



MULTIFAMILY REPORT

# Jacksonville Adjusting

September 2024

**Job Growth Above National Average**  
**Construction Boom Continues**  
**YoY Rent Movement Negative**



# JACKSONVILLE MULTIFAMILY



## Robust Supply Curbs Rent Growth, Occupancy

The recent supply expansion impacted rent gains, which stagnated again after briefly falling back into negative territory. Jacksonville average advertised asking rents were flat on a trailing three-month basis through July, at \$1,502, while the U.S. figure rose by 0.3%, to \$1,743. The average occupancy rate in stabilized properties fell by 20 basis points over the 12 months ending in June, to 92.5%.

According to the Bureau of Labor Statistics, the metro's unemployment rate reached 3.0% in May, 30 basis points below January's rate. The figure was 100 basis points below the U.S. rate of 4.0% and 30 basis points below the state average of 3.3%. Employment rose by 2.0% (16,400 jobs) in the 12 months ending in May, significantly above the national average of 1.3%. All but three sectors saw job growth, led by education and health services (5,800 jobs) and leisure and hospitality (3,500 jobs).

Developers delivered 3,989 units through July and had another 13,392 units under construction. All completions and more than 86% of the under-construction pipeline were Lifestyle units. Investment was near the same level as in 2023, with deals amounting to \$452 million in the first seven months of the year. However, the price per unit saw an increase of 4.7% year-over-year.

## Market Analysis | September 2024

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x14006

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Agota Felhazi

Senior Associate Editor

On the cover: Photo by Paola Giannoni/iStockphoto.com

### Recent Jacksonville Transactions

#### Avere Southside Quarter



City: Jacksonville, Fla.  
Buyer: Carter-Haston  
Purchase Price: \$78 MM  
Price per Unit: \$242,702

#### Aria Durbin Creek



City: St. Johns, Fla.  
Buyer: Harbor Group International  
Purchase Price: \$70 MM  
Price per Unit: \$200,657

#### Brookwood Club



City: Jacksonville, Fla.  
Buyer: Brookfield Properties  
Purchase Price: \$54 MM  
Price per Unit: \$150,586

#### Broadstone River House



City: Jacksonville, Fla.  
Buyer: Block One Ventures  
Purchase Price: \$54 MM  
Price per Unit: \$205,323

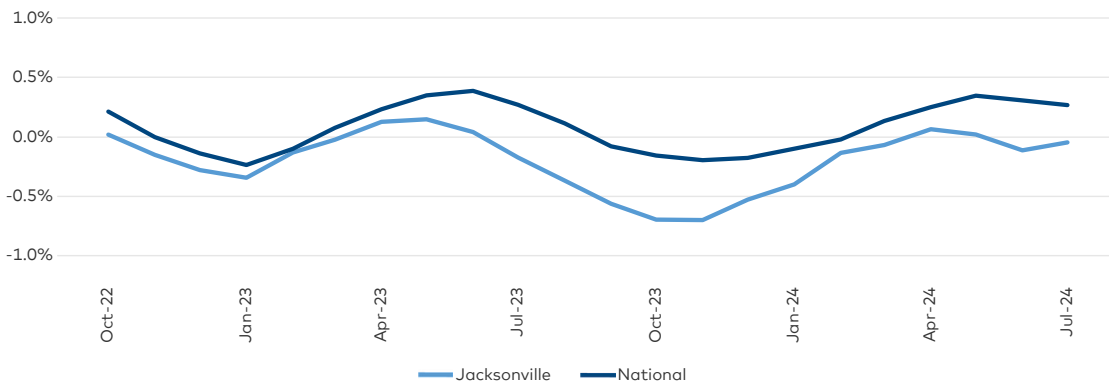
## RENT TRENDS

- ▶ As of July, Jacksonville's rent movement was flat. Average advertised asking rents remained unchanged on a trailing three-month (T3) basis, at \$1,502, while the national average increased 0.3%, to \$1,743. Year-over-year, Jacksonville advertised asking rents fell 3.2%, the steepest decline compared to other major Florida metros, such as Tampa (down 1.0%) and Orlando (down 2.6%), while Miami recorded a 1.0% increase. The national figure rose by 0.7% year-over-year. The decline was largely due to significant stock expansion in 2023, when 6,102 units were completed. Jacksonville's robust pipeline will likely keep rent growth muted in the coming months.
- ▶ Rent growth for Lifestyle units was also flat, with advertised asking rents averaging \$1,651. Meanwhile the working-class Renter-by-Neces-

sity segment registered a 0.2% decline on a T3 basis through July, with advertised asking rents falling to \$1,286. On an annual basis, rent development was negative for both quality segments: RBN (down 2.6%) and Lifestyle (down 3.5%).

