SOUTHERN EDGE CAPITAL

Why Jacksonville Is Worth a Closer Look

The multifamily acquisition window is open. Here is what the data is telling us.

JUNE 2026

Most institutional capital reads a market by its headline numbers. When effective rents turned negative and concessions climbed, Jacksonville looked like a market in trouble. Investors who didn't understand the underlying dynamics, or didn't have enough conviction in the long-term story, moved on. We didn't.

We have been operating in Northeast Florida since 2016. We watched this supply cycle build from the beginning, and we have spent the past several years preparing for what comes next. And what comes next is now.

The Jacksonville market is at a compelling inflection point, and at Southern Edge Capital, we believe the acquisition window is open now, before broader capital catches on.

A City That Keeps Growing

Before the supply dynamics, the capital markets data, or the forward pipeline, there is a simpler question: are people still moving here?

The answer is unambiguous. Jacksonville added nearly 25,000 new residents in 2025 alone, making it the fastest-growing Florida MSA by annual growth rate. That puts Jacksonville ahead of Orlando, well ahead of Tampa, and in a different category entirely from South Florida, which lost nearly 9,000 residents over the same period.

Metro Jacksonville's population now exceeds 1.76 million, growing at approximately 2.2% annually, roughly 2.8x the national average.

These aren't transplants chasing speculative opportunity. They are households relocating for legitimate economic reasons: no state income tax, a lower cost of living than virtually any comparable coastal metro, and a job market that has consistently outpaced national averages. The Wall Street Journal ranked Jacksonville the second-hottest job market in America in 2024. The metro added nearly 10,000 jobs that year, outpacing the national employment growth rate.

The employer base supporting that labor market is deep and diversified. Baptist Health is the largest private employer in the region at 15,000 employees. The combined military footprint of Naval Air Station Jacksonville and Naval Station Mayport accounts for roughly 25,000 jobs. Mayo Clinic, Bank of America, Amazon, and JAXPORT round out an employment foundation that draws from healthcare, logistics, finance, and defense: sectors that produce stable, income-qualified renters across economic cycles.

This is not a market held together by one industry or one demographic. The renter demand in Jacksonville is broad-based, durable, and structurally expanding.

Employment by Sector

	Jacksonville	Tampa	Orlando	South Florida	Florida	US
Trade, Transportation, and Utilities	21.9%	18.7%	18.7%	22.6%	20.2%	18.3%
Education and Health Services	16.2%	16.0%	12.7%	15.6%	15.3%	16.9%
Professional and Business Services	14.8%	18.6%	18.9%	17.3%	16.2%	14.2%
Leisure and Hospitality	11.5%	10.8%	19.4%	11.7%	13.4%	10.7%
Government	10.2%	10.1%	8.8%	10.8%	11.6%	14.8%
Financial Activities	8.9%	9.2%	6.0%	7.2%	6.8%	5.8%
Construction	6.6%	6.2%	6.5%	5.6%	6.7%	5.2%
Manufacturing	4.4%	4.9%	3.4%	3.2%	4.2%	8.0%
Other Services	3.6%	3.5%	3.7%	4.1%	3.9%	3.8%
Information	1.8%	2.0%	1.8%	1.9%	1.6%	1.9%
Mining and Logging	0.0%	0.0%	0.0%	0.0%	0.1%	0.4%

