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Jacksonville, FL Supports a Robust Hotel Development Pipeline Despite Economic Uncertainty

July 17, 2024 / *By Hannah McManus*

While many U.S. markets have experienced a slowdown in hotel development amid rising construction costs, increasing financing costs, and general uncertainty, the greater Jacksonville market area has continued to support a robust hotel development pipeline. Factors contributing to this growth include ongoing infrastructure projects in the market, such as the **JAXPORT** dredging project and Interstate 295 expansion; the ongoing work of the **Jacksonville Downtown Investment Authority (DIA)** to broaden the city's appeal as an international business destination; and the availability of land suitable for development.

Thus, contrary to other large U.S. markets, Jacksonville did not experience a slowdown of new supply in the post-pandemic period, with over 9% of Duval County's roughly 20,000 guestrooms being added from January 2021 through June 2024. The following properties represent some of the market's most noteworthy additions during that period:

Notable Recent New Supply

Margaritaville Beach Hotel Jacksonville Beach
202 keys – opened Jan 2021

Residence Inn by Marriott Jacksonville-Mayo Clinic Area
155 keys – opened May 2021

SpringHill Suites by Marriott Jacksonville Baymeadows
120 keys – opened Feb 2023

AC Hotel by Marriott Jacksonville St. Johns Town Center
118 keys – opened March 2024

TownePlace Suites by Marriott Jacksonville Airport
102 keys – opened June 2024

Sources: Respective Hotel Websites

New hotel construction remains strong in the market, and 2,000 guestrooms are estimated to be under construction or in the early development phase throughout the market. While a number of hotel and mixed-use projects are expected in the upcoming years, these three large, high-end projects highlight the economic strength of Duval County:

- Construction on the $70-million **Hilton Jacksonville Mayo Clinic** has begun, with the hotel expected to feature several accessibility and universal design features geared toward accommodating the clinic's patients and their families. The 252-room hotel will also feature a restaurant, event spaces, and an outdoor terrace and pool oasis. It is expected to open in early 2025.

Summary

While many U.S. markets have experienced a slowdown in hotel development amid rising construction costs, increasing financing costs, and general uncertainty, the greater Jacksonville market area has continued to support a robust hotel development pipeline. This article details some of the recent and upcoming hotel projects in Jacksonville.

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- **RiversEdge**, a collaborative project with the DIA and the property owners, is a mixed-use development slated for the south bank of the St. Johns River. The over-30-acre site is expected to feature four public parks, condo units, multi-family units, office space, retail space, a 125-slip marina, and a boutique hotel. The project is expected to expand the city's existing **Southbank Riverwalk**.
- Construction permitting has been approved for the $215-million **Four Seasons Hotel and Residences** project near **EverBank Stadium**, the downtown home of the **Jacksonville Jaguars NFL** team. The project, led by the Jaguars owner, will feature 170 hotel guestrooms and 26 residential units, in addition to a spa, restaurants, bars, pools, and other amenities. The hotel represents the first ultra-luxury project in the Jacksonville market and is expected to open in early 2027.

Additionally, in light of rising costs, repositioning and rebranding opportunities for older hotels and existing buildings represent a viable alternative to new construction. Several renovation and repositioning projects have been completed or are actively underway in the greater Jacksonville market:

- The former Omni Jacksonville converted to the **Marriott Jacksonville Downtown** at the end of August 2021. A comprehensive renovation of the hotel is currently in the planning stage, with updates expected throughout this year and into 2025.
- Formerly a **Best Western Premier**, the **Delta Hotels by Marriott Jacksonville Deerwood** reopened in March 2024 following a $6-million renovation. The rebranded hotel features 166 refurbished guestrooms and suites, an updated coffee shop, restaurant and event spaces, and a new fitness center.
- The former Ambassador Hotel, a long-vacant historic building in Downtown Jacksonville, was purchased in 2018 and is expected to be converted to a 120-room hotel with a nationally recognized brand. While a timeline has yet to be finalized, other improvements are expected to include apartments and a parking garage.
- The **Southbank Hotel Jacksonville Riverwalk** is currently under renovation and is expected to be rebranded as a Delta Hotels by Marriott by early 2026. The over-$8-million renovation is expected to address updates to the guestrooms and suites, the addition of an exclusive Delta Pantry for **Marriott Bonvoy** Elite members, the addition of a grab-and-go market and coffee counter, and an expansion of the fitness center.

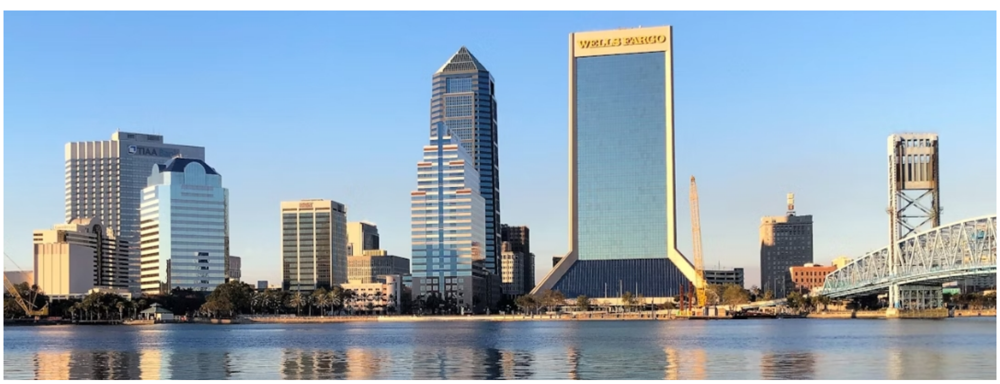

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Image Sources:

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About Hannah McManus

Hannah, a Director with HVS Consulting & Valuation, leads the Saint Petersburg, Florida office. Hannah collaborates on and provides thoughtful insights for projects including hotel appraisals, market studies, portfolio valuations, and feasibility studies for proposed hotels, resorts, and mixed-use hospitality assets. A long-time resident of the West Coast Florida region, she offers expertise in leisure-driven and coastal Florida markets with a profound understanding of Florida assets. Hannah's experience extends beyond Florida across a variety of markets in the Southeast and New England, including engagements in the greater New York City market. Contact Hannah at (410) 967-8879 or .