

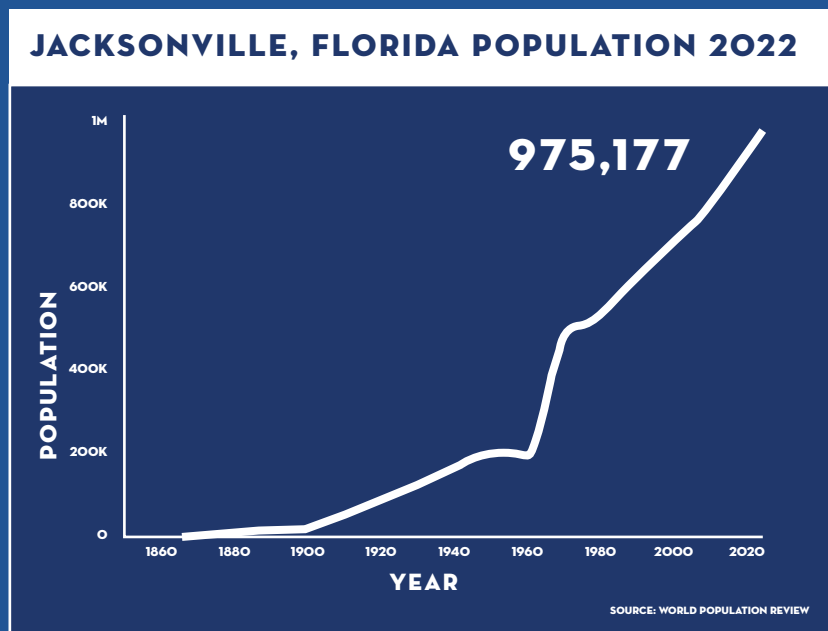
TOPAZ MARKET
OVERVIEW
JACKSONVILLE
MSA - FL
RESEARCH & INSIGHTS DIVISION



TOPAZ
CAPITAL GROUP
GROWING WEALTH. ENHANCING COMMUNITIES.

POPULATION GROWTH

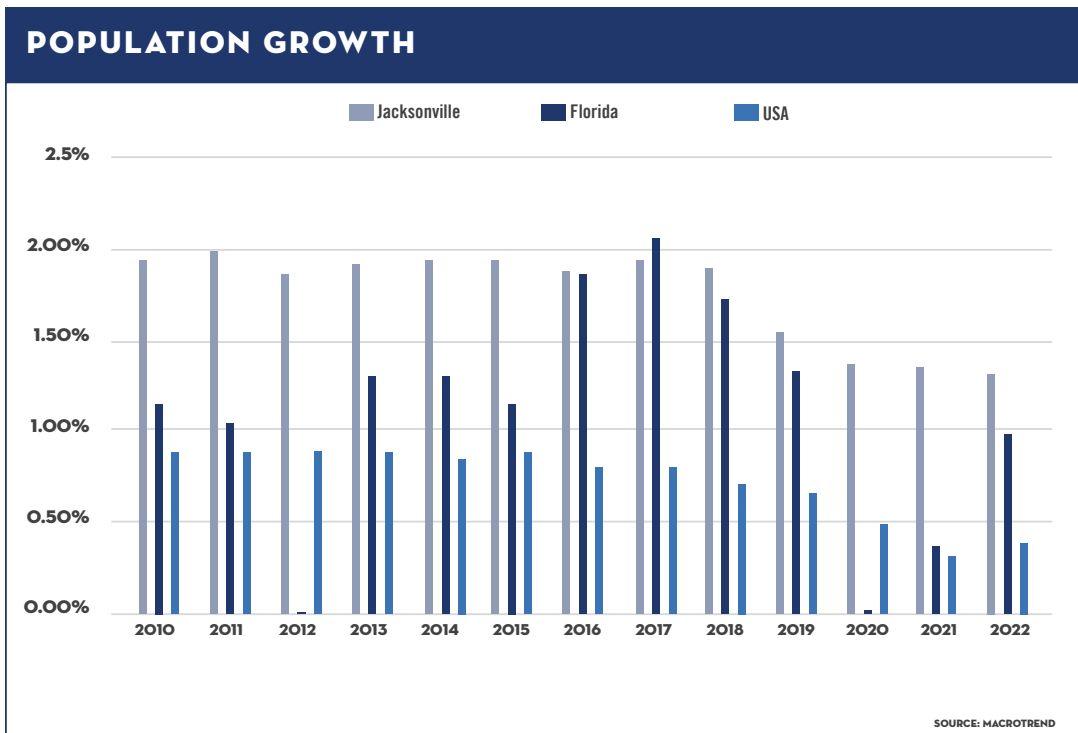
Jacksonville is the largest city in Florida and the 12th largest city in the United States as of 2020, with a population of 975,177. Its population has grown by 2.69% since the most recent census, which showed a population of 949,611 in 2020, and is now rising at a pace of 1.33% yearly.





