Annual Report on the Northeast Florida Housing Market

NORTHEAST FLORIDA ASSOCIATION OF REALTORS

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

Two steps forward, one step back. That's how the 2014 housing recovery went in most local U.S. markets. It was another recovery year but not without its hurdles – some new, some familiar. Metrics like sales price and inventory showed improvement, while new home construction and other measures didn't quite meet expectations. Though the rate of improvement is uneven across areas, price tiers and market segments, overwhelmingly encouraging data sets a positive tone for 2015.

While that data confirms that recovery is still underway, it also suggests that the 2014 recovery was not as strong as in 2013. Moderate inventory gains meant less robust – yet still mostly positive – price growth. Since prices have risen, the affordability picture isn't what it was in 2012 or 2013, though affordability remains above its long-term average. Factors such as inadequate mortgage liquidity, stagnant wage growth and student loan debt have served as impediments to both first-time and move-up buyers.

Sales

Interest rates remained lower than most expected. That helped fuel buyer activity. In general, sales continue to skew away from the distressed segments and toward traditional sales. Overall, pending sales increased 10.3 percent to 24,355 for the year. That's the 5th consecutive year of sales gains. In 2015, watch for stronger seller activity to increase inventory levels, which could alleviate shortages in certain areas and segments.

Listings

Those shopping for homes saw their searches return more homes and listings of higher quality. With 9,049 active listings as of the end of 2014, consumers had 13.5 percent more options in 2014 than in 2013. Persistent price gains meant once-underwater sellers could finally list their homes. Other sellers simply found the extra confidence needed to sell. Buyers welcomed the news. Seller activity increased 6.5 percent to 34,068 new listings. Expect that to continue in 2015.

Property Types

With boomers emptying their suburban nests and millennials having their own unique set of preferences, market activity can often vary by property type. For example, Median Sales Price of single-family homes were up 3.0 percent while condos-townhouses increased 4.8 percent.

Lender-Mediated Properties

In almost every community, foreclosure and short sale activity is declining and is near multi-year lows. That's a good thing, since these distressed product types sell at a steep discount to their traditional counterparts. In 2014, the percentage of closed sales that were either foreclosure or short sale fell 3.9 percent to 34.7 percent.

If the economic tailwinds stick around as they should, housing should get a boost in 2015. Qualified first-time buyers need good jobs and access to mortgage capital. Watch for movement on housing finance reform. Rates should be stable until mid-2015, when the Federal Reserve is expected to raise the key federal funds rate.

By almost all measures, the economic landscape has improved. Recent gross domestic product growth is rising at a 5.0 percent annual rate. The national unemployment rate is under 6.0, down from a 10-year high of 10.0 in October 2009, and stocks are reaching all times highs. The deficit is down by two-thirds, gas prices are at multi-year lows and we're in the midst of the largest stretch of job gains on record. Given all that, 2015 should hold much promise. Here's to making the most of it.

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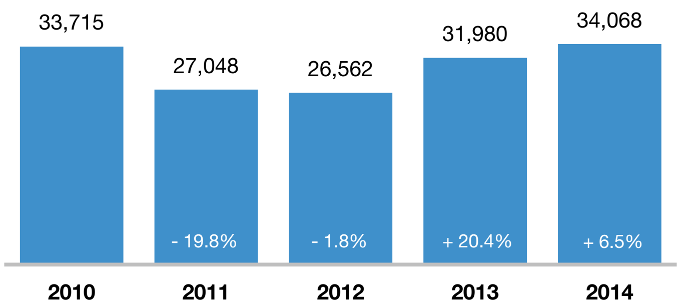
Quick Facts

New Listings



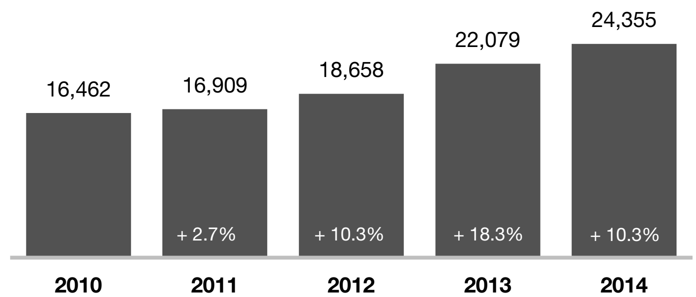
Top 5 Areas: Change in New Listings from 2013

Region 31: St Johns County - NE	+ 46.3%
Region 32: St Johns County - St Augustine Area - E of US 1	+ 29.9%
Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	+ 20.8%
Region 14: Middleburg Vicinity	+ 17.0%
Region 02: Southside	+ 12.6%

