



# JACKSONVILLE ON THE RISE

Part 1

Hospitality Industry  
Insights

SEPTEMBER 2023

# JACKSONVILLE ON THE RISE, PART 1

Historically characterized as a logistics corridor, military/defense hub, and outpost for back-office finance operations, Jacksonville has evolved into a diverse and energetic city. Once overshadowed by other Florida markets such as Miami, Orlando and Tampa, the city's exponential population growth and strengthening core economic sectors have positively impacted Jacksonville immensely. Jacksonville has also benefited from Florida's broader attributes that position the state as the optimal destination for business, tourism, and residents across the Sunbelt. Jacksonville's endless Atlantic coastline, world-class education and medical institutions, unique professional sports presence, and its irreplaceable location within the broader Southeastern United States, have translated to outsized population growth relative to most other Florida cities and areas around the country in recent years.

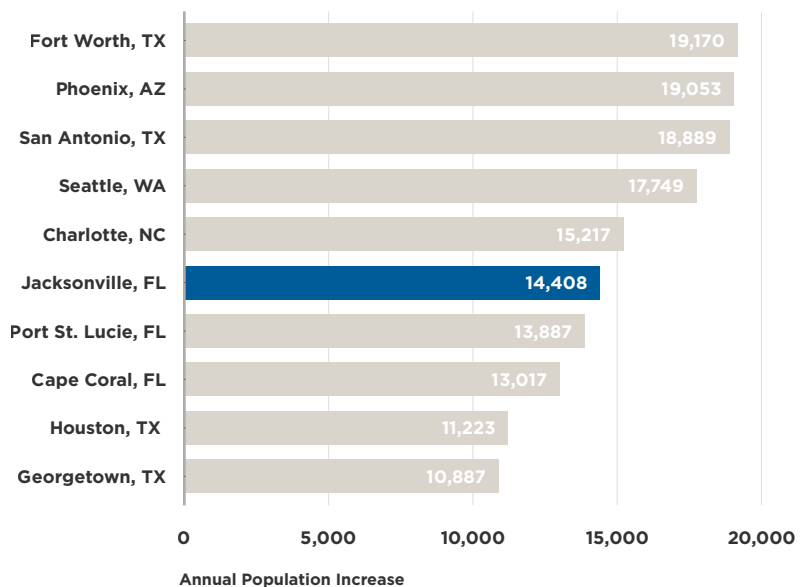


By **Andrew Pappas**  
Vice President  
The Plasencia Group

## Population Growth by City Top 10 Largest Numeric Increases (2021 to 2022)

**Note:** Data as of May 2023. The 10 Cities With the Largest Numeric Increases Between July 1, 2021, and July 1, 2022, With Populations of 50,000 or More on July 1, 2021.

**Source:** census.gov





Jacksonville Beach  
 photo, Lance Asper on unsplash

## A MORE AFFORDABLE MARKET

As Florida’s economy matures and the cost of living in markets like Miami, Orlando, Tampa, and many Florida locales become increasingly expensive, Jacksonville may leverage the same benefits shared by other in-state markets while representing a relatively affordable alternative. This unique attribute should result in a longer runway for economic growth as compared to the many other areas around the state.

## Median Single-Family Home Sale Price by Metro Area (July 2023 YTD)

Metro Area	Median Sale Price
Naples	\$810,000
Miami/Ft. Lauderdale/Palm Beach	\$588,000
Sarasota	\$515,000
Orlando	\$430,000
State of Florida	\$410,000
Tampa	\$400,000
Jacksonville	\$385,000

