



MULTIFAMILY REPORT

Jacksonville's Correction

April 2025

New Supply Wave Hits

Rent Movement Still in the Red

Employment Growth Above US

JACKSONVILLE MULTIFAMILY



Ample Supply Pressures Asking Rents

Jacksonville average advertised asking rents were flat on a trailing three-month basis as of February, on par with the nation. Yet, the increase in new deliveries over the past two years took its toll. Advertised asking rents dropped 1.7% in Jacksonville year-over-year, while the national average saw a 1.2% increase. Occupancy also declined, down 40 basis points year-over-year, to 92.1% in February, while the national rate was unchanged at 94.5%.

Jacksonville closed last year with unemployment at 3.1%, according to Bureau of Labor Statistics data. The figure was 30 basis points lower than the state average and 100 basis points below the national figure. The metro gained 11,600 net jobs in the past year, aided chiefly by the education and health services sector. One of the ways the local government is helping the sector is by donating approximately 22 acres of land for the University of Florida to build a new campus. The site would also become the home of the Florida Semiconductor Institute.

Jacksonville added 7,679 units to its existing inventory last year, registering the highest influx of new supply in at least a decade. Construction is powering through, with more than 11,000 apartments under construction as of February. Meanwhile, investment saw an uptick, at least when compared to 2023, with transactions totaling \$709 million last year.

Market Analysis | April 2025

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Recent Jacksonville Transactions

The Finley



City: Jacksonville, Fla.
Buyer: BMC Investments
Purchase Price: \$37 MM
Price per Unit: \$118,590

Topaz Gardens

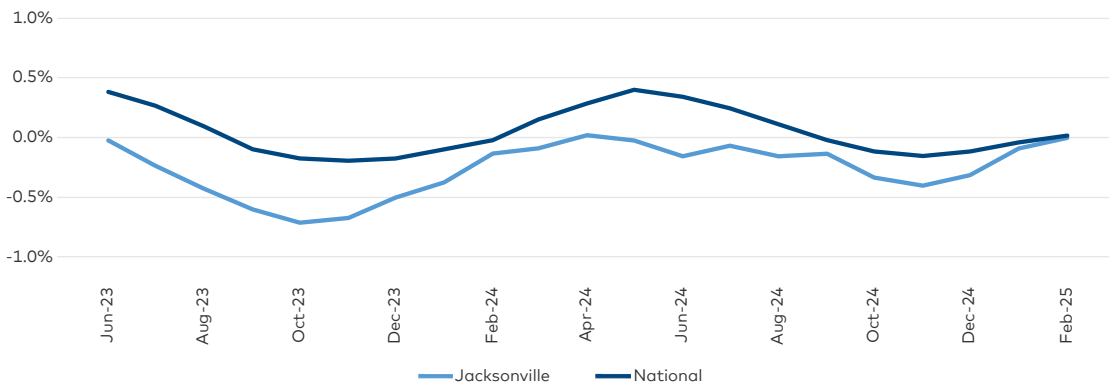


City: Jacksonville, Fla.
Buyer: GMC Properties
Purchase Price: \$20 MM
Price per Unit: \$93,981