Source: CBRE

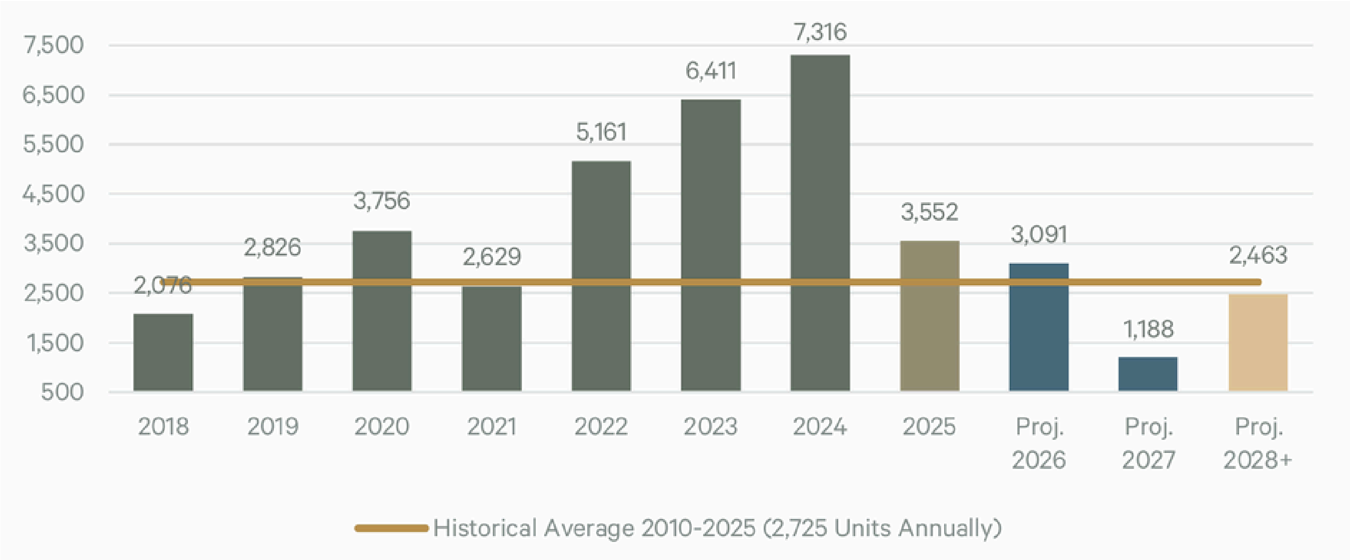
What the Supply Cycle Actually Looked Like

Transparency about what this market went through is part of what makes the current setup credible.

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 was the most aggressive delivery cycle in the city's history, and it had real consequences. Occupancy fell. Concessions rose. Effective rents declined from their 2023 peak. Class B and C operators who had stretched on acquisition pricing found themselves caught between elevated interest expense and softening revenue.

For investors without deep roots in the market, the headline read was straightforward: Jacksonville oversupplied. Avoid. That surface-level conclusion is precisely what creates entry opportunities for operators who know how to read past the noise.

