Annual Report on the Northeast Florida Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE
NORTHEAST FLORIDA ASSOCIATION OF REALTORS® MLS

NORTHEAST FLORIDA
ASSOCIATION OF REALTORS

2011

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FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE NORTHEAST FLORIDA ASSOCIATION OF REALTORS® MLS

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

What was largely touted as a recovery year for our nation turned into a morass of political gridlock, credit downgrades, financial volatility, upstart protest movements and a sluggish jobs picture. The housing sector, in particular, did not see the recovery it should have. It was another transition year in what has become a more drawn-out bottoming process than most would like.

Let's face facts: There is no way to know for sure what the future holds. But a few important patterns emerged in 2011 that could clue us in. Key leading indicators are setting the stage for better times ahead and we are encouraged by these emerging patterns. There is a sense of momentum in the right direction.

Falling supply and rising demand suggest improving fundamentals. Distressed properties made up a sizable share of that demand, which prevented price gains. Although foreclosures continued to hinder a full-on housing recovery in 2011, many of them were sold, bringing supply of this price drag to a much lower level than in recent years. The path of least resistance is higher prices.

And remember that 2010 tax credit for first-time home buyers? Hindsight indicates that Washington was trying to catch a falling knife. The credit temporarily reversed the market's natural tide, causing forecasters to prematurely declare that we'd hit bottom.

Make no mistake, the economy is on the mend. Layoffs have slowed, hiring has accelerated, fewer homes in financial distress are entering the market. It's good to see that time still has a way of healing most wounds.

Housing demand has stabilized and a steadily expanding construction sector is generating the jobs needed to invigorate recovery. New jobs will drive housing demand and activate the widely-coveted "positive feedback loop." Housing helps jobs which helps housing which helps jobs. You get the idea.

Additional labor market growth combined with record-low mortgage rates have bolstered purchase demand. Armed with cheap money, buyers took to the streets in 2011 and are expected to continue forging new households at a reasonable clip.

Listings Seller activity slowed during the year, both for traditional sellers as well as for banks. The net result was a significant reduction in the supply of homes compared to 2010.

Sales Housing recovery won't occur without consumer participation. In 2011, housing demand strengthened organically on its own, independent of government incentives. Closed sales were up 2.1 percent to 16,550 for the year.

Inventory No matter your personal beliefs or favorite type of Angry Bird, there's no denying the fact that buyers have fewer choices from which to pick and sellers are facing less competition.

Prices Home prices remained depressed for most of the year and indeed ended the year 5.9 percent lower than in 2010. At $127,900, prices have come down roughly 34 percent from their bubbly apex in 2007.

Higher. Increase. Positive. These are words we expect to use more of in 2012. The major factor constraining market recovery will not be with us forever. Lender-mediated inventory is a tar pit in the near-term, but it will soon be absorbed, removing the downward pressure on overall prices.

At the same time, housing doesn't live in a vacuum. A number of local, national and global changes must take place to restore stability and confidence in the marketplace. For one, credit-worthy home buyers need access to mortgage capital. And although past policies temporarily dampened the natural ebb and flow of the market, a comprehensive housing policy framework is necessary to guide sustained recovery.

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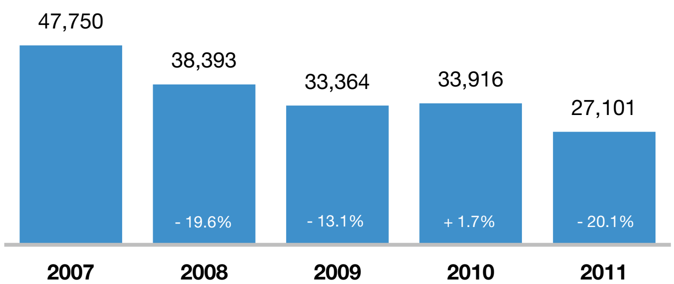
Quick Facts

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

New Listings



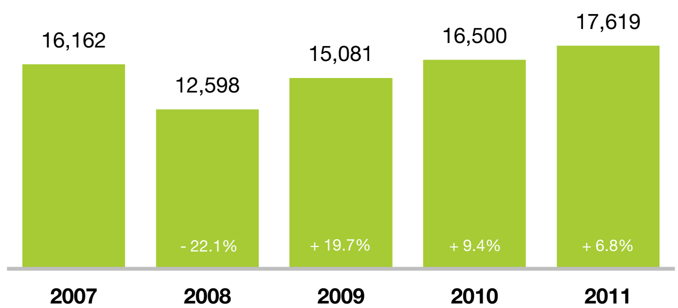
Top 5 Areas: Change in New Listings from 2010

Region 21: Jacksonville Bch	+ 1.8%
Region 57: Putnam County – West	- 4.4%
Region 03: Riverside/Avondale/Ortega	- 8.1%
Region 58: Putnam County – South	- 8.5%
Region 40: Nassau County	- 9.1%