Bottom 5 Areas: Change in New Listings from 2013

Region 21: Jacksonville Beach	- 1.8%
Region 15: Keystone Heights Vicinity	- 4.1%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	- 5.0%
Region 07: Springfield / Downtown / Paxon / Trout River South	- 5.7%
Region 34: St Johns County - SW	- 20.1%

Pending Sales



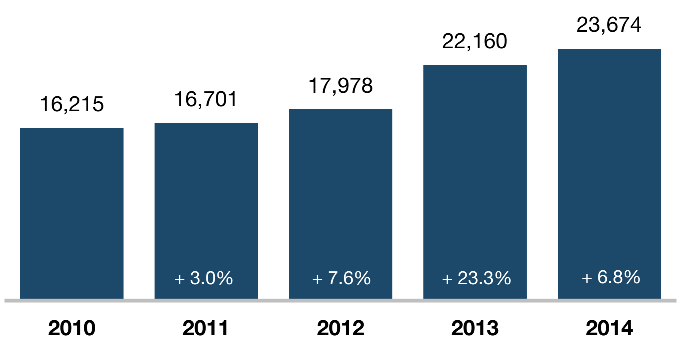
Top 5 Areas: Change in Pending Sales from 2013

Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	+ 39.2%
Region 57: Putnam County - West	+ 25.4%
Region 56: Putnam County NE	+ 24.6%
Region 50: Baker County	+ 22.0%
Region 32: St Johns County - St Augustine Area - E of US 1	+ 20.0%

Bottom 5 Areas: Change in Pending Sales from 2013

Region 25: NE St Johns County – Ponte Vedra Bch N	- 3.1%
Region 58: Putnam County - South	- 7.9%
Region 22: Neptune Beach	- 12.6%
Region 21: Jacksonville Beach	- 14.7%
Region 34: St Johns County - SW	- 17.8%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2013

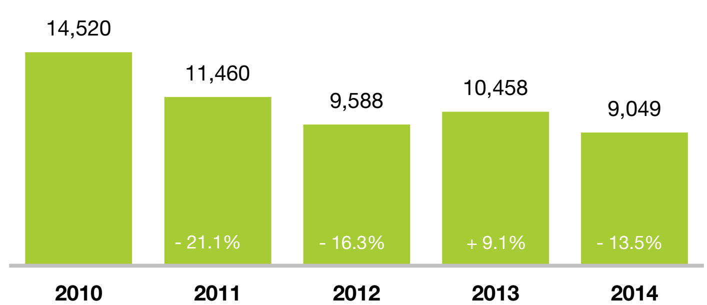
Region 56: Putnam County NE	+ 24.3%
Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	+ 23.4%
Region 27: Ponte Vedra / Nocatee (St Johns County)	+ 22.8%
Region 57: Putnam County - West	+ 22.8%
Region 50: Baker County	+ 19.6%

Bottom 5 Areas: Change in Closed Sales from 2013

Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	- 6.2%
Region 34: St Johns County - SW	- 8.7%
Region 58: Putnam County - South	- 13.1%
Region 21: Jacksonville Beach	- 18.8%
Region 22: Neptune Beach	- 20.2%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2013

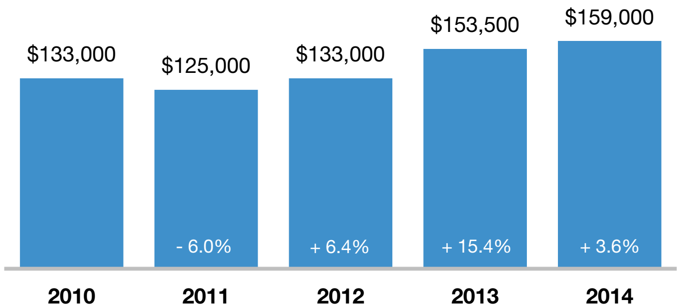
Region 31: St Johns County - NE	+ 54.8%
Region 32: St Johns County - St Augustine Area - E of US 1	+ 16.4%
Region 27: Ponte Vedra / Nocatee (St Johns County)	+ 11.0%
Region 21: Jacksonville Beach	+ 7.7%
Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	+ 2.5%

Bottom 5 Areas: Change in Homes for Sale from 2013

Region 06: West Jacksonville	- 19.0%
Region 09: Jacksonville - North	- 25.9%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	- 29.1%
Region 07: Springfield / Downtown / Paxon / Trout River South	- 29.7%
Region 34: St Johns County - SW	- 36.6%

