

Jacksonville Multifamily Quarterly Intelligence Report

Southern Edge Capital

Q2 2026



Q2 2026 marked a turning point for Jacksonville's multifamily market. After nearly three years of absorbing a historic wave of new supply, the fundamentals are shifting: rent growth is accelerating, occupancy is stabilizing, and the construction pipeline that defined this cycle is tapering sharply.

This report walks through what the second quarter's data shows across occupancy, rent, supply, and investment sales, and what we believe it signals heading into the back half of 2026.

Q2 2026 Highlights

- ✦ **Rent growth accelerated** to 2.86% year-over-year, up from -0.20% in Q2 2025
- ✦ **Occupancy improved** 60 basis points quarter-over-quarter, the second quarterly gain following a late 2025 low point
- ✦ **Construction pipeline fell** 24.2% year-over-year to 3,095 units
- ✦ **Overall cap rate compressed** to 5.80%, down from 6.05% in Q2 2025
- ✦ **Per-unit pricing** remains well below 2022 peak levels, running near \$120,000 in 2026 year-to-date sales against a 2022 average above \$183,000



Employment and the Economic Backdrop

The labor market is the one piece of this quarter's data that complicates an otherwise clean recovery story.

Unemployment in Jacksonville rose to 5.1% in Q1 2026, up 150 basis points from a year earlier and the highest reading since late 2015 outside the pandemic. The metro shed roughly 6,400 jobs, concentrated in government and financial activities. Total employment held at 803,000 with median household income of \$88,523.

There is a real, if modest, offset. Citizens Property Insurance Corporation's relocation of nearly 1,000 employees from Downtown Jacksonville to the Southside submarket should provide targeted support for apartment demand in that corridor. And the deeper demographic case for the metro remains intact: population is projected to grow 0.5% in 2026, with the 20-to-34 age group, the core renter demographic, projected to grow 0.3%, well ahead of a national decline of 0.6% for that same group. Household income has grown roughly 5.3% annually as of March, placing Jacksonville in the top quartile of metros nationally.

Near-term labor softness has not undermined the underlying demand case, which is an important distinction to make for anyone underwriting a multi-year hold rather than reacting to a single quarter's employment print.

Rent and Occupancy

	Q2 2026	Q2 2025	YOY Change
Occupancy	93.90%	94.18%	-0.28%
Market Rent	\$1,511	\$1,494	1.14%
Market Rent/SF	\$1.50	\$1.49	0.87%
Annual Growth	2.86%	-0.20%	3.06%
Concessions	6.90%	6.40%	0.50%

Source: CBRE

According to CBRE, market rent reached \$1,511 per unit, up 1.14% year-over-year, and rent growth accelerated to 2.86% year-over-year, a sharp reversal from -0.20% in the prior year period.

Occupancy rose for a second consecutive quarter after bottoming out in late 2025, up 60 basis points from the first quarter of 2026. Measured across the market's broader inventory versus its stabilized-only inventory, occupancy in Q2 2026 ranged from roughly 91% to 94%, a spread that reflects differing property-set criteria rather than conflicting signals: both measures moved in the same direction this quarter, and that consistency is what matters.

Concessions are the metric we watch most closely for confirmation that this is a durable shift and not a single strong quarter. Concessions across the market stood at 6.90%, up from 6.40% a year ago, while units offering concessions in Class B and C properties remained above 40% entering 2026, even as Class A concession activity fell to roughly half of its 2024 peak. Concessions coming down from here, rather than occupancy or rent alone, will be the clearest signal that operators are regaining pricing power rather than simply seeing a slower rate of deterioration.

Submarket divergence was significant. Central Jacksonville posted the strongest rent growth in the market at 2.9% year over year, while Jacksonville Beaches held the highest average rent at \$1,686. Arlington posted the lowest occupancy in the market at 87.4%, while Saint Augustine posted the softest rent growth at -4.2% year over year.

