SOUTHERN EDGE CAPITAL

JACKSONVILLE MULTIFAMILY OUTLOOK

MAY 2026

Market Analysis | Southern Edge Capital

~25,000	**+0.82%**	**-61%**
New residents added in Jacksonville in 2025	Year-over-year rent growth as of Q1 2026	Drop in new supply from 2026 to 2027

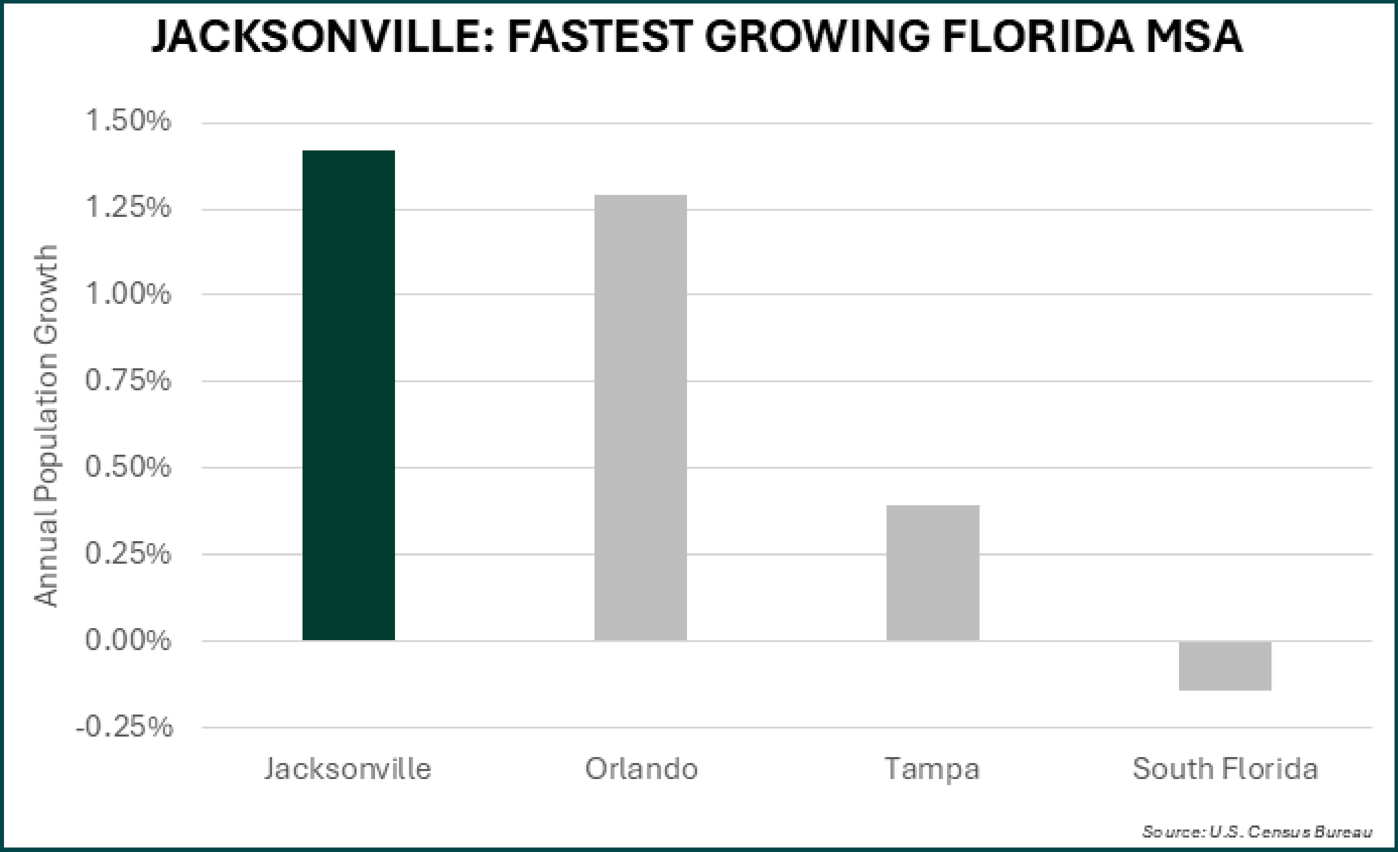
Jacksonville's multifamily market is turning the corner — and the data is making a compelling case for investors paying attention.