Quick Facts

Median Sales Price



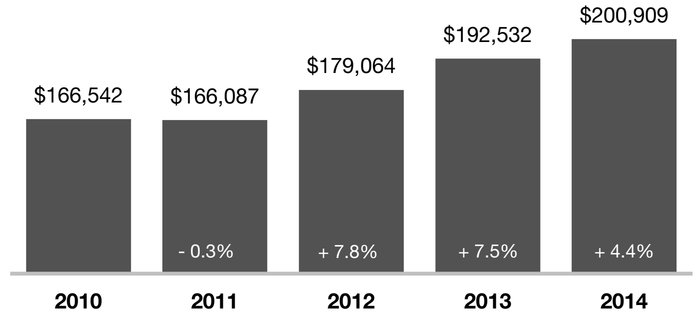
Top 5 Areas: Change in Median Sales Price from 2013

Region 57: Putnam County - West	+ 25.7%
Region 27: Ponte Vedra / Nocatee (St Johns County)	+ 18.9%
Region 31: St Johns County - NE	+ 16.3%
Region 06: West Jacksonville	+ 12.3%
Region 16: Green Cove Springs	+ 10.1%

Bottom 5 Areas: Change in Median Sales Price from 2013

Region 34: St Johns County - SW	- 6.5%
Region 58: Putnam County - South	- 6.8%
Region 56: Putnam County NE	- 7.4%
Region 07: Springfield / Downtown / Paxon / Trout River South	- 11.8%
Region 23: Atlantic Beach	- 13.1%

Average Sales Price



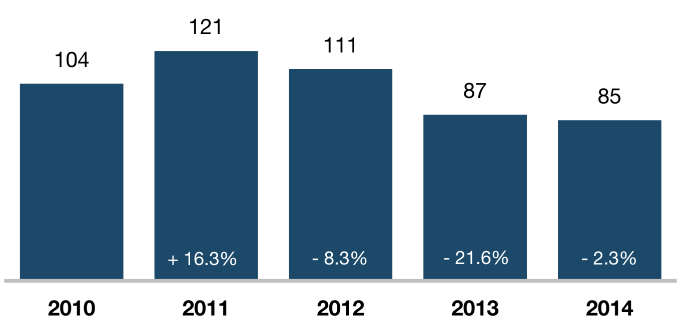
Top 5 Areas: Change in Avg. Sales Price from 2013

Region 15: Keystone Heights Vicinity	+ 33.3%
Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	+ 17.1%
Region 27: Ponte Vedra / Nocatee (St Johns County)	+ 14.4%
Region 31: St Johns County - NE	+ 13.2%
Region 03: Riverside / Avondale / Ortega	+ 9.8%

Bottom 5 Areas: Change in Avg. Sales Price from 2013

Region 04: Arlington / Fort Caroline	- 1.4%
Region 16: Green Cove Springs	- 2.6%
Region 50: Baker County	- 4.1%
Region 07: Springfield / Downtown / Paxon / Trout River South	- 5.4%
Region 56: Putnam County NE	- 10.9%

Days on Market Until Sale



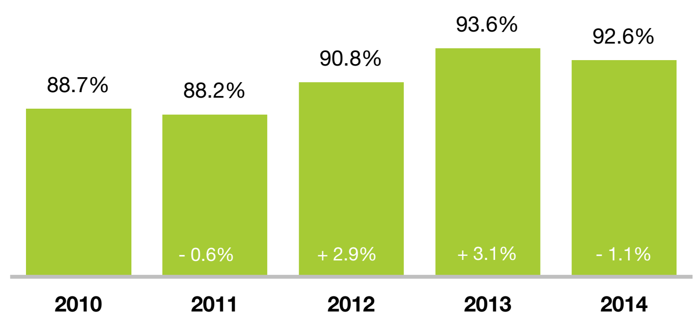
Top 5 Areas: Change in Days on Market from 2013

Region 50: Baker County	+ 24.7%
Region 15: Keystone Heights Vicinity	+ 20.1%
Region 57: Putnam County - West	+ 16.4%
Region 22: Neptune Beach	+ 9.9%
Region 12: Fleming Island Area	+ 8.0%

Bottom 5 Areas: Change in Days on Market from 2013

Region 27: Ponte Vedra / Nocatee (St Johns County)	- 10.6%
Region 58: Putnam County - South	- 12.7%
Region 56: Putnam County NE	- 14.9%
Region 31: St Johns County - NE	- 20.2%
Region 25: NE St Johns County – Ponte Vedra Bch N	- 20.4%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2013

Region 56: Putnam County NE	+ 5.0%
Region 57: Putnam County - West	+ 3.1%
Region 58: Putnam County - South	+ 1.8%
Region 34: St Johns County - SW	+ 1.7%
Region 31: St Johns County - NE	+ 1.2%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2013

