

Jacksonville's Multifamily Rental Properties: Financialized Ownership Patterns and the Consequences for Tenants



JAX Rental Housing Project

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In this report by the Jax Rental Housing Project (JRHP) at the University of North Florida, we focus on multifamily (MF) rental properties in Duval County, corporate landlord ownership patterns, and the experiences of tenants in these properties, with the greatest focus on those MF properties with ten or more (10+) units.

43% of households in Jacksonville Florida are renter occupied. According to the American Community Survey estimates (2021/5-year), 49% of renter occupied units in Duval County were in structures of 10+ units.

No analysis of the current affordable housing crisis is complete without a careful investigation of the large multifamily properties on which roughly half the tenants in Duval County depend for their housing and shelter needs.

RISING COSTS

The rental costs of apartment units in Duval County have experienced a sharp increase over the past four years of roughly 30% -- overall and for two-bedroom units. The rent increases over this period have been among the highest in the nation among major metropolitan areas.

Table One displays the figures for this period. Overall, for all renters, 53% are cost burdened (>30% of income on rent) and 27% are severely cost burdened (>50% of income on rent). To avoid being cost burdened, renters would require an hourly wage of \$25.06 (National Low Income Housing Project). The median hourly wage in Duval County in 2022 is \$20.00

The JRHP has conducted a prior analysis of all occupational categories in Duval County to determine the scope of the potential cost burden across 647 occupations based on the median hourly wage and the HUD-based Fair Market Rent (currently \$1604 for all 2-bedroom rentals). Here we report the results of a comparable analysis using the more conservative median 2-bedroom rent figure, only for apartments, of \$1372.

Based on this analysis, 62% of the occupations (based on median hourly wage) would be cost burdened. Of the 593 occupations for which the median hourly wage is reported, 360 or 60% have a median hourly wage below \$25.06. In order to avoid being cost burdened 37% would need monthly rent not to exceed \$1000. But as the figure in Table 1 indicates, only 5% of rentals in Duval County fall below \$1000. **The point of this occupational analysis is to highlight the broad scope of the economic challenge facing tenants in a relatively low wage economy alongside sharply rising rent.**

Table 1. Apartment Rent Costs 2020-2023 in Jacksonville/Duval County

	January 2020	November 2023	<u>Dollar Increase</u> <u>Percent Increase</u>
Median Rent (1)	\$1103	\$1409	<u>\$306</u> 27.7%
Median Rent 2 BR Apt (1)	\$1074	\$1372	<u>\$298</u> 27.7%

<u>Percent of Apartment rentals available between (2):</u>	
\$701-\$1,000:	5%
\$1,001 - \$1,500:	43%
\$1,501-\$2,000:	41%
> \$2,000:	10%

SOURCE: (1) [Apartment List](#) (2) [Rent Café](#)

FINANCIALIZATION OF MULTIFAMILY PROPERTIES

It is now well-established that a major factor explaining the sharp rise in rent and other changes in the experiences of tenants over the past five years is what we describe as the [“financialization of human shelter”](#).

Simply put, this refers to the increasing role of institutional investors in acquiring both single-family and multifamily properties and converting these into asset class investment vehicles for wealthy clients. It is now the dominant ownership trend in the rental housing market. Properties are converted into income generating assets organized to maximize profits and generate healthy returns for their shareholders. In the multifamily housing sector, this involves purchasing multifamily properties and bundling these into investment portfolios. As one housing researcher put it: *“If we had to single out one economic factor responsible for the rise in the cost of housing since the 2000s, it would be the financialization of housing”* [[Hohle, p.116.](#)]

We use the phrase “financialization of human shelter” to communicate the stark fact that a basic human need – physical shelter – is just another asset owned, controlled, and managed by large investment firms for the purpose of maximizing profit and distributing passive income to wealthy investors. This creates [the common scenario](#) where, on one end, workers and their families struggle to keep up with the rising cost of shelter while, at the other end, institutional investors and their clients reap the financial rewards.

In this report we are interested in examining this pattern of financialization, the rise of corporate landlords, and the consequences for tenants in the MF rental housing sector in Duval County.

Our analysis of MF properties in Duval County is derived, first and foremost, from the information available in the [Duval County Property Appraiser](#) database for every property in Duval County. Using that database and filters, we found **592 distinct MF properties with 10+ units**. These properties are included in the JRHP master list of MF properties used in this report. The data were then supplemented with additional information compiled from other sources to establish the real owner of the property, the property management company, affordable housing program participation, rental rates, sale and purchase figures, eviction filings, and code violations. **All of the data reported here is based on the state of MF ownership and management as of August 2023.**

It is important to emphasize that property ownership is often difficult to determine from the Duval County Property Appraiser database alone. This is because corporate owners invariably list each property under an LLC (limited liability corporation) with often-obscure names that may have no relationship to the actual owner of the MF property. Only through further internet research -- using for example the Sunbiz LLC directory and/or the LLC address with the aid of Google Maps -- can the owner's true identity be discovered.

Owners of multiple MF properties will typically use a different LLC for each property. For example, [Starwood Capital](#) is a global private investment firm with 14 MF properties in Duval County, but each is listed with a separate LLC designation from, for example, "SREIT Hampton Ridge Jax LLC" to "WDOP Sub I LP". This gives the impression that these properties are unrelated when in fact they are owned by a global investment firm that manages \$120 billion worth of assets.

This [LLC problem](#) -- single corporate entities [using a slew of obscure LLCs](#) -- has posed a major challenge not only for researchers interested in determining corporate ownership patterns but public officials who are interested in regulating or holding accountable landlords in their jurisdictions. But as practiced, it serves its intended function -- protecting corporations from liability, promoting secrecy, and conferring tax benefits. This also makes it very difficult, again intentionally, to assess the level of market concentration taking place in various communities, or for tenants to know who really owns the property where they live and pay rent. Finally, [research has found](#) a positive relationship between LLC ownership and physical property neglect (see below), describing the LLC arrangement as the "organization of neglect".

Based on the data collected to determine the ownership of all the MF properties in Duval County, we classify ownership into one of the following five categories.

Investment Firms -- This includes the Real Estate Investment Trusts (REIT), Private Equity firms, or financial asset management companies, whose primary purpose is investment.

Real Estate Companies whose primary purpose is acquiring and managing apartment complexes, often having vertically integrated property managers and/or having assets totaling less than \$100 million under management.

Individual Investor(s) are one or more individuals whose registered address falls outside the Jacksonville MSA. While some owners utilize Limited Liability Companies (LLC), the purchases are not on behalf of a stand-alone corporation.

Local Individual(s) are one or more individuals whose registered address falls within the Jacksonville Metropolitan Statistical Area (MSA), including Duval, St. Johns, Clay, Baker, and Nassau Counties. While some owners utilize Limited Liability Companies, the purchases are not on behalf of a stand-alone corporation.

Non-profits are tax exempt, not for profit corporations, including medical facilities, religious and social service organizations.

For the MF properties for which ownership could be determined, Table 2 shows the percentage in each category. Consistent with financialization trends, 53.3% are now owned by investment firms with 18.6% by real estate investment firms as defined above. The two categories account for 71.9% of the MF properties in Duval County.

Table 2. Multifamily Ownership Types

Ownership Type	Number of MF Properties	Percent of Total Properties
Investment Firm	315	53.3
Real Estate Investment	110	18.6
Local Individual(s)	70	11.8
Individual Investor(s)	66	11.2
Non-Profit or Charity	30	5.1
TOTAL	591	

Table 3 presents a picture of the largest MF property owners based upon ownership of **5 or more properties**, the number of properties they own, and the total number of apartment units under their control. Twenty-two owners meet this criterion which includes every ownership type with the exception of Local Individuals. Fifteen of the twenty-two are large investment firms, and twenty out of twenty-two are either large investment firms or real estate investment firms.