RENT TRENDS

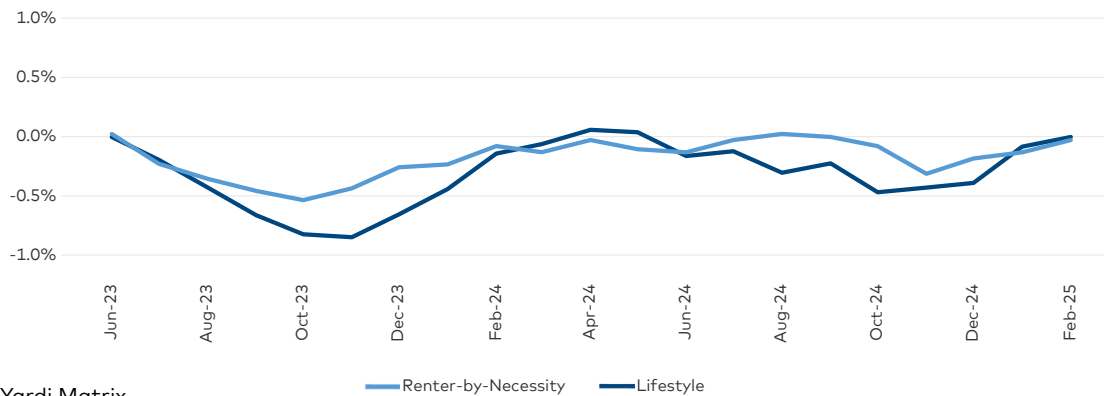
- Average advertised asking rents in Jacksonville were flat on a trailing three-month (T3) basis as of February, at \$1,487. The U.S. average was also unchanged, at \$1,751. Year-over-year, however, the metro's average dropped by 1.7%, displaying a clear split from the national figure, which appreciated by 1.2%.
- Both Lifestyle and working-class Renter-by-Necessity average asking rents were flat on a T3 basis in the metro. On an annual basis, the Lifestyle average fell 2.1% as of February, to \$1,621, and the RBN figure slipped 1.2%, to \$1,275.
- Jacksonville's occupancy rate slid 40 basis points year-over-year, to 92.1%, as of February. That was well below the 94.5% national average. Lifestyle occupancy was actually up 10 basis points, to 92.8%. The RBN figure dropped a significant 120 basis points year-over-year, to 90.6%.
- Year-over-year, rent movement was negative in roughly two-thirds of Jacksonville's submarkets. At the other end, Ortega Hills led rent growth, with advertised asking rents expanding an impressive 13.8%, to \$1,443. Jacksonville Heights (4.0% to \$1,374) and San Pablo (3.0% to \$1,672) rounded out the top three.
- Jacksonville's single-family rental segment outperformed multifamily. Year-over-year, advertised asking rents were up 1.3%, climbing to \$2,096. Occupancy also increased, improving 2.5% to 91.9%.

Jacksonville vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Jacksonville Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ As of December, Jacksonville's unemployment rate was 3.1%, according to BLS data. This tied with the metro's lowest rate recorded in May. The metro's December unemployment rate was lower than Florida's 3.4% and the 4.1% national average.
- ▶ Jacksonville gained 11,600 net jobs in the past year. Employment growth amounted to 1.7%, which was 40 basis points above the national average. The education and health services sector led job gains with 5,000 positions added. Manufacturing, professional and business services, and financial activities contracted, losing a combined 5,300 jobs.
- ▶ The city of Jacksonville will donate approximately 22 acres valued at \$27.6 million to the University of Florida for a new graduate campus. The campus is expected to take shape around the Prime F. Osborn III Convention Center on five parcels linking up to 801 W. Bay St. In addition to the land, the city will contribute \$100 million for the development, with \$50 million in private donations also boosting the project. The state will allocate \$150 million to the campus and \$80 million to the Florida Semiconductor Institute being established on the campus. The complex project will also include the redevelopment of existing structures, ground-up development and the preservation of a historic train station.

Jacksonville Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	133	16.2%
40	Trade, Transportation and Utilities	179.7	21.9%
15	Mining, Logging and Construction	54.7	6.7%
70	Leisure and Hospitality	94.2	11.5%
90	Government	83.4	10.2%
80	Other Services	29.3	3.6%
50	Information	14.7	1.8%
30	Manufacturing	36.3	4.4%
60	Professional and Business Services	121	14.8%
55	Financial Activities	72.5	8.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Jacksonville gained 31,907 residents in 2022 alone. That marked a 2.0% population rise, five times the national growth rate.
- ▶ Between 2012 and 2022, the metro gained 264,457 residents, accounting for a nearly 20% increase.

Jacksonville vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Jacksonville	1,503,574	1,533,796	1,581,680	1,613,587