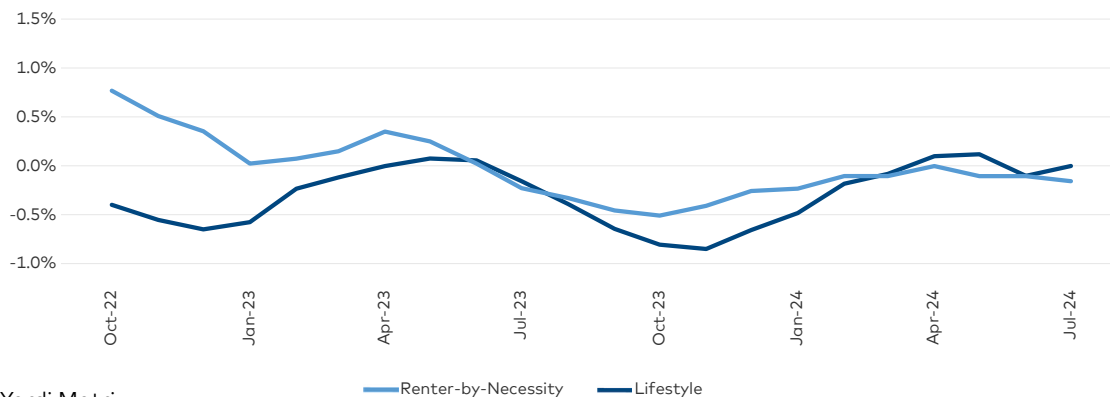
- ▶ Negative rent growth was widespread, present in 22 of the 33 submarkets tracked by Yardi Matrix. Two submarkets, St. Augustine and Jacksonville-San Pablo, experienced the largest drop, at 5.5% year-over-year, reducing advertised asking rents to \$1,694 and \$1,648, respectively. At the other end, the Ponte Vedra Beach submarket recorded the largest increase, up 6.5%, to \$1,956.
- ▶ The occupancy rate in stabilized properties declined by 20 basis points over the 12 months ending in June, reaching 92.5%.

### Jacksonville vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

### Jacksonville Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

## ECONOMIC SNAPSHOT

- ▶ Jacksonville's unemployment rate was 3.0% in May, registering a 20-basis-point decrease from the previous month and a 30-basis-point improvement from January, according to BLS data. The metro performed better than the U.S. with an average of 4.0%. Overall, Jacksonville was on par with Tampa, trailed slightly behind Orlando (2.9%) and Miami (2.6%) and outperformed the state average (3.3%).
- ▶ Over the 12 months ending in May, employment increased by 2.0%, or 16,400 net jobs, above the national average of 1.3%. While both the U.S. and Jacksonville's labor market contracted over this 12-month period, the U.S. average posted a continued decline, while Jacksonville hovered between 2.1% and 2.0% since last November. All but three sectors gained jobs, led by education and health services with 5,800 jobs added and leisure and hospitality with 3,500 jobs. The information sector stagnated, while financial activities and professional and business services lost a combined 2,500 jobs.
- ▶ Besides the metro's robust multifamily development, hotel development is thriving, too. Expected to open in early 2025, the Hilton Jacksonville Mayo Clinic will offer 252 rooms. The underway mixed-use RiversEdge will also include a boutique hotel. And the \$215-million Four Seasons Hotel and Private Residences Jacksonville is being developed near EverBank Stadium.

### Jacksonville Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	129.6	16.1%
70	Leisure and Hospitality	95.7	11.9%
90	Government	83.1	10.3%
40	Trade, Transportation and Utilities	170.7	21.2%
15	Mining, Logging and Construction	52.7	6.5%
80	Other Services	28.6	3.5%
30	Manufacturing	36.3	4.5%
50	Information	14.4	1.8%
55	Financial Activities	74.5	9.2%
60	Professional and Business Services	120.4	14.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ Jacksonville's population grew by 2.0% in 2022, adding 31,907 new residents. While slower than the 3.1% rate recorded in 2021, this pace still outstrips the national average of 0.4%. Since 2010, Jacksonville's population has expanded by a remarkable 22.3%.