Table 3. Multifamily Owners 5+ Properties by Number of Properties and Number of Units

Owner	Number of MF Properties	Owner	Number of MF Units
Jarek Tadla ⁴	16	Starwood Capital ¹	4166
Starwood Capital ¹	14	Blackstone ¹	4058
Blackstone ¹	13	Mid America Apartment Communities ²	2995
Southport Financial Services ¹	10	Fort Family Investments ¹	2821
Fincapital Investments ¹	9	Blue Roc Premier ¹	2292
Mid America Apartment Communities ²	9	Beachwold Residential ¹	2152
Vestcor ²	9	KABR ¹	1824
Nitya Capital/KPM ¹	9	Bridge Investment Group ¹	1717
Beachwold Residential ¹	8	American Landmark ¹	1580
KABR ¹	7	Vestcor ²	1098

Fort Family Investments¹	7	Nitya/KPM ¹	1087
Millennia²	7	Southport Financial Services ¹	1078
Blue Roc Premier¹	7	Fincapital Investments ¹	1071
Ability Housing³	7	Maryland Management Company ¹	942
Navarino Capital Management¹	6	Jarek Tadla ⁴	856
Bulls Dixon Equity Partners¹	6	Millennia ²	836
Bridge Investment Group¹	6	Infinity BH Real Estate Investments ²	833
Maryland Management Company¹	5	Ability Housing ³	632
Harbor Group International¹	5	Harbor Group International ¹	499
Infinity BH Real Estate Investments²	5	Navarino Capital Management ¹	406
JWB Real Estate Capital²	5	Bulls Dixon Equity Partners ¹	246
American Landmark¹	5	JWB Real Estate Capital ²	107

1- Investment Firms, 2- Real Estate Firms, 3- Non-Profits, 4- Individual Investor(s)

The sole individual investor in this group, [Jarek Tadla](#), owns the largest number of properties (16). As an individual investor, there is very little financial information available on Tadla’s capital holdings or business operations. Instead, Tadla’s public persona is as a [self-proclaimed luminary](#) and social influencer advocating for the “power of love”. Despite these philosophical musings, as we document below, he has registered high eviction filing rates on his properties, been cited for many code violations, and owns properties that display visible neglect based on our own observational documentation.

But more significantly in terms of ownership, are the major global investment corporations, notably Starwood Capital and Blackstone, that dominate in the combined number of properties (27) and number of units (8,224).

Starwood Capital, as noted above, is a global investment firm. [Blackstone](#) is **the** world’s largest private equity asset manager with approximately \$1 trillion of assets under management including 12,000 real estate assets and over 200 portfolio companies. When we use the term “financialization” or, maybe more appropriately, “hyper-financialization”, these are the kinds of firms that are driving this relatively recent corporate landlord phenomenon impacting the lives of tenants across the globe.

And by “relatively recent”, we mean the period of acquisition. All but one of the Starwood MF properties were purchased since 2018; all the Blackstone MF properties were purchased since 2016; all 9 [Fincapital Investments](#) and all 9 [Nitya Capital/KPM](#) properties were acquired in 2021 or 2022; all 16 properties owned by Jarek Tadla have been purchased since 2019 with 10 acquired in 2021 alone. Overall, 47% of the MF properties in our database were acquired by new owners since 2019, 87% of which were corporate investment/real estate firms.

How does all this accelerated financialization impact the cost and conditions of rental housing? One of the leading authorities on private equity and asset portfolio management describes the golden rules of the industry:

The first and most obvious rule is simply to maximize revenues. If an asset manager has acquired a piece of farmland or an apartment block or a wind farm, it will always endeavor to capture as much revenue as possible, and as soon as possible: all other things being equal the more cash an asset generates, the greater its market value will be.

...There are also significant harmful effects associated with the implementation of the second golden rule of real estate management. To ready an acquired asset for profitable disposal, it is just as important for an asset manager to minimize the cost of operating that asset as it is to maximize the revenues arising from its operation.

...The imperative to cut operating costs typically impinges on two main stakeholder constituencies. The first is an asset's users if the apartment you live in, the land you farm, the water main supplying your home or the hospital you are taken to for surgery is acquired by an asset manager, and if that manager then seeks to cut the cost of maintaining its new asset, you will more likely than not suffer accordingly. [\[Christophers, pp. 197-8\]](#)

This effectively describes the business model of the large corporate landlord that has been implemented widely across Jacksonville's MF properties and manifested in sharp rent increases post-acquisition, increasing fees, and neglected maintenance.

Under the financialization of human shelter these large corporate landlords acquire MF properties not because they have an interest in providing housing to the growing renter population but rather because rental properties now provide an expanding opportunity for asset growth and appreciation and are increasingly attractive to large and small investors seeking high passive income returns on their investments.

Various investment strategies [have been identified](#). One, pursued by the “milkers”, involves the acquisition of relatively inexpensive and previously neglected MF properties, keeping maintenance costs to a bare minimum, and collecting a steady stream of rental income. Based on investment patterns and observations of the properties, Jarek Tadla would fit this description. Larger corporate landlords tend to purchase somewhat higher end properties – as “rehabbers” or “flippers” -- in order to extract value from both rent and the appreciation of the property for eventual “profitable disposal”. For these landlords, the primary focus is on

attracting investors, providing healthy returns and, consistent with the larger corporate strategic trend, [maximizing shareholder value](#).

The pitch made to investors reveals the primary financial objectives. [Starwood](#) describes its key objective “to provide income in the form of regular, stable cash distributions to achieve an attractive yield...focused on acquiring high quality, well-located real estate that has the ability to appreciate in value over time.” [Blackstone](#) boasts of its “High-quality portfolio concentrated in the Sunbelt with favorable supply/demand dynamics and exposure to countercyclical subsectors, such as student housing and affordable housing”. [Nitya Capital](#) is more explicit on the economic conditions creating investment opportunities. “As the wage gap and income disparity across the US continues to widen and population continues to grow, the lower middle class is being forced to find more affordable housing alternatives, thereby increasing the aggregate demand for value-add properties.” In one [media report](#) on the sharp rent increases in Starwood Properties, the company responded that it “has a legal responsibility to reward its investors”. And therein lies the core problem with the financialization of housing.

None of these major corporate landlords are interested in making a long-term commitment to the MF rental housing properties in their portfolios. This is emphasized in the communications directed toward potential investors. As [stated by Blackstone](#): “*Our opportunistic business seeks to acquire undermanaged, well-located assets across the world...Post-acquisition, we also invest in the properties to improve them **before selling the assets and returning capital to our limited partners***”. And this is demonstrated by the patterns of acquisition and sales. As just one example, Nitya Capital [touts its successful exit strategy](#) on its website pointing to the sale of three MF properties purchased in 2018 adding to the [five sold the year before](#), claiming \$2.5 billion from successful MF property sales since its inception with a “25%+ net returns to investors”. This property churning activity has made it difficult for the JRHP to keep its MF database up to date. At the time of this writing, two MF properties owned by Fincapital, purchased as recently as December 2021, [were sold to Westmount Square/Miramar Capital](#).

This increasingly common pattern of the “profitable disposal” of large MF properties contributes directly to the housing insecurity and displacement experienced by tenants. A change in ownership and property management is also associated with rising rents, additional fees, and changes (typically negative) to the quality of property maintenance.

In short, tenants are increasingly falling victim to this expanding financialization of the economy which takes the form of what is known as “rentier capitalism”. Large financial firms buy up and acquire assets – in this case MF properties – **for the sole purpose of extracting income (aka rent) independent of any productive or socially useful activity**. “Rentierism” [has been defined](#) as the “income derived from the ownership, possession or control of scarce assets under conditions of limited or no competition.”

And there is a direct relationship between the financialization of the single-family (SF) home sector -- where institutional investors have purchased tens of thousands of SF properties and converted them to rental properties, restricting the supply available to first-time homebuyers -- and the rising population living in MF properties.

PROPERTY MANAGEMENT COMPANIES

While it is critical to identify the true owners of MF properties, for those tenants living in MF housing it is the Property Management Company (PMC), and their on-site employees, that are the human face of the property. Assuming all interactions are not conducted online through a portal platform, which is increasingly common among the large corporate landlords, the PMC is the entity with which tenants interact on matters of rent payment, maintenance, and living conditions.

Based on our interviews with tenants, many assume the PMC is the owner. This is a desirable confusion from the perspective of the legal owner, [hidden behind an LLC](#), who often prefers tenant-related issues and complaints to be handled and managed exclusively by the PMC and not connected to the actual owner who should ultimately be legally responsible for any failure to meet their obligations as the landlord of record. As noted, most tenants would have a hard time determining the actual owner of the MF property anyway, or how to communicate any issues directly to the owner. As intended, and the case in many “fissured” corporate structures and industries, outsourcing the “customer service” function creates an arm’s length buffer from day-to-day operational entanglements.