Region 07: Springfield / Downtown / Paxon / Trout River South	- 1.6%
Region 09: Jacksonville - North	- 1.8%
Region 06: West Jacksonville	- 1.8%
Region 02: Southside	- 2.0%
Region 50: Baker County	- 2.0%

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Property Type Review

86

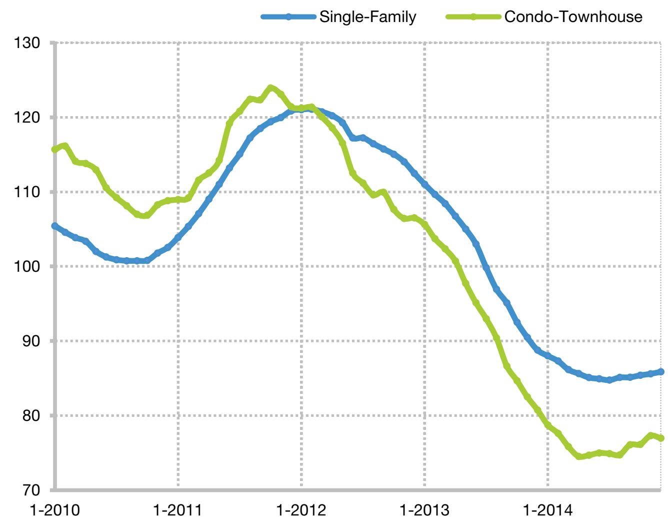
Average Days on Market Single-Family Detached

77

Average Days on Market Condo-Townhouse

Days on Market Until Sale

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



Top Areas: Condo-Townhouse Market Share in 2014

Entire MLS	**15.0%**
Region 21: Jacksonville Beach	46.0%
Region 02: Southside	32.1%
Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	31.5%
Region 33: St Johns County - SE	28.1%
Region 25: NE St Johns County – Ponte Vedra Bch N	26.6%
Region 01: Southside / Mandarin / Bartram	22.6%
Region 23: Atlantic Beach	21.9%
Region 32: St Johns County - St Augustine Area - E of US 1	21.2%
Region 22: Neptune Beach	17.6%
Region 03: Riverside / Avondale / Ortega	15.2%
Region 12: Fleming Island Area	13.6%
Region 31: St Johns County - NE	13.6%
Region 13: Orange Park	12.3%
Region 04: Arlington / Fort Caroline	10.7%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	10.3%
Region 27: Ponte Vedra / Nocatee (St Johns County)	9.5%
Region 06: West Jacksonville	7.4%
Region 30: St Johns County - NW	7.2%
Region 40: Nassau County	5.3%
Region 07: Springfield / Downtown / Paxon / Trout River South	4.6%
Region 58: Putnam County - South	4.5%
Region 09: Jacksonville - North	3.5%
Region 14: Middleburg Vicinity	1.7%
Region 16: Green Cove Springs	1.1%
Region 34: St Johns County - SW	1.1%

