jobs) and professional and business services (6,000 jobs).

Developers delivered 2,546 units in 2023 through July and had an additional 14,631 units under construction. More than 90% of deliveries and the under-construction pipeline consisted of Lifestyle units. Investment tapered off, with deals totaling \$413 million in the first seven months of 2023. However, the price per unit continued to rise, albeit marginally, up 1.5% year-over-year.

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Recent Jacksonville Transactions

Olympus Preserve at
Town Center



City: Jacksonville, Fla.
Buyer: Olympus Property
Purchase Price: \$98 MM
Price per Unit: \$263,514

Trails at Bartram Park



City: Jacksonville, Fla.
Buyer: Cohen-Esrey
Purchase Price: \$76 MM
Price per Unit: \$233,746

Waters Edge



City: Jacksonville, Fla.
Buyer: FCP
Purchase Price: \$33 MM
Price per Unit: \$82,302

Madison Manor



City: Jacksonville, Fla.
Buyer: Lincoln Avenue Capital
Purchase Price: \$18 MM
Price per Unit: \$111,141