

YARDI® Matrix

Jacksonville's Rapid Growth

Multifamily Report
Spring 2017

Renters Flock to Beachside Amenities

Record-Breaking Tourism Propels Sector Job Gains

Sales Volume Hits Post-Bubble Peak

JACKSONVILLE MULTIFAMILY

YARDI® Matrix

Market Analysis

Spring 2017

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Where Florida Begins, Expansion Prevails

A healthy employment climate, an inexpensive cost of living and mild weather are attracting jobs and new residents to Jacksonville, creating demand for apartments and bolstering rent growth.

Tourism made the most new hires and grew more here than in all other Florida cities. The latest entertainment project, a Topgolf venue near the St. Johns Town Center, brought more than 500 jobs to the area. Another strong sector is health care, which attracted employers such as Formative Health. Founded as a partnership of Northwell Health, New York's largest healthcare provider, and Pamplona Capital Management, the company is set to bring another 500 jobs to the area. On the retail front, Amazon, which has been one of Florida's best job creators over the past few years, is opening its first fulfillment center in Jacksonville by the end of the year and employing 1,500 people. A second facility is expected to create an additional 1,000 jobs. By the end of the year, IKEA, the Swedish home furnishing giant, will open a new store projected to hire 250 people.

With vacancy under 5%, a relatively small amount of inventory underpins the need for more apartments. Development is set to ramp up, though, with more than 4,500 units under construction as of March. Investment activity peaked at \$916 million in 2016. We expect absorption to keep up with the new supply coming online in 2017, leading to continued rent growth this year.

Recent Jacksonville Transactions

Paradise Island



City: Jacksonville, Fla.
Buyer: DRA Advisors
Purchase Price: \$120 MM
Price per Unit: \$107,914

The Strand



City: Jacksonville, Fla.
Buyer: John Rumpel
Purchase Price: \$65 MM
Price per Unit: \$218,283

The Brooklyn Riverside



City: Jacksonville, Fla.
Buyer: Bluerock Real Estate
Purchase Price: \$58 MM
Price per Unit: \$187,000

Broadstone Beach House



City: Jacksonville Beach, Fla.
Buyer: Bluerock Real Estate
Purchase Price: \$47 MM
Price per Unit: \$204,000

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