+ 3.0%

One-Year Change in Price Single-Family Detached

+ 4.8%

One-Year Change in Price Condo-Townhouse

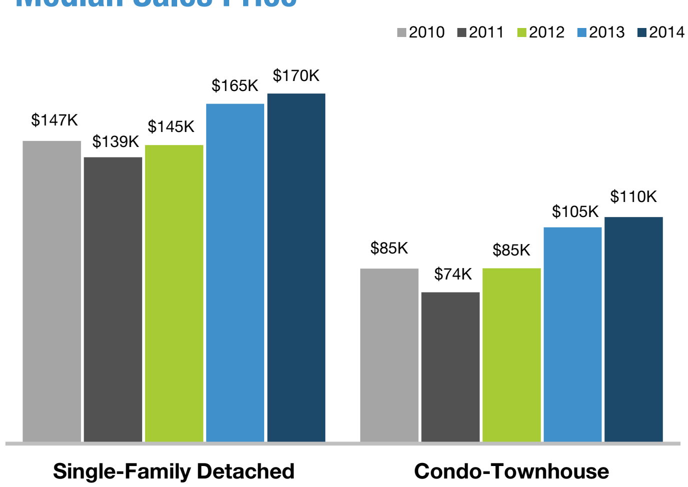
92.5%

Pct. of Orig. List Price Received Single-Family Detached

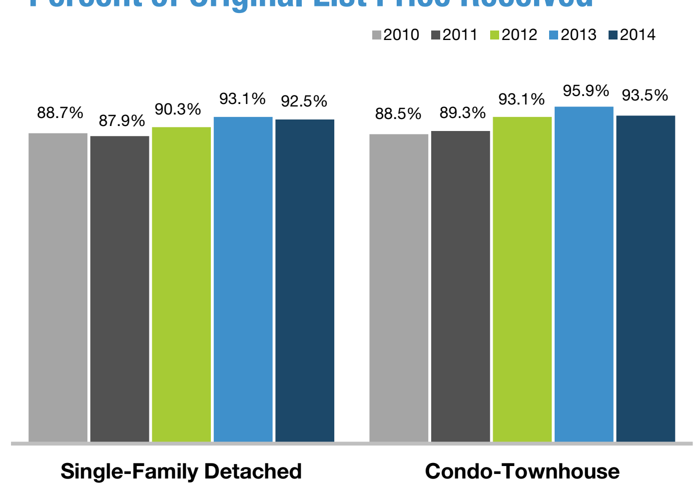
93.5%

Pct. of Orig. List Price Received Condo-Townhouse

Median Sales Price



Percent of Original List Price Received



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Lender-Mediated Review

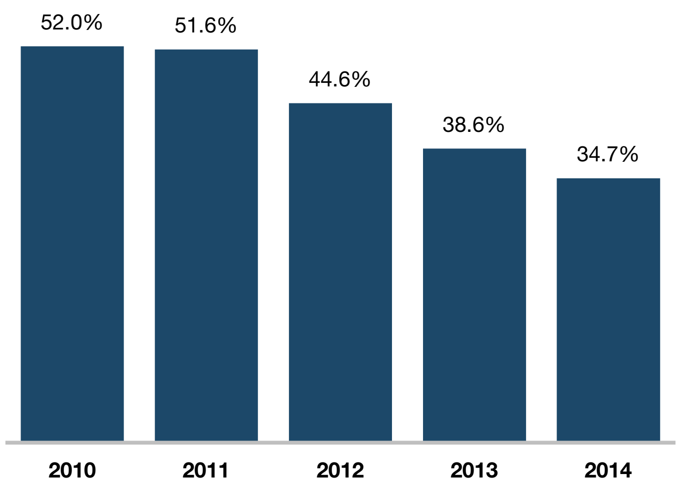
34.7%

% of Closed Sales in 2014 That Were Lender-Mediated

- 3.9%

One-Year Change in Sales of Lender-Mediated

% of Sales That Were Lender-Mediated



Top Areas: Lender-Mediated Market Share in 2014

Entire MLS	**34.7%**
Region 07: Springfield / Downtown / Paxon / Trout River South	62.4%
Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	56.8%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	55.8%
Region 50: Baker County	54.4%
Region 06: West Jacksonville	47.5%
Region 56: Putnam County NE	46.2%
Region 04: Arlington / Fort Caroline	43.9%
Region 09: Jacksonville - North	43.1%
Region 15: Keystone Heights Vicinity	39.4%
Region 14: Middleburg Vicinity	38.7%
Region 02: Southside	37.4%
Region 13: Orange Park	37.0%
Region 40: Nassau County	36.6%
Region 57: Putnam County - West	36.1%
Region 01: Southside / Mandarin / Bartram	31.7%
Region 16: Green Cove Springs	29.4%
Region 23: Atlantic Beach	29.0%
Region 34: St Johns County - SW	28.7%
Region 22: Neptune Beach	26.4%
Region 58: Putnam County - South	25.1%
Region 12: Fleming Island Area	22.9%
Region 21: Jacksonville Beach	20.1%
Region 25: NE St Johns County – Ponte Vedra Bch N	17.2%
Region 33: St Johns County - SE	16.6%
Region 32: St Johns County - St Augustine Area - E of US 1	16.3%