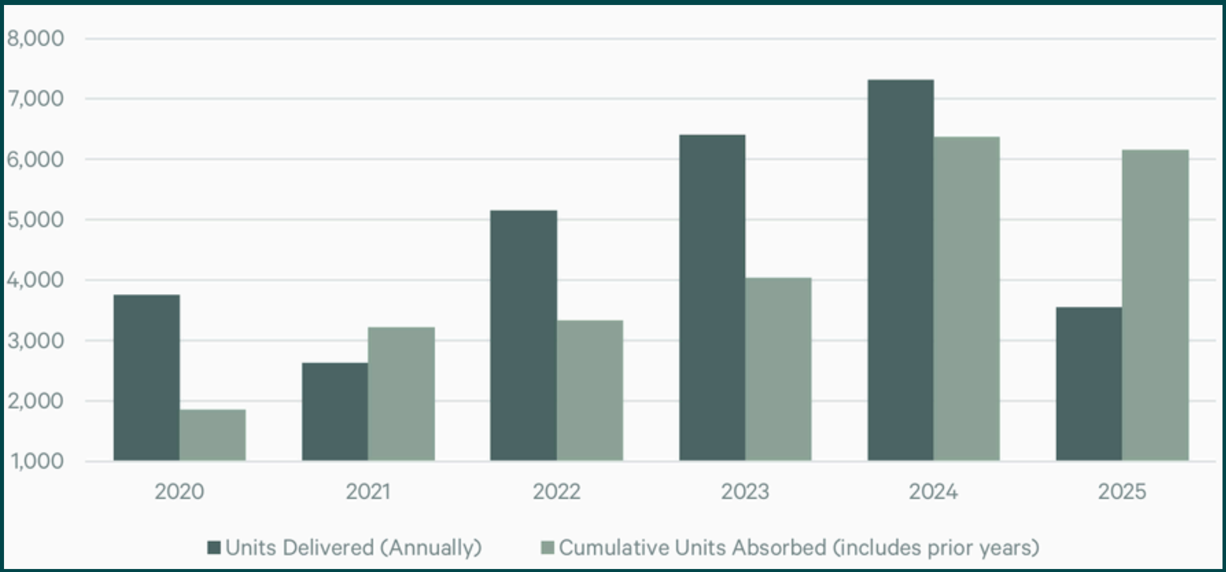
New Deliveries



Source: CBRE

What Absorption Is Telling Us

Absorption



Total Units Delivered/Absorbed (2020-2025): **28,825/24,973**

Source: CBRE

The supply story gets the attention, but the absorption story is where the real signal lives.

Over the same 2020-2025 period that Jacksonville delivered 28,825 new units, renters absorbed 24,973 of them, according to CBRE. That absorption rate, against the heaviest delivery cycle in the city's history, is not a minor footnote. It is direct evidence that genuine, population-driven demand was running in parallel with the supply build-out. The market was not overbuilt relative to a fictitious demand projection. It was overbuilt relative to the pace at which real people could physically move in, sign leases, and stabilize new buildings.

That distinction matters enormously for how you read the current opportunity.

Absorption peaked sharply in 2024, when Jacksonville renters took down approximately 7,835 units, a single-year record. In just the first quarter of 2025, the market absorbed 4,387 units, exceeding new deliveries over that same period by more than 1,200. The supply and demand curves were already crossing before broader capital recognized the shift.

The lease-up backlog tells the same story from a different angle. Units remaining in lease-up peaked at 6,460 at the end of 2024 and have since declined to 3,852 as of year-end 2025, a reduction of more than 40% in a single year. That drawdown reflects real occupancy being converted at stabilized assets across the market, not concession-masked lease-up activity. By Q1 2026, Colliers data shows total market demand of 1,649 units absorbed against new supply of only 1,076 units delivered: demand outpacing supply for the first time in several years.

For investors evaluating acquisition timing, absorption velocity is one of the clearest leading indicators available. When a market absorbs units faster than it delivers them, the conditions for rent recovery are forming. Occupancy stabilizes. Concessions compress. Operators begin recovering pricing power. That sequence is now underway in Jacksonville, and it is being driven by the same employment and migration fundamentals that made this market worth entering in the first place.

The investors who read the supply wave and walked away missed the absorption data entirely. The two numbers belong together. One without the other gives you an incomplete picture and, in this case, the wrong conclusion.

