



COMPREHENSIVE HOUSING MARKET ANALYSIS

Jacksonville, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2024



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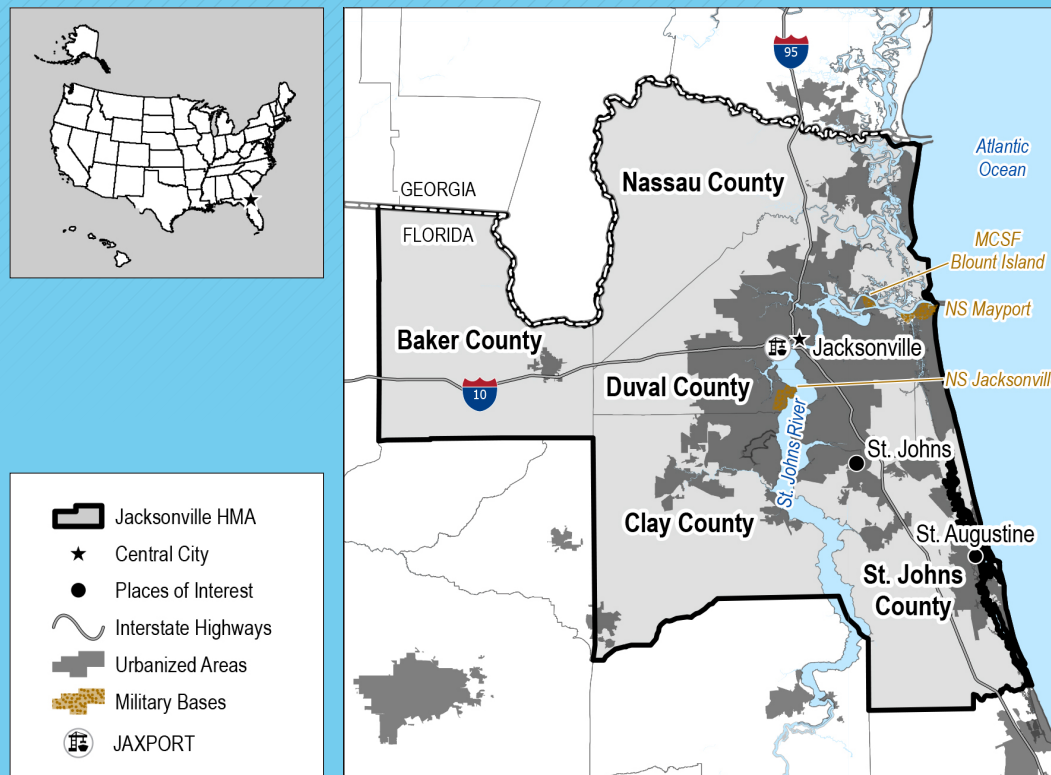
Executive Summary

Housing Market Area Description

The Jacksonville Housing Market Area (HMA) is coterminous with the Jacksonville, FL Metropolitan Statistical Area (MSA) and includes Baker, Clay, Duval, Nassau, and St. Johns Counties in northeast Florida. The 310-mile-long St. Johns River flows north through the city of Jacksonville into the Atlantic Ocean. The Port of Jacksonville, Naval Air Station Jacksonville, and Naval Station Mayport are along the river.

The current HMA population is estimated at 1.73 million.

The city of Jacksonville, which encompasses 875 square miles, is the largest incorporated city in the continental United States by area and the most populous in Florida, with 971,315 residents (U.S. Census Bureau population estimates as of July 1, 2022).



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).
 Additional data for the HMA can be found in this report's [supplemental tables](#).
 For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Strong: Economic expansion in the Jacksonville HMA during the past year was a continuation of strong nonfarm payroll growth following job losses because of the pandemic of 2020.

During 2023, nonfarm payrolls in the HMA increased by 33,900 jobs, or 4.4 percent, to 805,700 jobs, following an increase of 36,600 jobs, or 5.0 percent, during the previous year. The labor market has been tight during the past 2 years, with an average unemployment rate of 2.8 percent during both 2022 and 2023. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 2.3 percent, with notable growth expected in both the goods-producing and service-providing sectors.

Sales Market



Balanced: During 2023, the average new and existing home sales price increased 5 percent, and new and existing home sales decreased 22 percent (CoreLogic, Inc., with adjustments by the analyst).

The home sales vacancy rate is currently estimated at 1.8 percent and has declined slightly since April 2020, when the vacancy rate was 2.0 percent, and conditions were also balanced. The inventory of homes for sale declined slightly to a 2.8-month supply in December 2023 compared with the 2.9-month supply a year earlier, and the available inventory declined faster than the number of homes sold. During the forecast period, demand is estimated for 39,250 additional homes. The 6,300 homes currently under construction are expected to meet a portion of the demand during the first year of the forecast period.

Rental Market



Soft: The overall rental vacancy rate is estimated at 11.0 percent, up from 9.5 percent in 2020 when conditions were slightly soft.

Apartment market conditions are very soft compared with balanced conditions in 2020. The apartment vacancy rate was 7.2 percent as of the fourth quarter of 2020 and rose to 13.5 percent as of the fourth quarter of 2023 (CoStar Group). The average apartment rent in the HMA declined 3 percent from the fourth quarter of 2022 to the fourth quarter of 2023 to \$1,471 a month, the first decline in more than a decade. During the forecast period, demand is expected for 14,300 additional rental units. The 10,500 units currently under construction are expected to meet demand during the first and second years of the forecast period.

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3-Year Housing Demand Forecast		
	Sales Units	Rental Units
Jacksonville HMA	Total Demand	39,250
	Under Construction	6,300

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2024. The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst



Economic Conditions

Largest Sector: Professional and Business Services

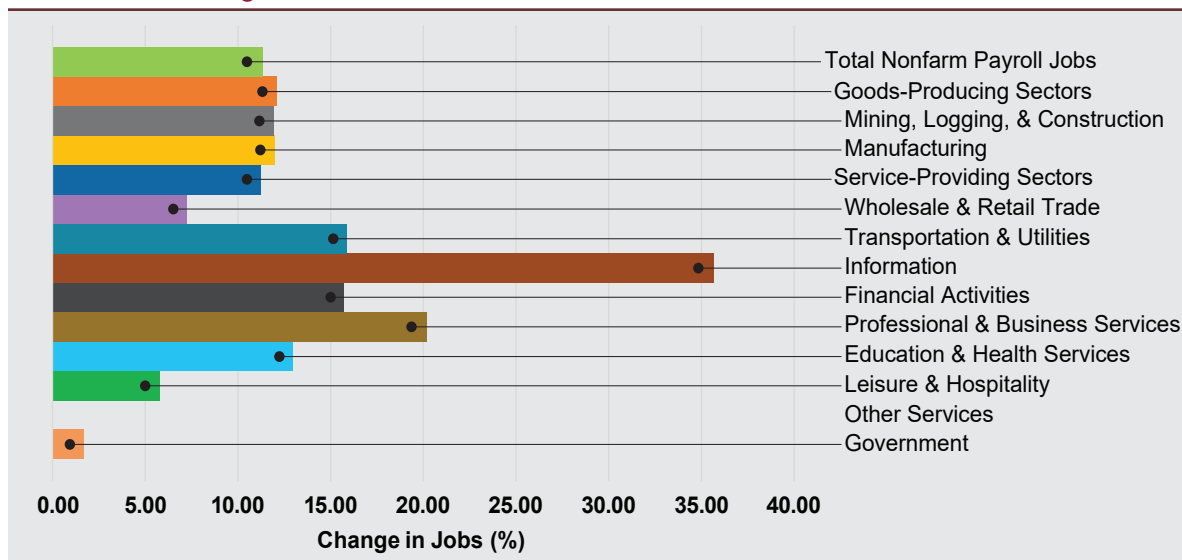
The leisure and hospitality and the manufacturing sectors, supported by the Port of Jacksonville, were the fastest growing sectors in the Jacksonville HMA during the past year. Payrolls in each sector increased 6.1 percent, or by 5,300 and 2,100 jobs, respectively.