Bottom 5 Areas: Change in New Listings from 2010

Region 33: St. Johns County – SE	- 24.8%
Region 22: Neptune Bch	- 25.0%
Region 08: Marietta/Whitehouse/Baldwin/Garden St/Dinsmore	- 26.0%
Region 34: St. Johns County – SW	- 27.6%
Region 06: West Jacksonville	- 27.7%

Pending Sales



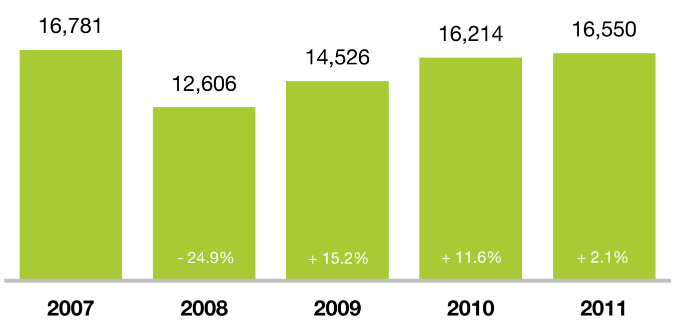
Top 5 Areas: Change in Pending Sales from 2010

Region 57: Putnam County – West	+ 51.0%
Region 26: Ponte Vedra Bch/S Ponte Vedra Beach, etc.	+ 27.9%
Region 03: Riverside/Avondale/Ortega	+ 24.0%
Region 22: Neptune Bch	+ 22.0%
Region 16: Green Cove Springs	+ 19.5%

Bottom 5 Areas: Change in Pending Sales from 2010

Region 33: St. Johns County – SE	- 3.8%
Region 06: West Jacksonville	- 4.4%
Region 58: Putnam County – South	- 6.3%
Region 32: St. John's County – St. Augustine Area (E of US 1)	- 6.7%
Region 07: Springfield/Downtown/Paxon/Trout River South	- 7.3%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2010

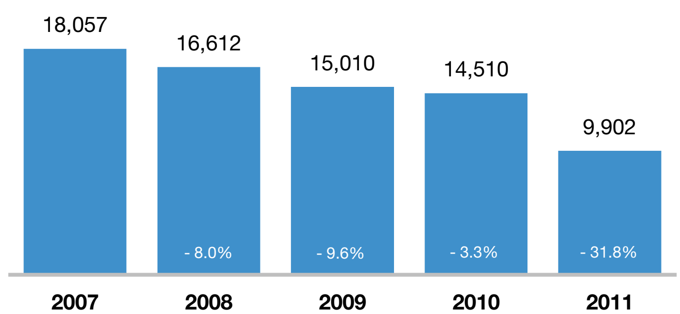
Region 57: Putnam County – West	+ 54.3%
Region 26: Ponte Vedra Bch/S Ponte Vedra Beach, etc.	+ 29.6%
Region 21: Jacksonville Bch	+ 25.3%
Region 03: Riverside/Avondale/Ortega	+ 15.0%
Region 16: Green Cove Springs	+ 14.8%

Bottom 5 Areas: Change in Closed Sales from 2010

Region 32: St. John's County – St. Augustine Area (E of US 1)	- 7.9%
Region 34: St. Johns County – SW	- 8.6%
Region 23: Atlantic Bch	- 9.4%
Region 58: Putnam County – South	- 13.0%
Region 07: Springfield/Downtown/Paxon/Trout River South	- 17.3%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2010

Region 58: Putnam County - South	- 12.8%
Region 40: Nassau County	- 17.2%
Region 14: Middleburg Vicinity	- 17.3%
Region 03: Riverside/Avondale/Ortega	- 19.8%
Region 15: Keystone Heights Vicinity	- 20.0%

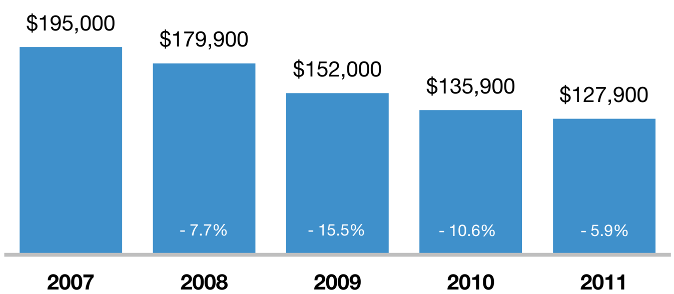
Top 5 Areas: Change in Homes for Sale from 2010

Region 22: Neptune Bch	- 38.6%
Region 13: Orange Park	- 38.8%
Region 06: West Jacksonville	- 39.1%
Region 34: St. Johns County – SW	- 45.2%
Region 02: Southside	- 45.8%

