



## MARKET AT A GLANCE



**OCCUPANCY RATE** **95.1%**  
Up **40 bps** since 3Q16



**ASKING RENT** **\$990**  
Up **3.1%** since 3Q16

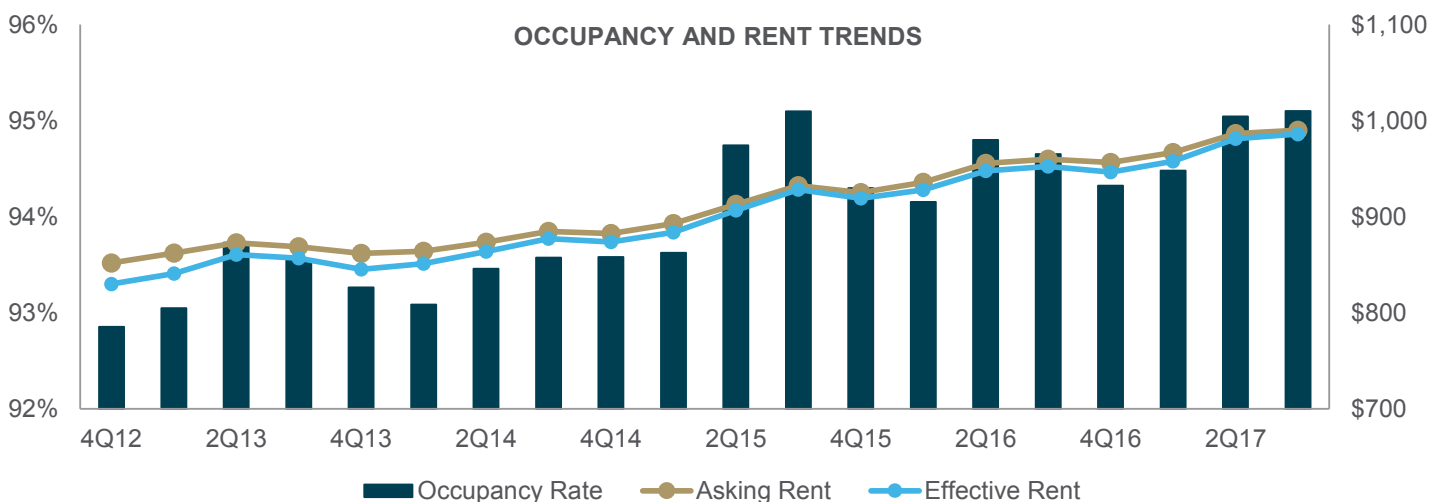


**CONCESSIONS** **0.4%**  
Down **40 bps** since 3Q16

## OCCUPANCY AND RENT TRENDS

### RENT ACCELERATES 3.1% ANNUALLY AMID BRISK LEASING ACTIVITY

Leasing activity surged amid healthy employment gains and sturdy net migration as 2,977 units were absorbed through the third quarter in the Jacksonville metropolitan area, up 46% annually. Apartment demand outpaced annual construction as occupancy increased 40 basis points to 95.1% in September. In the trailing 12 months ending September, 2,430 apartments were delivered in the metro, a year-over-year increase of 53%. Although deliveries occurred in six of the 16 submarkets, new inventory was concentrated in East Jacksonville with 701 units and Southeast Jacksonville with 670 units. Meanwhile, operators took advantage of healthy job growth and robust leasing activity, raising asking rent 3.1% year over year, resulting in average asking rent of \$990 per month at the end of third quarter. Additionally, concessions were trimmed from three days to one day of free rent per month. Following several quarters of no deliveries in East Jacksonville, the influx of new inventory was met with vigorous leasing activity, fueling an 80-basis-point increase in occupancy to 95.4%. Simultaneously, operators in East Jacksonville advanced asking rent 3.0%, producing monthly rent of \$1,102 ending third quarter.