After delivering nearly 29,000 new units between 2020 and 2025, one of the most aggressive delivery cycles in the city's history, the market absorbed significant pressure on rents and pushed concessions higher across most submarkets. That period of digestion is now giving way to something more interesting. As of Q1 2026, rent growth has turned positive for the first time in nearly three years, concessions are beginning to pull back, and the forward supply pipeline is contracting sharply. For investors who have been watching Jacksonville closely, the fundamentals are starting to confirm what patient, market-experienced operators have understood for some time: the setup here is becoming difficult to ignore. At Southern Edge Capital, we have been tracking this inflection closely — and we believe the data is now telling a very clear story.

A City People Are Choosing

The demand side of this equation starts with one simple fact: people are moving to Jacksonville in significant numbers, and that trend shows no signs of slowing.

According to U.S. Census Bureau data, Jacksonville added nearly 25,000 new residents in 2025 alone — making it the fastest-growing Florida MSA by annual growth rate at approximately 1.4%. That figure puts Jacksonville ahead of Orlando, well ahead of Tampa, and in stark contrast to South Florida, which actually lost nearly 9,000 residents over the same period.



This isn't a short-term anomaly. Jacksonville has been a consistent beneficiary of broader migration trends driving population out of high-cost coastal metros and into Sun Belt cities with lower costs of living, business-friendly tax environments, and strong quality of life. The city's economic base has diversified meaningfully over the past decade, with growth in financial services, healthcare, logistics, and defense — sectors that attract a stable, employed renter demographic. JPMorgan Chase, Fidelity, and several major healthcare systems all have significant Jacksonville footprints, providing the kind of employment depth that sustains apartment demand through economic cycles.

That population growth translates directly into sustained apartment demand — the kind of organic, employment-driven demand that underpins long-term multifamily performance and gives experienced operators confidence in underwriting future rent growth.

The Supply Wave Is Ending

To understand why the current moment is significant, it helps to understand what the market just worked through.

Between 2020 and 2025, Jacksonville delivered 28,825 new multifamily units — averaging well above the market's historical norm of approximately 2,725 units annually. That volume of new supply, concentrated over a relatively short window, weighed on occupancy, pushed concessions higher, and temporarily sent effective rents negative across much of the market. It was a necessary period of absorption, and it created the kind of short-term noise that causes undiscriminating investors to look elsewhere.

What the data now shows is that the market absorbed it. Over that same 2020-2025 period, Jacksonville renters absorbed nearly 25,000 of those units — a testament to the underlying demand strength the city's population growth has produced. Units remaining in lease-up peaked at 6,460 at the end of 2024 and have since declined to 3,852, reflecting steady progress working through the backlog.

More importantly, the pipeline ahead looks very different from the cycle just completed. According to CBRE's 2026 Development Pipeline Report, Jacksonville is projected to deliver approximately 3,043 units in 2026 — still elevated, but front-loaded into the first half of the year and concentrated primarily in the Northside and St. Augustine/St. Johns County submarkets. By 2027, that number drops sharply to just 1,188 units, well below the market's long-term historical average of 2,725. Beyond 2027, the approved pipeline of 2,292 units is spread across multiple submarkets with delivery timelines extending into 2028 and beyond.

The supply pressure that defined the past several years is tapering, and meaningfully so. For investors who have been waiting for the right entry point, the shrinking forward pipeline is one of the most important data points in the current Jacksonville story.

Fundamentals Are Stabilizing

The market-level numbers from CBRE's Q1 2026 Market Report tell a straightforward story.

Occupancy across the Jacksonville MSA sits at 93.16%, holding steady despite the volume of new deliveries still working through lease-up. Market rents average $1,481 per unit, representing 0.82% year-over-year growth — modest on its face, but notable as the first positive rent growth reading in nearly three years. Concessions, which had climbed to reflect competitive lease-up pressure across the market, are beginning to compress as that pressure eases. The market-wide concession rate of 6.50% is still present but directionally improving as stabilized assets regain pricing power.