Quick Facts

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

Median Sales Price



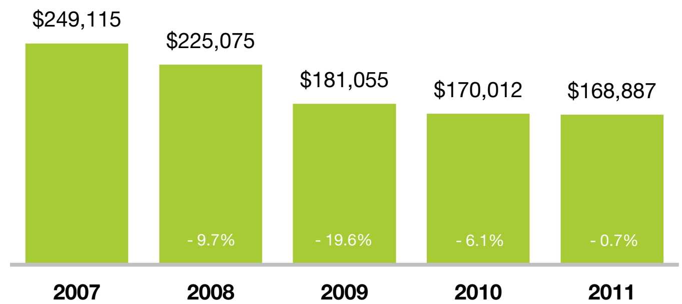
Top 5 Areas: Change in Median Sales Price from 2010

Region 23: Atlantic Bch	+ 18.5%
Region 32: St. John's County – St. Augustine Area (E of US 1)	+ 11.3%
Region 33: St. Johns County – SE	+ 4.8%
Region 21: Jacksonville Bch	+ 4.2%
Region 22: Neptune Bch	+ 3.3%

Bottom 5 Areas: Change in Median Sales Price from 2010

Region 09: Jacksonville – North	- 13.2%
Region 58: Putnam County – South	- 13.5%
Region 06: West Jacksonville	- 18.0%
Region 02: Southside	- 20.0%
Region 57: Putnam County – West	- 29.1%

Average Sales Price



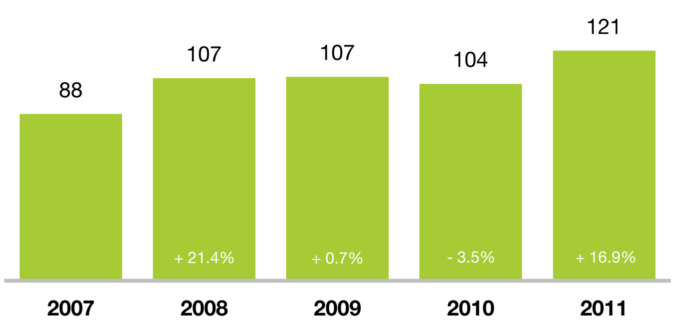
Top 5 Areas: Change in Average Sales Price from 2010

Region 32: St. John's County – St. Augustine Area (E of US 1)	+ 27.0%
Region 22: Neptune Bch	+ 17.6%
Region 31: St. Johns County – NE	+ 14.2%
Region 33: St. Johns County – SE	+ 5.7%
Region 07: Springfield/Downtown/Paxon/Trout River South	+ 5.3%

Bottom 5 Areas: Change in Average Sales Price from 2010

Region 15: Keystone Heights Vicinity	- 12.2%
Region 57: Putnam County – West	- 12.2%
Region 56: Putnam County NE	- 12.3%
Region 23: Atlantic Bch	- 14.3%
Region 58: Putnam County – South	- 24.5%

Days on Market Until Sale



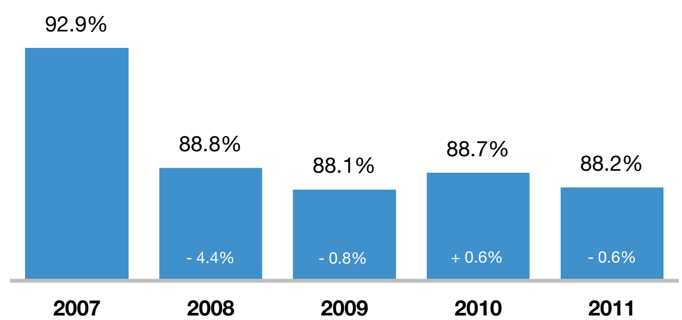
Top 5 Areas: Change in Days on Market from 2010

Region 06: West Jacksonville	+ 33.1%
Region 14: Middleburg Vicinity	+ 28.5%
Region 07: Springfield/Downtown/Paxon/Trout River South	+ 27.6%
Region 04: Arlington/Fort Caroline	+ 27.2%
Region 33: St. Johns County – SE	+ 26.1%

Bottom 5 Areas: Change in Days on Market from 2010

Region 58: Putnam County – South	- 3.9%
Region 25: Ponte Vedra Bch North	- 7.3%
Region 50: Baker County	- 7.7%
Region 23: Atlantic Bch	- 8.8%
Region 21: Jacksonville Bch	- 18.2%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2010

Region 58: Putnam County – South	+ 4.7%
Region 40: Nassau County	+ 3.1%
Region 34: St. Johns County – SW	+ 2.8%
Region 21: Jacksonville Bch	+ 2.5%
Region 22: Neptune Bch	+ 2.5%

Top 5 Areas: Change in Pct. of Orig. Price Received from 2010

Region 32: St. John's County – St. Augustine Area (E of US 1)	- 2.1%
Region 04: Arlington/Fort Caroline	- 2.3%
Region 09: Jacksonville – North	- 2.4%
Region 06: West Jacksonville	- 3.9%
Region 15: Keystone Heights Vicinity	- 4.4%