Source: U.S. Census

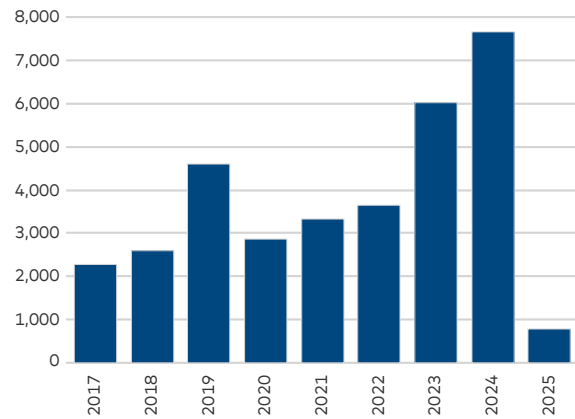
SUPPLY

- ▶ Jacksonville had 11,676 units under construction as of February. The pipeline also included 31,000 units in the planning and permitting stages. Lifestyle projects made up 86% of units underway, fully affordable projects accounted for 10% and RBN developments represented the remaining 4%.
- ▶ During the first two months of the year, Jacksonville developers completed three Lifestyle assets totaling 778 units. In 2024, the metro gained 7,679 units. This pushed up the five-year average for the market to 4,700 units. During that time frame, some 92% of units delivered were Lifestyle, followed by units in fully affordable properties accounting for 7% and RBN making up the rest.
- ▶ Last year, developers started work on 4,894 units. Starts dropped 19.1% compared to 2023, when developers broke ground on 6,053 units. Yardi Matrix expects the metro to gain 5,984 apartments in 2025. That would fall short of last year's record, but would still mark one of the strongest figures of the past decade.
- ▶ Of the 33 submarkets tracked by Yardi Matrix, three surpassed 1,000 units under construction. St. Augustine led the way with 1,841 units un-

derway followed by San Jose (1,686 units) and Oceanway (1,009 units).

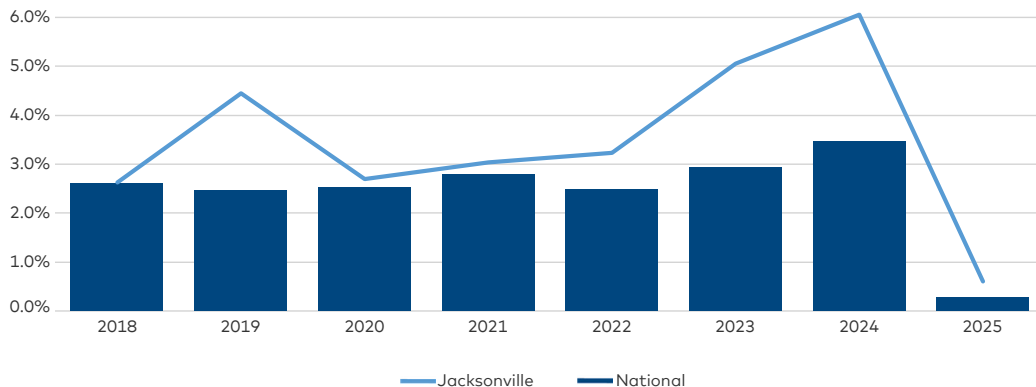
- ▶ Jacksonville's largest development underway is the 950-unit RiversEdge in the San Jose sub-market. Developed by a joint venture headed by Preston Hollow Community Capital, the Lifestyle project includes 200,000 square feet of office and 134,000 square feet of retail space. The two-building property is expected to come online by the end of the year.

Jacksonville Completions (as of February 2025)



Source: Yardi Matrix

Jacksonville vs. National Completions as a Percentage of Total Stock (as of February 2025)

