



St. Johns County real estate market saw few lulls in 2017

By Stuart Korfhage
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When thinking about how successful 2017 was in the local real estate industry, local agent Karen Zander can illustrate the scene with one particular day.

It was Christmas Eve, and she was busy trying to arrange holiday plans and worrying about cooking for guests — doing what most people are doing that day.

But apparently perspective homebuyers were thinking differently because Zander couldn't put her phone down as customers kept calling about scheduling showings and other inquiries.

That's the kind of year 2017 was: Interest just never waned.

"What we did not see this year that we have every year in the past ... generally in November and December there's quite a drop-off in buyer interest," said Zander, who owns 97Park in St. Augustine with her husband. "This year, we never slowed down in November and December. We never had that drop-off. That's amazing."

That backs up what local builders also said about the close of 2017. There are numbers to support such claims as October, November and December saw heavy permitting activity for single-family homes in St. Johns County (more than 1,000 permits in those three months).

As for sales overall, the Northeast Florida Association of Realtors reported that 2017 was a record year for the region with 28,824 total sales. The median sales price in 2017 was \$205,000, up from \$185,900 in 2016 and \$170,000 in 2015. Average sales price for the year was \$247,783, higher than \$227,556 in 2016.

In St. Johns County, which is only partially represented by NEFAR, the NEFAR annual report showed more than 6,000 transactions in 2017, about a third of which were new construction.

The annual report said the median sales price in St. Johns County increased by about 6 percent from the previous year to \$312,500. That's a 24-percent increase since 2013.

That means homes here were considerably more expensive than any other county in the region. The next-closest median price in 2017 was \$229,000 for Nassau County.

Local Realtor Dirk Schroeder of Century 21 St. Augustine Properties pointed to Metro Market Trends stats that showed the total number of transactions last year increased by 6 percent while the dollar volume (value) increased by 11.67 percent. Those stats were based on period from Dec. 20, 2016, to Dec. 20, 2017.

Single-family resales were up by 9.6 percent in dollar volume to \$1,750,751,500 last year. New home sales increased by 18 percent to \$1,226,716,664.

That simply shows the continued rise of strength in the new home market as many new and recently opened communities are making their products available. 2017 was the second-busiest year for new home building in recorded county history.

Suzanne Maddalon, vice president of marketing for Freehold Communities, said her company's community of Shearwater has proven to be popular with buyers.

"The current demand for new homes — especially in St. Johns County — coupled with continued low mortgage rates and the terrific schools and quality of life available in this area have kept inventory levels well below normal," she said in an email to The Record.

Zander said it's great for the market that building is robust because the demand for housing remains so high.

"Right now, we're just scrambling," she said. "We still have a shortage of inventory. We wish that we had more properties on the market to show people."

The only downside, according to Zander, is that the new homes being built aren't necessarily in the spots where everyone wants to live. The big developments in the north are great for people who commute to Jacksonville for work, but it doesn't solve the problem of scarcity for those who want to live in St. Augustine Beach or downtown St. Augustine, for example.

Also, Zander added that although the local market is "super strong," there are always exceptions.

"The areas that were hit hard by Matthew, particularly Davis Shores, there are pockets in our market that are challenging because they had those two hurricanes," Zander said.

It's important that sellers in area be realistic about the value of their property, too.

"If sellers aren't reasonable, their properties will still sit on the market," Zander said. "You can't overprice them and expect to sell."