Property Type Review

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121

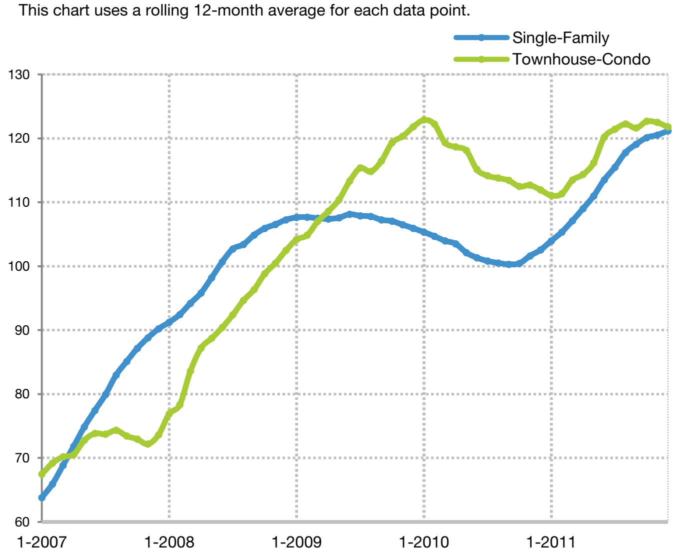
Average Days on Market
Single-Family Detached

122

Average Days on Market
Townhouse-Condo Attached

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Townhouse-Condo Attached Market Share in 2011

Region 21: Jacksonville Bch	48.8%
Region 02: Southside	34.3%
Region 33: St. Johns County – SE	28.6%
Region 32: St. John's County – St. Augustine Area (E of US 1)	24.4%
Region 26: Ponte Vedra Bch/S Ponte Vedra Beach, etc.	21.8%
Region 25: Ponte Vedra Bch North	20.5%
Region 01: Southside/Mandarin/Bartram	16.7%
Entire MLS	13.6%
Region 23: Atlantic Bch	11.9%
Region 31: St. Johns County – NE	11.6%
Region 03: Riverside/Avondale/Ortega	11.6%
Region 12: Fleming Island Area	11.0%
Region 05: Hyde Grove/Murray Hill/Lakeshore/Wesconnett	8.5%
Region 40: Nassau County	8.2%
Region 04: Arlington/Fort Caroline	7.4%
Region 13: Orange Park	6.3%
Region 06: West Jacksonville	4.8%
Region 07: Springfield/Downtown/Paxon/Trout River South	3.9%
Region 16: Green Cove Springs	3.8%
Region 30: St. Johns County – NW	3.7%
Region 58: Putnam County – South	3.5%
Region 34: St. Johns County – SW	1.4%
Region 14: Middleburg Vicinity	1.3%
Region 08: Marietta/Whitehouse/Baldwin/Garden St/Dinsmore	0.0%
Region 09: Jacksonville – North	0.0%
Region 15: Keystone Heights Vicinity	0.0%

