



Homes prices in St. Johns County rising as building accelerates

By Stuart Korfhage
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The price of a home in St. Johns County is growing at a rate that threatens to eliminate a large swath of potential buyers, yet the permitting of new homes continued at a record pace last month.

According to a report from the St. Johns County Building Services Division, there were 366 permits issued in June for single-family, detached houses. That number is higher than in all but two other months in the last five years.

Through the first half of the year, the county has permitted 2,076 single-family homes. That puts the county on pace to equal the record 2005 pace when 4,152 new single-family homes were permitted.

And it's happening while selling prices are on the rise.

The Northeast Florida Association of Realtors reported that the median sales price of a home in the county was \$324,900 in June. For the year, the median price is up to \$310,000.

By comparison, the median sales price in Clay County year-to-date is \$185,000 and for Duval is \$176,250. In Nassau County, the median price is \$220,950 year-to-date.

Don Wilford, North Florida Division president of ICI Homes, said St. Johns County is desirable enough to command a premium compared to other parts of North Florida.

"St. Johns County has such a great reputation, and people know that the land is more expansive there," Wilford said. "They know there are more developments with high amenities. They've come to expect that's new norm there."

As for the market prices, Wilford said it's easy to forget just how far the prices plunged during the recession 8-9 years ago.

"You have to go back to how far we've overcorrected," Wilford said. "Markets fell 35 percent, and we're just getting back to that point."

Looking back, NEFAR statistics show the median sales price of a home in St. Johns County was \$231,450 in 2012.

Prior to that year, the median prices were broken up by single-family homes and condominiums. But it's easy to see that the current price range is hardly unprecedented.

The high, according to NEFAR, was in 2006 when the median price for detached, single-family homes in St. Johns County was \$360,000. In 2005, it was \$347,310. For condos, it was \$214,925 and \$195,000, respectively.

Those building new homes in the county feel the current momentum can continue, said Mike Taylor, North Florida Division Manager of GreenPointe Communities. GreenPointe has developed TrailMark and Eventide in St. Johns County.

Due to the popularity of the county and its school system along with the general health of the jobs market in Northeast Florida, both Taylor and Wilford said the current growth rate appears sustainable.

"It (St. Johns County) has seen explosive growth in the last few years," Taylor said. "We know the last five years have been tremendous. The projections are it's going to continue to grow because of the quality of life that Northeast Florida has to offer."

So far this year, each monthly total of single-family, detached homes permitted has been the highest since the recession.

Although the high rate of growth might seem overwhelming to longtime county residents, both Taylor and Wilford praised the county's efforts for keeping up with the infrastructure needs caused by that growth.

St. Johns County collects impact fees on every new home built in the county and often imposes concurrency fees for developments to pay for roads and schools. It does drive up the cost of homes here, but that hasn't slowed the buying much.

"I'm bullish on St. Johns County because of its land sizes and discipline the county has in making sure there is enough roadways for people," Wilford said.

Taylor acknowledged that the growth has to slow at some point but doesn't see it stopping soon. There are still a lot of very large developments that are in the early stages of building. And there are others looming on the horizon.

With so much competition in the area, it is possible that the product lines offered will be adjusted to accommodate lower-income buyers if the market slows down in the future.

"We all have to be mindful that we've got to deliver to what the market can afford," Taylor said.

Added Wilford: "I think developers will be smart enough to offer something for everybody."

Median sales prices for homes in St. Johns County (combining both single-family and condominium numbers):

2012: \$231,450

2013: \$251,197

2014: \$273,896

2015: 284,000

2016: \$295,000

2017 (year-to-date): \$310,000