### Jacksonville vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Jacksonville	1,503,574	1,533,796	1,581,680	1,613,587

Source: U.S. Census

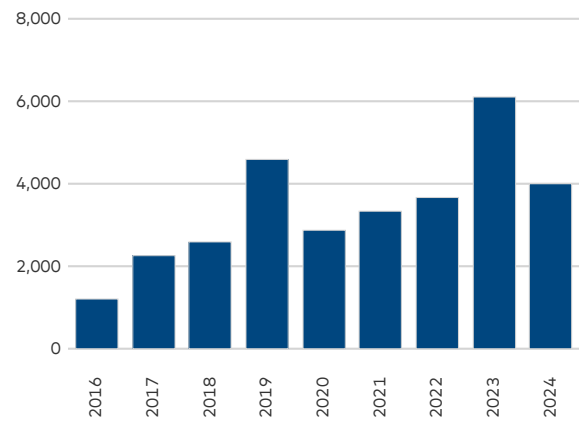
## SUPPLY

- ▶ Outperforming the national trend, Jacksonville's inventory grew by 3.2%, or 3,989 units, in the first seven months of 2024. This was well above the U.S. average growth rate of just 1.4%. All the newly delivered units were upscale properties. Developers kicked off construction on 1,326 units during the same period. While this marked a decline from the 5,865 units that broke ground in the first seven months of 2023, the metro's pipeline is still robust.
- ▶ Developers had 13,392 units under construction, with an additional 29,400 units in the planning and permitting stages. The underway portion of the pipeline is heavily skewed toward the upscale segment. More than 86% of the units underway are in Lifestyle assets, 10.2% are in fully affordable projects and a modest 3.4% of the units are designated for RBN properties.
- ▶ Construction activity was extensive in the metro, with 19 of the 33 submarkets tracked by Yardi Matrix having at least 50 units under construction. Collectively comprising nearly half of the underway pipeline, five of these areas had more than 1,000 units underway. The St. Augustine submarket led the way with 1,682 units under construction, followed by Jacksonville–San Jose (1,561 units), Jacksonville–Deerwood Club (1,227

units), St. Johns (1,020 units) and Jacksonville–Bowden (1,017 units).

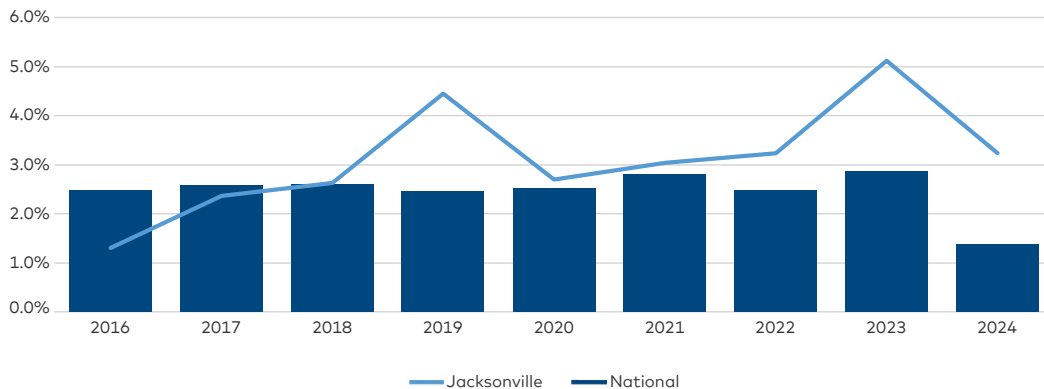
- ▶ Jacksonville's largest project underway is the 950-unit RiversEdge in the Jacksonville–San Jose submarket. Developed by Preston Hollow Community Capital and private investors, the project also includes 200,000 square feet office space and 134,000 square feet of retail. The project is slated for completion in early 2025.

