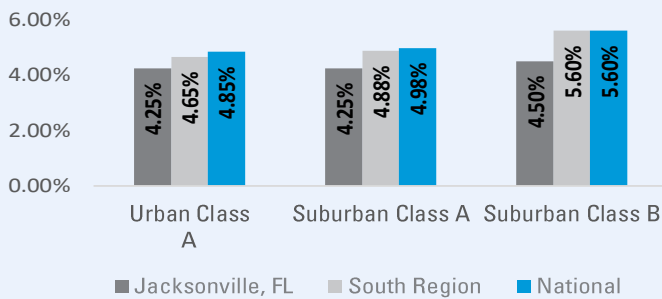


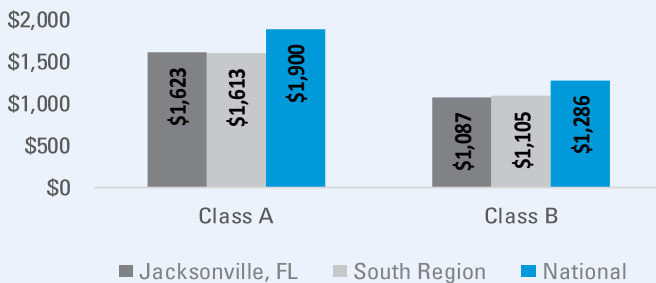
### Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	▼	↔
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▼	▲

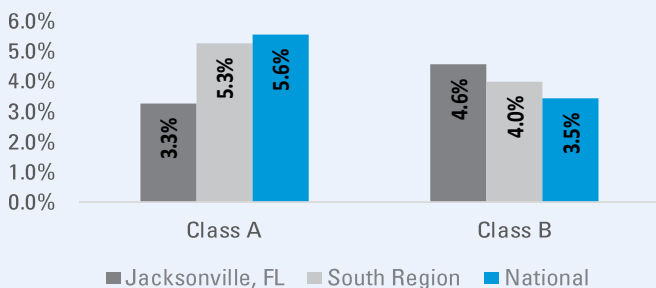
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



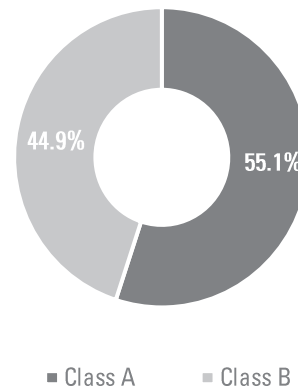
### Vacancy Rates (%)



### Jacksonville, FL Multifamily Market Overview

The Jacksonville apartment market is comprised of 89,040 units and continues to be in expansion stage. Since 2019, more than 17,000 units have been added to the market and Moody's Analytics projects nearly 6,600 more units will be developed over the next five years. The fastest growing area has been the East Jacksonville submarket, totaling 25.7% of Jacksonville's metro completions. Absorption remains positive in the market with 4,600 net units absorbed in 2021 through end of year 2022. The Jacksonville metro has seen its largest supply surge within the past 20 years, and IRR continues to observe absorption at new projects throughout the area in the 15 to 25+ units per month range. In 2022, Jacksonville's population increases topped all Florida cities and the metro was ranked 9th in the Nation. Jacksonville's population is projected to grow by 88.8% by 2060. Total employment in the Jacksonville metro area has surpassed pre-pandemic levels and is expected to increase with the influx of new residents moving to the area. Vacancy rates have decreased since 2020 with an average of 4.6% projected for year-end 2022. It is projected that the vacancy rate is to remain stable ranging between 4.0% to 4.9%, even though a substantial amount of new supply is projected. Although the rising interest rates have had an effect on the market, the multifamily sector has seen the least amount of impact. The spike in interest rates have resulted in capitalization rate increases of 25 to 50 basis points, with the Class A sector seeing the least amount of impact. Capitalization rates are expected to raise slightly, 50 to 75 basis points by 2023 due to the higher commercial mortgage rates. An increasing trend in the multifamily market is build-for-rent communities. Build for rent communities are typically a smaller, cottage-style house with private yards and community amenities that would be expected within a traditional, Class A multifamily complex. These communities are an attractive housing option for those who want the lifestyle of a single-family house; however, cannot afford to buy, or want a maintenance free living with more responsive management. Build for rent communities are one of the fastest growing trends in the multifamily real estate segment today. The affordability within the Jacksonville market will continue to fuel population growth and remain one of the primary markets for investor activity in Florida over the foreseeable future and job growth should continue to create demand for multifamily properties.

### Distribution of Total Inventory



89,040 Units  
Multifamily Inventory

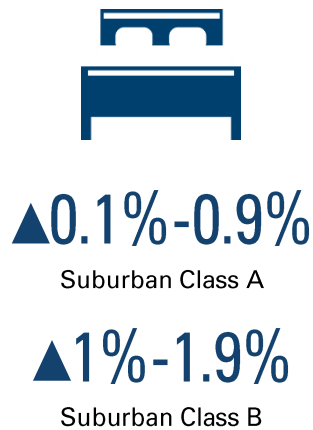
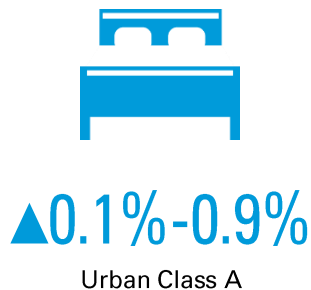
2.08% - 12 Mo. Proj.  
Construction/Inventory

# 2023 JACKSONVILLE, FL MULTIFAMILY ANNUAL REPORT

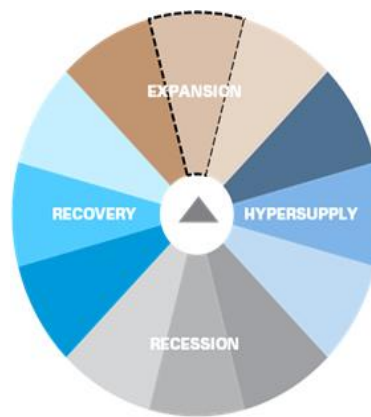
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## Change In Value Next 12 Months



## Market Cycle: Expansion Stage 2



- Moderate/High New Construction
- Moderate/High Employment Growth
- Med/High Rental Rate Growth
- High Absorption
- Decreasing Vacancy Rates

## Forecasts

### Jacksonville, FL 12-Month Multifamily Forecasts

Categories	Urban Class A	Suburban Class A	Suburban Class B
Going-In Cap Rates	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Discount Rate	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Reversion Rate	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Construction (Units)	1,849		
Market Rent Change	+5.00%	+5.00%	+5.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance		

### Jacksonville, FL 36-Month Multifamily Forecasts

Categories	Urban Class A	Suburban Class A	Suburban Class B
Market Rent Change	+11.27%		
Change in Value	Increase 4%-4.9%	Increase 5%-9.9%	Increase 5%-9.9%

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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