# Market Report

## MULTIFAMILY 2Q/26

Jacksonville Metro Area

INSTITUTIONAL PROPERTY ADVISORS

### 2026 FORECAST

**EMPLOYMENT**
3,000 — Jobs will be created
0.4% — Increase Y-O-Y

**CONSTRUCTION**
3,800 — Units will be created
2.5% — Inventory increase Y-O-Y

**VACANCY**
7.2% — Vacancy rate
10 — BPS decrease Y-O-Y

**RENT**
$1,455 — Average effective rent by year-end
1.5% — Increase Y-O-Y

## Moderating Demographic Momentum Still Provides Support as Select Areas Stand Out

**Younger population continues to grow.** Jacksonville's resident base is expected to expand by 0.5 percent in 2026. While still slightly above the national pace, this marks a notable deceleration from the post-2000 annual average of 1.8 percent. Even so, the age 20-34 cohort, a key renter demographic, is projected to grow by 0.3 percent, well outperforming the national decline of 0.6 percent. Meanwhile, household income growth of roughly 5.3 percent annually as of March places the metro in the top quartile nationally. Coupled with affordability relative to most other southeastern markets, it should continue drawing new residents.

**Leasing trends vary across locales.** Central Jacksonville maintains strong positioning, with vacancy declining 170 basis points year-over-year to 5.0 percent in March, the lowest among submarkets. The area is poised to benefit from the University of Florida's new graduate campus, which will launch programs in fall 2026, and Gateway Jax's ongoing downtown revitalization efforts. Elsewhere, demand across classes alongside slowing deliveries bodes well for the Baymeadows-Upper Southside corridor. In contrast, pockets east of Phillips Highway between San Marco and Mandarin are facing renewed vacancy pressure, in part due to sluggish, traditionally office-using hiring metrowide.

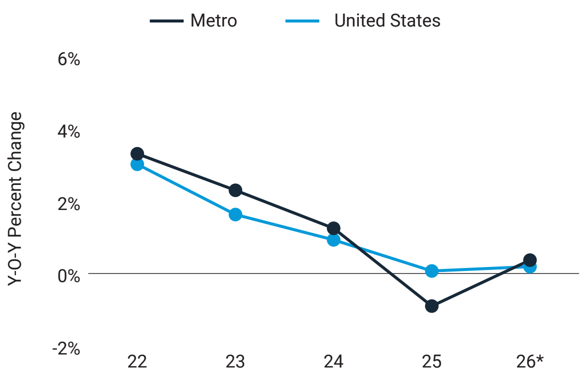
### EMPLOYMENT

Jacksonville's unemployment rate rose to 5.1 percent in the first quarter, 150 basis points above a year ago and the highest level since late 2015, excluding the pandemic. This coincided with the metro shedding 6,400 jobs, with weakness most pronounced in the government and financial activities sectors. Citizens Property Insurance Corporation's relocation of nearly 1,000 employees from Downtown Jacksonville to the Southside submarket should provide modest support for local apartment demand.

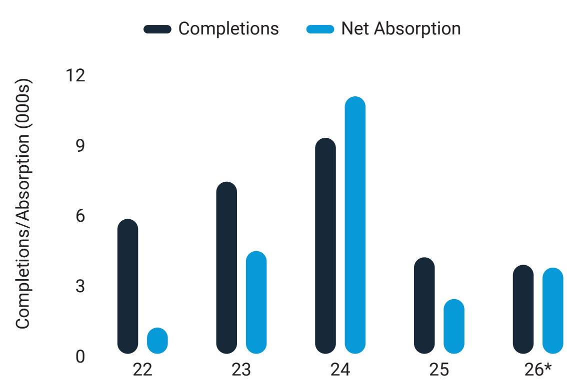
### CONSTRUCTION

Deliveries in 2025 slowed sharply from 2024, when more than 9,000 units were added to the market. In 2026, completions are expected to fall slightly below last year's pace, though inventory growth will remain above the metro's 2015-2019 annual average of 2.0 percent. The St. Augustine and Northside submarkets are projected to receive the bulk of incoming supply, each expecting over 1,000 new units. This will likely pressure vacancy, particularly in the former area, where Class A leasing has weakened.