**Note:** Date based on single-family home sales through the July 2023 YTD period.

Source: Florida Association of Realtors

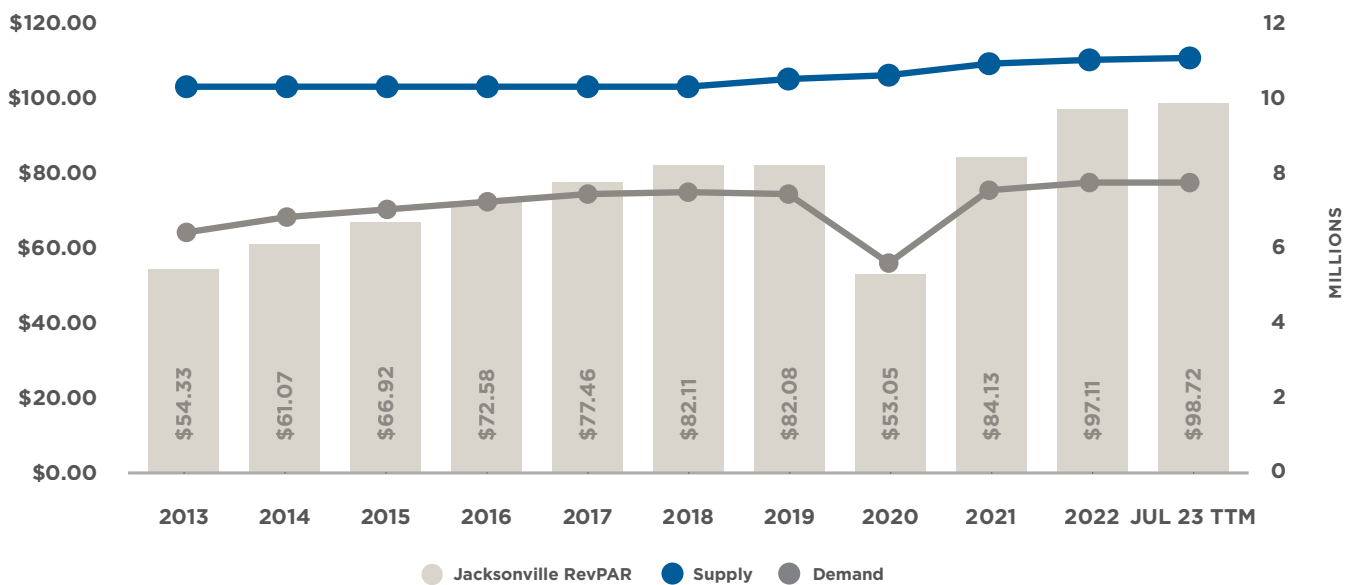


## LODGING MARKET PERSPECTIVE

Jacksonville proved more resilient than most of Florida’s major metro areas amid the pandemic, recovering to 2019 RevPAR levels faster than the Miami, Orlando, Tampa, Fort Lauderdale, and Palm Beach lodging markets. As a convenient drive-to destination for most of the Eastern United States, visitors from the Midwest, Northeast, and Carolinas flocked to the area with relative ease, navigating south on Interstate 95 to enjoy the region’s natural offerings and muted COVID restrictions. Notwithstanding record-setting visitation along Northeast Florida’s beaches, the local economy and lodging market were stabilized by a number of key economic sectors, including military, government, higher education, medical, logistics, and sports. More specifically, Jacksonville hosted the world’s first major professional sporting event during the pandemic when the city welcomed the Ultimate Fighting Championship in May 2020 for a marquee pay-per-view event. This move was indicative of the business friendliness that has allowed Jacksonville’s lodging fundamentals to remain strong through June 2023. Countless large-scale capital investments now under way, both public and private, are anticipated to extend the metro area’s RevPAR gains over the next decade.

**With market-wide RevPAR finally approaching \$100, Jacksonville is now grouped with some of the most highly-rated destinations in the country.**

Jacksonville Metro Area Historical Lodging Performance



## REVPAR TRENDING WITH THE TOP 25 MARKETS

With market-wide RevPAR finally approaching \$100, Jacksonville is now grouped with some of the most highly-rated destinations in the country. This trend makes the market more attractive to institutional investors, while representing a unique opportunity for developers to build in the early innings of a new cycle. The most appealing investment and development opportunities will be found in a handful of the broader market's most dynamic submarkets.