-6.0%

One-Year Change in Price
Single-Family Detached

-6.8%

One-Year Change in Price
Townhouse-Condo Attached

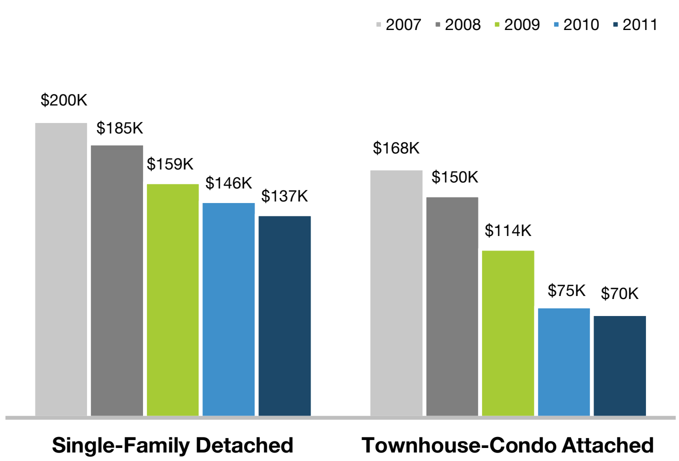
88.0%

Pct. of Orig. Price Received
Single-Family Detached

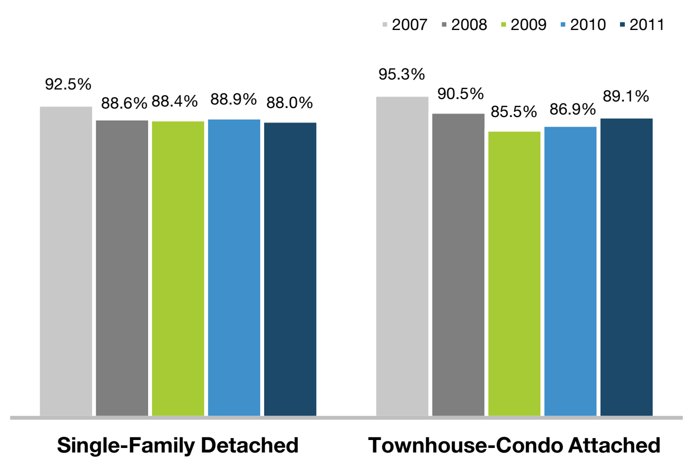
89.1%

Pct. of Orig. Price Received
Townhouse-Condo Attached

Median Sales Price



Percent of Original List Price Received



Distressed Homes Review

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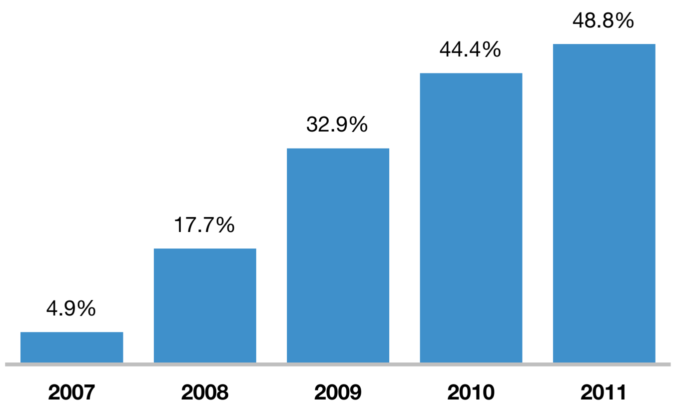
48.8%

Percent of Lender-Mediated Sold in 2011

+ 12.3%

One-Year Change in Sales of Lender-Mediated

Percent of Sales That Were Lender-Mediated



Top Areas: Lender-Mediated Market Share in 2011

Region 07: Springfield/Downtown/Paxon/Trout River South	69.4%
Region 06: West Jacksonville	58.6%
Region 05: Hyde Grove/Murray Hill/Lakeshore/Wesconnett	58.4%
Region 09: Jacksonville – North	58.2%
Region 34: St. Johns County – SW	58.1%
Region 13: Orange Park	57.7%
Region 08: Marietta/Whitehouse/Baldwin/Garden St/Dinsmore	56.8%
Region 40: Nassau County	55.8%
Region 02: Southside	54.8%
Region 04: Arlington/Fort Caroline	54.8%
Region 50: Baker County	49.6%
Entire MLS	48.8%
Region 14: Middleburg Vicinity	47.9%
Region 01: Southside/Mandarin/Bartram	45.0%
Region 31: St. Johns County – NE	42.8%
Region 12: Fleming Island Area	41.7%
Region 56: Putnam County NE	41.3%
Region 21: Jacksonville Bch	39.8%
Region 23: Atlantic Bch	39.6%
Region 16: Green Cove Springs	39.4%
Region 30: St. Johns County – NW	37.3%
Region 32: St. John's County – St. Augustine Area (E of US 1)	36.6%
Region 15: Keystone Heights Vicinity	34.3%
Region 33: St. Johns County – SE	33.5%
Region 22: Neptune Bch	33.3%
Region 03: Riverside/Avondale/Ortega	32.5%