The formal relationship between the owner and the property manager can take a number of forms drawing parallels with other interorganizational arrangements in other sectors of the economy. The question of the separation of ownership and control has always posed a challenge for large corporations. The central issue is whether the managers handling operational control and decision-making will always act in the economic interest of the owners/shareholders. For the MF apartment sector of the real estate economy, we are looking at this as a relationship between corporate landlords (owners) and property managers (“controllers”). The institutional/private equity business model, as described above, which guarantees its clients a percentage target return on their investment, depends heavily on the PMC to implement the extractive regime of raising rents, collecting fees, maintaining the property, and minimizing costs. How is that accomplished?

One way to control this part of the operation is for the corporate landlord to also own and control the PMC. This is known as the *vertically integrated* strategy.

More common is the outsourcing, or third-party, property management strategy in which there is the expectation that certain economic and performance objectives, contractually defined by the owner, will be met by the PMC.

We were able to identify 152 property management companies operating in Duval County. In Table 4 we list PMCs for the top MF property owners based on number of units owned from Table 3. For the top two corporate landlords – Starwood and Blackstone – we see the two different PMC arrangements. Starwood has a vertically integrated arrangement with Highmark Residential, an internal division of Starwood. Blackstone’s MF properties, on the other hand, uses four different PMCs. Where names closely match between owner and PMC, it indicates an in-house vertically integrated PMC arrangement.

Table 4. Multifamily Property Management Companies for Largest Owners

Owner¹	Property Manager (PMC)
Starwood Capital	Highmark Residential
Blackstone	Bell Partners/FPI Management/Olympus Properties/Preferred Apartment Communities
Mid-America Apartment Communities	Mid America Apartment Communities
Fort Family Investments	Fort Family Investments
Blue Roc Premier	Blue Rock Premier
Beachwold Residential	South Oxford Management
KABR	LVL Living
Bridge Investment Group	Bridge Property Management
American Landmark	American Landmark Apartments
Vestcor	WRH Realty
Nitya/KPM	KPM
Southport Financial Services	Cambridge Management/Apartment Management Consultants/WRH Realty
Fincapital Investments	Optivo Group/Peak Made Real Estate
Maryland Management Company	Maryland Management Company
Jarek Tadla	People Choice
Millennia	Millennia
Infinity BH Real Estate Investments	Infinity BH
Ability Housing	TPI
Harbor Group International	Harbor Group Management
Navarino Capital Management	ResProp Management
Bulls Dixon Equity Partners	Apartment Management Consultants
JWB Real Estate Capital	JWB Property Management

1 – Owners With 5+ Properties Ranked by Number of Units

Table 5 ranks the top PMCs by number of properties managed and by number of units. Here we observe some other forms of variation. Just taking the top two, People Choice manages the largest number of properties, but all for a single owner (Jarek Tadla), while ZRS manages sixteen properties for eleven different owners.

Table 5. Multifamily Property Management Companies by Properties and Units

Property Management Company	Properties	Property Management Company	Units
	16	ZRS Management	4314
ZRS Management	16	Highmark Residential	4166
Apartment Management Consultants LLC	15	MAA Communities	2995
WRH Realty Services, Inc	15	Fort Family Investments	2821
Highmark Residential	14	Bell Partners	2675
Optivo Group	11	Blue Roc Premier	2508
Bell Partners	10	WRH Realty Services Inc	2474
MAA Communities	9	Greystar	2433
Fort Family Investments	9	Olympus Properties	2195
Blue Roc Premier	8	South Oxford Management	2152
Greystar	8	Gold Oller	2038
KPM	7	LVL Living	1824
Cushman and Wakefield	7	Pegasus Residential	1687
Millennia Housing Management	7	Cushman and Wakefield	1652
South Oxford Management	7	Bridge Property Management	1517
LVL Living	7	Apartment Management Consultants LLC	1153
JWB Property Management	6	Blue Leaf Residential	1089
Olympus Properties	6	KPM	1087
Royal American	6	Lincoln Property Company	1020
Bridge Property Management	5	Rangewater	991
Infinity BH	5	First Communities	949
Maryland Management Company	5	Maryland Management Company	942
Pegasus	5	SAAR Management	891

Those PMCs not directly owned and controlled by a corporate landlord will base their financial success on the ability to forge contracts with as many owners as possible. The larger the owner, the better. In Jacksonville, ZRS stands out in this regard with both the number of properties managed (16), the number of different owners (11), and the largest number of units (4314). In [promoting their services](#) to their corporate clients, they emphasize the bottom line under a financialized system: ***“Our team will focus on areas of income such as maximizing rents, ancillary income collections, and utility charges.”*** In Jacksonville we have seen effective rent maximization in action and across the board. In one JRHP case study, a tenant described the situation of a new owner and a new PMC (ZRS) informing the resident that “my monthly rent would be increasing from \$925 to \$1325”. This is a common pattern.

There are no incentives to stabilize or reduce rent. Rather, all the parties, except the tenants, benefit from steadily and rapidly rising rents. The investors who expect a high return on their investment; the corporate owners who want to extract the maximum profit and appreciate the market value of their property for profitable disposal; and the PMCs who contractually receive a % of rental income as compensation.

Rents don’t rise magically, despite what some market fundamentalists might believe. They are set. And one method that has been used by PMCs to raise rents and meet the financial interests of their clients and their investors is an external profit-maximization tool that sets rent based on an algorithm. In 2022 [Propublica](#) first reported on the use of a the proprietary software known as YieldStar by RealPage. As advertised on the [RealPage website](#), under the heading “Yieldstar Revenue Management Optimized Rent Pricing”, they note that “By putting this real-time data at their fingertips, YieldStar can help” property managers “and their property owners set the best rent for that unit on that day, at that point in time for that property—and avoid leaving any money on the table.”

While conventional analysts of the affordable rental housing crisis like to point to the “natural” market forces of supply and demand in explaining rising rents, the Propublica report points to the central issue: *“The software’s design and growing reach have raised questions among real estate and legal experts about whether RealPage has birthed a new kind of cartel that allows the nation’s largest landlords to indirectly coordinate pricing, potentially in violation of federal law...At a minimum, critics said, the software’s algorithm may be **artificially inflating rents and stifling competition.**”* (emphasis added).

Collusion and price setting would appear to be an equally plausible explanation for escalating rents. And indeed, after the Propublica report, tenants begin filing class action lawsuits against the tech company with the [Department of Justice](#) now joining the litigation due to the apparent violation of federal antitrust law. Given these growing revelations, we can add to the widely used HUD term Fair Market Rent (FMR), what is perhaps more accurately described as Artificially Inflated Rent (AIR).

We have not yet been able to determine exactly how many PMCs in Jacksonville utilize this rent setting software. However, there are four PMCs on our master list cited as RealPage clients and/or named in the lawsuit – Greystar, Mid-America Apartment Communities, FPI

Management, and Lincoln Property Company. More broadly, [it is reported](#) that RealPage's client's control over 19 million rental units in the United States or close to 40%.

The use and intent of the Yieldstar algorithm in the MF industry reflects the larger problem inherent in the organized financialized ownership of rental properties designed to maximize the extraction of income from real estate assets. And RealPage itself is not immune from the financialization trend. It is just one of a group of technology firms stuffed into a [portfolio of the private equity firm, Thoma Bravo](#).

ZRS also mentioned **“ancillary income collections”** in its pitch to corporate clients. [Described by the industry](#) as an “untapped revenue stream that will increase multifamily cash flow and increase property value” this involves piling the additional costs of operation and services onto the tenants. One area highlighted is utility costs. “The ancillary income from utility reimbursement can be added to the gross scheduled income (GSI); therefore, increasing the net operating income (NOI), which in turn will increase the assets overall cash flows.”