The Supply Cliff

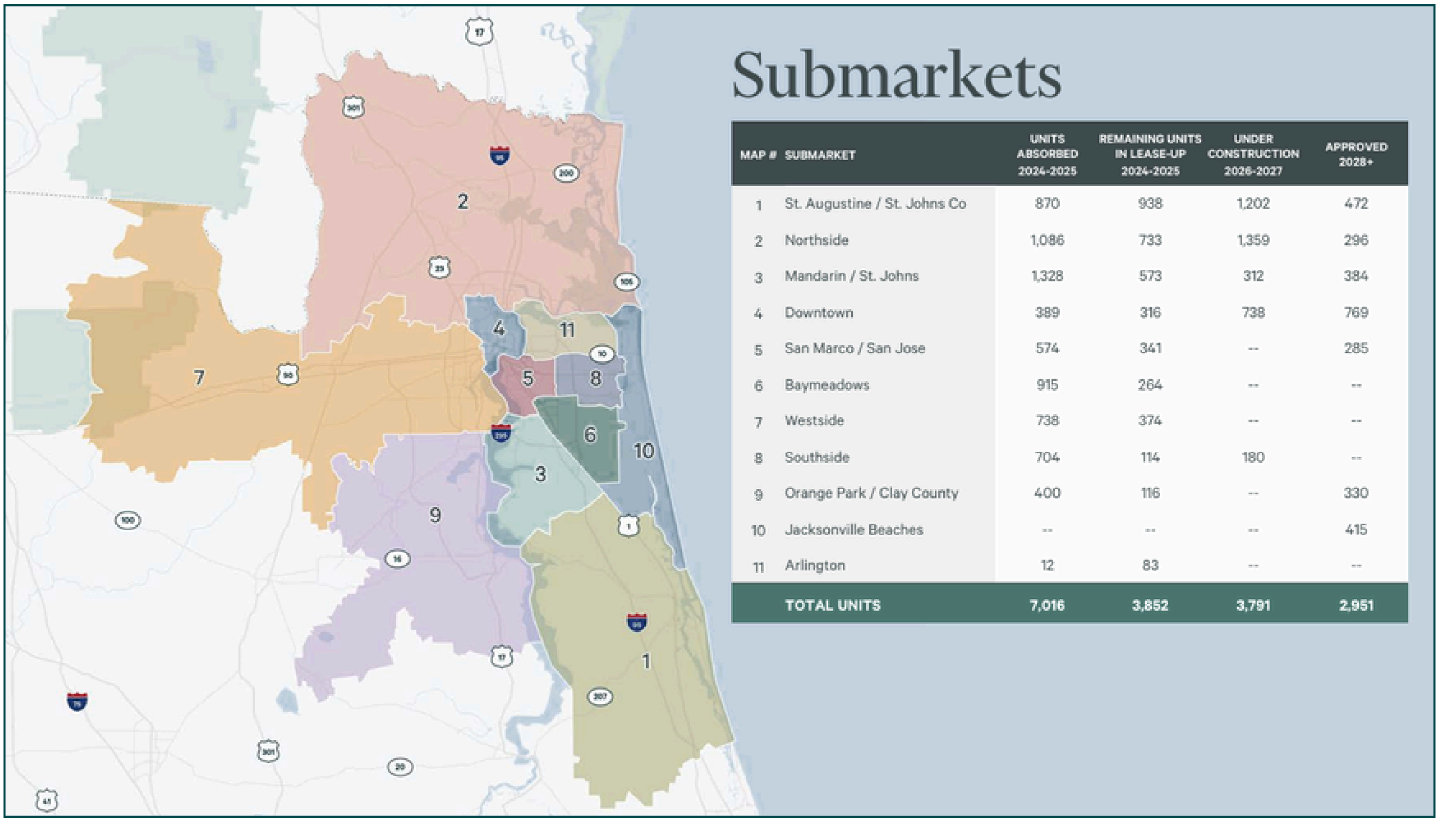
This is the part of the Jacksonville story that most institutional observers have not yet fully priced in.

According to CBRE's 2026 Multifamily Development Pipeline Report, Jacksonville is projected to deliver approximately 3,043 units in 2026. Still elevated in absolute terms, but concentrated primarily in the first half of the year and weighted toward two submarkets: Northside and St. Augustine/St. Johns County. The broader market is not getting 3,043 units spread evenly across every corridor. It is absorbing a front-loaded, submarket-specific delivery schedule.

By 2027, projected deliveries fall to 1,188 units. That is a 61% decline from 2026 and well below the market's 2,725-unit historical average. Beyond 2027, the approved pipeline of approximately 2,951 units is spread thin across multiple submarkets, with delivery timelines extending into 2028 and beyond.

Construction starts have already told this story. Starts that peaked at over 11,000 units in 2022 have since fallen approximately 65%, and the math of a two-to-three-year construction cycle means that supply contraction is already locked in. The units that will compete for Jacksonville renters in 2027 and 2028 largely cannot be built in time to arrive.

When population growth is accelerating and the forward delivery schedule is collapsing, the rent recovery math writes itself.



Submarkets

MAP #	SUBMARKET	UNITS ABSORBED 2024-2025	REMAINING UNITS IN LEASE-UP 2024-2025	UNDER CONSTRUCTION 2026-2027	APPROVED 2028+
1	St. Augustine / St. Johns Co	870	938	1,202	472
2	Northside	1,086	733	1,359	296
3	Mandarin / St. Johns	1,328	573	312	384
4	Downtown	389	316	738	769
5	San Marco / San Jose	574	341	--	285
6	Baymeadows	915	264	--	--
7	Westside	738	374	--	--
8	Southside	704	114	180	--
9	Orange Park / Clay County	400	116	--	330
10	Jacksonville Beaches	--	--	--	415
11	Arlington	12	83	--	--
	TOTAL UNITS	7,016	3,852	3,791	2,951

Source: CBRE

What the Data Is Confirming Now

The fundamentals have begun to move.