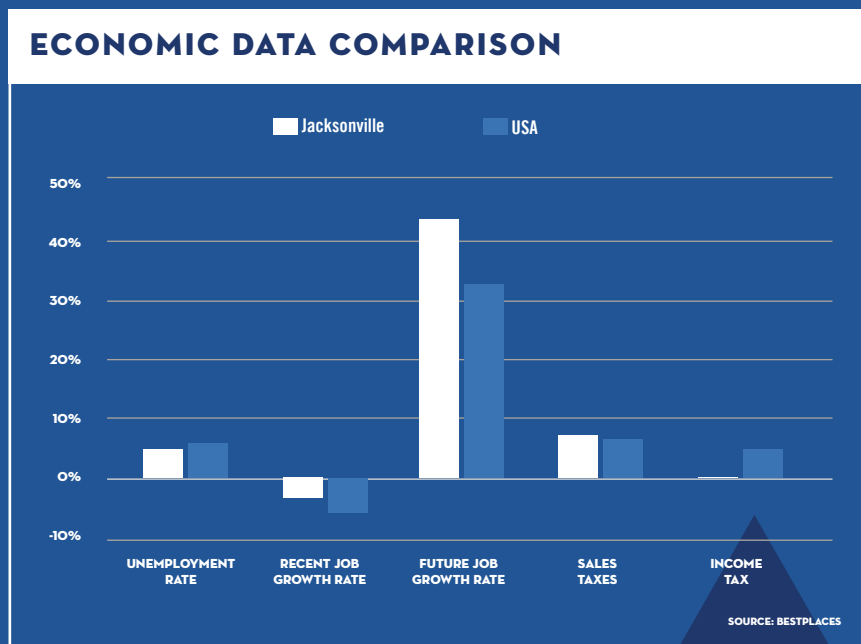
As you can observe from the graph, Jacksonville saw a surge in population in the past few decades. It has added more than 100,000 residents over the past years. Jacksonville is one of the fastest-growing U.S. Metro Areas in 2022. It is one of the only 14 cities in the U.S. that saw a population increase of more than 100k between 2010 and 2020.

On average, the population growth rate in Jacksonville has surpassed the rate for Florida, and for the U.S. it is growing steadily, with a population growth of around 2%, and is expected to continue as the local economy recovers from Covid and recession. The Bureau of Economic and Business Research has predicted that over the next ten years, more than 800,000 new residents will move to the area and over the next 25 years, the population of metropolitan Jacksonville will more than double to more than 2 million people.