[Another PMC advising site](#) puts it this way: “And for many operators, the challenge and opportunity of ancillary income is optimizing that number and making sure you're not leaving any money on the table.... That's the power of ancillary income—operators can inject a significant amount of extra revenue throughout the year, just by adding a few dollars to each lease. And according to the industry's top managers, no stone should be left unturned in the search for latent income.” The possibilities are limitless – laundry, cable, utilities, valet trash service, pest control, parking, pets, storage, amenity fees, and an administrative fee for processing the fees. And this doesn't even include the standard fees associated with the rental lease: Security Deposit Processing Fees, Leasing or Lease Amendment Fees, Paper Lease Setup Fees, Lease Renewal Fees, Renters Insurance, Late Fees, etc. ad nauseum. There is a reason they call the US the [“land of the fee”](#).

As part of an interorganizational hierarchy, the highly visible actions of PMCs – screening applicants, charging fees, raising rents, neglecting maintenance, and filing evictions that generate complaints from, and create hardship for, tenants -- are largely in service to the larger corporate unit of which they are a division (vertically integrated/in-house) or to their corporate client (as a third-party property manager). For this reason, it is the actual property owners who should be held accountable for the living conditions of the tenants.

MULTIFAMILY PROPERTIES AND EVICTION FILINGS

The financialization of the housing market generally, and MF rental housing in particular, has a wide range of consequences for tenants. One of the most serious is filing, and executing, an eviction against a tenant. As increasing numbers of MF properties are concentrated in the hands of corporate landlords over the past five years, there has been a sharp increase in monthly rental rates and a larger proportion of the renting population subject to potential eviction.

The best available research on the corporate ownership-eviction relationship, [conducted in Atlanta](#), one of the leading metropolitan areas experiencing the corporate landlord invasion,

found that institutional investors are more likely to file evictions on tenants than smaller individual “mom and pop” landlords. This is facilitated by the fact that corporate landlords are more likely to have impersonal automated systems that track and monitor delinquent accounts resulting in the more rapid initiation of eviction proceedings. Further, because institutional investors are beholden to their investor clients, who expect a return on their investment, there is greater pressure to raise rents and remove financially unreliable tenants. Accordingly, [another study](#) found that institutional investor purchases of MF housing were associated with a rise in evictions, gentrification, and tenant displacement.

There is [anecdotal evidence](#) that the financialized properties owned by the largest corporate landlords face pressures from investors to file evictions and remove tenants, and that these landlords [employ more aggressive tactics](#) to remove tenants from their properties.

[Eviction patterns](#) reflect and highlight the larger current crisis of housing instability and human displacement underway nationally and here in Duval County. At the community level, evictions contribute to the deterioration of social capital and social bonds through the displacement of residents. At the individual level, eviction filings disrupt family and employment relations, undermine credit ratings, prevent obtaining future housing, and contribute to housing discrimination, unemployment, poverty, and homelessness. Rising rents and subsequent eviction filings and evictions [have been found](#) to be associated with increases in mortality risk.

Among the major metropolitan areas of Florida, Duval County stands out as having the highest rate of eviction filings. Based on data compiled by the University of Florida’s [Shimberg Center for Housing Studies](#), in 2022 the monthly average of eviction filings per 1000 renters was 7.08 in Duval County versus 3.70 in Miami-Dade County, 5.84 in Orange County (Orlando), 4.77 in Hillsborough County (Tampa), and 3.50 in Pinellas County (St. Petersburg). This pattern is repeated for 2023 based on the data through September 2023.

The [Eviction Lab](#) at Princeton University also reports on eviction filing rates and includes a “household threatened rate”. This is the percentage of unique households that received an eviction filing regardless of how many evictions were filed in a year against the same household. Again, Jacksonville leads the way with 7.6 versus 3.1 for Miami, 4.3 for Orlando, 4.2 for Tampa, and 3.5 for St. Petersburg.

In short, **Duval is the eviction filing capital of the state.** While we have not conducted any empirical analysis to determine what explains this variation, it should be noted that all these metropolitan areas, *with the exception of Duval*, had passed some form of a tenant’s bill of rights prior to having the state preempt those ordinances in 2023. There is [evidence](#) to suggest that local policies can reduce the level of eviction filing activity.

Using eviction filings as an indicator of tenant displacement has its limitations. An eviction filing does not necessarily result in legal proceedings and the physical removal of a tenant from the property. There may also be [serial evictions](#) filed for a single tenant. On the other hand, displacement may also be occurring independent of any formal eviction process. [Informal](#)

evictions occur when a tenant is forced out by the landlord using various techniques including threats and intimidation or when a tenant is not given the option to renew their lease by the landlord. The threat of eviction, through a notice placed on the tenant’s door before it has been formally filed to the court, is another common strategy. Research on displacement patterns indicates that informal eviction could be twice as likely as formal court-sanctioned evictions. Added to this are what we call **voluntary evictions** when the tenant “voluntarily” leaves the property often due to the rising rental costs, or unlivable conditions, and is thus forced to seek alternative or lower cost housing elsewhere. Regardless of the reason, these forms of residential mobility produce housing instability that contributes to the range of negative consequences cited above.

The eviction figures presented thus far are aggregate figures for total eviction filings in Jacksonville/Duval County and they include filings at both single-family (SF) and MF properties. For this report, we want to examine the patterns among MF properties, owners, and PMCs. Our analysis is based on eviction filing data provided by UF’s Shimberg Center for the year 2022.

Table 6 presents the top twenty owner-landlord eviction filers and the top twenty multifamily properties where evictions are being filed.

Table 6. 2022 Eviction Filings: Top Twenty Owners, Apartments

Owner	Total Filings	Apartment (Zipcode)	Apartment Owner	Total Apt Filings
Nitya Capital	957	Shore House (32216)	Nitya Capital	255
Jarek Tadla	349	Tree House (32277)	Foundation for Affordable Housing	243
Starwood Capital	328	Miramar (32211)	Nitya Capital	219
Nathan Holdings	256	Boat House (32216)	Nitya Capital	203
Foundation for Affordable Housing	243	San Remo (32211)	Nitya Capital	164
KABR	221	Red Bay (32211)	Nathan Holdings	143
Fincapital Investments	196	Riverbank (32210)	Arch Companies	99
Mid America Apartment Communities	179	Oaks at Normandy (32221)	KABR	96
Blackstone	175	Courtney Manor (32244)	Starwood Capital	86
Infinity BH Real Estate	149	Eden's Edge (32210)	KABR	84
Bridge Investment Group	140	Golden Shores (32211)	Nathan Holdings	82
Beachwold Residential	137	Paradise Island (32256)	DRA Advisors	82

Maryland Management Company	137	Townsend (32277)	FCP	77
FCP	130	Pier 5350 (32211)	Atlas Real Estate Partners	77
Arch Companies	124	The Villas at Ortega (32210)	SNS Management	73
Blue Roc Premier	119	Magnolia Terrace (32210)	Infinity BH Real Estate	71
SNS Management	117	The Park at Alston (32244)	Blue Magma Residential	66
Southport Financial Services	117	St. Johns Forest (32277)	Priderock Capital Partners	66
Vestcor	117	Cypress Landing (32208)	Odin Properties	65
Covenant Capital	115	Timberwalk Trace (32225)	Southport Financial Services	63

In terms of owners, Nitya Capital, a real estate investment firm, is far and away the leading eviction filer in Duval County. They filed 957 evictions in 2022, more than two-and-a-half times greater than the next largest filer and own four MF properties in the top twenty with almost as many eviction filings for these four (841) as units (875).

The Foundation for Affordable Housing owns only one MF property in Jacksonville – Tree House Apartments -- but filed 243 evictions in a 458-unit apartment complex.

[Jarek Tadla](#), an individual investor with the largest MF portfolio in Jacksonville, is second in total number of eviction filings but these are distributed across 16 MF properties with none of those properties among the top twenty.

Another owner that rises to the top of the list on eviction filing is [Nathan Holdings](#). While only owning three MF properties in Jacksonville, each contains over 240 units with high rates of eviction. One of these, [Red Bay Apartments](#) in Arlington, is [consistently listed](#) as a top Jacksonville eviction “hot spot” by the Eviction Lab. Nathan Holdings also owns [Golden Shores](#) in the Arlington area. Their [webpage](#) describes their business model: *We acquire select properties with significant value-add potential, and then implement comprehensive business plans that target increased cash flow, lower expenses, and maximized value potential.*

We include in Table 7 the Eviction Lab’s more recent data (from September 2022 through August 2023) on Jacksonville eviction filing “hotspots”. While they may employ some slightly different methods for collecting their data, we see many of the same MF properties identified as for our 2022 calendar year data.