- 28.9%

Three-Year Change in Price All Properties

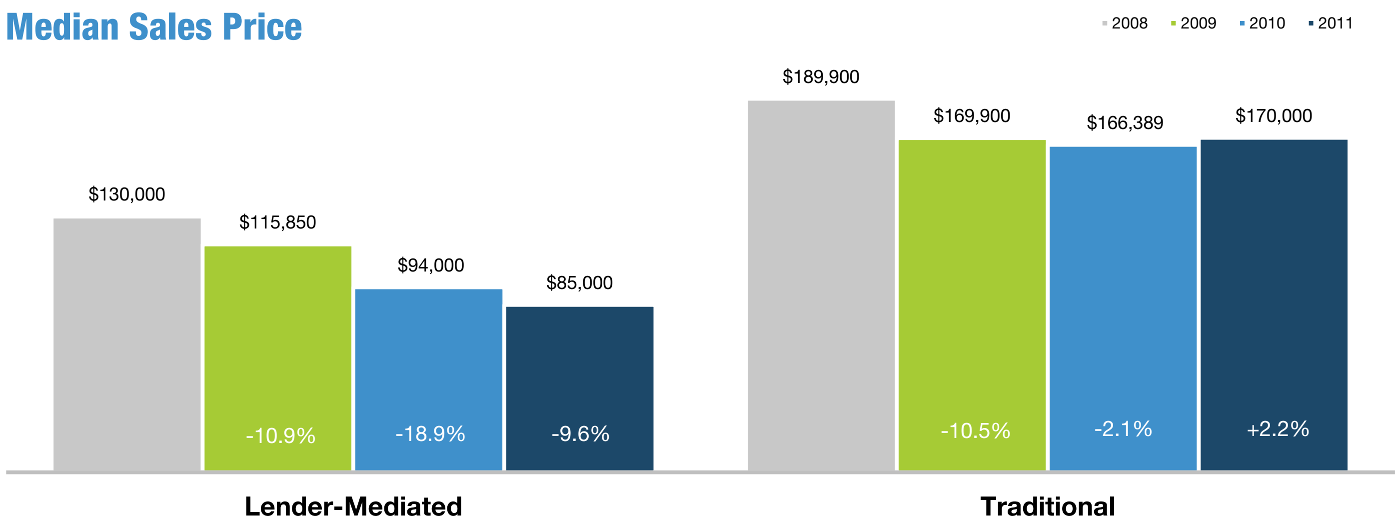
- 34.6%

Three-Year Change in Price Lender-Mediated

- 10.5%

Three-Year Change in Price Traditional Properties

Median Sales Price



New Construction Review

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

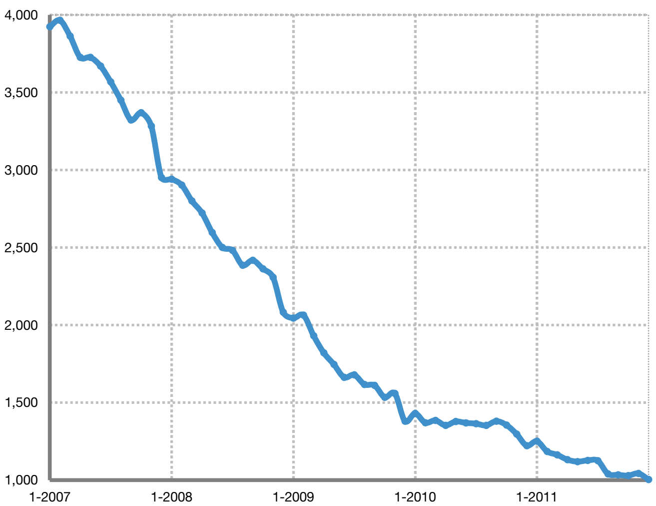
Feb '07

Peak of New Construction Inventory

2,962

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2011

Region 25: Ponte Vedra Bch North	31.6%
Region 23: Atlantic Bch	27.3%
Region 26: Ponte Vedra Bch/S Ponte Vedra Beach, etc.	23.9%
Region 31: St. Johns County – NE	22.9%
Region 07: Springfield/Downtown/Paxon/Trout River South	20.6%
Region 12: Fleming Island Area	19.3%
Region 33: St. Johns County – SE	16.4%
Region 06: West Jacksonville	13.5%
Region 04: Arlington/Fort Caroline	12.8%
Region 15: Keystone Heights Vicinity	11.0%
Region 14: Middleburg Vicinity	10.6%
Region 09: Jacksonville – North	9.8%
Region 08: Marietta/Whitehouse/Baldwin/Garden St/Dinsmore	8.9%
Region 32: St. John's County – St. Augustine Area (E of US 1)	8.1%
Region 30: St. Johns County – NW	6.1%
Region 34: St. Johns County – SW	5.7%
Entire MLS	5.2%
Region 05: Hyde Grove/Murray Hill/Lakeshore/Wesconnett	3.8%
Region 03: Riverside/Avondale/Ortega	3.4%
Region 02: Southside	2.1%
Region 22: Neptune Bch	1.9%
Region 13: Orange Park	1.9%
Region 16: Green Cove Springs	1.5%
Region 21: Jacksonville Bch	1.0%
Region 01: Southside/Mandarin/Bartram	0.9%
Region 40: Nassau County	0.5%