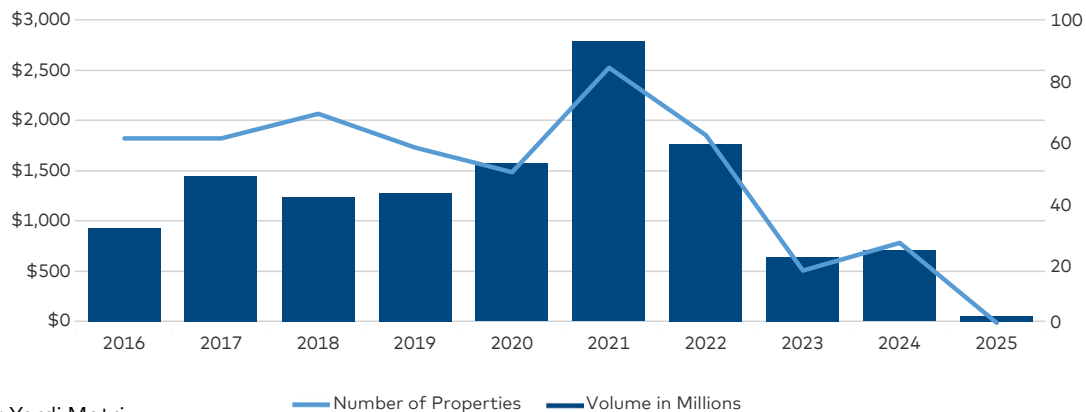


Source: Yardi Matrix

TRANSACTIONS

- ▶ Sales volume totaled \$708.7 million in 2024, up 11.3% compared to 2023. Even with this uptick, activity was slow compared to the \$1.3 billion average of the decade ending in 2024. By the end of February, just two confirmed transactions were registered, for a combined \$57.3 million.
- ▶ In 2024, two-thirds of transactions involved RBN assets, keeping the average per-unit price steady, at \$151,925. That was just a bit short of the 2023 average, when the price per unit clocked in at \$154,435, with a very similar deal distribution across asset classes.
- ▶ The Michelson Organization's acquisition of the 380-unit The Point at Tamaya marked the largest single-asset deal of 2024. PASSCO Real Estate sold the 2017-built property for \$81.6 million, or \$214,830 per unit. The Michelson Organization financed the acquisition with a \$45.3 million Fannie Mae loan originated by Walker & Dunlop.

Jacksonville Sales Volume and Number of Properties Sold (as of February 2025)



Source: Yardi Matrix

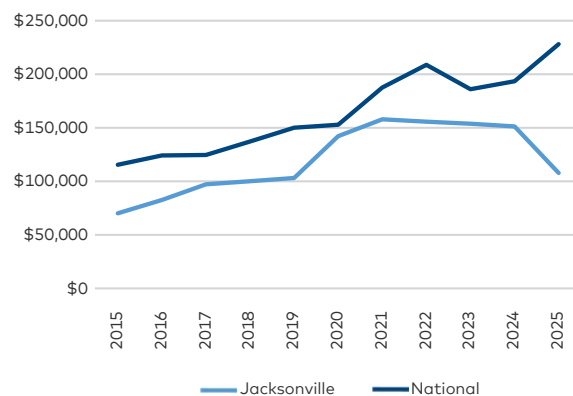
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Jacksonville–Southridge	82
Jacksonville–Newcastle	76
St. Johns	70
St. Augustine	58
Jacksonville–San Jose	54
Jacksonville–Deerwood Club	45
Jacksonville–Oakwood Villa	41