Primary Local Economic Factors

The professional and business services sector has been the second fastest growing sector in the HMA since 2020 (Figure 1), and it is the largest sector with 131,900 jobs, accounting for 16 percent of nonfarm payrolls (Table 1). Four Fortune 500 companies—CSX Corporation, Fidelity National Information Services, Inc., Fidelity National Financial, Inc., and Landstar System, Inc.—are among more than 150 companies with corporate headquarters in the HMA (JAXUSA Partnership, a division of JAX Chamber). Blue Cross and Blue Shield of Florida and Southeastern Grocers also maintain corporate headquarters in the HMA and are among its 10 largest employers.

The economy of the HMA benefits significantly from a valuable location along the Atlantic Coast. The Port of Jacksonville, which includes four deep water terminals and a cruise terminal, is the leading container port complex in Florida

Figure 1. Sector Growth in the Jacksonville HMA, 2020 to Current



Note: Current data are based on the 12-month averages ending December 2023.
Source: U.S. Bureau of Labor Statistics

Table 1. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Jacksonville HMA, by Sector

	12 Months Ending December 2022	12 Months Ending December 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	771.8	805.7	33.9	4.4
Goods-Producing Sectors	84.7	88.6	3.9	4.6
Mining, Logging, & Construction	50.3	52.1	1.8	3.6
Manufacturing	34.4	36.5	2.1	6.1
Service-Providing Sectors	687.1	717.1	30.0	4.4
Wholesale & Retail Trade	112.2	116.5	4.3	3.8
Transportation & Utilities	55.6	56.7	1.1	2.0
Information	13.4	13.6	0.2	1.5
Financial Activities	73.4	76.9	3.5	4.8
Professional & Business Services	124.8	131.9	7.1	5.7
Education & Health Services	117.1	123.7	6.6	5.6
Leisure & Hospitality	86.6	91.9	5.3	6.1
Other Services	26.7	27.0	0.3	1.1
Government	77.2	79.0	1.8	2.3

Notes: Based on 12-month averages through December 2022 and December 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics



and the third busiest port in the state by tonnage (U.S. Bureau of Transportation Statistics). Commonly referred to as JAXPORT, more than 1.3 million containers passed through the port during fiscal year (FY) 2023, up 1 percent from a year earlier (Jacksonville Port Authority). During FY 2023, the period spanning October 2022 through September 2023, the port handled 10.47 million tons of cargo, up 4 percent from the 10.03 million tons handled a year earlier. The HMA also has more than 100 trucking firms, Jacksonville International Airport, three interstate highways, and rail service by CSX, Norfolk Southern, and Florida East Coast Railways. The transportation infrastructure in the HMA and JAXPORT connect 140 ports in 70 countries to more than 98 million consumers within 24 hours.

The military presence in the HMA has historically provided a strong base for the local economy. The U.S. Navy, the largest employer in the HMA, directly employs 32,400 people and is primarily in Duval County, home of Naval Air Station Jacksonville and Naval Station Mayport (Table 2). The Marine Corps Blount Island Command, focused on the maintenance and logistics of maritime ships, is also in Duval County. Camp Blanding Joint Training Center, primarily in Clay County, provides training for the Florida National Guard. In 2020, the U.S. Department of Defense directly supported about 122,100 civilian and military jobs and had an economic impact of nearly \$14.4 billion

Table 2. Major Employers in the Jacksonville HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
United States Navy	Government	32,400
Baptist Health System Inc.	Education & Health Services	12,000
Mayo Foundation for Medical Education and Research	Education & Health Services	8,450
BofA Securities, Inc.	Financial Activities	8,000
Amazon.com, Inc.	Wholesale & Retail Trade	8,000
City of Jacksonville	Government	7,260
University of Florida Health	Government	6,600
Blue Cross and Blue Shield of Florida, Inc.	Financial Activities	5,700
Southeastern Grocers	Wholesale & Retail Trade	5,700
Fleet Readiness Center Southeast	Manufacturing	5,350

Notes: Excludes local school districts. Data for U.S. Navy include 18,575 military personnel at Naval Station Mayport and Naval Air Station Jacksonville who are not included in nonfarm payrolls.
Sources: JAXUSA Partnership, a division of JAX Chamber; U.S. Department of Defense

(Florida Defense Industry Economic Analysis, 2022). The military economic impact includes the \$2.7 billion paid in pensions and transfers to retirees in the HMA. During 2022, nearly 138,500 retired and separated military members resided in the HMA, providing highly skilled workers for area businesses (Census Bureau; American Community Survey [ACS] 1-year data). Retired and separated military members account for 10.6 percent of the adult population in the HMA compared with only 6.2 percent in the nation.

Current Conditions—Nonfarm Payrolls

Strong job growth continued after the recovery from the 2020 recession. During 2023, nonfarm payrolls increased by 33,900 jobs, or 4.4 percent, to 805,700 jobs compared with an increase of 36,600 jobs, or 5.0 percent, during the previous year. Job growth in the HMA during the past year was much faster than the national 2.3-percent increase. Jobs in the HMA also increased at a faster pace during 2022 compared with a 4.3-percent gain nationally. Nonfarm payrolls reached a monthly high of 731,600 jobs during February 2020 before declining rapidly during March and April 2020 (not seasonally adjusted). From February 2020 through April 2020, nonfarm payrolls in the HMA declined by 82,400 jobs, or 11.3 percent, compared with a decline of 13.7 percent in the nation. Nonfarm payrolls in the HMA remained below the monthly high in February 2020 until payrolls fully recovered the jobs lost in August 2021. By comparison, nonfarm payrolls did not fully recover in the nation until April 2022.

