



MULTIFAMILY REPORT

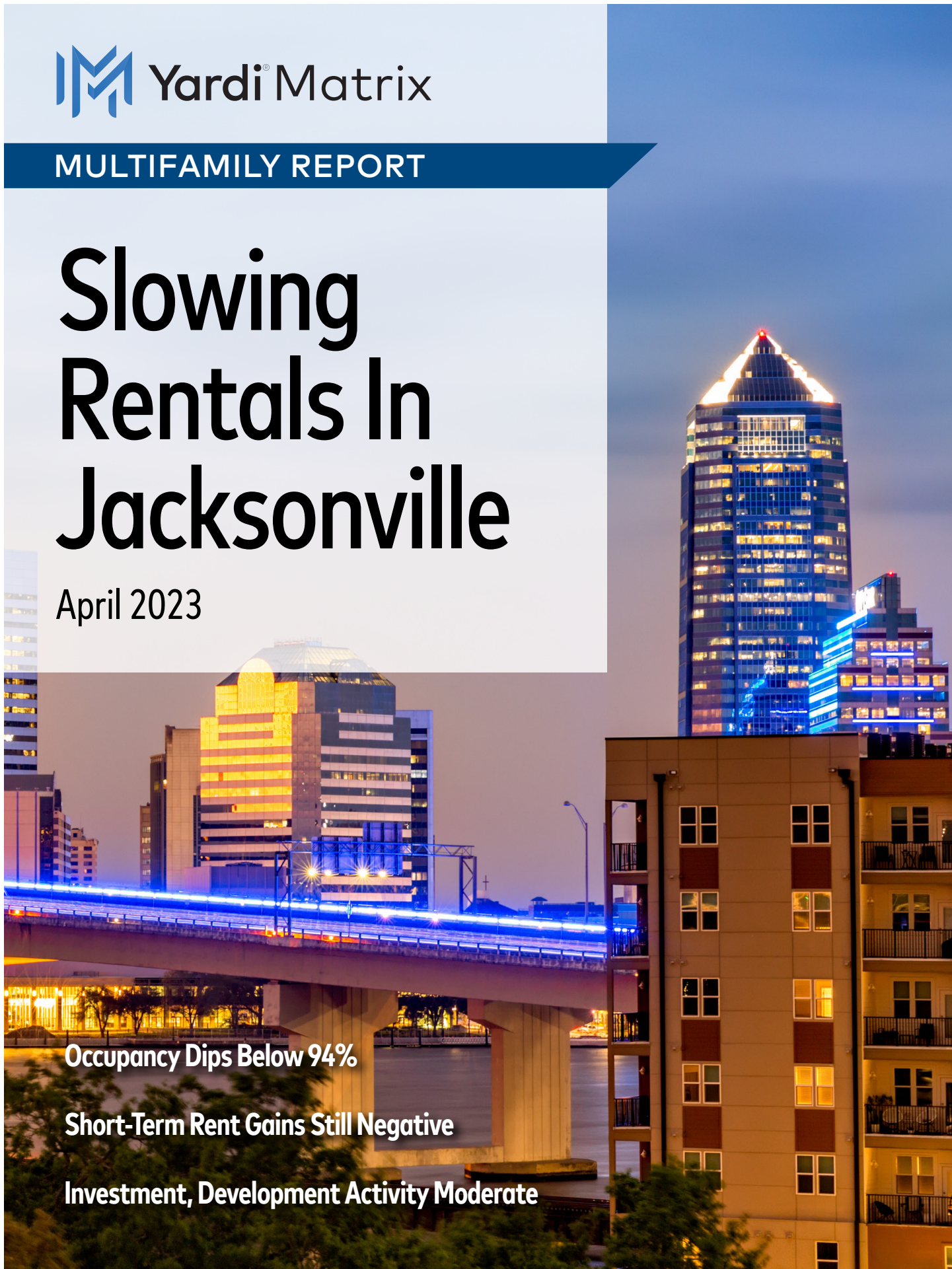
Slowing Rentals In Jacksonville

April 2023

Occupancy Dips Below 94%

Short-Term Rent Gains Still Negative

Investment, Development Activity Moderate



JACKSONVILLE MULTIFAMILY



Seasonal Slowdown In Full Swing

Following almost two years of unprecedented growth, the Jacksonville multifamily market began to cool down at the end of 2022, mirroring nationwide trends. On a trailing three-month basis through February, rents contracted 0.2%, to an average of \$1,526, while the U.S. figure inched down 10 basis points, to \$1,702. The occupancy rate in stabilized properties also slipped from its 96.3% peak in July 2021, to 93.9% in February, marking the lowest rate among large Florida metros.

Jacksonville unemployment was 2.5% as of January, 10 basis points below the state figure. In 2022, the metro added 43,400 jobs, with professional and business services accounting for a third of them. Due to several large projects under construction or planned, the job market has good prospects, with developers particularly busy along the waterfront area, which is getting a significant overhaul. Preston Hollow Capital is expected to begin construction this year on its \$535 million RiversEdge project on a 30-acre Southbank tract of riverfront land. The Northbank area is also on the cusp of a significant makeover, as SouthEast Development Group and its partners moved forward with plans to remodel a 25-acre city-owned parcel.

As in most parts of the country, both new development and investment activity in Jacksonville have been on a downward trend since the end of 2022, not only because of the seasonal slowdown but also as a result of tightening lending standards.

Market Analysis | April 2023

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Recent Jacksonville Transactions

Magnolia Point



City: Jacksonville, Fla.
Buyer: Fincapital Investments
Purchase Price: \$38 MM
Price per Unit: \$167,333

River City Landing



City: Jacksonville, Fla.
Buyer: KODA
Purchase Price: \$31 MM
Price per Unit: \$96,500

Westgate



City: Jacksonville, Fla.
Buyer: Related Group
Purchase Price: \$20 MM
Price per Unit: \$117,934

Rosalind Villas



City: Jacksonville, Fla.
Buyer: Hallmark Co.
Purchase Price: \$11 MM
Price per Unit: \$91,667