



2018 was solid, not wild year in Northeast Florida real estate

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The 2018 local real estate market was one of increased sales and higher prices again, but the uptick wasn't particularly drastic, according to the annual report from the Northeast Florida Association of Realtors.

NEFAR stats, which do not cover the entirety of St. Johns County, showed the county's median sales price for the year was up 4.5 percent over 2017 to \$325,129. However, that was an increase of 18.7 percent from 2014.

Total sales were up 5 percent over 2017.

For the entire six-county area, sales were up 1.9 percent while median home prices rose 8 percent. The 2018 sales total of 29,953 was the largest annual number on record for Northeast Florida.

NEFAR reported that the top areas in number of sales for 2018 were: Jacksonville's Southside (3,777); Northwest St. Johns County (2,951); and the Southside/Mandarin/Bartram area (2,827).

"Despite a remarkably low inventory of 8,414 homes at the end of the year, and a low-inventory trend that has been in play for the past couple of years, there were still a record-breaking number of home sales in Northeast Florida in 2018," NEFAR president Jeanne Denton-Scheck said in a release.

"That speaks to a robust appetite for home ownership and a healthy dose of market confidence among consumers."

St. Johns County had the highest median sales price by a wide margin. Nassau County had the next-highest price at \$260,382.

According to the report, 2018 was a year that saw mostly healthy behavior in the market.

“While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate,” the report says.

However, there is still an imbalance. The report notes that while national median income levels have risen about 1.8 percent in the last year, home prices have climbed by 5.5 percent at the same time.

“That kind of gap can’t be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace,” the report says.

What will be interesting to watch in this county is the continued strength of new construction. Tens of thousands of new homes are approved in the county with new developments still seeking approval.

The NEFAR report said about 31 percent of the homes sold in the county in 2018 were new construction.

Building was strong this year. Although the county hasn’t released numbers for December yet, St. Johns County was on pace for about 4,500 new home permits for 2018. There were more than 4,000 single-family home permits issued in 2017.

Judging by the fact that more requests for residential development continue to go through the approval process in this county — including an 818-home project called Greenbriar Downs on more than 700 acres that went through the Planning and Zoning Agency in December — real estate leaders still feel confident about this area for the foreseeable future.

As for the Northeast Florida market overall, the NEFAR report predicts solid activity for this year.

“The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates,” the report says.

“The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.”