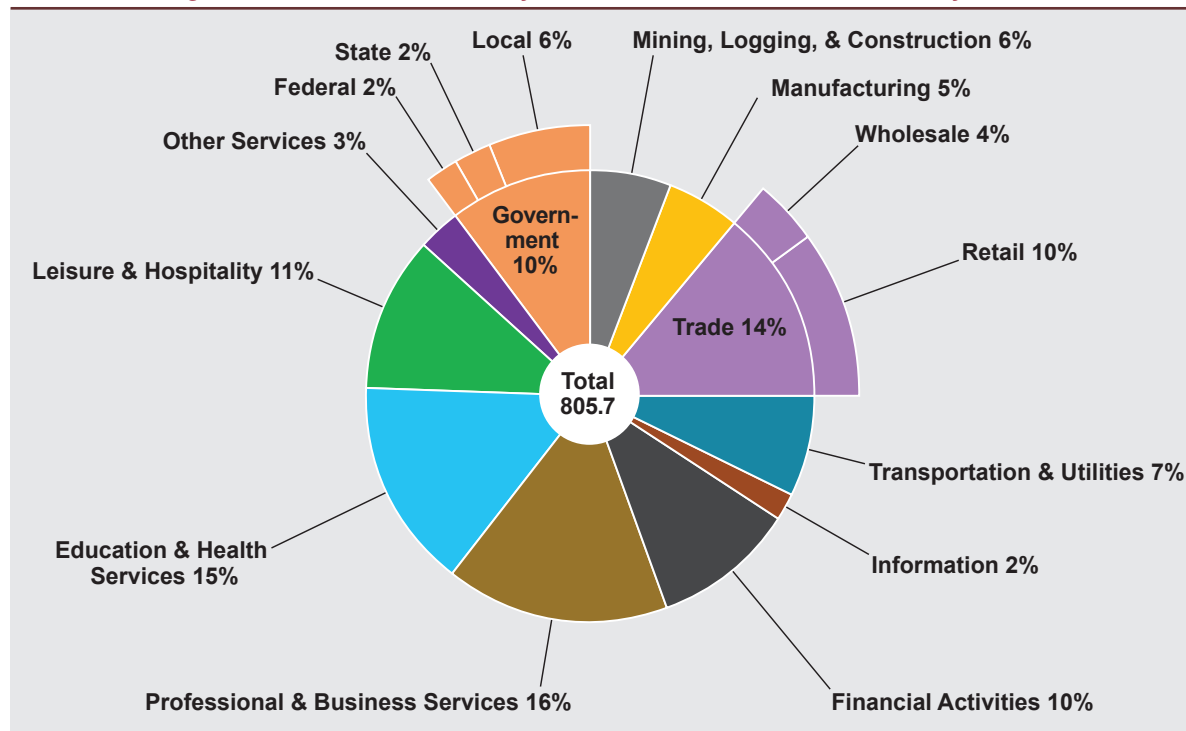
The service-providing sectors led job growth during 2023. All nine service-providing sectors increased, led by the professional and business services sector, with a gain of 7,100 jobs, or 5.7 percent. The education



and health services sector added 6,600 jobs, or 5.6 percent. The leisure and hospitality sector, which had the most losses during 2020, gained 5,300 jobs, or 6.1 percent. The cruise industry, a major tourist draw in the HMA, discontinued voyages from JAXPORT during 2020 and 2021 after the Centers for Disease Control and Prevention (CDC) issued no-sail orders on March 14, 2020. After the CDC issued multiple Frameworks for Conditional Sailing Orders, cruises resumed in 2022. The number of cruise passengers from JAXPORT reached 90,200 passengers during FY 2022 and more than doubled to 190,900 during FY 2023 (Jacksonville Port Authority). By comparison, 194,700 passengers sailed out of JAXPORT during FY 2019. Figure 2 shows current nonfarm payroll jobs in the HMA by sector.

Growth was strong in the goods-producing sectors during 2023, with gains in both sectors. The manufacturing sector grew by 2,100 jobs, or 6.1 percent, and along with the leisure and hospitality sector, it was one of the two fastest growing sectors in the HMA. The manufacturing sector has expanded nearly every year since 2013, partly because of a highly skilled workforce and well-developed transportation infrastructure. The local transportation infrastructure has multiple large-scale industrial parks, including the 17,000-acre Cecil Commerce Center and the Crawford Diamond Industrial Park, with 400 acres of land for industrial use and 1,300 acres for solar

Figure 2. Share of Nonfarm Payroll Jobs in the Jacksonville HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2023.
Source: U.S. Bureau of Labor Statistics

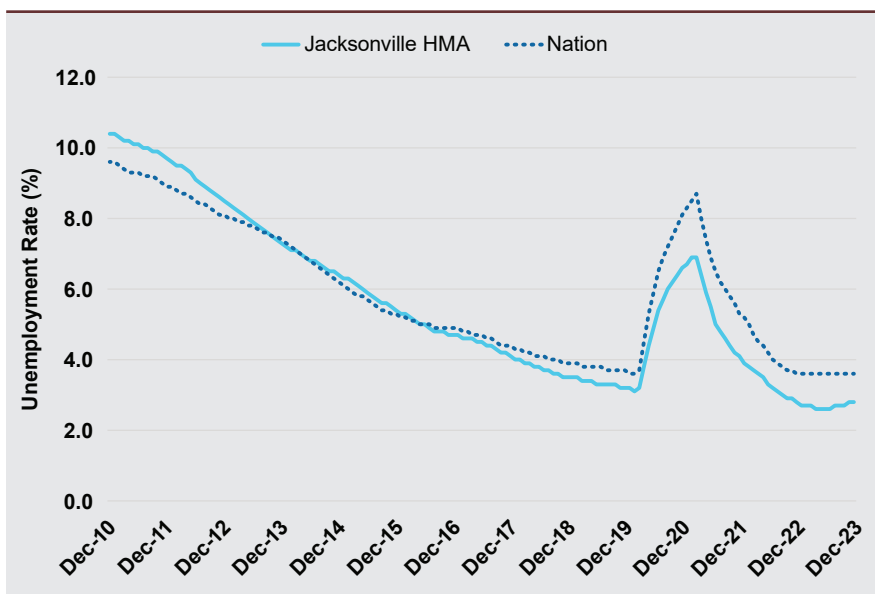
energy production. The mining, logging, and construction sector expanded by 1,800 jobs, or 3.6 percent, during 2023. Nearly all the gains were due to growth in the construction subsector, accounting for 99 percent of jobs in the sector. RiversEdge: Life on the St. Johns broke ground in mid-2021, with vertical construction beginning in 2023, supporting growth in the construction subsector. The \$693 million mixed-use development will include residential, hospitality, and commercial properties.

Current Conditions—Unemployment

The labor market in the HMA has been tight for the past 2 years. The unemployment rate during 2023 averaged 2.8 percent as employment and labor force growth each expanded 4.8 percent. The unemployment

rate also averaged 2.8 percent during 2022, down from 4.1 percent during 2021, when strong resident employment growth of 5.4 percent outpaced the labor force increase of 4.0 percent. The unemployment rate reached a recent 12-month average high of 6.9 percent in March 2021 before declining to a recent low of 2.6 percent during the 12 months ending April 2023 (Figure 3). During 2023, the respective rates for the state and nation were 2.9 and 3.6 percent.