+ 19.5%

Five-Year Change in Price All Properties

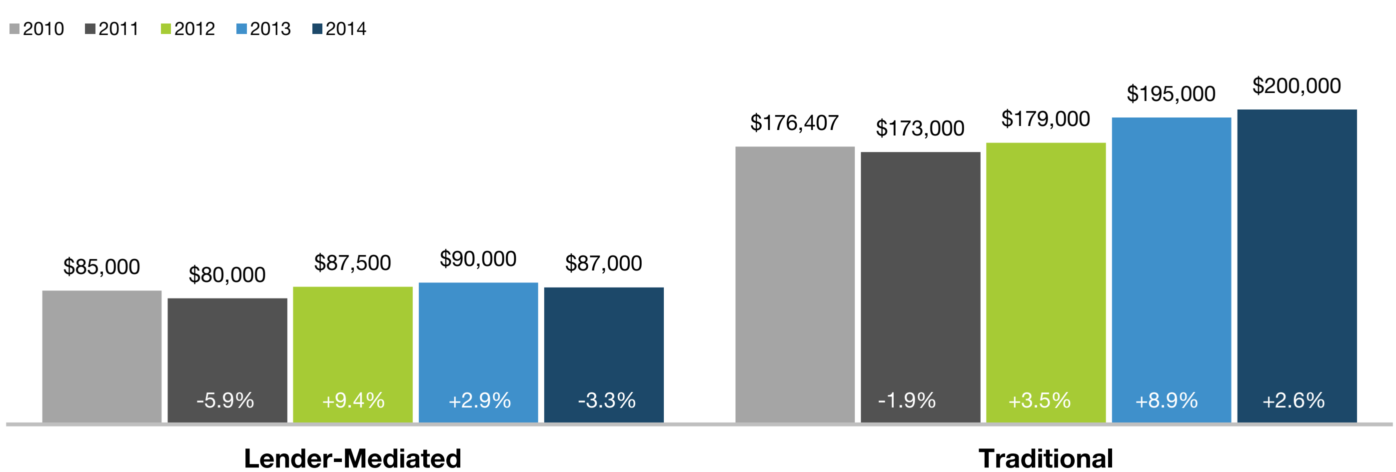
+ 2.4%

Five-Year Change in Price Lender-Mediated Properties

+ 13.4%

Five-Year Change in Price Traditional Properties

Median Sales Price



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New Construction Review

Sep '10

Peak of New Construction Inventory

202

Drop in New Construction Inventory from Peak

New Construction Homes for Sale

Top Areas: New Construction Market Share in 2014

Entire MLS	**14.3%**
Region 27: Ponte Vedra / Nocatee (St Johns County)	74.5%
Region 31: St Johns County - NE	43.5%
Region 40: Nassau County	33.2%
Region 30: St Johns County - NW	29.9%
Region 09: Jacksonville - North	27.1%
Region 14: Middleburg Vicinity	21.3%
Region 33: St Johns County - SE	21.1%
Region 34: St Johns County - SW	18.1%
Region 13: Orange Park	17.8%
Region 06: West Jacksonville	14.5%
Region 16: Green Cove Springs	12.8%
Region 21: Jacksonville Beach	10.9%
Region 02: Southside	8.9%
Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	8.6%
Region 01: Southside / Mandarin / Bartram	8.6%
Region 12: Fleming Island Area	7.5%
Region 32: St Johns County - St Augustine Area - E of US 1	5.8%
Region 03: Riverside / Avondale / Ortega	4.5%
Region 23: Atlantic Beach	4.3%
Region 07: Springfield / Downtown / Paxon / Trout River South	4.0%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	3.6%
Region 25: NE St Johns County – Ponte Vedra Bch N	3.1%
Region 50: Baker County	3.1%
Region 22: Neptune Beach	2.2%
Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	2.0%

4.1

Year-End Months Supply New Construction

4.5

Year-End Months Supply Previously Owned

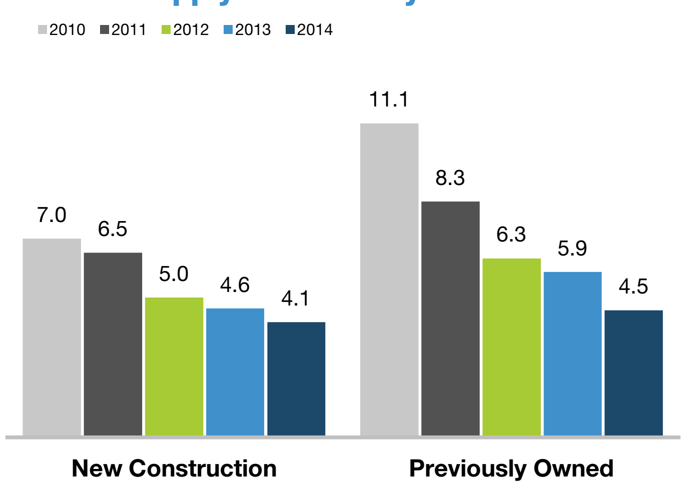
98.6%

Pct. of Orig. List Price Received New Construction

91.6%

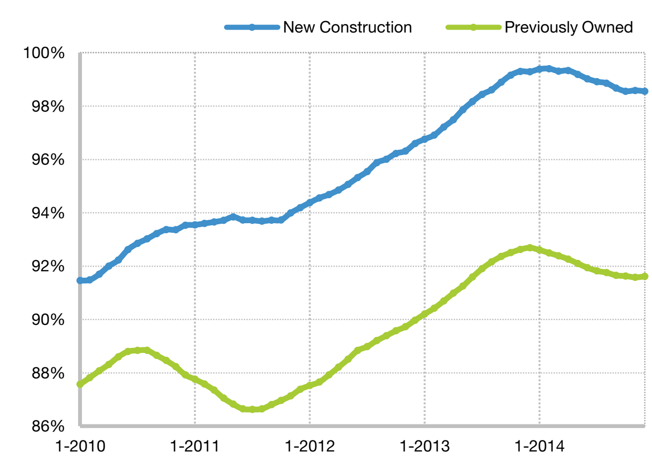
Pct. of Orig. List Price Received Previously Owned