Table 7. Eviction Filings: Top 20 MF Apartments- Eviction Lab 2022-23

Apartment (Zipcode)	Owner	Total Filings
Red Bay (32211)	Nathan Holdings	175
Shore House (32216)	Nitya Capital	156
Riverbank (32210)	Arch Companies	144
Oaks At Normandy (32221)	KABR	131
Boathouse (32277)	Nitya Capital	119
The Element At River Pointe (32218)	M1 Capital	101
Tree House (32277)	Foundation For Affordable Housing	93
The Square At 59 Caroline (32277)	Lofty Asset Management	88
San Remo (32211)	Nitya Capital	83
Pier 5350 (32211)	Atlas Real Estate Partners	80
St Johns Forest (32277)	Priderock Capital Partners	79
Cove At Peninsula (32210)	Covenant Capital	74
The Reserve At St Johns River (32277)	Miramar And Westmount Square Capital	73
Savannah Springs (32244)	The Richman Group	73
Waters Edge (32218)	Princeton Management	72
Cypress Landing (32208)	Odin Properties	71
Edens Edge (32210)	KABR	70
Northlake (32218)	Nathan Holdings	69
The Ansley Apartments (32218)	Madison Marquette	68
Baymeadows (32256)	Ashcroft Capital	67
The Villas At Ortega (32210)	SNS Management	66

Table 8 displays the top twenty PMC eviction filers based on total number. Where the PMC is tied exclusively to a single owner, the number of eviction filings will be identical. For example, Nitya was the top eviction filing owner and KPM, the PMC for all its Jacksonville properties, has identical figures. Several of the PMCs have made the top twenty list based on managing a relatively large number of MF properties in Jacksonville. ZRS and Optivo Group stand out in this respect.

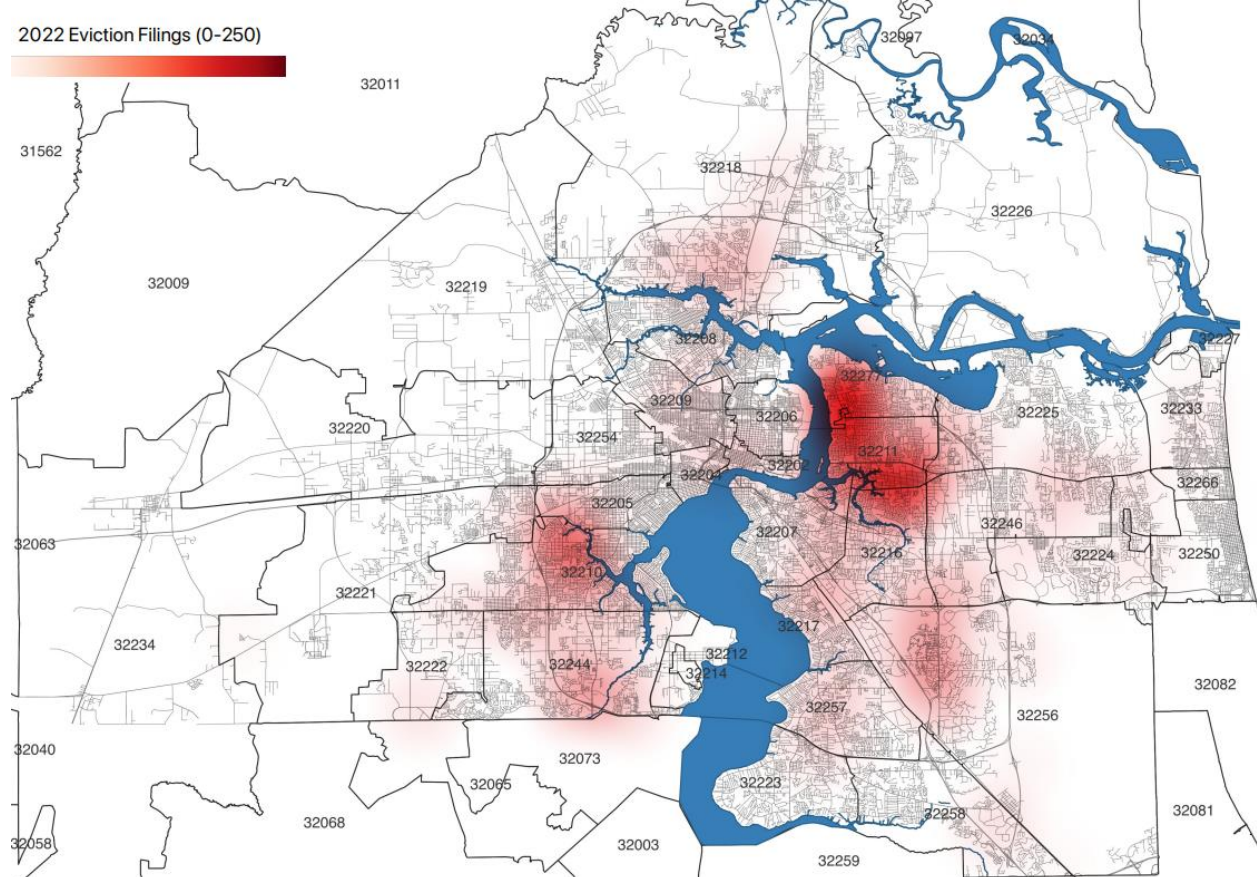
Table 8. Top Twenty PMC Eviction Filers By Total Number, 2022

Property Management Company	Number of Clients (Client)	Total Eviction Filings
KPM	1 (Nitya Capital)	957
People's Choice Apartments	1 (Jarek Tadla)	349
Highmark Residential	1 (Starwood Capital)	328
WRH Realty Services Inc	5	268
SAAR Management	1 (Nathan Holdings)	256
Sunbelt Multifamily Properties	1 (Foundation for Affordable Housing)	243
LVL Living	1 (KABR)	221
ZRS Management (9)	9	211
Cushman and Wakefield	4	201
MAA Communities	1 (Mid America Apartment Communities)	179
Optivo Group	8	165
Apartment Management Consultants LLC	6	155
Infinity BH	1 (Infinity BH Real Estate Investments)	149
Blue Roc Premier	2	138
Maryland Management	1 (Maryland Management)	137
South Oxford Management	1 (Beachwold)	137
Pegasus Residential	3	134
PeakMade Real Estate	1 (Fincapital Investments)	122

In addition to which owners, PMCs, and MF apartments were filing the largest number of evictions, we were also interested in those areas in Jacksonville where the eviction filing properties are located. We have included zip codes for the MF properties in Tables 6 and 7. In terms of geographic location, 8 of the 20 MF properties listed in both tables are in the Arlington area (32211 and 32277). 6 of the 20 in Table 6 are on the Westside (32210 and 32244). One significant difference between our data and the Eviction Lab is that the latter lists 4 MF properties for the Northside zip code of 32218. We need to explore further whether this represents increasing eviction filings in those locations or is a product of different data collection methods.

Another way to view the geographic distribution of eviction hotspots is through a heat map using our 2022 data for all MF properties (**see Chart 1**). As suggested by the zip codes listed for the top twenty MF properties, eviction filing activity is most intense in the Arlington and Westside areas of Jacksonville.

Chart 1. 2022 Eviction Filings



Overall, the relatively high rate of eviction filing in Duval County can be partially explained by state-level tenant-landlord policies. Among the states, Florida has [relatively weak tenant protections](#) (ranked 42nd out of 50) and there is [evidence to suggest](#) that the variation across states in eviction filing rates is significantly influenced by state-level landlord-tenant laws. In addition, this research also points to local (e.g. county-level) variations stemming from policies designed to regulate tenant-landlord relations. Recall that Duval/Jacksonville was the only major metropolitan area in Florida without a tenant’s bill of rights. It would appear this policy neglect has had negative consequences for the lives of tenants in Jacksonville.