Figure 3. 12-Month Average Unemployment Rate in the Jacksonville HMA and the Nation

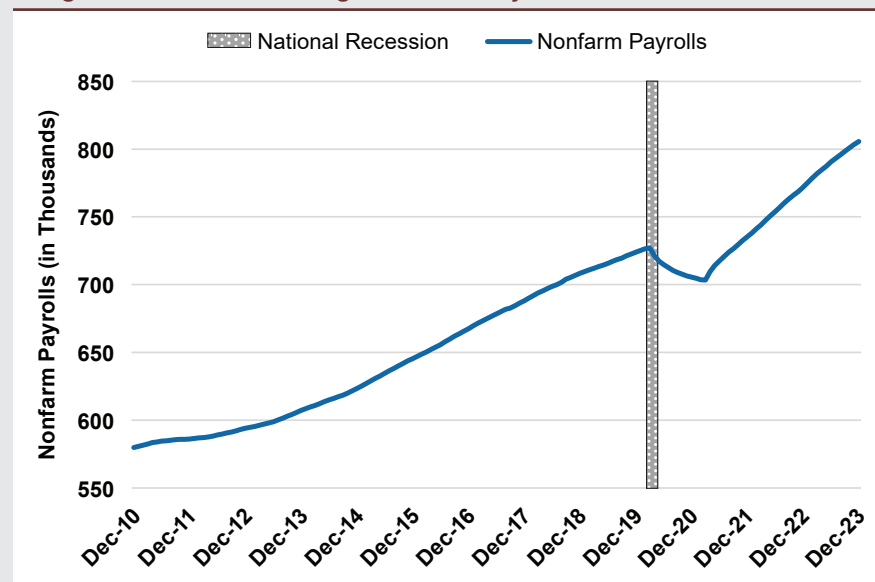


Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance 2011 Through 2014

Economic conditions strengthened from 2011 through 2014, with nonfarm payroll growth in the HMA slightly outpacing the national average. During the 4-year period, nonfarm payrolls increased by an average of 10,800 jobs, or 1.8 percent, annually. By comparison, payrolls nationwide were up an average of 1.6 percent annually during the same period. The largest gains in the HMA were in the professional and business services, the leisure and hospitality, and the educational and health services sectors, up by respective averages of 4,000, 2,600, and 1,800 jobs, or 4.5, 3.8, and 2.0 percent, annually. Declines in the government, the other services, and the information sectors—with respective average losses of 800, 300, and 200 jobs, or 1.1, 1.4, and 2.3 percent, annually—offset gains during this period. Figure 4 shows 12-month average nonfarm payrolls in the HMA.

Figure 4. 12-Month Average Nonfarm Payrolls in the Jacksonville HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research



2015 Through 2019

Economic conditions strengthened significantly from 2015 through 2019, with nonfarm payroll growth in the HMA continuing to outpace the national average. During the 5-year period, nonfarm payrolls increased by an average of 20,100 jobs, or 3.0 percent, annually. By comparison, payrolls nationwide were up an average of 1.7 percent annually during the same period. Growth occurred in all sectors in the HMA, led by the education and health services, the transportation and utilities, and the mining, logging, and construction sectors, up by respective averages of 3,300, 3,100, and 2,800 jobs, or 3.4, 7.9, and 7.4 percent, annually. During 2017 and 2018, Amazon.com, Inc., the fifth largest employer in the HMA, built two fulfillment centers in the city of Jacksonville, which added 2,500 jobs combined. Gains in the mining, logging, and construction sector were partly due to increased residential construction, which steadily increased during the period.

2020 and 2021

During 2020, the countermeasures implemented to slow the spread of COVID-19 resulted in nonfarm payrolls declining by 18,200 jobs, or 2.5 percent, with significant losses in the leisure and hospitality sector and the retail trade subsector. During 2020, nonfarm payroll losses in the HMA were not as severe as the 5.8-percent decline in the nation. Although 8 of 11 sectors in the HMA

lost jobs in 2020, losses were greatest in the leisure and hospitality sector, which decreased by 13,100 jobs, or 15.1 percent, primarily a result of travel restrictions on tourism. The wholesale and retail trade sector declined by 4,000 jobs, or 3.7 percent, mostly in the retail trade subsector, which lost 3,300 jobs, or 4.1 percent. Although the pandemic initially affected all sectors, the transportation and utilities, the financial activities, and the information sectors were the first to recover, adding 1,900, 600, and 500 jobs, or 3.9, 0.9, and 5.0 percent, respectively, during 2020.

In 2021, nonfarm payrolls increased year over year by 29,600 jobs, or 4.2 percent, to 735,200 jobs, with 8 of 11 sectors reaching full recovery from the pandemic downturn. The service-providing sectors led growth during 2021, with the leisure and hospitality and the professional and business services sectors adding 7,400 and 7,300 jobs, or 10.0 and 6.7 percent, respectively. Gains in the professional and business services sector were partly due to Dunn and Bradstreet relocating their corporate headquarters to the city of Jacksonville in 2021, adding 500 jobs. Notable gains during 2021 also occurred in the wholesale and retail trade, the financial activities, and the education and health services sectors, with increases of 3,600, 3,000, and 2,900 jobs, or 3.4, 4.5, and 2.7 percent, respectively.

Forecast

During the next 3 years, nonfarm payrolls are expected to increase an average of 2.3 percent annually, a pace consistent with the 2.3-percent average annual growth rate during the 2010s. Job growth is expected to continue in all sectors at a slower pace compared with the levels during the past 2 years.

Both the goods-producing sectors and the service-providing sectors are expected to contribute to payroll growth during the next 3 years. RiversEdge, the mixed-use development noted previously, is expected to be complete

during the next 3 years, with nearly 1,170 multifamily units, a 200-room hotel, about 120,000 square feet of retail space, and 200,000 square feet of office space on the Southbank of the St. Johns River. Riverfront Plaza, the first project in Riverfront Jacksonville, is currently under construction and is expected to be complete during 2025. Riverfront Jacksonville, a \$1.1 billion public and private development on the Northbank of the St Johns River, will include 755 multifamily residential units, a 208-room hotel, and 370,000 square feet of commercial and retail space when complete in 2027.



Population and Households

Current Population: 1.73 Million

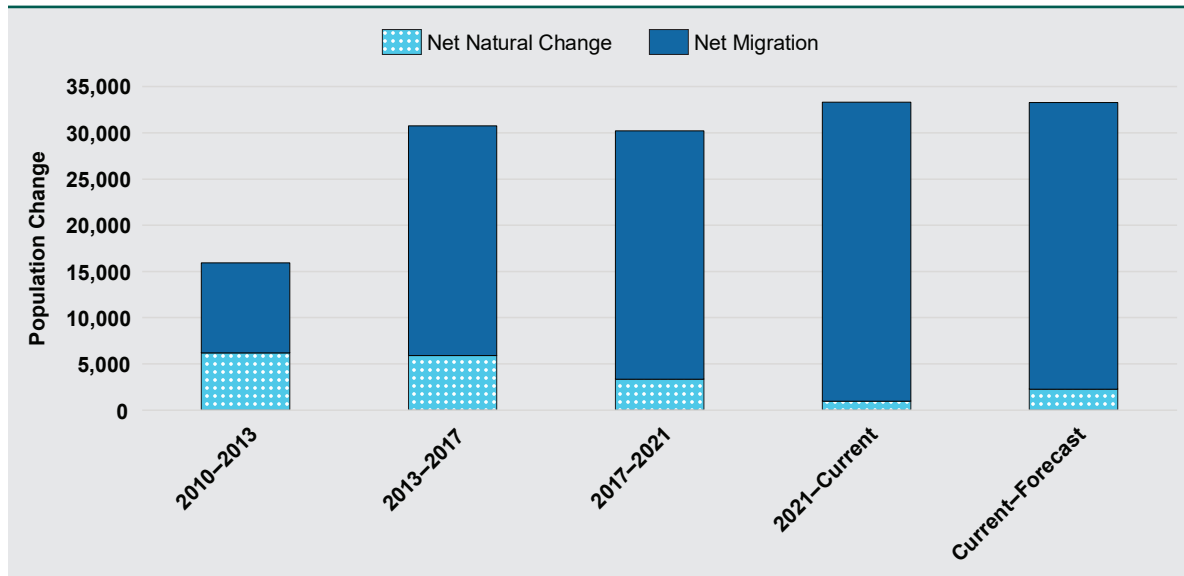
Population growth in the Jacksonville HMA has been strong since 2013, primarily a result of net in-migration.