ECONOMY & JOB GROWTH

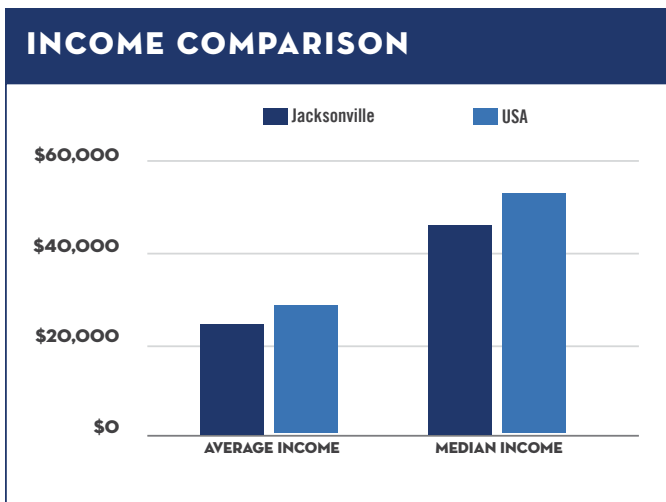
The economic data of Jacksonville has consistently outperformed the U.S. economy in general. Jacksonville has an unemployment rate of 4.9% while the U.S. average is 6%. In the recent job market, the growth rate in Jacksonville is -3.9% vs -6.0% in the nation. The future job growth rate is also projected to be growing at a faster pace at 44.4% vs 33.5% nationwide. Jacksonville is also attractive in terms of the tax rate where the sales tax is 0.3% lower than the US average and the income tax rate is 0%, which is a significant factor for potential future job growth.





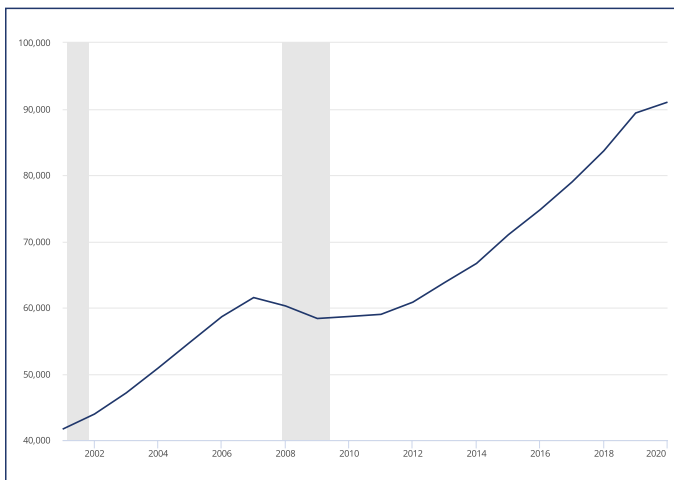
INCOME AND SALARIES FOR JACKSONVILLE

The average income of Jacksonville residents is \$25,496 a year whereas the US average is \$28,555 a year. The Median household income of a Jacksonville resident is \$46,768 a year and the US average is \$53,482 a year. Although the average salary is lower than the national average, it also costs less to live in Jacksonville. The potential market is unlimited as it has one of the largest advanced manufacturing regions in Florida, the logistics center of America, and is also known as a global banking and finance powerhouse.



GDP (GROSS DOMESTIC PRODUCT)

The GDP of Jacksonville is over \$91 billion, growing by more than 55% over the past decade. The employment sector in Jacksonville is relatively strong, showing positive growth in construction, leisure, hospitality, and financial services. Jacksonville is consistently rated as one of the “Hottest Cities in America” for business expansion and relocation due to its stature in the national and international marketplaces.¹



1. “About Jacksonville.” *COJ.net*



REAL ESTATE MARKET

HOUSING

The Jacksonville real estate market has been one of the hottest it's ever been. According to the Zillow home value index,² a typical home would cost \$313,315, a 27.1% increase from last year. The medium listing home price is \$324.9K, while the median sold home price is \$305K.³

SEVERAL STATS ON THE HOUSING MARKET:

