

Jacksonville's Job Market and Its Impact on Rental Demand

The Employers Driving Northeast Florida's Growth Numbers

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Population growth numbers get repeated so often in Jacksonville market coverage that they start to sound like background noise. Nearly 1.76 million residents. Growth outpacing the national average by nearly three times. These figures show up in almost every pitch deck and market overview written about this city, including several of our own.

But population alone does not pay rent. Employment does.

A city can grow in headcount and still produce a shaky rental market if the jobs behind that growth are unstable, cyclical, or concentrated in a single industry. The more useful question for anyone investing in Jacksonville is not how many people are moving here, but who is employing them once they arrive, and whether that employment base can hold up when conditions get harder.

The Headline Isn't the Whole Story

Jacksonville's labor market cooled in 2026. Unemployment rose to 5.1% in the first quarter, 150 basis points above the prior year and the highest reading since late 2015 outside of the pandemic period. The metro shed roughly 6,400 jobs over that stretch, with the weakness concentrated in government and financial activities. By the second quarter, total employment stood at approximately 803,000 with an unemployment rate of 5.0%.

That is a real deceleration from the market that the Wall Street Journal ranked as the second hottest job market in the country in 2024. It would be easy to read those numbers as a warning sign, and a less disciplined analysis would either ignore them or explain them away.

We would rather look directly at them, because the sector-level detail tells a more complete story than the headline number does. The softness this year was not broad-based. It was concentrated in two specific categories, government and financial activities, sectors that make up a meaningful but far from dominant share of Jacksonville's total employment.



The Employer Base Behind the Numbers

Jacksonville's employment foundation is not built on any single company or industry. It is anchored by a handful of large, stable institutions spanning healthcare, the military, and finance, each of which continued operating at scale through the softer stretch of 2026.

Baptist Health is the region's largest private employer, with approximately 15,000 team members across its hospital and outpatient network. The military presence is just as significant. Naval Air Station Jacksonville employs roughly 14,390 people, and Naval Station Mayport adds another 10,600, putting the combined military footprint at around 25,000 jobs that do not fluctuate with quarterly economic conditions. Mayo Clinic employs approximately 10,000 people at its Jacksonville campus, and Bank of America rounds out the list with roughly 8,050 local employees.

These are the institutions that determine whether a renter has a paycheck next month, and by extension, whether a multifamily asset in this market fills its units and collects its rent on schedule.

The Renters Filling These Jobs

A strong employer base only matters if the paychecks behind it are growing. Jacksonville's are. Household income in the metro grew approximately 5.3% annually as of March 2026, placing Jacksonville in the top quartile of metros nationally on this measure. That kind of wage growth is what allows rents to move higher without pricing out the renter base that already lives here.

The demographic composition behind that income growth matters just as much. The 20 to 34 age group, the segment that fills the largest share of apartment units in any market, is projected to grow 0.3% in Jacksonville in 2026. Nationally, that same age group is shrinking by 0.6%. Jacksonville is not just adding jobs and income. It is adding the specific age group that rents.

This is the piece that turns an employment story into a rental demand story. Jobs create income. Income growth outpacing the national rate, concentrated in the renter-age population, is what creates room for sustained rent growth over a hold period.



Diversification Is the Key

A city with one dominant employer or industry is only as strong as that employer's next earnings report. Jacksonville is not that city.

Healthcare, military, financial services, and logistics each pull from different economic drivers, respond to different cycles, and rarely soften at the same time for the same reason. That is precisely what played out in 2026. Government and financial activities lost jobs, but healthcare employment, anchored by Baptist Health and Mayo Clinic, kept expanding, and the military footprint at NAS Jacksonville and Naval Station Mayport did not move at all. Even amid the broader slowdown, one piece of good news for the labor market emerged: Citizens Property Insurance Corporation relocated nearly 1,000 employees from Downtown Jacksonville to the Southside submarket, a shift that provided modest but real support for apartment demand in that corridor.

This is the underappreciated argument for Jacksonville. It is not that the job market is immune to softness. It is that the softness, when it happens, tends to be sector-specific rather than systemic, and the offsetting strength in other sectors keeps the overall renter base employed and paying rent even when one part of the economy has a rough quarter. For an operator underwriting a three-to-five-year hold, that kind of structural resilience matters far more than a single quarter's headline number in either direction.

Looking ahead, Marcus & Millichap's 2026 forecast calls for approximately 3,000 net new jobs and 0.4% year-over-year employment growth, a meaningfully slower pace than the market saw in 2024, but still positive. Slower is not the same as reversing, and a diversified base is what keeps slower growth from becoming a real problem for rental demand.





What This Means Submarket by Submarket

Employment strength does not distribute evenly across a metro, and Jacksonville is no exception. Central Jacksonville has posted the strongest leasing trends in the market, with vacancy declining 170 basis points year over year to 5.0%, the lowest of any submarket. Two catalysts are driving that: the University of Florida's new graduate campus launching this fall, and Gateway Jax's ongoing downtown revitalization effort, both of which are adding employment and foot traffic to a submarket that was underperforming just a few years ago.

The Baymeadows-Upper Southside corridor tells a similar story from a different angle. Demand there is holding up across property classes, helped along by a slowdown in new deliveries that has kept supply from outpacing absorption.

Not every submarket is seeing the same tailwind. Pockets east of Phillips Highway, between San Marco and Mandarin, are facing renewed vacancy pressure, driven in part by softer hiring in traditionally office-using sectors, the same government and financial activities categories behind this year's broader employment slowdown.

The takeaway is not that every corner of Jacksonville performs identically. It is that the submarkets tied to healthcare, education, and public investment are outperforming, while the submarkets more exposed to office-using employment are absorbing the softness. Knowing which submarket sits on which side of that line is exactly the kind of detail that separates disciplined underwriting from a market-level assumption applied uniformly across a metro.

What's Still Being Built

The forward-looking picture reinforces the same point. Jacksonville's largest employers are not simply holding steady, they are actively investing in expanded capacity.

Mayo Clinic is in the middle of a \$432 million expansion at its Jacksonville campus, adding five floors and 121 new inpatient beds to its existing hospital tower, with completion targeted for the end of 2026.

Institutions do not commit hundreds of millions of dollars to physical expansion in a market they expect to shrink. These investments are a signal about where Jacksonville's largest employers believe their own growth is headed, and that belief carries direct implications for the renter pipeline behind our investment thesis.

What to Watch For

Population growth will keep showing up in every Jacksonville market overview, including future pieces from us. It is a real and relevant data point. But it is also the number that requires the least analysis to cite, and the easiest for a casual reader to take at face value without asking what stands behind it.

The employer base is the number that actually deserves the scrutiny. A market anchored by Baptist Health, Naval Air Station Jacksonville, Naval Station Mayport, Mayo Clinic, and Bank of America, spanning healthcare, defense, and finance rather than concentrated in one sector, is a market built to absorb a rough quarter without losing its underlying renter demand. That is what we have seen play out so far in 2026, and it is the kind of structural detail that separates a market worth a headline from a market worth an investment.



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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

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