Population Trends

From 2010 to 2013, population growth averaged 15,950 people, or 1.2 percent, annually (Figure 5). Net in-migration during this period averaged 9,750 annually, and net natural change averaged 6,200 annually. Population growth increased to an average of 30,800 people, or 2.1 percent, annually from 2013 to 2017. Net in-migration increased to an average of 24,900 people annually because of strong job growth during most of the same period. Strong job growth continued to attract workers from other areas because the national economy also expanded. From 2017 to 2021, the population of the HMA grew by an average of 30,200, or 1.9 percent, annually. During those same years, average net natural change slowed to 3,350 people annually, and net in-migration increased to an average of 26,850 people annually.

As of January 1, 2024, the population of the HMA is estimated at 1.73 million (Table 3). Since 2021, population growth has averaged 33,400 people, or 2.0 percent, annually. Net in-migration accounted for 97 percent of the increase, or

Figure 5. Components of Population Change in the Jacksonville HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (January 1, 2024) to January 1, 2027. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Table 3. Jacksonville HMA Population and Household Quick Facts

	2020	Current	Forecast	
Population Quick Facts	Population	1,605,848	1,725,000	1,824,000
	Average Annual Change	26,050	31,650	33,300
	Percentage Change	1.8	1.9	1.9
Household Quick Facts	Households	628,344	703,700	757,200
	Average Annual Change	10,400	20,100	17,850
	Percentage Change	1.8	3.1	2.5

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (January 1, 2024) to January 1, 2027. Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

32,400 people, partly because of strong job growth in the HMA and the reduced effects of the COVID-19 pandemic on net in-migration since 2021. An average net natural change of 1,000 people a year has accounted for the remaining 3 percent of population growth since 2021.



Migration Trends

Net migration into the HMA from 2016 through 2020 was primarily from other MSAs in Florida and the Northeast. Net migration from other Florida MSAs accounted for more than one-fourth of all domestic net in-migration, led by the Miami-Fort Lauderdale-West Palm Beach (hereafter, Miami) MSA. Six Florida MSAs were among the top 15 metropolitan areas with net migration into the HMA. From 2016 through 2020, approximately 22 percent of all domestic net in-migration originated from the New York-Newark-Jersey City (hereafter, New York) and the Philadelphia-Camden-Wilmington MSAs (Census Bureau Metro-to-Metro Migration Flows; ACS 5-year data). Migrants to the HMA are attracted to the lower relative cost of housing. During 2020, average existing home sales prices in the HMA were 51 and 32 percent less than in the New York and Miami MSAs, respectively, the two largest sources of net in-migration (Table 4). The price differential between the areas has remained relatively unchanged since 2020.

Household Trends

Household growth trends in the HMA have outpaced population growth trends since 2020, and relatively affordable rental housing has stimulated household formation. As of January 1, 2024, the number of households in the HMA is estimated at 703,700, reflecting an average increase of 20,100 households, or

Table 4. Metro-to-Metro Migration Flows in the Jacksonville HMA: 2016–20

Into the HMA	
Miami-Fort Lauderdale-Pompano Beach, FL	6,869
New York-Newark-Jersey City, NY-NJ-PA	3,067
Atlanta-Sandy Springs-Alpharetta, GA	3,250
Virginia Beach-Norfolk-Newport News, VA-NC	2,918
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1,739
Out of the HMA	
Pensacola-Ferry Pass-Brent, FL	1,049
Gainesville, FL	878
Charlotte-Concord-Gastonia, NC-SC	561
San Antonio-New Braunfels, TX	545
Ocala, FL	532

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

3.1 percent, annually since 2020, whereas population growth averaged 1.9 percent annually. By comparison, household growth averaged 10,400, or 1.8 percent, annually from 2010 to 2020, and population growth also averaged 1.8 percent annually.

Household growth is concentrated primarily along the Duval County line shared with St. Johns County. St. Johns County has accounted for 19 percent of the households and 35 percent of the household growth in the HMA since 2020. Growth along the Duval County line is characterized mostly by master-planned housing developments, primarily single-family homes. The homeownership rate in the HMA is currently estimated at 65.2 percent, up from 64.3 percent in 2020.

Forecast

During the 3-year forecast period, the population and number of households in the HMA are expected to increase by averages of 33,300 and 17,850 a year, or 1.9 and 2.5 percent, respectively, to a population of 1.82 million and 757,200 households. Net in-migration is expected to continue leading population growth and account for more than 93 percent of the growth. Household growth is expected to increase faster than population growth because housing remains relatively affordable compared with many areas in the nation.



Home Sales Market

Market Conditions: Balanced

The number of homes sold declined 22 percent in the Jacksonville HMA during 2023 to the lowest level since 2017.

Current Conditions

Sales housing market conditions in the HMA are currently balanced, with an estimated vacancy rate of 1.8 percent (Table 5), down from 2.0 percent in April 2020 when conditions were also balanced. Strong job growth, increased net in-migration, and declining levels of new home construction contributed to maintaining balanced sales market conditions. The 2.8-month supply of homes available for sale during December 2023 is down slightly from the 2.9-month supply during December 2022 but up from the 1.3-month supply during December 2021 (CoreLogic, Inc.). New and existing home sales in the HMA declined to 39,650 homes sold during 2023, down 22 percent compared with the previous year (CoreLogic, Inc., with adjustments by the analyst), primarily

Table 5. Home Sales Quick Facts in the Jacksonville HMA

	Jacksonville HMA	Nation	
Home Sales Quick Facts	Vacancy Rate	1.8%	NA
	Months of Inventory	2.8	2.8
	Total Home Sales	39,650	5,073,000
	1-Year Change	-22%	-23%
	New Sales Price	\$467,700	\$490,100
	1-Year Change	5%	0%
	Existing Sales Price	\$382,400	\$396,400
	1-Year Change	4%	1%
	Mortgage Delinquency Rate	1.4%	1.0%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.