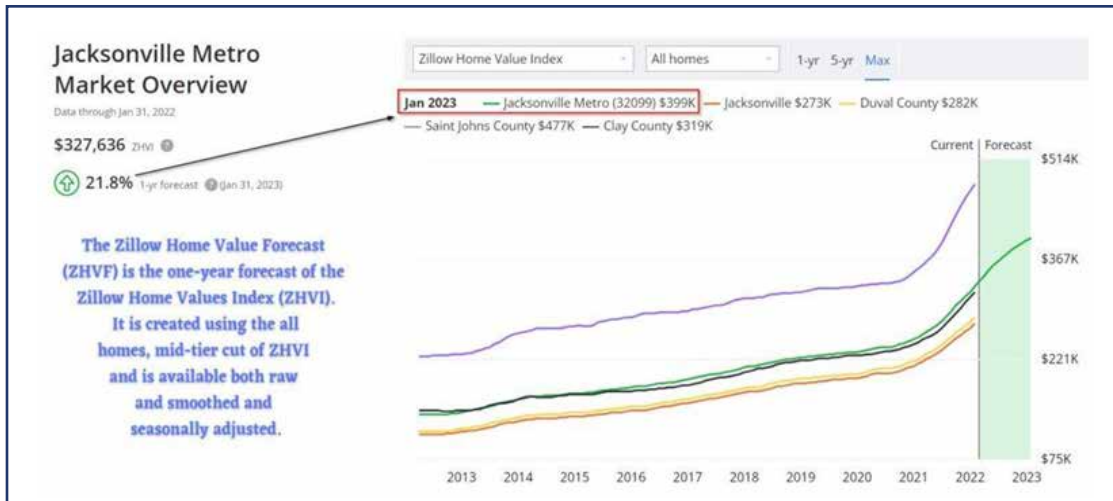
- New listing down 15.7% from last year
- Closed sales were down 13.8% from last year
- The inventory of available homes has decreased by 30%
- The percentage of properties sold over the list price was 35.6%, a 125% increase from last year
- Five-year change in home prices: 81.8%
- One-year change in home prices: 28.2%

Stepping into the end of 2022, Jacksonville's real estate market is still projected to be very active as decreasing inventory combined with robust demand is expected to continue driving housing prices throughout next year.

2. "Mandarin Jacksonville FL Home Prices & Home Values." *Zillow*

3. "Jacksonville, FL | realtor.com®." *Realtor.com*

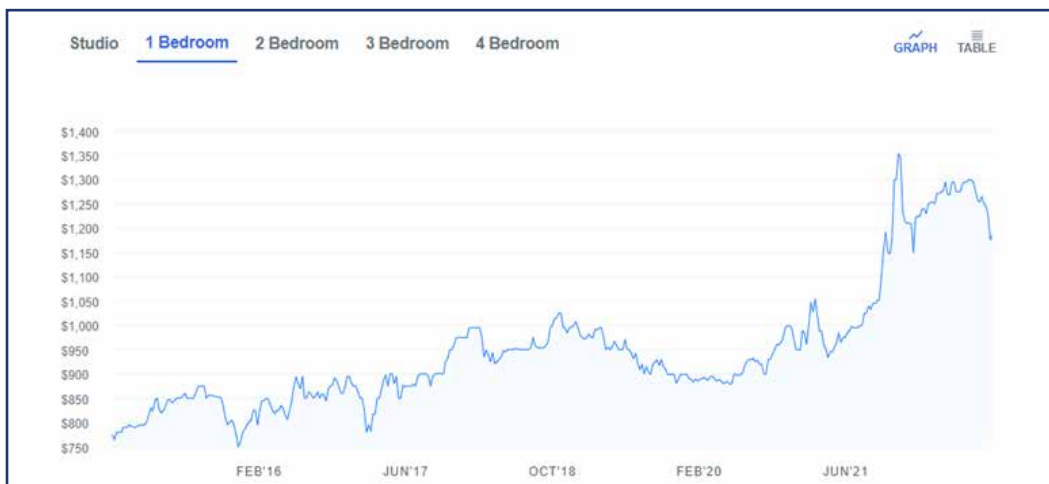
Below is the Jacksonville Metro real estate price appreciation graph by Zillow. It shows a current home price appreciation forecast of 21% until January 2023.



RENTAL

Jacksonville also provides an attractive renter’s market. It has been named as one of the top locations to purchase a rental property in 2022, in part because of the region’s quickly expanding population and higher-than-average rate of appreciation. Jacksonville’s equity growth last year was 25.2, which is almost 31% higher than the national average.