**Jacksonville Completions** (as of July 2024)



Source: Yardi Matrix

**Jacksonville vs. National Completions as a Percentage of Total Stock** (as of July 2024)

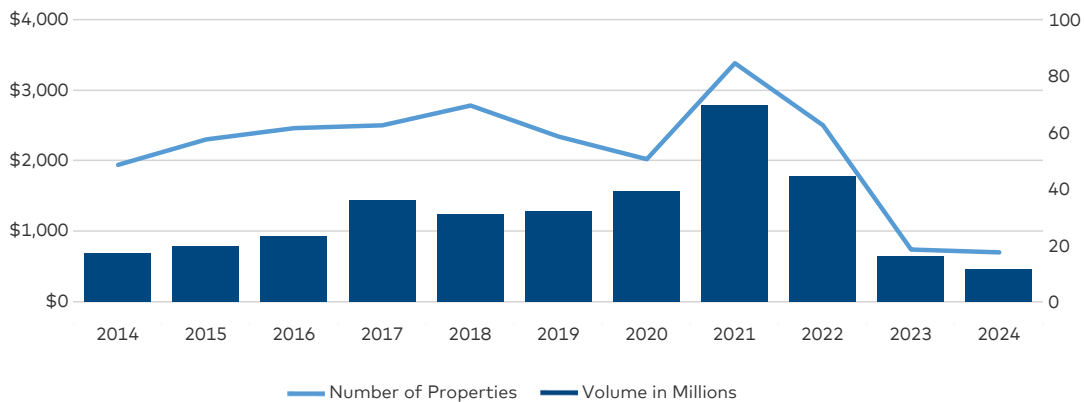


Source: Yardi Matrix

## TRANSACTIONS

- ▶ Year-to-date through July, investors traded \$452 million in multifamily assets. Jacksonville's transaction volume was nearly on par with the \$429 million that traded during the same period in 2023. However, ongoing investment activity could potentially surpass the \$637 million total multifamily sales recorded in the previous year.
- ▶ Renter-by-Necessity properties have made up the bulk of the transaction volume and drove the overall price per unit to \$151,555. This was a 4.7% increase year-over-year, but the metro remained below the \$182,423 national average. The gap between property segments was wide, with Lifestyle assets clocking a \$196,046 per-unit price and RBN properties trading for an average of \$117,462 per unit.
- ▶ Avere Southside Quarter in the Jacksonville–Deerwood Club submarket fetched the highest price in 2024 so far. Carter-Haston acquired the 322-unit property for \$78.2 million, or \$242,702 per unit, from Hines Interests.

### Jacksonville Sales Volume and Number of Properties Sold (as of July 2024)



Source: Yardi Matrix

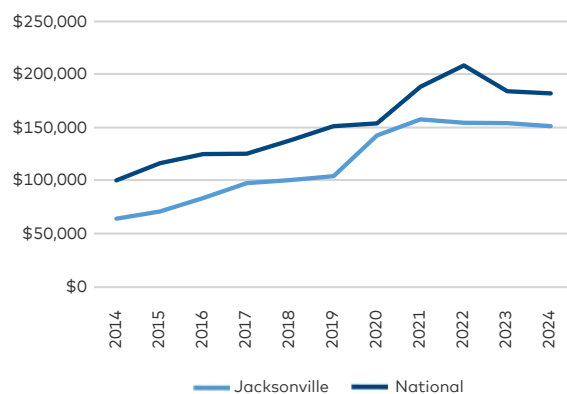
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Jacksonville–Newcastle	117
Jacksonville–Pineland Gardens	91
Jacksonville–Deerwood Club	78
Ponte Vedra Beach	72
St. Johns	70
Jacksonville–San Jose	54
St. Augustine	53

