



MULTIFAMILY REPORT

Jacksonville Makes Headway

Fall 2020

Local Labor Force Expands

Average Rents Rebound in Q3

Development Forges Ahead

JACKSONVILLE MULTIFAMILY



Rent Gains Boost Jacksonville's Recovery

Months into economic volatility, Jacksonville's multifamily sector showcased resilience in the face of ongoing challenges. Rents felt the initial shock of the pandemic, but July and August proved strong for the metro's rental market, as rates began to improve. As of September, the average price was up 0.8% to \$1,140 on a trailing three-month basis, bucking nationwide trends. Meanwhile, the average U.S. rate was up only 0.1% to \$1,463.

Mirroring national currents, COVID-19 has taken a toll on the metro's hospitality sector, which was down 11,900 jobs in the 12 months ending in July. However, reopening efforts boosted the local labor force as well as hotel occupancy levels, which were close to 55% as of October, according to the CEO of Visit Jacksonville. Meanwhile, Amazon plans to add 500 jobs through its \$106 million Imeson Park fulfillment center—slated to open in 2021—further underpinning the metro's path to recovery.

As of September, 5,027 units were under construction in the metro. While development was deemed essential during safer-at-home orders, developers added only 1,950 units to inventory in the first three quarters of 2020. Transaction activity was down, as well, with only \$533 million in multifamily assets trading in 2020 through September—a 43% decline compared to the same interval last year.

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Recent Jacksonville Transactions

Madelyn Oaks



City: Jacksonville, Fla.
Buyer: Starwood Capital Group
Purchase Price: \$38 MM
Price per Unit: \$106,856

Courtney Manor



City: Jacksonville, Fla.
Buyer: Starwood Capital Group
Purchase Price: \$35 MM
Price per Unit: \$98,547

The Point at Arrowhead



City: Jacksonville, Fla.
Buyer: Maryland Management
Purchase Price: \$23 MM
Price per Unit: \$114,000

Planters Walk



City: Jacksonville, Fla.
Buyer: Topaz Capital Group
Purchase Price: \$19 MM
Price per Unit: \$86,806