6.0

Year-End Months Supply New Construction

6.8

Year-End Months Supply Previously Owned

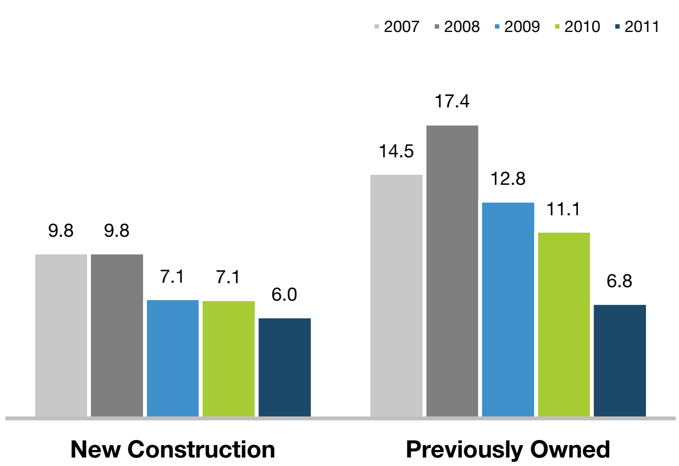
94.1%

Pct. of Orig. Price Received New Construction

87.4%

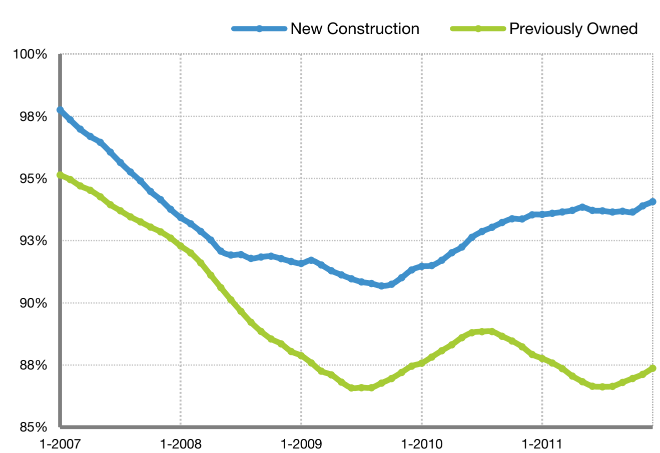
Pct. of Orig. Price Received Previously Owned

Months Supply of Inventory



Percent of Original List Price Received

This chart uses a Rolling 12 Month Average for each data point.



Area Overviews

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

	Total Closed Sales	Change from 2010	Percent New Construction	Percent Townhouse-Condo	Percent Lender-Mediated	Days on Market	Pct. of Orig. Price Received
Entire MLS	**16,550**	**+ 2.1%**	**11.5%**	**13.6%**	**48.8%**	**121**	**88.2%**
Region 01: Southside/Mandarin/Bartram	1,577	+ 0.5%	9.4%	16.7%	45.0%	123	88.6%
Region 02: Southside	2,391	+ 3.9%	5.2%	34.3%	54.8%	113	89.2%
Region 03: Riverside/Avondale/Ortega	329	+ 15.0%	0.9%	11.6%	32.5%	142	86.5%
Region 04: Arlington/Fort Caroline	1,248	+ 1.8%	2.1%	7.4%	54.8%	117	86.7%
Region 05: Hyde Grove/Murray Hill/Lakeshore/Wesconnett	681	- 1.6%	3.4%	8.5%	58.4%	106	87.0%
Region 06: West Jacksonville	1,074	- 7.3%	12.8%	4.8%	58.6%	118	87.1%
Region 07: Springfield/Downtown/Paxon/Trout River South	772	- 17.3%	3.8%	3.9%	69.4%	99	86.9%
Region 08: Marietta/Whitehouse/Baldwin/Garden St/Dinsmore	155	+ 3.3%	13.5%	0.0%	56.8%	118	85.7%
Region 09: Jacksonville – North	827	- 7.3%	20.6%	0.0%	58.2%	133	87.7%
Region 12: Fleming Island Area	436	+ 8.2%	8.9%	11.0%	41.7%	116	89.5%
Region 13: Orange Park	1,097	+ 4.7%	9.8%	6.3%	57.7%	113	89.4%
Region 14: Middleburg Vicinity	606	- 2.6%	19.3%	1.3%	47.9%	116	89.6%
Region 15: Keystone Heights Vicinity	108	+ 3.8%	1.9%	0.0%	34.3%	178	79.8%
Region 16: Green Cove Springs	132	+ 14.8%	10.6%	3.8%	39.4%	119	86.3%
Region 21: Jacksonville Bch	480	+ 25.3%	11.0%	48.8%	39.8%	111	90.2%
Region 22: Neptune Bch	66	+ 3.1%	1.5%	0.0%	33.3%	122	89.2%
Region 23: Atlantic Bch	202	- 9.4%	1.0%	11.9%	39.6%	119	86.6%
Region 25: Ponte Vedra Bch North	156	- 3.7%	1.9%	20.5%	29.5%	146	85.0%
Region 26: Ponte Vedra Bch/S Ponte Vedra Beach/ Vilano Bch/Palm Valley/Ponte Vedra/Nocatee	770	+ 29.6%	27.3%	21.8%	24.9%	147	89.2%
Region 30: St. Johns County – NW	1,361	+ 4.9%	31.6%	3.7%	37.3%	120	91.4%
Region 31: St. Johns County – NE	138	+ 3.0%	23.9%	11.6%	42.8%	139	89.3%
Region 32: St. John's County – St. Augustine Area (East of US 1)	82	- 7.9%	6.1%	24.4%	36.6%	154	84.1%
Region 33: St. Johns County – SE	555	+ 3.4%	22.9%	28.6%	33.5%	137	87.3%
Region 34: St. Johns County – SW	74	- 8.6%	8.1%	1.4%	58.1%	109	87.9%
Region 40: Nassau County	428	+ 8.9%	16.4%	8.2%	55.8%	117	88.5%
Region 50: Baker County	123	+ 2.5%	5.7%	0.0%	49.6%	118	88.2%
Region 56: Putnam County NE	189	- 1.6%	0.5%	0.0%	41.3%	171	79.8%
Region 57: Putnam County – West	142	+ 54.3%	0.0%	0.0%	32.4%	158	78.9%
Region 58: Putnam County – South	114	- 13.0%	0.0%	3.5%	22.8%	169	80.8%