MULTIFAMILY LIVING CONDITIONS AND CODE VIOLATIONS

In addition to the escalating costs of MF rentals and the threat/experience of eviction, there are the physical conditions – often substandard and hazardous -- that tenants experience daily across a wide range of MF properties in Duval County. We have observed these conditions

firsthand, and they have been reported by tenants to the JRHP formally, through structured interviews, and informally through verbal and email communications. There appears to be no systematic or reliable process in place to identify and remedy these conditions. Rather, what is most common in Jacksonville is for the local news media to reveal, based on tenants' complaints, rampant code violations that receive sensational news coverage. In some cases, this may be followed by a response from embarrassed public officials – agency heads, city council members representing that district, the Jacksonville mayor – who organize an on-site press conference and photo opportunity while pledging to address the issues through the property manager and owner.

Several recent media examples illustrate the typical pattern.

In July of 2023 [News4Jax reported](#) on conditions at the Cascades Apartments in Grand Park (zip code 32209) with the headline: *Rats, roaches, mold: Grand Park apartment residents complain about ongoing issues, horrid living conditions* In a [later report](#) it was revealed that since 2021, code enforcement had found 86 violations resulting in 33 warnings and a fine of only \$750. None of these actions resulted in an improvement in conditions thus prompting residents to contact the local media. Once exposed, the mayor and city leaders [“descended” on the apartment complex](#) to speak with residents, and have asked the owner to create an action plan to address the issues in each unit. The property is owned by [Cascade Residential Inc.](#) (Yaniv Amar, Ely R. Levy, Debbie Jacobi) and managed by [Lafayette Management Group](#).

A [similar News4Jax report](#) in October of 2023, at the Westside apartments of Colonial Forest, found that sections of the complex – stairways and patios – had been condemned. Tenants reported collapsing porches, accumulating trash, rodents, and nonresponsive maintenance. As with Cascades, Colonial Forest had already received several citations for the unsafe and unsanitary living conditions. A property of the same owner, Northwood Apartments on the Northside, was the subject of [another media report](#). At this property there had been inadequate trash removal, a dumpster fire, inoperable laundry facilities, an algae-infested pool, termites, and mold. As one perceptive tenant noted: “They just don’t care. We’re not people. We’re just assets.”

Both properties are owned by [Chetrit Group](#) and managed by [Friedman Communities](#)

On the other side of the river, in Arlington, an area of Jacksonville with many MF properties (61 in zip code 32211), substandard conditions are common. In 2022 [ActionNewsJax reported on Miramar](#) apartments citing “broken windows, faulty air conditioning units, and plumbing riddled with leaks”. At another Arlington property, San Remo Apartments, [the headline](#) says it all: *Collapsing ceilings, no air conditioning, no hot water. The I-TEAM investigates complaints against San Remo Apartments in Arlington*. There were 80 complaints filed against the property in a single year.

Both Arlington properties, purchased in January of 2022, are owned and managed by [Nitya Capital](#) and [KPM](#) also cited above for the high number of eviction filings.

These news reports often give the mistaken impression that these incidents are one-off extreme isolated cases, but in fact the conditions highlighted are widespread. In the formal tenant

interviews conducted by members of the JRHP research team, one of the most consistent complaints, aside from the cost, are unsafe/unhealthy conditions and maintenance neglect. We share some representative excerpts below:

- *I still look at rental listings in my spare time (to see if I could afford to live in other neighborhoods I like here), and it's insane how many dilapidated, filthy, and horribly maintained rentals are listed for \$1500 minimum. And yet these gross apartments have hundreds of views and contacts because we have no better options in town!*
- *I think it was pretty bad condition. I'm pretty sure that I got like black mold poisoning or something because at some point I was getting really, really sick. Didn't probably do the proper cleaning when I moved in. And then the black mold kind of happened within my air conditioning unit. So at a certain point I kind of stopped running the air. Because I was just kind of concerned about getting really sick.*
- *You could tell there's like wood framing at the bottom of the door frame, so it looked like there was like severe water damage. When I was putting my toiletries away underneath the cabinet of the bathroom there's water damage. And there's black stuff everywhere. Is that mold Because that's right around where the water damage was*
- *I had to go with a slumlord who made me pay first, last, and double deposit, this cost me \$4000 upfront to move my family of 3. Unfortunately the apartment was in unlivable condition to the point of having no A/C during summer and no heat in the winter. There was mold and pipes bursting and just a myriad of problems.*
- *Trying to wade through poverty and being already in survival mode, then coming home to a house that has mold or structural problems like no A/C or heat is not okay...A home should be a safe haven place of rest not another stressor. Especially when it's so inaccessible for so many.*
- *The windows are the original 1950s frames, and many experience slumlord ways, such as halfway fixing issues. My sink constantly backs up, and I literally live with roaches - the big ones - every. single. day. The carpets are run down and matted.*
- *Every month after my move-in, I felt more and more sick from allergies and my friends and family commented that my clothing and hair smelled damp or musty... My windows would develop tons of condensation which would turn into mold spores if I didn't wipe it immediately... The humidity level in my apartment was way too high, and not even a week after my landlord stopped by I discovered a ceiling leak in my bathroom. Turns out the upstairs neighbor's apartment had a bathroom and potentially kitchen leak that was leaking into the walls of my apartment, hence the musty/damp smells in my closets and halls.*
- *I began downstairs in an apartment on the corner. The upstairs neighbors AC unit had not been maintenance and began to leak into the sidewalk and it came into my apartment in my bedroom, and I ended up having a moldy windowsill"*

One way to gauge more precisely the level of property neglect by landlords, that is experienced by tenants as substandard and unsafe living conditions, is to examine the number of code violations lodged against the MF properties. Building code violation figures can be obtained from the Florida Department of Business and Professional Regulation's (DBPR) Division of Hotels & Restaurants, which is responsible for inspecting lodging facilities to ensure compliance with Florida law. Apartments with 5 or more units, with at least 75% or more designated as rental units available longer than one month, must obtain a lodging license and are subject to yearly compliance inspections.

In total, there were records for 524 apartments over the course of the Florida 2022-2023 Fiscal Year, which ran from July 1st, 2022, until July 31st, 2023. The 67 apartments with no inspection data, either due to them being new apartments and not receiving an inspection yet, or not falling under the requirements for lodging inspections, were considered missing.

Inspection violations are split into three categories based on severity: basic, intermediate, or high priority. The DBPR defines **high priority** violations as issues that “pose a direct or significant threat to the public health, safety, or welfare”, which can include sewage management, vermin presence, building integrity issues. **Intermediate violations** “relate to specific actions, equipment or procedures that contribute to the occurrence of a high priority violation if left unaddressed”, while **basic violations** “are those which are considered best practices to implement”. **Total violation** figures are the sum of basic, intermediate, and high priority violations found across all inspections.

Additionally, we examine another indicator of building code compliance, **the total number of inspections** during the fiscal year. Properties are only subject to one annual inspection, unless there are significant issues that require a follow-up visit. If the inspector identifies issues that require action, usually high priority violations, they will schedule additional follow up visits until compliance is reached. Thus, the number of inspections also serves as a proxy for the responsiveness of the owner or property manager, as more inspections may logically reflect ongoing neglect despite building code citations.

Table 9 ranks the top twenty owners in terms of total number of violations and the total number of high priority violations. Since the latter factors into the former we should expect some relationship between the two lists and the relative ranking. Jarek Tadla has managed to top the list on both total and high priority violations at 152 and 51, respectively. We also see the largest corporate landlords, with the largest number of properties and units – Starwood and Blackstone – at the top of both lists, along with Nitya and Fincapital. One might think that these large and highly profitable corporate firms, purchasing *relatively* higher end properties, would be able to avoid violations, both high and low priority. But the financialized business model emphasizing the minimization of costs and maximization of rental income may be one explanation for these high violation figures as the recently [reported example of Starwood](#) indicates.

The same code violation indicators are presented in Table 10 for the PMCs. Those aligned with the large corporate landlords are predictably at the top of the list. The more interesting entries are those PMCs that serve smaller owners or several different owners but are cited with a relatively large number of violations. For example, Vesteco as the PMC serving only Eckstein Investments properties with 15 high priority violations, and Cushman and Wakefield managing properties for four different owners (FCP, Goldman Sachs, M1 Capital, and Westmount Square/Miramar Capital) has 62 total violations, half of which are high priority.