Months Supply of Inventory



Percent of Original List Price Received

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



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Area Overviews

	Total Closed Sales	Change from 2013	Percent New Construction	Percent Condo-Townhouse	Percent Lender-Mediated	Days on Market	Pct. of Orig. Price Received
Entire MLS	**23,674**	**+ 6.8%**	**14.3%**	**15.0%**	**34.7%**	**85**	**92.6%**
Region 04: Arlington / Fort Caroline	1,698	- 1.6%	1.2%	10.7%	43.9%	76	92.2%
Region 23: Atlantic Beach	324	+ 8.7%	4.3%	21.9%	29.0%	83	92.9%
Region 50: Baker County	195	+ 19.6%	3.1%	0.0%	54.4%	111	87.2%
Region 12: Fleming Island Area	536	+ 4.9%	7.5%	13.6%	22.9%	81	94.6%
Region 16: Green Cove Springs	187	+ 11.3%	12.8%	1.1%	29.4%	106	90.9%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	1,004	+ 6.4%	3.6%	10.3%	55.8%	79	88.9%
Region 09: Jacksonville - North	1,215	+ 9.8%	27.1%	3.5%	43.1%	91	93.2%
Region 21: Jacksonville Beach	543	- 18.8%	10.9%	46.0%	20.1%	79	94.4%
Region 15: Keystone Heights Vicinity	137	+ 7.9%	0.7%	0.0%	39.4%	161	85.4%
Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	243	+ 23.4%	8.6%	0.0%	56.8%	98	89.9%
Region 14: Middleburg Vicinity	839	+ 17.3%	21.3%	1.7%	38.7%	91	93.4%
Region 40: Nassau County	699	+ 15.7%	33.2%	5.3%	36.6%	108	93.2%
Region 22: Neptune Beach	91	- 20.2%	2.2%	17.6%	26.4%	89	93.9%
Region 13: Orange Park	1,496	+ 8.9%	17.8%	12.3%	37.0%	83	93.9%
Region 27: Ponte Vedra / Nocatee (St Johns County)	651	+ 22.8%	74.5%	9.5%	2.2%	42	99.8%
Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	635	- 6.2%	2.0%	31.5%	14.2%	107	92.4%
Region 25: NE St Johns County – Ponte Vedra Bch N	192	- 2.5%	3.1%	26.6%	17.2%	86	92.5%
Region 58: Putnam County - South	179	- 13.1%	0.0%	4.5%	25.1%	144	84.1%
Region 57: Putnam County - West	205	+ 22.8%	0.0%	0.0%	36.1%	156	82.7%
Region 56: Putnam County NE	333	+ 24.3%	0.3%	0.9%	46.2%	131	86.7%
Region 03: Riverside / Avondale / Ortega	507	- 1.6%	4.5%	15.2%	16.2%	91	91.9%
Region 02: Southside	3,190	+ 10.5%	8.9%	32.1%	37.4%	68	93.3%
Region 01: Southside / Mandarin / Bartram	2,502	+ 5.9%	8.6%	22.6%	31.7%	76	93.1%
Region 07: Springfield / Downtown / Paxon / Trout River South	999	+ 13.5%	4.0%	4.6%	62.4%	91	85.1%
Region 31: St Johns County - NE	191	+ 7.9%	43.5%	13.6%	11.5%	79	96.3%
Region 30: St Johns County - NW	2,025	+ 0.9%	29.9%	7.2%	15.7%	80	95.6%
Region 33: St Johns County - SE	791	+ 15.6%	21.1%	28.1%	16.6%	100	93.8%
Region 32: St Johns County - St Augustine Area - E of US 1	104	+ 13.0%	5.8%	21.2%	16.3%	98	90.4%
Region 34: St Johns County - SW	94	- 8.7%	18.1%	1.1%	28.7%	113	90.3%
Region 06: West Jacksonville	1,384	+ 5.4%	14.5%	7.4%	47.5%	83	92.8%

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Area Historical Median Prices