The median rent for an apartment in Jacksonville is \$1,185 and is up 8% YoY. There are only 38% of renter-occupied households and 62% of owner-occupied households. However, things are beginning to slow down in Q4 as the average rent for a studio and 1-bedroom apartment in Jacksonville decreased by 6% to \$1,185, and the average rent for a 2-bedroom apartment decreased by 4% to \$1,475.⁴



4. "Average Rent in Jacksonville, FL and Cost Information." Zumper



MULTIFAMILY INVESTMENT

Despite recent volatility, Jacksonville MSA continues to outperform the majority of markets nationwide with its incredible rent growth. The recent job growth data has exceeded expectations of 28,000 new jobs at 37,000 where the majority of that increase was centered in the professional and business services sector.⁵

KEY DATA:

- 96% market-wide occupancy rate
- \$1.54 effective rent per SF
- Market cap rate of 4.19%

Investor demand for multi-family is very robust in Jacksonville, bolstered by the in-migration and rent growth that is outpacing most of the cities across the U.S. The demand for an apartment soared to unprecedented levels fueled by the strongest job and population growth rates. As a result, there are only 3,500 vacant units with over 1.5 million residents. There are currently 5,800 units under construction that will be completed in the coming months. Of all the main U.S. markets, the supply additions in Jacksonville would be the third largest. The 4.6 percent increase will be Jacksonville's biggest stock growth ever.⁶

5. Santarelli, Marco. "Jacksonville Real Estate Market: Prices | Trends | Forecasts 2022." *Norada Real Estate Investments*

6. "Jacksonville Hospitality Market Report." *Marcus & Millichap*





CONCLUSION

Topaz Capital Group believes that multi-family properties in Jacksonville are a prime asset class that offers potential large rewards with limited downside risk in the long term. Its growing talent pool and lower cost of doing business and living are positioned to attract investors and buyers from other states. Out-of-state investors accounted for over 60% of all deals last year, which was the main demand driver for multi-family properties.

WORKS CITED

- "About Jacksonville." *COJ.net*, <https://www.coj.net/about-jacksonville.aspx>. Accessed 28 September 2022.
- "Average Rent in Jacksonville, FL and Cost Information." *Zumper*, <https://www.zumper.com/rent-research/jacksonville-fl>. Accessed 28 September 2022.
- "Jacksonville, FL | realtor.com®." *Realtor.com*, https://www.realtor.com/realestateandhomes-search/Jacksonville_FL/overview. Accessed 28 September 2022.
- "Jacksonville Hospitality Market Report." *Marcus & Millichap*, <https://www.marcusmillichap.com/research/market-report/jacksonville/jacksonville-3q22-hospitality-market-report>. Accessed 28 September 2022.
- "Jacksonville Market - Multifamily Stats." *Beau Beery*, <https://beaubeery.com/multifamily-market/multifamily-stats/jacksonville-market>. Accessed 28 September 2022.
- "Mandarin Jacksonville FL Home Prices & Home Values." *Zillow*, <https://www.zillow.com/home-values/25290/jacksonville-fl/>. Accessed 28 September 2022.
- Santarelli, Marco. "Jacksonville Real Estate Market: Prices | Trends | Forecasts 2022." *Norada Real Estate Investments*, 1 September 2022, <https://www.noradarealestate.com/blog/jacksonville-real-estate-market/>. Accessed 28 September 2022.

TOPAZ

CAPITAL GROUP

GROWING WEALTH. ENHANCING COMMUNITIES.

Contact Topaz Capital Group for additional information or questions about our investment management and advisory services.

Marc A. Hershberg
Managing Partner & CEO
marc@topazcg.com
+1 917.708.1965
www.topazcg.com

J. Etan Friedman
Managing Partner & COO
etan@topazcg.com
+1 201.841.6840

Follow Us On:   

DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Topaz Capital Group LLC (Topaz Capital Group) does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Topaz Capital Group is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Topaz Capital Group LLC dba Topaz Capital's Terms of Use (<http://www.TopazCG.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Topaz Capital Group LLC. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Topaz Capital Group LLC's publications and for no other purpose.

Topaz Capital Group®, Topaz Capital Group LLC., the TOPAZ Logo, Topaz Capital and the names of TOPAZ products and services are trademarks or registered trademarks of Topaz Capital Group LLC in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2023 Topaz Capital Group LLC™. All Rights Reserved.