Together, eviction filings and building code violations create highly unfavorable and destabilizing conditions for tenants that have larger implications for the quality of life and housing security. Using the available data examined thus far we construct a very simple preliminary composite measure that combines for each MF landlord and MF property their eviction filings, total code violations, high priority violations, and property inspections. Each of the four measures are converted into a standardized score (Z-score) and then summed to create a single index score for each MF landlord and property. This creates an index on which to rank the MF owners' and properties' impact on these conditions in Jacksonville. The greater the score on the index, the greater the overall contribution to what we regard as negative (versus positive) destabilizing and unsafe conditions for tenants. We call this the **Negative Tenant Impact Index** with rankings presented in Table 9.

Table 9. Top Twenty Ranked Apartments– Negative Tenant Impact Index

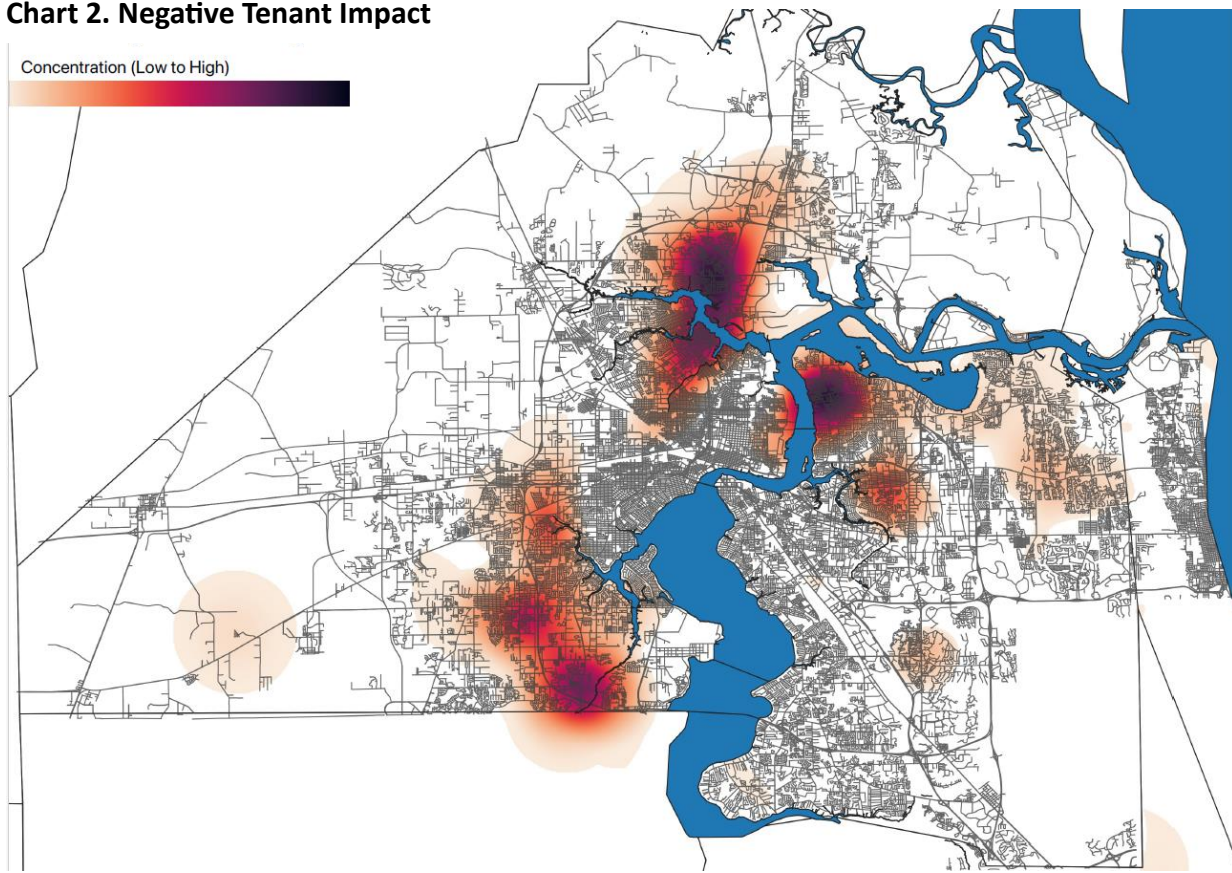
Owner	Apartment
Jarek Tadla	Miramar
Starwood Capital	Tree House
Nitya Capital	The Element at River Pointe
Blackstone	Courtney Manor
Fincapital Investments	Water's Edge
KABR	Colonial Forest
Nathan Holdings	Grassy Pond
Mid America Apartment Communities	Island Pointe Apartments
Infinity BH Real Estate	Downtown East
Beachwold Residential	River City Place
FCP	Cedar Hill
Southport Financial Services	Shore House
The Cherit Group	Cascade

Bridge Investment Group	Northlake
Foundation for Affordable Housing	Monterey
Navarino Capital Management	Linda
Millennia	Boat House
Blue Roc Premier	Magnolia Terrace
Maryland Management Company	The Reserve at St. Johns River
Vestcor	Sorrel

Among owners in the first column, Jarek Tadla, an individual investor, is at the top of the ranking. While currently owning the greatest number of properties, Tadla is fourteenth in number of units. Nonetheless, he has managed to rise to the top of list, followed closely by the large corporate investors Starwood, Nitya, and Blackstone. Not surprisingly, the MF owners with the largest local portfolio, all things being equal, will be generating the greatest impact on tenant eviction filings and code violations.

In the second column we rank MF properties on the same index. Many of the MF properties identified for evictions and violations separately, logically make it into the top twenty on the Tenant Impact Index. In order to visualize the geographic distribution of the MF properties, Chart 2 provides a heat map identifying the hot spots in Jacksonville. Again, the Arlington area emerges as a major area with a high concentration of noxious MF properties. In addition, and with greater intensity than the eviction heat map, are the communities in the Westside zip codes of 32244/32210 and the Northside zip codes of 32208/32209/32218.

Chart 2. Negative Tenant Impact



Thus far we have avoided using the pejorative term “slumlord” to describe MF property owners. While there is no formally agreed upon technical definition for a slumlord, a slumlord has been defined variously as: “a landlord who receives high profits from renting substandard housing” (Merriam-Webster); “a slumlord (or slum landlord) is a slang term for a landlord, generally an absentee landlord with more than one property, who attempts to maximize profit by minimizing spending on property maintenance, often in deteriorating neighborhoods, and to tenants that they can intimidate” (Wikipedia); and “a landlord who owns slum buildings, especially one who fails to maintain or improve the buildings and charges tenants exorbitant rents” (Dictionary.com).

Given these definitions, and what our research has revealed in terms of rent hikes, maintenance neglect, code violations, and eviction filings, we would have to conclude that Jacksonville, like many other US cities, has a slumlord problem. We are careful to distinguish between the MF landlord/owner and the property or the community in which MF property resides. All these definitions apply to the landlord, not the property or the location.

It is troubling that the ethically questionable actions of large corporate landlords do not receive more public attention, scrutiny, and regulation. Instead, these corporations and their CEOs are often held up as paragons of successful business enterprise and recognized for their entrepreneurial acumen. To take one egregious example, Nitya Capital/KPM, as it operates in

Jacksonville, owns and manages several properties that have been the subject of local news investigations (Miramar and San Remo-see above) and that rise to the top of the list for eviction filings. At the same time, the Nitya Capital CEO, Swapnil Agarwal, was a [2023 finalist](#) for the Ernst & Young Entrepreneur of the Year Award “created to honor those visionary entrepreneurs who dare to reimagine what is possible and develop products and solutions that disrupt markets, revolutionize industries, and transform lives”. Apparently, acquiring, managing, and extracting income from already existing properties now qualifies as entrepreneurial activity.

SOME POLICY IMPLICATIONS

In this final section, we focus on the policy areas most relevant to the issues raised in this report. In terms of affordable housing policies more generally, we refer readers to the Jacksonville City Council [Critical Quality of Life Issues Report](#) (pp. 21-28) that includes the full range of affordable housing policy options.