On the capital markets side, investor sentiment is shifting. Cap rates are tightening across all asset classes — the overall market cap rate moved from 6.14% in Q1 2025 to 5.96% in Q1 2026, with Class A product compressing to 5.40% and Class B to 5.85%. That directional movement reflects growing conviction in the market's trajectory and suggests that pricing will continue to firm as fundamentals improve. Investors who wait for the trend to be fully priced in will have missed the most attractive entry window.

Submarket performance varies, as it always does, and location selection remains critical. Downtown Jacksonville leads the market with 95% occupancy and 5.15% rent growth year-over-year, buoyed by a wave of urban redevelopment activity anchored by the Gateway Jax project. The Westside posted 3.68% rent growth. Northside, one of the most active submarkets for new development, is showing 1.58% growth as recent deliveries are absorbed into a market with genuine underlying demand. At Southern Edge Capital, our depth of local market knowledge and established broker relationships across these submarkets put us in a position to identify opportunities — including off-market deals and pocket listings — before they reach the broader market.

The Lofts at Baymeadows | 103 units acquired off-market by Southern Edge Capital in 2022

The Value Gap

One of the most compelling aspects of the Jacksonville multifamily story is how much room for growth still exists relative to other major markets.

At $1.48 per square foot, Jacksonville rents remain significantly below the national average of $2.07 per square foot — a gap of nearly 40%. Even within Florida, Jacksonville trades at a meaningful discount to South Florida ($2.62/SF) and the state average ($1.85/SF). That spread reflects Jacksonville's historical positioning as a relative value market, but it also represents real runway for rent growth as the city's population and economic profile continue to mature.

It is worth noting that this discount exists alongside population growth that outpaces virtually every other major Florida market. That combination — strong in-migration and below-average rents — is precisely the dynamic that precedes sustained rent appreciation in Sun Belt multifamily markets. Investors who have watched that same pattern play out in markets like Nashville, Charlotte, and the Raleigh-Durham corridor over the past decade will recognize the setup.

For investors evaluating risk-adjusted returns, the Jacksonville proposition is clear: strong population in-migration, contracting supply, stabilizing occupancy, compressing cap rates, and a meaningful rent discount to both the state and national averages. Each of those factors individually would be interesting. Together, they form a thesis.

The Window

Markets like Jacksonville don't announce themselves. The turn rarely looks obvious in the moment — it shows up quietly in the data, in the pipeline projections, in the migration numbers. And by the time the broader investment community reaches consensus, the best opportunities have typically already been claimed by operators who were already on the ground.

2026 is shaping up to be one of those moments. Rent growth has returned. Supply is tapering. Population continues to pour in. Transaction volume, which slowed considerably through 2023 and 2024 as buyers and sellers worked through price discovery, is beginning to pick back up as debt markets stabilize and cap rates find their footing. Jacksonville still offers a value proposition — in both rents and asset pricing — that more mature Sun Belt markets can no longer credibly claim.

At Southern Edge Capital, we are actively underwriting acquisitions in this market right now. We are continuing to build relationships with brokers and sellers, pursuing off-market opportunities, and positioning ourselves to move decisively when the right deal surfaces. We have been operating in Jacksonville long enough to know that the investors who benefit most from a market turn are the ones who committed to it before the turn was obvious.

The digestion period is behind us. The next growth cycle is beginning to take shape. The question for investors is whether they want to be early to that conversation — or arrive after the market has already moved.

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Interested in learning more about investing in Jacksonville multifamily?

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Southern Edge Capital acquires and repositions multifamily communities in high growth Southeast markets, creating value through a vertically integrated platform driven by operational execution rather than market appreciation.

DATA SOURCES

Market data sourced from CBRE Jacksonville Multifamily Q1 2026 Market Report and CBRE Jacksonville Multifamily Development Pipeline Report 2026. Population data sourced from the U.S. Census Bureau.

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