### STR Top 25 Markets + Jacksonville - July 2023 TTM RevPAR

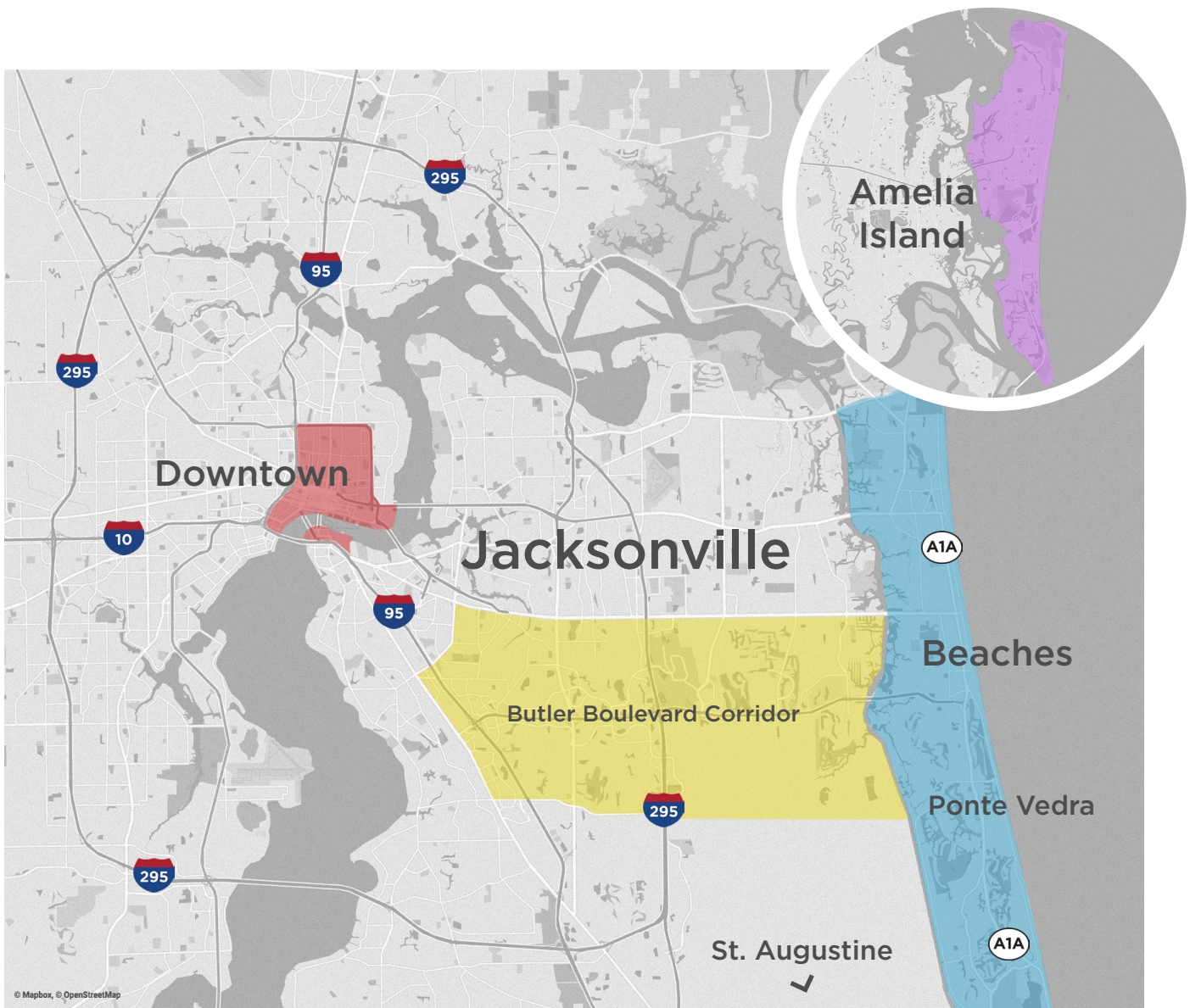
Market	July 2023 TTM RevPAR	Market	% Growth Over Dec 2019 TTM
New York	\$230.09	Tampa	30.5%
Oahu Island	\$216.68	Phoenix	29.0%
Miami	\$162.80	San Diego	21.9%
San Diego	\$154.91	<b>Jacksonville *</b>	<b>20.3%</b>
Boston	\$154.27	Norfolk	19.5%
Orange County	\$148.74	Miami	18.5%
San Francisco	\$145.88	Orange County	16.1%
Orlando	\$144.51	Nashville	13.9%
Los Angeles	\$141.15	Orlando	13.4%
Nashville	\$123.49	Dallas	10.0%
Tampa	\$121.79	New York	7.9%
Phoenix	\$119.84	Saint Louis	7.7%
Seattle	\$117.80	Oahu Island	7.5%
Washington, D.C.	\$116.03	Boston	5.5%
New Orleans	\$105.11	Houston	4.5%
Denver	\$102.07	Atlanta	4.3%
Chicago	\$101.10	Los Angeles	3.6%
<b>Jacksonville *</b>	<b>\$98.72</b>	New Orleans	3.4%
Philadelphia	\$91.89	Denver	3.4%
Atlanta	\$81.64	Washington, D.C.	2.8%
Dallas	\$80.77	Detroit	2.0%
Norfolk	\$80.26	Chicago	1.7%
Saint Louis	\$73.00	Seattle	0.1%
Minneapolis	\$72.67	Philadelphia	-3.2%
Detroit	\$70.30	Minneapolis	-9.5%
Houston	\$66.39	San Francisco	-28.3%