#### EMPLOYMENT TRENDS




#### CONSTRUCTION TRENDS



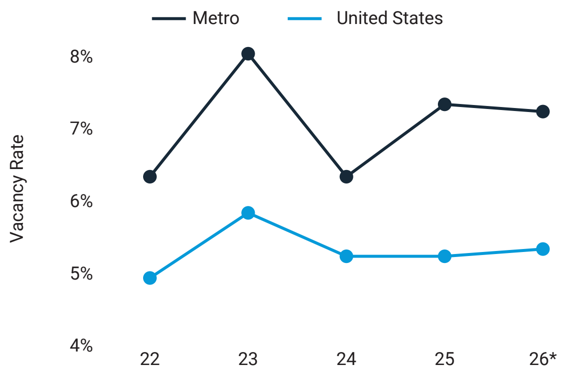

* Forecast

Sources: BLS; CoStar Group, Inc.; RealPage, Inc.

## VACANCY

Following a stretch of outsized net absorption in late 2024 and early 2025, leasing momentum softened in later months, contributing to a 100-basis-point increase in vacancy for the calendar year. In early 2026, however, stronger leasing activity across Class A and B assets resumed. With this year's completions at a five-year low, vacancy is expected to remain relatively stable. Still, at 6.8 percent in March, the metro holds the highest vacancy rate across major Florida markets.

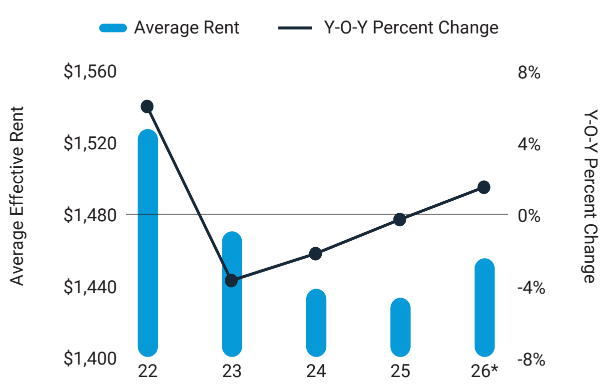
### VACANCY TRENDS




## RENT

Jacksonville's average effective rent declined for the third consecutive year in 2025, though the pace of contraction continued to moderate. Nonetheless, the share of units offering concessions remained above 40 percent in Class B and C properties at the start of 2026, while the prevalence of Class A discounts declined to roughly half of the 2024 peak of 45 percent. By the end of 2026, Jacksonville's trailing five-year rent growth is expected to be just over 1 percent, compared to over 15 percent nationally.

### RENT TRENDS



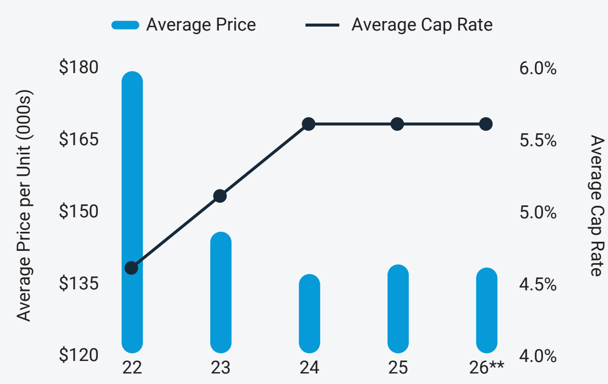

* Forecast ** Through 1Q

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

## INVESTMENT HIGHLIGHTS

- Jacksonville's average price per unit rose modestly in 2025 following two years of decline. Meanwhile, transaction velocity increased over the 12 months ended in March, reaching its highest level since 2022, though remaining below the annual average recorded between 2015 and 2019. Notably, nearly one-third of all trades occurred in the $20 million-and-above price tranche, reflecting growing institutional participation. Annual Class A rent growth reached a three-year high in the first quarter, likely supporting continued investor confidence in the segment.
- Pockets of the Westside, including Lake Shore and Cedar Hills, may continue attracting investor attention. This is particularly true for Class B assets, which hold vacancy in the mid-5 percent range as of the first quarter. Durable demand for workforce housing tied to relative affordability and strong freeway access to the urban core should continue to support occupancy. Elsewhere, Central Jacksonville's rent premium over surrounding suburban areas ranked as the second lowest among all major Southeastern metros in early 2026, helping sustain renter demand across a range of income levels. Coupled with the lowest vacancy across submarkets, the area is likely to continue attracting institutional and private investors alike.
- While still historically elevated, insurance costs per unit continued to decline modestly over the trailing 12 months ended in March, providing some relief from operating expense pressures and supporting underwriting visibility for prospective buyers.

### SALES TRENDS





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