Source: Yardi Matrix

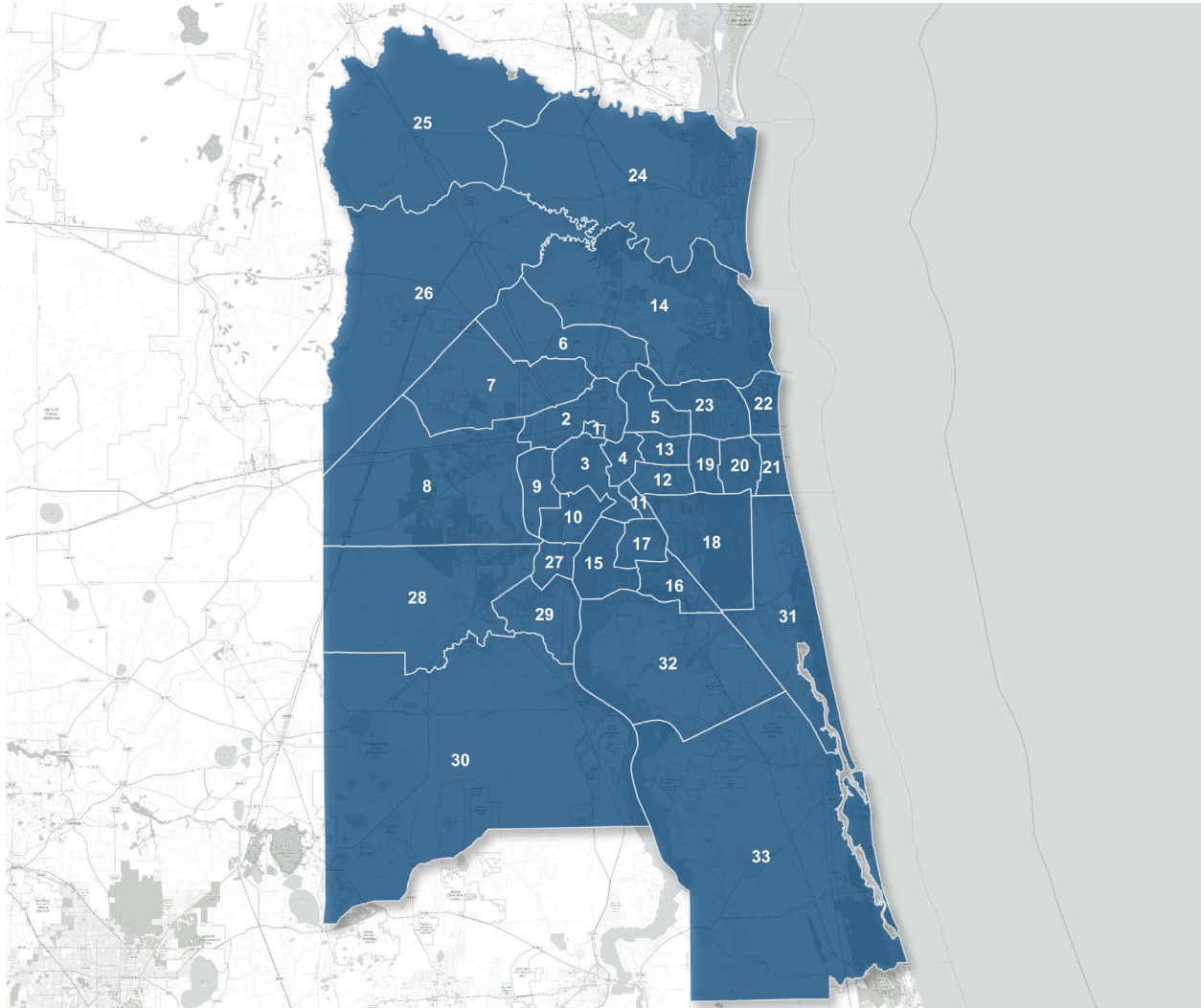
<sup>1</sup> From August 2023 to July 2024

### Jacksonville vs. National Sales Price per Unit



Source: Yardi Matrix

# JACKSONVILLE SUBMARKETS



Area No.	Submarket
1	Jacksonville–Downtown
2	Jacksonville–College Park-Springfield
3	Jacksonville–San Jose
4	Jacksonville–South Jacksonville
5	Jacksonville–Newcastle
6	Jacksonville–Highlands
7	Jacksonville–Dinsmore
8	Jacksonville–Jacksonville Heights
9	Jacksonville–Cedar Hills
10	Jacksonville–Ortega Hills
11	Jacksonville–Bowden

Area No.	Submarket
12	Jacksonville–Pineland Gardens
13	Jacksonville–Oakwood Villa
14	Jacksonville–Oceanway
15	Jacksonville–Plummers
16	Jacksonville–Bayard
17	Jacksonville–Sunbeam
18	Jacksonville–Deerwood Club
19	Jacksonville–Southridge
20	Jacksonville–San Pablo
21	Neptune Beach
22	Jacksonville–Mayport

Area No.	Submarket
23	Jacksonville–Beacon Hills
24	Fernandina Beach
25	Hilliard
26	Callahan
27	Bellair–Orange Park
28	Ridgewood
29	Fleming Island
30	Green Cove Springs
31	Ponte Vedra Beach
32	St. Johns
33	St. Augustine

## DEFINITIONS

**Lifestyle households (renters by choice)** have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

**Renter-by-Necessity households** span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit [www.yardimatrix.com](http://www.yardimatrix.com) or call Ron Brock, Jr., at 480-663-1149 x14006.





# Yardi® Matrix

Power your business  
with the industry's  
leading data provider



## MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily  
provides accurate data on  
22.3+ million units, covering over  
92% of the U.S. population.



(800) 866-1144

Learn more at [yardimatrix.com/multifamily](https://yardimatrix.com/multifamily)

Contact  
US



#### DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

#### COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2024 Yardi Systems, Inc. All Rights Reserved.