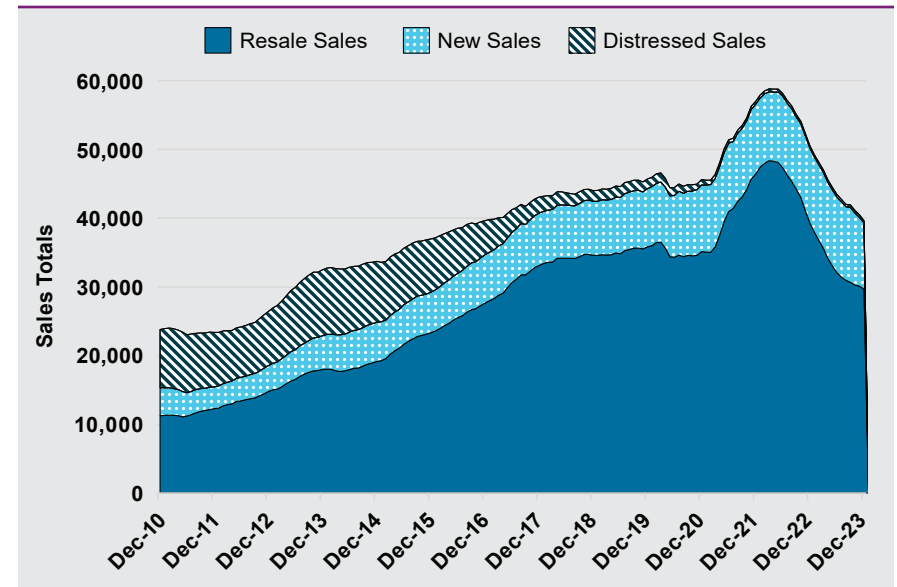
Sources: Vacancy rate—estimates by the analyst; home sales and prices—CoreLogic, Inc. and estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.

because of increasing home prices and elevated mortgage interest rates. During 2023, the average home sales price increased 5 percent to \$403,000, following a 17-percent increase the previous year. The average interest rate for a 30-year fixed-rate mortgage was 3.15, 5.53, and 7.00 percent during 2021, 2022, and 2023, respectively (Freddie Mac).

Resale and New Home Sales

Resales in the HMA fell to 11,300 homes sold during 2010, following the national housing crisis, before increasing each year through 2019 (CoreLogic, Inc., with adjustments by the analyst). From 2011 through 2019, resales rose by an average of 2,725, or 14 percent, annually (Figure 6). Strong in-migration and a growing economy fueled the increase in home sales. Resales declined 2 percent in 2020 because of the COVID-19 pandemic and then increased by 11,250 homes sold, or 32 percent, during 2021. During 2023, resales totaled

Figure 6. 12-Month Sales Totals by Type in the Jacksonville HMA



Source: CoreLogic, Inc., with adjustments by the analyst



29,700, down 24 percent from a year earlier. By comparison, the 39,300 resale homes sold during 2022 represented a 15-percent decline from the previous year. The recent decline in resales has coincided with elevated mortgage interest rates from historic lows during 2021.

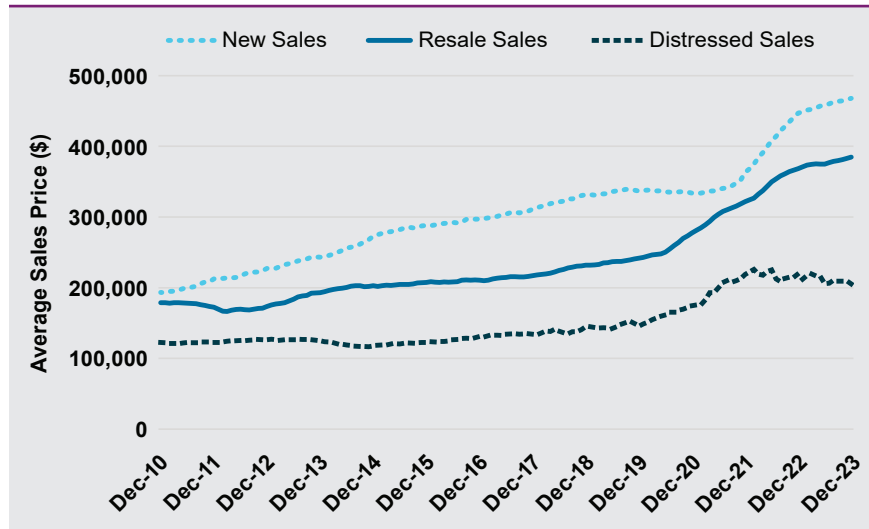
New home sales increased every year from 2012 through 2022 before declining significantly during 2023. New home sales declined during 2011 and then increased from 2012 through 2021 at an average rate of 12 percent annually to 10,150 homes sold in 2021. New home sales then peaked during 2022 when 10,850 new homes sold, up 7 percent from the previous year. The 9,600 new home sales during 2023 represented a year-over-year decline of 12 percent, primarily because of decreased demand stemming from rising new home prices and elevated mortgage interest rates.

Resale and New Home Sales Prices

The average sales price for resales increased an average of 4 percent annually from 2012 through 2019. During 2020 and 2021, the average sales price of resale homes increased an average of 15 percent annually to \$321,600. The low supply of homes available for sale, increased demand due to stronger population growth, and historically low mortgage interest rates contributed to the substantial price growth. During 2022, the average resale price increased another 15 percent and then increased an additional 4 percent to \$384,600 during 2023. Slower price growth coincided with elevated mortgage interest rates.

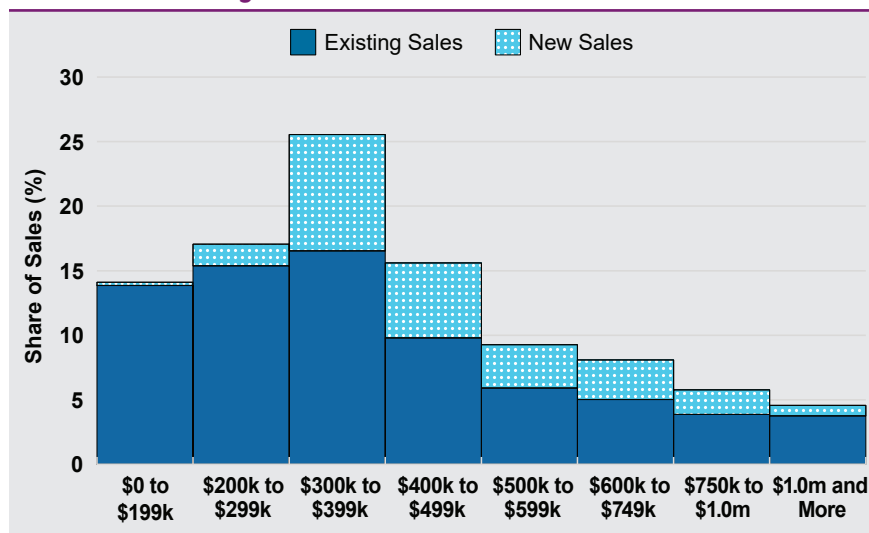
Elevated mortgage interest rates and declining new home sales contributed to slower average new home price increases during the past year. The average sales price of a new home increased an average of 6 percent annually from 2012 through 2019 and declined 1 percent in 2020 because of the pandemic-related economic downturn (Figure 7). During 2021 and 2022, the average sales price of a new home increased an average of 16 percent annually to \$446,900. Price growth slowed in 2023 when the average new home price increased 5 percent to \$467,700. During 2023, about 57 percent of new homes sold ranged in sales price from \$300,000 to \$499,999 (Zonda; Figure 8).

Figure 7. 12-Month Average Sales Price by Type of Sale in the Jacksonville HMA



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 8. Share of Overall Sales by Price Range During the 12 Months Ending December 2023 in the Jacksonville HMA



Note: New and existing sales include single-family homes, townhomes, and condominiums. Source: Zonda

Distressed Sales and Delinquent Mortgages

Distressed sales in the HMA have declined each year since 2014 (CoreLogic, Inc., with adjustments by the analyst). In 2013, distressed sales increased by 1,650, or 21 percent, when distressed loans pending foreclosure peaked. From 2014 through 2021, distressed sales declined by an average of 1,150, or 32 percent, annually. During 2023, distressed sales totaled 380, up 5 percent from the 360 distressed sales during 2022. Distressed sales represented less than 1 percent of total home sales during 2023 compared with a 43-percent peak level in 2010.