Source: STR **Note:** Jacksonville is not an STR Top 25 Market



## THE COUNTRY'S LARGEST CITY CONTINUES TO PUSH BOUNDARIES

Given Jacksonville's title as the largest city, by area, in the contiguous United States, the market's ongoing residential sprawl will likely continue pushing development beyond the Interstate 295 beltway which surrounds the city. Visitors are perpetually drawn to the region's temperate climate, irreplaceable amenities, entertainment districts and waterfront attractions, establishing key pockets for tourism, commerce and, therefore, hotel investment. A strategic hotel location, proximate to one or more of these vital destinations, may insulate an asset from the market's seasonality, providing a competitive advantage in the shoulder season, while positioning select hotels for outsized ADR potential in the coveted spring months. For this reason, hotel investors targeting Jacksonville may want to focus on opportunities offering strategic locational advantages near principal demand generators in the areas noted below.



## OVER THIRTY YEARS OF CLIENT SUCCESS

Our investment sales team has completed nearly thirty successful transactions and financings throughout the United States over the last two years totaling more than \$1.5 billion, including establishing a price per key sale record in Jacksonville in April 2022. It would be our pleasure to assist you in the evaluation, acquisition, sale, or financing of your hospitality properties, whether in the Jacksonville area or across the country.

In addition to our investment advisory practice, our firm also provides ownership representation services as well as development and renovation consulting expertise to hotel and resort owners . If we may be of assistance with any detail of your hotel, resort or property portfolio investment, please call us directly at (813) 932-1234 to start the discussion.

For more valuable hospitality industry news and market analysis, visit us online and opt-in to our communications list at [tpghotels.com/company-news](https://tpghotels.com/company-news)

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## About The Plasencia Group

In 1993, The Plasencia Group was formed to provide hotel and resort owners investment advisory services at a personal level. Thirty years and hundreds of engagements later, we still have the privilege of making our clients successful with the passion, access, and certainty they've come to expect. Our firm offers investment sales, asset management, development and renovation management, debt and equity sourcing, and advisory services to hotel and resort owners throughout North America.

Contact us today if our experienced advisory team can assist you in evaluating your current portfolio and strategizing for the weeks and months ahead. We look forward to the opportunity to serve you.

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