# JACKSONVILLE

MULTIFAMILY REPORT

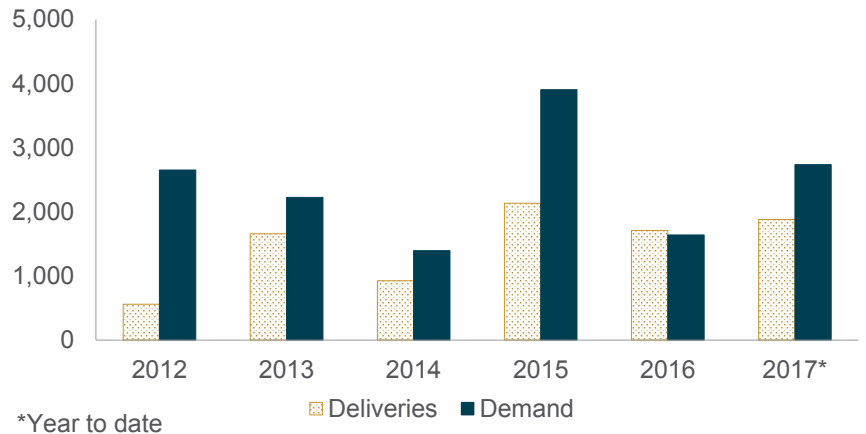
## DELIVERIES AND DEMAND



**DELIVERIES** 1,878  
Units YTD



**NET ABSORPTION** 2,734  
Units YTD



## ECONOMIC TRENDS

2016 **UNEMPLOYMENT\*** 2017  
4.7% ..... **-80 BPS CHANGE** ..... 3.9%

2016 **EMPLOYMENT\*** 2017  
674.4k ..... **2.3% CHANGE** ..... 690.0k

2016 **EXISTING SFH SALES\*\*** 2017  
27.5k ..... **12.0% CHANGE** ..... 30.8k

2016 **MEDIAN SFH PRICE\*\*** 2017  
\$216.7k ..... **4.2% CHANGE** ..... \$225.8k

2016 **10-YEAR TREASURY\*\*** 2017  
1.63% ..... **60 BPS CHANGE** ..... 2.20%

Across the Jacksonville metro, payrolls rose 2.3%, or by 15,600 jobs, as the hiring contributed to 690,000 total nonfarm workers in August of this year. Substantial hiring occurred in the largest employment sector—trade, transportation, and utilities—where 4,700 positions were filled, a gain of 3.4%. Underpinning the lift was Jaxport’s booming Asian cargo trade, now responsible for more than a third of the port’s business. With approximately one in every six Greater Jacksonville jobs in the health care and bioscience industries, recruiters aggressively sought new employees in the 12-month period through August of 2017. Institutions in the education and health services sector added 4,400 workers, following a 5,800 job gain in the prior 12 months. Over the coming months, health care job growth is expected to remain sturdy as Baptist Medical Center South begins filling positions at a new eight-story hospital tower expected to be completed by first quarter 2018 and Mayo Clinic adds 50 physicians and 250 allied health employees to support its new \$100 million medical building and radiochemistry facility.

\*August; \*\*September



# JACKSONVILLE

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Atlantic Beach	94.6%	96.8%	5.1%	5.5%	\$926	\$977	11	48	0	0
Clay County	96.5%	97.6%	-8.9%	3.5%	\$980	\$1,014	92	172	96	141
Duval County / Other	-	94.2%	-	-	-	\$1,325	0	8	0	0
East Jacksonville	94.6%	95.4%	-0.2%	3.0%	\$1,069	\$1,102	159	810	141	701
Greater Arlington	94.3%	94.3%	-0.8%	4.0%	\$741	\$770	25	0	0	0
Jacksonville Heights	93.6%	94.7%	2.8%	2.1%	\$867	\$885	-46	55	0	0
Jacksonville North	92.8%	93.0%	-3.0%	6.0%	\$904	\$958	304	309	324	324
Lake Shore	93.8%	95.4%	1.2%	29.2%	\$761	\$983	21	78	0	0
Nassau County	96.3%	95.8%	-10.5%	0.2%	\$1,027	\$1,030	-16	-20	0	0
Northwest Jacksonville	94.5%	95.1%	-1.1%	3.9%	\$1,079	\$1,121	-3	64	0	0
Ocean Beaches	92.6%	93.9%	9.6%	1.6%	\$1,424	\$1,447	-62	80	0	0
Orange Park/Clay County	94.6%	94.4%	2.9%	3.4%	\$906	\$936	-6	-8	0	0
San Jose	96.7%	97.8%	12.8%	3.0%	\$789	\$813	58	34	0	0
Southeast Jacksonville	95.5%	95.6%	2.9%	2.5%	\$956	\$980	165	650	156	670
Southside/Bay Meadows	94.5%	94.9%	5.6%	5.3%	\$1,070	\$1,126	98	232	130	191
Southside/University Blvd	95.1%	95.9%	-4.5%	-5.7%	\$932	\$878	214	464	130	403
<b>TOTALS</b>	<b>94.7%</b>	<b>95.1%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>\$960</b>	<b>\$990</b>	<b>1,014</b>	<b>2,977</b>	<b>977</b>	<b>2,430</b>



**CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

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