The average sales price for a distressed home during 2023 was \$205,200, reflecting a decline of 7 percent from a year earlier and coinciding with a continued decline of seriously delinquent mortgages. By comparison, the average distressed sales price increased less than 1 percent during the previous year to approximately \$219,700. During 2014, the average distressed sales price declined \$7,625, or 6 percent, and from 2015 through 2021, increased by an average of \$14,450, or 9 percent, annually.

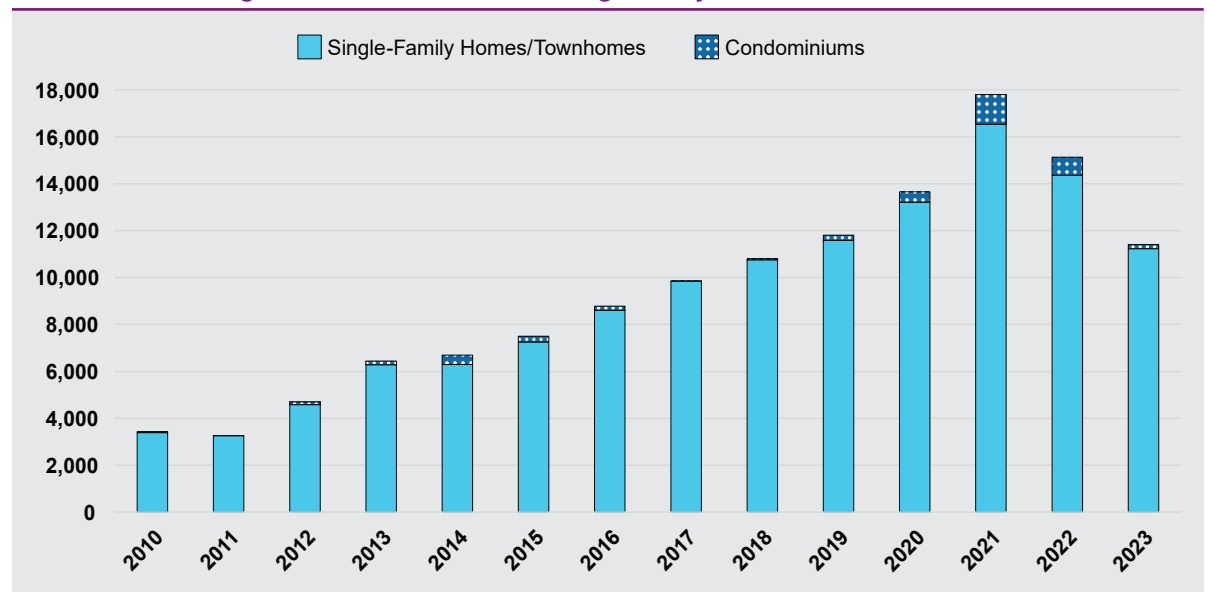
As of December 2023, 1.4 percent of home loans in the HMA were seriously delinquent or had transitioned into real estate owned (REO) status, down from 1.7 percent a year earlier and less than the recent peak of 14.3 percent in December 2011 from the Great Recession and housing crisis (CoreLogic, Inc.). By comparison, the percentage

of seriously delinquent mortgages and REO properties was 5.3 percent in October 2020, a recent peak, when the measures to slow the spread of COVID-19 resulted in a significant number of homeowners falling behind on mortgage payments, many of which went into forbearance. The rate of seriously delinquent mortgages and REO properties in the HMA has since declined because economic conditions have improved.

Sales Construction

The Great Recession, which greatly increased the number of homes in REO status, resulted in lower new home construction activity in the HMA throughout the early 2010s. From 2010 through 2012, when the housing market was weak, demand for new housing remained relatively low. New home construction, as measured by the number of sales housing units permitted (see building permits), which includes single-family homes, townhomes, and condominiums, averaged 3,800 units annually from 2010 through 2012 (Figure 9). Net in-migration to the HMA was strong beginning in 2013 because the economy expanded and consumer confidence returned, leading to an increase in the demand for new homes. New home construction increased an average of 16 percent annually from 2013 through 2017. From 2018 through 2020, new home construction

Figure 9. Annual Sales Permitting Activity in the Jacksonville HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst



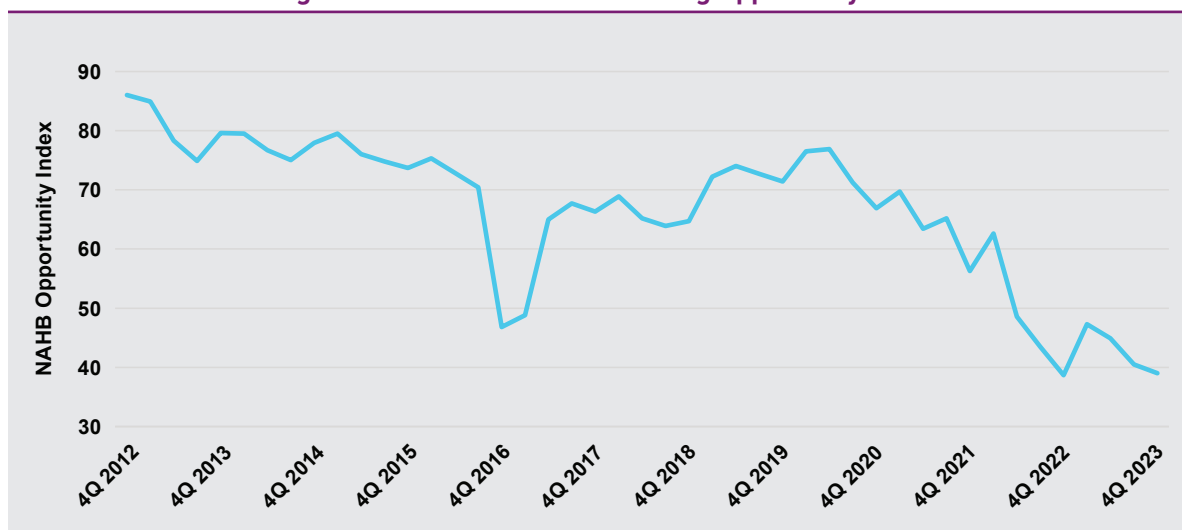
increased at an average annual rate of 11 percent, or 1,275 homes, then increased 30 percent, or by 4,150 homes, during 2021 because of increased new home sales demand. During 2023, the number of homes permitted declined 25 percent to 11,400 (preliminary data), following a 15-percent decline from a recent peak of 17,800 during 2021 to 15,150 during 2022.

New home construction in St. Johns County accounted for 46 percent of new homes built in the HMA during the past year. Two of the 25 fastest growing master-planned communities in the nation are in the HMA, including SilverLeaf and Nocatee. SilverLeaf has 16,300 home sites spread across 8,500 acres in northwest St. Johns County, with 900 homes sold during 2023, the ninth highest total for a master-planned community in the nation (John Burns Research and Consulting). New home prices in SilverLeaf currently start in the low \$500,000s for a three-bedroom home, and new home prices in Nocatee currently start in the high \$400,000s for a three-bedroom home.