Area Historical Median Prices

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

	2007	2008	2009	2010	2011	Change From 2010	Change From 2007
Entire MLS	**$195,000**	**$179,900**	**$152,000**	**$135,900**	**$127,900**	**- 5.9%**	**- 34.4%**
Region 01: Southside/Mandarin/Bartram	$220,000	$205,000	$175,000	$150,000	$143,000	- 4.7%	- 35.0%
Region 02: Southside	$187,000	$173,000	$148,970	$125,000	$100,000	- 20.0%	- 46.5%
Region 03: Riverside/Avondale/Ortega	$287,935	$240,000	$185,500	$185,000	$174,000	- 5.9%	- 39.6%
Region 04: Arlington/Fort Caroline	$183,500	$165,000	$138,000	$119,900	$109,350	- 8.8%	- 40.4%
Region 05: Hyde Grove/Murray Hill/Lakeshore/Wesconnett	$133,950	$119,900	$85,000	$58,750	$53,300	- 9.3%	- 60.2%
Region 06: West Jacksonville	$162,500	$149,900	$120,000	$103,700	$85,000	- 18.0%	- 47.7%
Region 07: Springfield/Downtown/Paxon/Trout River South	$65,000	$39,900	$21,000	$19,000	$19,550	+ 2.9%	- 69.9%
Region 08: Marietta/Whitehouse/Baldwin/Garden St/Dinsmore	$112,350	$160,000	$139,900	$119,000	$107,400	- 9.7%	- 4.4%
Region 09: Jacksonville – North	$180,250	$179,283	$155,000	$143,998	$125,000	- 13.2%	- 30.7%
Region 12: Fleming Island Area	$255,000	$230,000	$222,500	$193,000	$189,600	- 1.8%	- 25.6%
Region 13: Orange Park	$198,500	$175,000	$154,000	$134,500	$120,000	- 10.8%	- 39.5%
Region 14: Middleburg Vicinity	$175,000	$169,500	$154,400	$130,000	$124,950	- 3.9%	- 28.6%
Region 15: Keystone Heights Vicinity	$123,250	$120,000	$101,125	$74,900	$75,000	+ 0.1%	- 39.1%
Region 16: Green Cove Springs	$208,050	$199,950	$179,000	$154,900	$135,000	- 12.8%	- 35.1%
Region 21: Jacksonville Bch	$395,000	$317,500	$255,000	$216,000	$225,000	+ 4.2%	- 43.0%
Region 22: Neptune Bch	$380,000	$325,000	$290,000	$250,750	$259,000	+ 3.3%	- 31.8%
Region 23: Atlantic Bch	$232,800	$250,000	$197,500	$168,000	$199,000	+ 18.5%	- 14.5%
Region 25: Ponte Vedra Bch North	$730,000	$669,000	$310,000	$449,500	$407,500	- 9.3%	- 44.2%
Region 26: Ponte Vedra Bch/S Ponte Vedra Beach/ Vilano Bch/Palm Valley/Ponte Vedra/Nocatee	$415,000	$405,000	$310,000	$308,000	$295,000	- 4.2%	- 28.9%
Region 30: St. Johns County – NW	$300,000	$267,700	$234,990	$220,000	$212,894	- 3.2%	- 29.0%
Region 31: St. Johns County – NE	$395,000	$246,880	$235,773	$245,000	$250,000	+ 2.0%	- 36.7%
Region 32: St. John's County – St. Augustine Area (East of US 1)	$267,450	$166,000	$162,000	$155,000	$172,500	+ 11.3%	- 35.5%
Region 33: St. Johns County – SE	$245,772	$198,000	$165,000	$146,000	$153,000	+ 4.8%	- 37.7%
Region 34: St. Johns County – SW	$230,000	$165,000	$133,245	$76,500	$70,700	- 7.6%	- 69.3%
Region 40: Nassau County	$224,900	$190,000	$174,000	$145,500	$142,800	- 1.9%	- 36.5%
Region 50: Baker County	$174,250	$145,000	$140,000	$130,000	$123,000	- 5.4%	- 29.4%
Region 56: Putnam County NE	$130,000	$128,000	$88,500	$76,950	$69,900	- 9.2%	- 46.2%
Region 57: Putnam County – West	$72,000	$69,950	$49,950	$54,950	$38,975	- 29.1%	- 45.9%
Region 58: Putnam County – South	$76,900	$77,750	$69,500	$50,000	$43,250	- 13.5%	- 43.8%