Source: Yardi Matrix

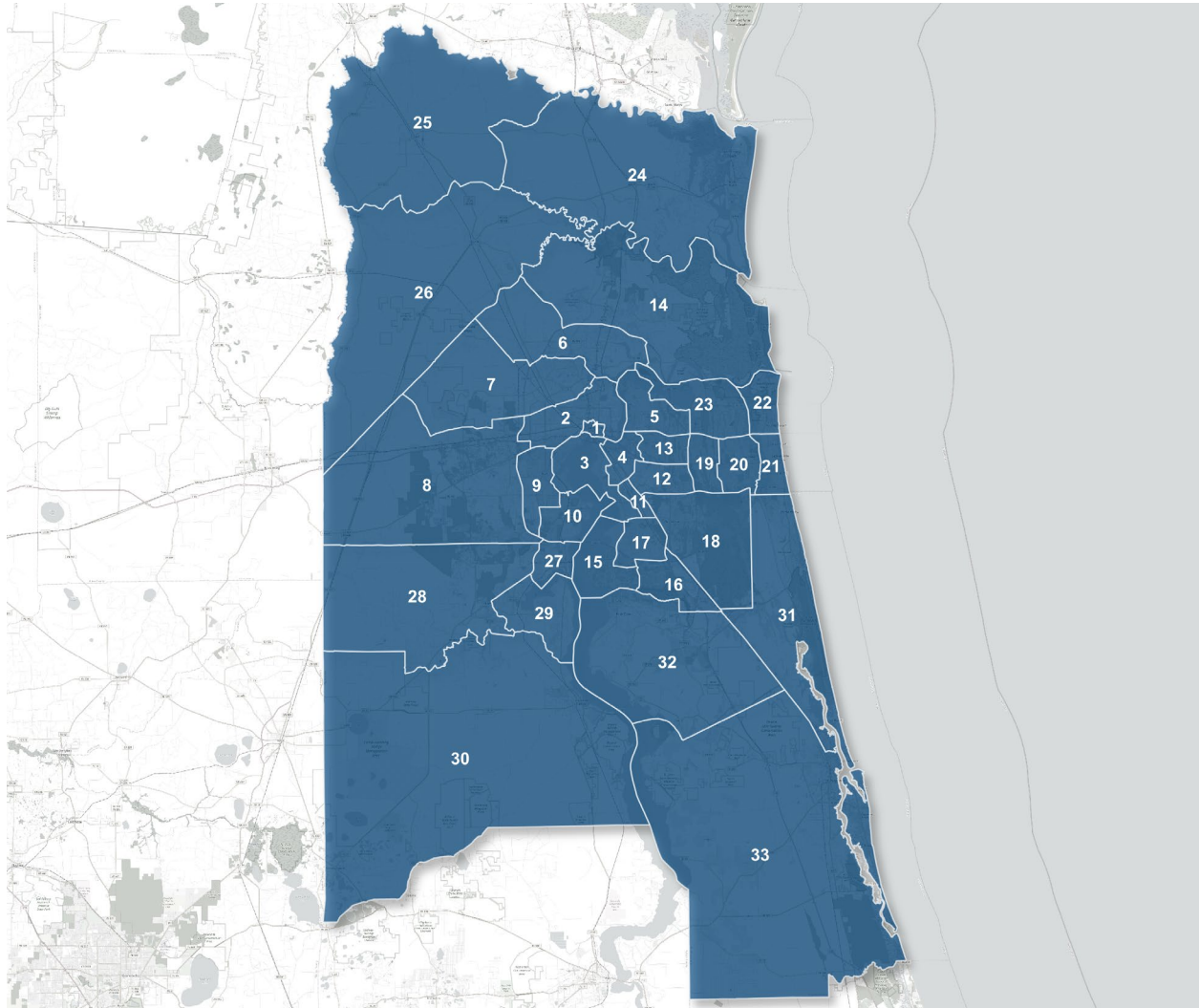
¹ From March 2024 to February 2025

Jacksonville vs. National Sales Price per Unit



Source: Yardi Matrix

JACKSONVILLE SUBMARKETS



Area No.	Submarket
1	Jacksonville–Downtown
2	Jacksonville–College Park-Springfield
3	Jacksonville–San Jose
4	Jacksonville–South Jacksonville
5	Jacksonville–Newcastle
6	Jacksonville–Highlands
7	Jacksonville–Dinsmore
8	Jacksonville–Jacksonville Heights
9	Jacksonville–Cedar Hills
10	Jacksonville–Ortega Hills
11	Jacksonville–Bowden

Area No.	Submarket
12	Jacksonville–Pineland Gardens
13	Jacksonville–Oakwood Villa
14	Jacksonville–Oceanway
15	Jacksonville–Plummers
16	Jacksonville–Bayard
17	Jacksonville–Sunbeam
18	Jacksonville–Deerwood Club
19	Jacksonville–Southridge
20	Jacksonville–San Pablo
21	Neptune Beach
22	Jacksonville–Mayport

Area No.	Submarket
23	Jacksonville–Beacon Hills
24	Fernandina Beach
25	Hilliard
26	Callahan
27	Bellair–Orange Park
28	Ridgewood
29	Fleming Island
30	Green Cove Springs
31	Ponte Vedra Beach
32	St. Johns
33	St. Augustine

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

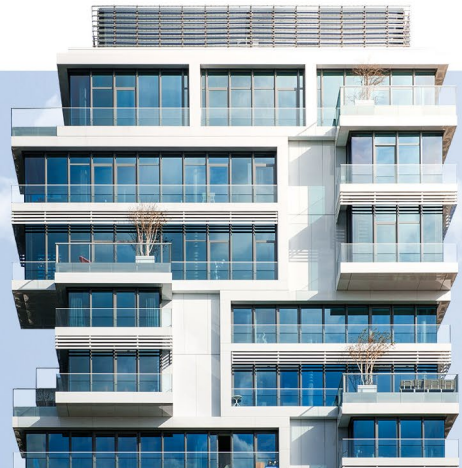
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



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- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



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