	2010	2011	2012	2013	2014	Change From 2013	Change From 2010
Entire MLS	**$133,000**	**$125,000**	**$133,000**	**$153,500**	**$159,000**	**+ 3.6%**	**+ 19.5%**
Region 04: Arlington / Fort Caroline	$117,700	$103,950	$101,350	$120,500	$125,000	+ 3.7%	+ 6.2%
Region 23: Atlantic Beach	$165,000	$190,000	$179,125	$218,000	$189,450	- 13.1%	+ 14.8%
Region 50: Baker County	$129,850	$121,250	$128,000	$130,000	$124,000	- 4.6%	- 4.5%
Region 12: Fleming Island Area	$192,500	$189,000	$195,000	$210,000	$228,950	+ 9.0%	+ 18.9%
Region 16: Green Cove Springs	$150,000	$132,000	$151,500	$148,500	$163,500	+ 10.1%	+ 9.0%
Region 05: Hyde Grove / Murray Hill / Lakeshore / Wesconnett	$51,950	$50,000	$50,000	$53,100	$57,500	+ 8.3%	+ 10.7%
Region 09: Jacksonville - North	$141,025	$123,000	$125,350	$147,250	$157,500	+ 7.0%	+ 11.7%
Region 21: Jacksonville Beach	$216,000	$226,000	$245,000	$275,000	$297,812	+ 8.3%	+ 37.9%
Region 15: Keystone Heights Vicinity	$71,365	$74,500	$70,000	$75,000	$77,000	+ 2.7%	+ 7.9%
Region 08: Marietta / Whitehouse / Baldwin / Garden St / Dinsmore	$116,500	$102,500	$115,250	$120,500	$116,147	- 3.6%	- 0.3%
Region 14: Middleburg Vicinity	$130,000	$123,326	$128,750	$135,000	$145,500	+ 7.8%	+ 11.9%
Region 40: Nassau County	$145,000	$142,400	$153,000	$170,000	$182,005	+ 7.1%	+ 25.5%
Region 22: Neptune Beach	$250,750	$259,000	$280,000	$310,000	$300,000	- 3.2%	+ 19.6%
Region 13: Orange Park	$134,000	$118,635	$119,000	$135,000	$140,895	+ 4.4%	+ 5.1%
Region 27: Ponte Vedra / Nocatee (St Johns County)	$288,990	$270,111	$280,015	$294,375	$350,000	+ 18.9%	+ 21.1%
Region 26: Ponte Vedra Bch / S Ponte Vedra Bch / Vilano Bch / Plm Vly	$321,000	$329,000	$350,000	$370,300	$399,900	+ 8.0%	+ 24.6%
Region 25: NE St Johns County – Ponte Vedra Bch N	$450,000	$405,000	$455,000	$460,000	$442,000	- 3.9%	- 1.8%
Region 58: Putnam County - South	$45,000	$40,000	$51,900	$59,000	$55,000	- 6.8%	+ 22.2%
Region 57: Putnam County - West	$51,250	$37,000	$45,250	$37,000	$46,500	+ 25.7%	- 9.3%
Region 56: Putnam County NE	$70,000	$65,000	$68,000	$64,800	$60,000	- 7.4%	- 14.3%
Region 03: Riverside / Avondale / Ortega	$183,750	$166,450	$174,500	$205,000	$219,375	+ 7.0%	+ 19.4%
Region 02: Southside	$125,000	$97,000	$119,900	$139,900	$144,900	+ 3.6%	+ 15.9%
Region 01: Southside / Mandarin / Bartram	$149,450	$142,500	$149,705	$167,070	$173,500	+ 3.8%	+ 16.1%
Region 07: Springfield / Downtown / Paxon / Trout River South	$17,500	$18,500	$21,000	$25,500	$22,500	- 11.8%	+ 28.6%
Region 31: St Johns County - NE	$249,000	$252,000	$249,550	$292,000	$339,450	+ 16.3%	+ 36.3%
Region 30: St Johns County - NW	$220,000	$213,500	$224,664	$249,700	$268,950	+ 7.7%	+ 22.3%
Region 33: St Johns County - SE	$145,000	$152,750	$158,500	$184,990	$185,000	+ 0.0%	+ 27.6%
Region 32: St Johns County - St Augustine Area - E of US 1	$155,000	$170,000	$200,000	$218,000	$233,500	+ 7.1%	+ 50.6%
Region 34: St Johns County - SW	$75,000	$67,500	$89,900	$145,000	$135,625	- 6.5%	+ 80.8%
Region 06: West Jacksonville	$100,000	$83,000	$90,000	$100,525	$112,900	+ 12.3%	+ 12.9%