



Lots of activity, low inventory in regional housing market

By STUART KORFHAGE
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There continues to be a scarcity of available homes in Northeast Florida, despite the uptick in new construction activity, according to area real estate professionals.

The Northeast Florida Association of Realtors released its numbers for August, showing more than 2,500 sales in the region last month for a 4.3 percent increase over August 2015.

But inventory remained fairly low with a four-month supply of homes. Generally, a six-month supply is considered a healthy amount.

The numbers are based on activity in the region that includes St. Johns County but does not represent all transactions here. NEFAR compiles reports from Baker, Duval, Putnam, Clay, Nassau and St. Johns counties.

In St. Johns County, new construction has been busy and lucrative.

According to numbers from the county Multiple Listings Service released by Dirk Schroeder — broker/owner Century 21, St. Augustine Properties — new construction through Aug. 20 was up 31.5 percent year to date over 2015. There were 1,847 closed sales recorded this year.

The total dollar volume of new construction sales was up even more — 37 percent — at more than \$667 million for the year so far.

Schroeder said that while new homes are obviously seeing sales growth, resales so far account for sales and volume twice that of new construction sales.

Chris Shee, managing partner of MasterCraft Builder Group in St. Johns County, said the pace of new construction is all about accommodating the many people who want to move to the county.

“I think especially in St. Johns County we’re continuing to see the trend of folks moving from neighboring counties, mostly Duval,” he said. “The public schools are such a driver of our increase in population here. Outside of that, it’s typically the vicinity of the beaches and downtown St. Augustine and the river and the Intracoastal [Waterway] and everything that we love about the county.”

However, even with new home building on pace to significantly outpace last year’s activity, it hasn’t been enough to boost the total inventory.

“We’re still not building enough homes to meet the equilibrium, demand for the entire [Metropolitan Statistical Area],” he said. “We need to be building about 8,000 to 10,000 houses a year to keep up with the demand for housing (in the MSA).”

NEFAR reported that the median sales price for homes in Northeast Florida was up 10.3 percent from a year ago to reach \$190,750. However, St. Johns County already had a much higher median sales price at more than \$215,000 last year. According to NEFAR, St. Johns County had the highest median sales price than any other county in the region. In fact, only Nassau County at \$203,000 was anywhere near St. Johns.

New construction tends to have a higher starting point than resales, especially in the busy northern section of the county. NEFAR listed St. Johns County’s median sales price at \$295,000 for the year, but its information doesn’t include the entire county.

Shee said the continued growth here should be sustainable because the county remains one of the more desirable places to live. Also, he noted that several new developments have recently started selling homes with several more on pace to begin in the coming months.

“St. Johns is still a new and growing county,” he said. “We basically have a blank canvas to put in the newest and the best infrastructure and planning and homes and everything else. The quality of all of that definitely increases the quality of life for St. Johns County residents.”

That has created a good atmosphere for those in the homebuilding industry.

“It’s a great time to be in business, and on top of being a great time to be in business, there’s no better place to be in business for home building than St. Johns County — and Northeast Florida in general,” Shee said. “We have so much to be grateful for.”