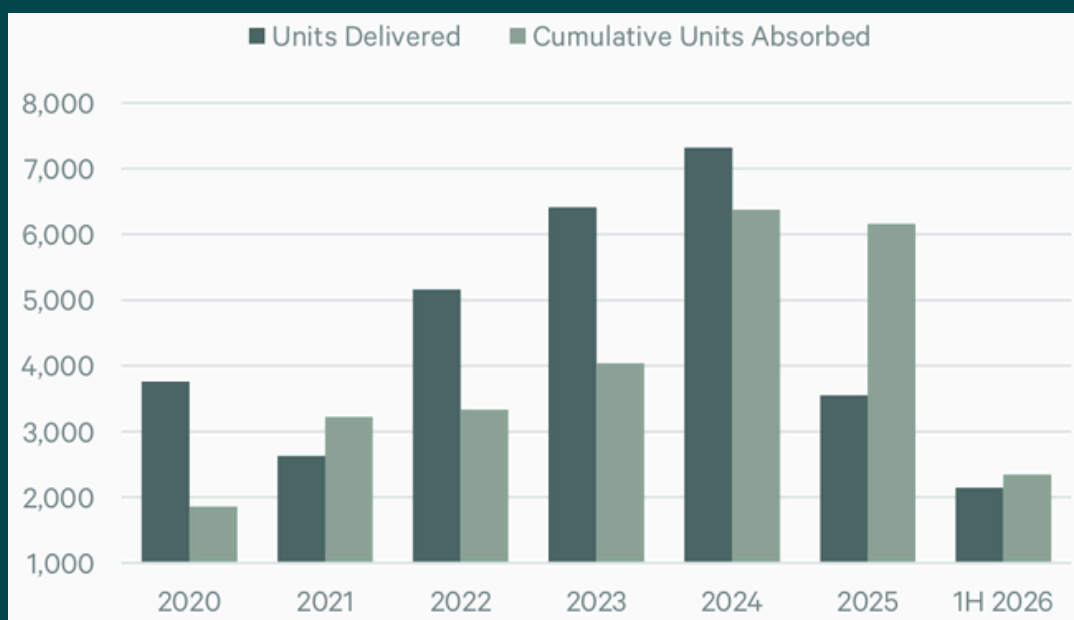


The Supply Pipeline

The reason we take this recovery seriously, rather than treating it as simply one encouraging quarter, comes down to supply.

The construction pipeline stood at 3,095 units across 13 projects at quarter end, down 24.2% year-over-year, even as Jacksonville's multifamily inventory has still expanded nearly 16% over the past three years. Looking further out, the delivery trajectory drops off meaningfully: 3,128 units are projected for 2026, falling to 1,665 units in 2027 and 2,112 units in 2028 and beyond. That trajectory follows a sharp slowdown already underway, with 2026 completions expected to land slightly below 2025's reduced pace after 2024 delivered more than 9,000 units in a single year, the peak of this cycle.

Absorption



Source: CBRE

Absorption has been working through the backlog left by that peak. Since 2020, 30,968 units have been delivered against 27,320 units absorbed, as of Q2 2026, with roughly 3,600 units still working through initial lease-up at mid-year. A sharply reduced delivery pipeline gives absorption room to close that gap over the next 18 to 24 months, which is the setup that typically precedes a genuine rent-growth cycle rather than a temporary bounce.

Submarket Performance

Submarket	Occupancy	Avg. Effective Rent per Unit	YoY Rent Growth	What's Driving It
Arlington	87.4%	\$1,299	-1.7%	No new construction activity
Jacksonville Beaches	94.6%	\$1,686	1.3%	Highest average rent in the market
Central Jacksonville	89.1%	\$1,282	2.9%	Among the most affordable submarkets, where demand for lower-cost units held steady
Downtown Jacksonville	91.7%	\$1,621	2.7%	Most units under construction of any submarket at 886, adding near-term rent pressure risk as more come online
Nassau County	92.4%	\$1,652	0.0%	Rent held flat; no units currently under construction, following 237 units delivered earlier this year
North Side	90.7%	\$1,319	-1.9%	388 units delivered YTD; absorption still positive at 391 units
Orange Park	91.0%	\$1,415	-0.3%	312 units under construction, a moderate pipeline relative to the market's larger submarkets
Saint Augustine	88.1%	\$1,614	-4.2%	Heavy construction pipeline in the market at 882 units under construction, despite posting the second-highest absorption total
Southside	92.6%	\$1,481	0.6%	Led all submarkets in absorption, accounting for more than 40% of market-wide demand
West Side	91.8%	\$1,330	0.0%	Rent held flat; 343 units under construction with no YTD deliveries yet
Jacksonville Total	90.9%	\$1,470	-0.4%	Market-wide figure across all ten submarkets

Source: Cushman & Wakefield

A few patterns stand out beyond the table. The Baymeadows-Upper Southside corridor is benefiting from strong demand alongside slowing deliveries, a favorable combination for operators already positioned there. Pockets east of Phillips Highway between San Marco and Mandarin are facing renewed vacancy pressure tied to sluggish office-using employment in the surrounding area. And the Westside, particularly the Lake Shore and Cedar Hills pockets, continues to draw investor interest for its workforce housing profile, with Class B vacancy in the mid-5% range and durable demand tied to affordability and freeway access to the urban core.



Investment Sales and Pricing

Transaction activity and pricing both point to a market that has largely found its floor, even if volume has not fully returned to prior-cycle levels.

