

**YARDI**® Matrix

# Jacksonville: Boomtown, USA

Multifamily Summer Report 2016



**Hiring Spree Attracts New Residents**

**Absorption Outperforms Expectations**

**Investors Hunger for Deals**



# JACKSONVILLE MULTIFAMILY

**YARDI®** Matrix

## Market Analysis

Summer 2016

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## Population Surge Boosts Demand

Jacksonville has enjoyed substantial population growth in recent years, benefiting from above-trend job gains and affordable housing. The growth is generating demand that is boosting prospects for the metro's multifamily market.

Economic growth comes from an array of segments. Record tourism has led to gains in hospitality employment. Health care facilities are expanding, as is the distribution industry. With the growth of the U.S. economy, more goods are coming through the city's major port. The sector also benefits from the recent opening of the Panama Canal and the completion of an intermodal container transfer facility at the Dames Point terminal. The metro's hiring boom in recent years has extended to its small-but-rapidly-growing tech sector, which has nearly doubled since 2001.

The hiring spurt coupled with a thin amount of inventory and restrained development, have encouraged rent growth. The metro's pace of new deliveries in 2015 trailed the nation for the fifth consecutive year. Absorption remained strong, pushing occupancy up to 95.3% as of May 2016. On the sales front, investors have been aggressively competing for value-add assets that offer decent yields, setting a new benchmark for the highest price per unit in the current cycle. While the development pipeline is significant, we expect demand to keep up, leading to an overall rent increase of 4.0% this year.

## Recent Jacksonville Transactions

The Strand



City: Jacksonville  
Buyer: John Rumpel  
Purchase Price: \$65 MM  
Price per Unit: \$218,983

The Brooklyn Riverside



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

Broadstone Beach House



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

Wimberly at Deerwood



City: Jacksonville  
Buyer: Olympus Property  
Purchase Price: \$44 MM  
Price per Unit: \$135,093