According to CBRE's Q1 2026 Jacksonville Multifamily Market Report, occupancy across the MSA holds at 93.16%, steady through the supply absorption. Market rents averaged $1,481 per unit in Q1 2026, representing 0.82% year-over-year growth. Modest in isolation, but notable as the first positive rent growth reading in nearly three years. As CBRE's own senior vice president noted of Q1 2026, the market reached "an inflection point" as concessions began pulling back and deliveries continued tapering.

The concession environment remains present at a market-wide rate of 6.50%, but it is directionally compressing as stabilized assets recapture pricing power. For value-add operators focused on in-place cash flow and basis protection, that compression represents real revenue recovery: not projected upside, but actual improvement in operating performance.

On the capital markets side, cap rates are tightening. The overall Jacksonville market cap rate moved from 6.14% in Q1 2025 to 5.96% in Q1 2026. Class B product sits at 5.85%. That directional movement reflects growing conviction in the market's trajectory and signals that pricing will continue to firm as the operating environment improves.

Investors who wait for the trend to be fully recognized will have paid for it in acquisition basis.

Cap Rates

	Q1 2026	Q1 2025	YOY Change
Class A	5.40%	5.64%	**-0.24%**
Class B	5.85%	6.01%	**-0.16%**
Class C	6.64%	6.78%	**-0.06%**
Overall	5.96%	6.14%	**-0.15%**

Source: CBRE

The Long-Term Infrastructure Behind the Demand

Beyond the cyclical recovery, Northeast Florida is in the early stages of a longer-term economic build-out that will compound the demand story well into the next decade.

Mayo Clinic's North Campus expansion, a $432 million project, is expected to reach completion in Q4 2026. Pearl Square, one of the largest mixed-use redevelopments in downtown Jacksonville's history, begins delivering in Q1 2027. The Four Seasons at the Shipyards follows in Q2 2027. The University of Florida Graduate Campus, a $300 million investment in downtown, opens Q1 2029 and is projected to serve 1,500 graduate students by 2030. The Jacksonville Jaguars' $1.4 billion stadium renovation reaches completion Q3 2028.

Pearl Square - Expected Completion Q1 2027

These are not speculations. They are funded projects under active development that will add residents, jobs, and economic density to a market already growing at nearly three times the national rate. Each one extends the demand runway for multifamily housing across Duval, St. Johns, Nassau, Clay, and Flagler counties.

Broader institutional capital will eventually price this in. The question, as always, is whether you are positioned before or after that recognition.

Where We Stand

We came to Jacksonville in the summer of 2016 after touring markets across Tennessee, the Carolinas, Alabama, Georgia, and Florida. We were looking for a 1031 exchange destination with the right combination of population growth, job growth, income growth, and long-term infrastructure. When we got to Jacksonville, the answer was clear.

That conviction has been tested and validated across two full acquisitions, one current hold, and the market cycle we just worked through. We acquired at a discounted basis, operated with direct control, and delivered results that reflect what disciplined execution produces in a market you know deeply.

The Lofts at Baymeadows | 103 units acquired off-market in 2022

The setup today is the most compelling we have seen since we first arrived. The supply wave has largely crested. The demand foundation has held. The forward pipeline is contracting sharply, and the capital markets are beginning to follow the fundamentals. We are not following this inflection from the outside. We are operating inside it, sourcing assets, and preparing to act.

For investors evaluating multifamily exposure in the current environment, Jacksonville warrants a serious look. Not because it is undiscovered, but because it is underpriced relative to where the fundamentals are pointing, and the window between now and broader institutional recognition is narrowing.

Interested in connecting with us?

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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

CBRE Multifamily Market Report, Jacksonville, Q1 2026 CBRE Multifamily Development Pipeline Report, Jacksonville, 2026 Colliers Multifamily Market Report, Jacksonville, Q1 2026 U.S. Census Bureau, Population Estimates, 2024-2025 Berry, Paul. "Market Disequilibrium Signals Opportunity in Jacksonville." Multifamily & Affordable Housing Business, December 2025.

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