

Yardi® Matrix

Jacksonville's Bright Future

Multifamily Report Summer 2017

Rents, Occupancy Trend Up

New Construction to Accelerate

Asset Values Approach Post-Bubble High

JACKSONVILLE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2017

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City Set for Economic Expansion

Multifamily remains a solid play in Jacksonville, where employment and population continue to rise, creating strong rental demand. Many residents are drawn to the metro's affordable cost of living, increasing job opportunities and economic stability, turning Jacksonville into one of the most popular migration destinations in the U.S.

Professional and business services led job gains over the year ending in June, bolstering demand for office space. Job growth in trade, transportation and utilities was also strong, a trend that is expected to continue. Amazon is planning 4,000 additional jobs for two new fulfillment centers, a delivery station and a warehouse. UPS is also looking to hire 1,600 workers for its expanded hub, while IKEA began filling 250 positions for its new store.

Combined with healthy demand, last year's limited inventory expansion helped push average occupancy to 95.6%. Although rent growth has decelerated, it remains on pace with the national trend. Development is poised to accelerate, especially in College Park/Springfield and Deerwood Club–West. On the investment front, buyers are increasingly targeting Jacksonville-area assets, pushing up property values to a post-recession high. Despite the more than 2,000 units that are scheduled to come online in the last quarter, we expect demand for apartments to keep up with new supply, leading to a 3.1% rent increase in 2017.

Recent Jacksonville Transactions

Paradise Island



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

Bentley Green



City: Jacksonville, Fla.
Buyer: Starwood Capital Group
Purchase Price: \$98 MM
Price per Unit: \$120,000

Mathews Crossing



City: Jacksonville, Fla.
Buyer: S2 Residential
Purchase Price: \$50 MM
Price per Unit: \$44,878

Waterford at Mandarin



City: Jacksonville, Fla.
Buyer: Cherishome Living
Purchase Price: \$46 MM
Price per Unit: \$106,146

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