1. On the **cost burden** dimension, there is the unsustainable situation of a relatively low wage economy in Jacksonville coupled with record increases in rent. In the state of Florida, rent control is prohibited by law. The one small exception, allowing for simply temporary rent stabilization, if supported by a local ballot initiative, has been eliminated with the 2023 passage of the Live Local Act (SB102).

The Live Local Act relies almost exclusively on tax credits, exemptions, and minor zoning reforms to incentivize private sector housing construction and provision with some percent of units reserved as “affordable” based on a tenant’s income in relation to the Area Median Income (AMI). But the generous range of affordability extends to 120% of AMI which is great for builders, developers, and owners [but insufficient](#) for the majority of working class residents.

The other major housing program contributing to the availability of affordable housing for low-income residents is the Low-Income Housing Tax Credit (LIHTC). Some MF properties in Jacksonville participate in the program thus providing a percentage of units to lower income renters. For example, twelve of Starwood’s fourteen properties receive the LIHTC. Theoretically this is a well-intended program, but it is largely managed by state housing finance agencies (HFAs) who are responsible for ensuring that MF property owners comply with the three major provisions – rules related to income/rent, fair housing and tenant protections, and regulatory requirements. One of the most significant tenant protection requirements is “good/just cause eviction” that often includes eviction only for non-payment of rent, entitlement to lease renewal if tenant is in good standing, and limits on rent increases upon renewal. However, the operational definition of “just cause eviction” varies widely by state. Overall, due to the absence of consistent reporting and monitoring, there is a [great deal of uncertainty](#) whether the properties receiving the tax credit are in full compliance with the rules.

While these various tax credit and subsidy schemes may generate some additional housing supply, which is needed, it is the view of the JRHP that as long as rental housing is privately owned, for profit, and financialized, it is highly unlikely that the affordable rental housing crisis will be alleviated in any significant way. Supply will be aimed disproportionately at higher income tenants.

The most creative efforts that point to a potentially effective strategy, that eliminate the need to incentivize and monitor, are those that place rental housing into public sector hands as non-profit/non-financialized. The model that has also received considerable media attention is in [Montgomery County MD](#). There they have finished one project and plan to build thousands of mixed-income, publicly owned, apartments that combine quality with affordability protected from the market. Here in Jacksonville there are some signs that local government is willing to experiment in this positive direction [with a plan](#) for the Jacksonville Housing Authority, using revenue bonds, to acquire Westwood Apartments.

The JRHP would recommend that the City of Jacksonville expand this publicly owned affordable housing approach and examine successful strategies, such as the widely cited Montgomery County MD model, as a guide to developing proven policy options.

2. Tenant rights and protections. In this report we have noted the importance of a tenant's bill of rights (TBOR) that could protect tenants from various forms of unilateral landlord action, including eviction filings. All the major metropolitan areas in Florida – Miami, Orlando, St. Petersburg, Tampa – had passed some version of a TBOR, and they also have lower eviction filing rates than Jacksonville.

In 2023, the Florida state legislature passed HB1417 which [prohibits local governments from regulating tenant-landlord relations](#). With the passage of that legislation, which was aggressively lobbied for by the [Florida Apartment Association](#), all existing TBORs are null and void. This also put a screeching halt to the local organized effort, spearheaded by [Florida Rising](#), to get a TBOR passed in Jacksonville, the only major metropolitan area in Florida without a TBOR. As a footnote, in promoting and lobbying for the preemption legislation, the Florida Apartment Association put together a list, and complained, of the many communities in Florida – 35 total – that had some kind of tenant protection ordinance. Remarkably, Jacksonville was not on the list. This is testimony to Jacksonville's policy neglect in this area.

Given the current state of affairs, there are two policy areas worth pursuing.

First, there are two provisions included in the proposed TBOR for Jacksonville that are not prohibited by preemption and that should be passed by the Jacksonville City Council. These are the **creation of an Office of Housing Resources** (or Tenant-Landlord Resources) and the **establishment of a Landlord Registry**.

The Office could serve as a central clearing house for tenants to access information about their existing rights and obligations under Florida state law and also to file complaints to the city on **building code violations** and other forms of landlord abuse or neglect.

The Landlord Registry, that could be housed in this office, would ensure that all rental properties are registered with the city and meet basic legal building requirements through a **certified inspection process**. The registry would be publicly searchable allowing tenants to obtain information about the owners of the property they intend to rent, or are renting, and any relevant information on building code compliance and eviction activity.

In terms of existing models, Atlanta has recently created a [Housing Help Center](#) and [Minneapolis](#) has a well-established mandatory Landlord Registry system.

The JRHP supports the creation of an Office of Housing Resources and the establishment of a Landlord Registry.

Second, now that local ordinances regulating tenant-landlord relations are prohibited, the policy efforts will need to shift to the state level. Current state-level provisions are [among the weakest in the nation](#). This is one reason that localities felt compelled to take legislative action to address the needs of tenants. It is also a reason that Florida is [one of the most attractive locations for corporate landlords](#).

The JRHP would support a state-level TBOR that would address in a coherent and comprehensive state-wide fashion the rights and protections needed by tenants. Legislation introduced in 2023 by state representative Anna Eskamani -- [HB1407](#), Housing and Tenant Rights – is one major example of what is needed at the state-level.

3. Eviction Policy. Among the rights and protections most critical for the well-being of tenants, none are more important than those that regulate the eviction process that prevails in the state of residence. All things being equal, the easier it is for a landlord to evict a tenant, the greater the number of evictions filings, and the greater likelihood it will be used as a strategy to displace tenants.

Florida is, by any measure, [a landlord-friendly state](#), and the eviction process is what makes the state attractive to real estate investors. In order to reduce the frequency of eviction filings, and its deleterious effects on tenants, the state could pass legislation to make the process more favorable to tenants and more difficult for landlords. This could be accomplished by enacting legislation that is comparable to states with more tenant-friendly eviction processes.

For example, one of the most important components of the eviction process is the notice period for non-payment of rent. In Florida, rent is considered officially late one day after the due date. At that time the landlord can serve a 3-day notice for non-payment of rent. If the tenant does not pay the past due or move out over that notice period, the landlord can file an eviction. In Florida an eviction can be completed in 3 weeks or less. In Massachusetts, the notice period is 14 days. After that period an eviction can be filed. But the eviction process is typically completed in 1 to 4 months.

There are also variations [in the cost to the landlord of filing](#) an eviction. In Florida the initial filing fee is \$185; in Alabama it averages \$288. Alabama has a relatively low eviction filing rate compared to surrounding southern states.

In short, state-level policies extending the timelines and increasing the filing cost can serve as disincentives to filing an eviction notice and increase the likelihood of potential resolution without displacing a tenant. At the same time [local governments can provide](#) emergency rental assistance and eviction diversion and other programs to assist tenants. These resources can be organized and made available through an Office of Housing Resources.

More generally, [eviction prevention programs](#) can include good cause provisions, access to legal services, and increasing remote and in-person access to courtrooms.

THE BOTTOM LINE

The current situation for a large proportion of tenants in Jacksonville has reached a crisis stage. The rising MF rental costs coupled with growing corporate ownership patterns and frequent ownership turnover, a high level of eviction filings, and widespread property neglect has contributed to housing instability and tenant displacement. Affordable and safe rental housing has become increasingly scarce for a large segment of Jacksonville’s working population.

This report has identified one of the key factors contributing to this state of affairs – the financialization of MF properties by national and global corporate entities. Under this arrangement, MF properties are bundled together in asset class investment portfolios for wealthy clients. The large corporate landlords acquire these assets for one reason and one reason only -- in order to extract the maximum level of income and situate the properties for eventual “profitable disposal”. While this may be entirely rational from the perspective of the investment firms, the victims of this system are renters and tenants. And there is no hope for affordable rental housing under these conditions.

We hope this report will raise awareness of the human consequences of this rental housing system, and that policies can be put in place to regulate and monitor corporate ownership, strengthen the rights and protections for tenants, and reduce the likelihood of evictions, displacement, and homelessness.

The JAX Rental Housing Project is a **UNF** community-based research project aimed at collecting and analyzing data on the state of the rental housing market and the conditions for renters in Jacksonville/Duval County as well as studying and advocating for housing policies that have been successfully implemented in other communities to address this critical issue. Students, faculty, and members of the community will be working together in preparing reports for public consumption.

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