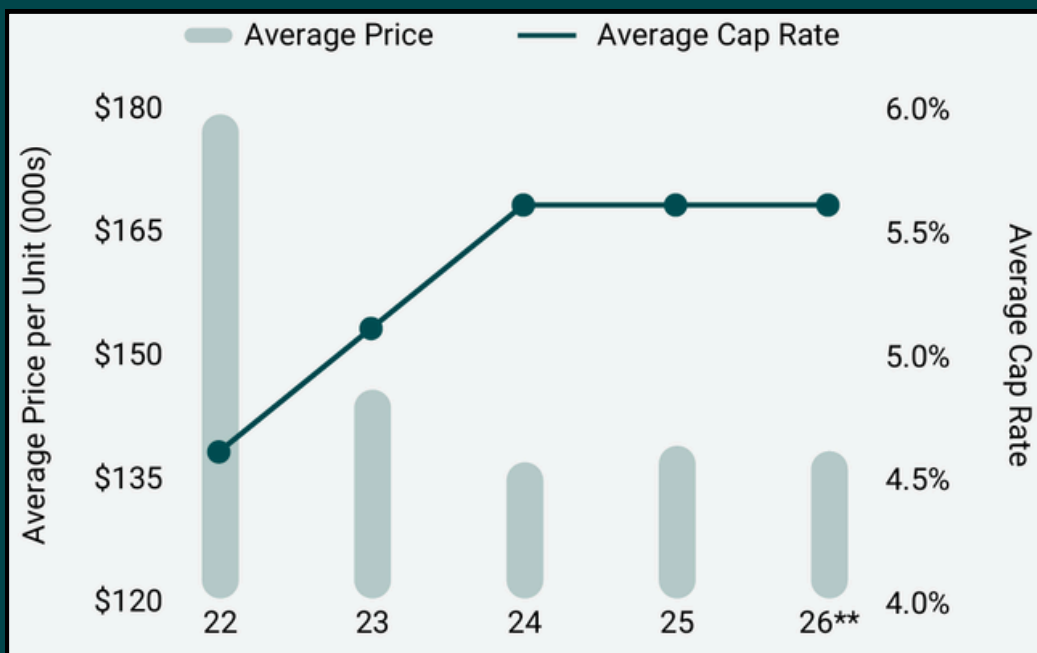
Per-unit pricing across 2026 year-to-date sales averaged roughly \$120,000, well below the \$169,000 average in 2025 and the 2022 cycle peak above \$183,000. Average sale price held essentially flat elsewhere in the market, down just 0.6% year over year to roughly \$185,000 per unit, on trailing five-year sales volume of \$7.2 billion.

Transaction velocity over the 12 months ended in March 2026 reached its highest level since 2022, and nearly one-third of all trades occurred in the \$20 million-and-above price tranche, a signal of growing institutional participation returning to the market. Cap rates compressed meaningfully from a year ago as well, with the overall Jacksonville cap rate falling to 5.80% from 6.05%, and Class A compressing to 5.25% from 5.42%.

Recent trades illustrate where capital is active. A 552-unit North Side property built in 2007 sold for \$75.6 million, or roughly \$134,000 per unit. A 276-unit Southside property built in 2001 sold for \$42.0 million, or approximately \$152,000 per unit. And a 268-unit Southside asset built in 2006 sold for \$39.7 million, or roughly \$148,000 per unit.

This is the environment where cost basis does the most work. Per-unit pricing well below the 2022 peak, paired with a construction pipeline that has fallen sharply enough to make new development largely uneconomical at today's costs, is the combination that tends to reward buyers willing to underwrite through the bottom of a cycle rather than wait for confirmation that it has already passed.

Sales Trends



Source: Marcus & Millichap



What to Watch For in Q3 and Q4

The signals we're watching over the next two quarters:

- ✦ Continued deceleration in the construction pipeline, particularly in Downtown and St. Augustine, where near-term supply pressure remains significant
- ✦ Concessions trending down rather than sideways, which would confirm genuine demand strength rather than a slower rate of deterioration
- ✦ Stabilization in the metro's employment picture, since sustained job losses would eventually work their way into rental demand even against a favorable supply backdrop

We already have more conviction on the supply side of this equation. A construction pipeline down more than 20% year-over-year, with delivery volumes falling further through 2027 and 2028, sets up a market where absorption has room to outpace new supply for the first time in several years. That is the setup we look for, and the one that tends to reward buyers who move before the recovery is obvious to everyone else.



The Takeaway

Markets don't announce a turn cleanly, and this quarter didn't either. What it delivered instead was a consistent set of signals across occupancy, rent, supply, and pricing, all pointing the same direction after nearly three years of pointing the other way.

We don't think that's a coincidence, and we don't think it's temporary.

Jacksonville spent the first half of 2026 working through the last of a heavy supply cycle. The data now available tells us that process is nearing its end.



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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, Jacksonville Multifamily Q2 2026 Market Report

Cushman & Wakefield, MarketBeat Jacksonville Multifamily Q2 2026

Marcus & Millichap, Multifamily Market Report, Jacksonville Metro Area, 2Q/26

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