Housing Affordability: Sales

Homeownership in the HMA has become less affordable during the past 4 years, with average home prices increasing faster than average incomes. The National Association of Home Builders (NAHB) Housing Opportunity Index (HOI) for the HMA, representing the share of homes sold that would have been affordable to a family earning the local median income, was 39.0 during the fourth quarter of 2023, down from 71.4 during the fourth quarter of 2019 (Figure 10).

Figure 10. Jacksonville HMA Housing Opportunity Index



4Q = fourth quarter. NAHB = National Association of Home Builders. Source: NAHB/Wells Fargo

An increase in the median cost of buying a home caused the decline. The median home price in the HMA has increased 63 percent, and the median family income has increased 27 percent since the fourth quarter of 2019. During the fourth quarter of 2023, 125 of the 237 metropolitan areas measured, or 53 percent of metropolitan areas in the nation, had greater housing affordability than the HMA (NAHB HOI). The HMA is significantly more affordable than the Miami and New York MSAs, with respective HOIs of 11.4 and 13.1.

Forecast

During the 3-year forecast period, demand is estimated for 39,250 new single-family homes, townhomes, and condominiums in the HMA (Table 6). The 6,300 homes under construction will satisfy some of the demand, which is expected to increase slightly each year because of economic growth. Demand is estimated to be strongest in St. Johns County because of the availability of less expensive, vacant, developable lots.

Table 6. Demand for New Sales Units in the Jacksonville HMA During the Forecast Period

Sales Units	
Demand	39,250 Units
Under Construction	6,300 Units

Note: The forecast period is from January 1, 2024, to January 1, 2027. Source: Estimates by the analyst



Rental Market

Market Conditions: Soft

Apartment construction in the Jacksonville HMA has been strong since 2018 in response to strong in-migration, but elevated apartment construction since 2021 has resulted in subsequent softened conditions.

Current Conditions and Recent Trends

Rental housing market conditions in the HMA are soft, with an overall estimated rental vacancy rate of 11.0 percent, up from 9.5 percent in 2020, when overall rental housing market conditions were slightly soft (Table 7). Relatively low levels of rental construction from 2010 through 2015 and increased rental household growth contributed to mostly declining vacancy rates and rising rents from 2010 through 2021, before elevated construction since 2021 resulted in rising vacancy rates and moderating rents, despite strong migration into the HMA.

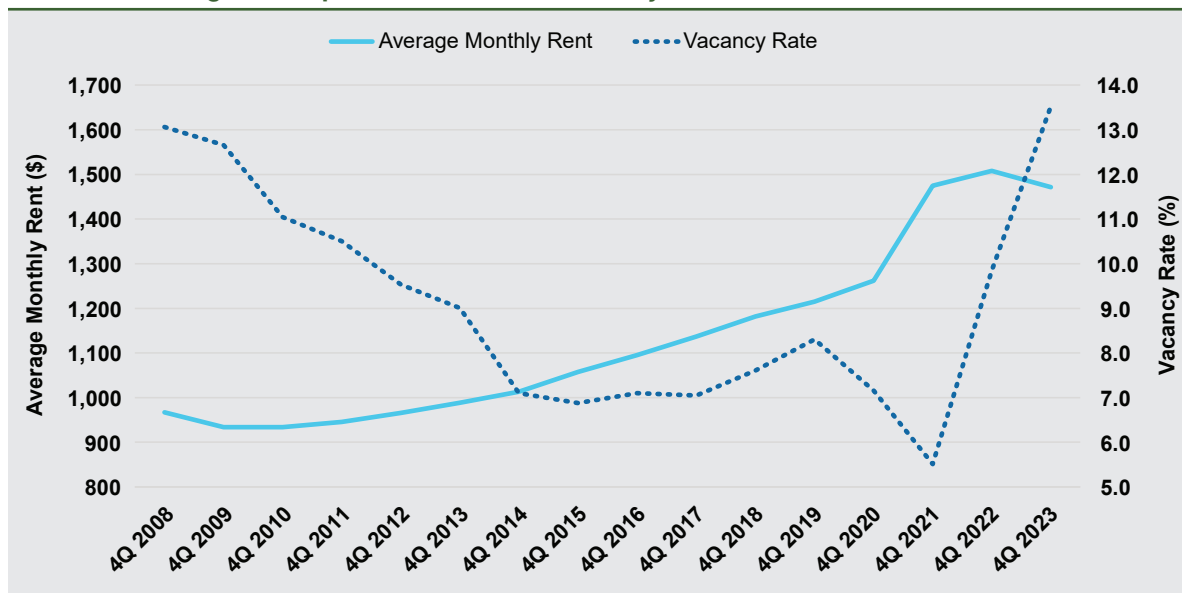
As of the fourth quarter of 2023, the apartment vacancy rate was 13.5 percent, up from 9.8 percent as of the fourth quarter of 2022 (CoStar Group; Figure 11), representing the highest rate recorded in more than 2 decades. The apartment vacancy rate reached 13.1 percent in the fourth quarter of 2008 before declining each year to 6.9 percent in the fourth quarter of 2015. The average vacancy rate increased to 8.3 percent in the fourth quarter of 2019 because increasing apartment

Table 7. Rental Market Quick Facts in the Jacksonville HMA

Rental Market Quick Facts	2020 (%)	Current (%)	
	Rental Vacancy Rate	9.5	11.0
	2021 (%)	2022 (%)	
Occupied Rental Units by Structure			
Single-Family Attached & Detached	35	34	
Multifamily (2–4 Units)	15	15	
Multifamily (5+ Units)	43	45	
Other (Including Mobile Homes)	6	5	

Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data

Figure 11. Apartment Rents and Vacancy Rates in the Jacksonville HMA



4Q = fourth quarter.
Source: CoStar Group

construction and strong in-migration maintained a balanced apartment market. Apartment completions slowed during 2020 and 2021, resulting in declining average vacancy rates, down to 5.5 percent as of the fourth quarter of 2021, primarily due to construction delays because of labor and construction material shortages. The average apartment rent declined 2 percent from the fourth quarter of 2022 to the fourth



quarter of 2023 to \$1,471, which followed a 2-percent increase from the fourth quarter of 2021 to the fourth quarter of 2022. By comparison, the average apartment rent increased 3 percent annually from the second quarters of 2010 to 2020 and then increased 17 percent as measured in the fourth quarters of 2020 to 2021.

Current Apartment Conditions by Geography

As of the fourth quarter of 2024, apartment market conditions softened in 10 of 11 CoStar Group-defined market areas in the HMA, with vacancy rates ranging from 5.7 percent in the Nassau County market area to 28.9 percent in the Saint Augustine market area. Apartment vacancy rates increased the most in the North Side and the Baker County market areas, rising from 12.9 and 2.0 percent to 22.4 and 8.9 percent, respectively. The average rent declined in 9 of the rental market areas. As of the fourth quarter of 2024, the average rent in the Saint Augustine market area declined 5 percent from a year earlier to \$1,735, the highest rent among all areas. Rent declines as of the fourth quarter of 2024 ranged from 1 percent in the West Side and the Orange Park market areas to \$1,327 and \$1,439, respectively, to a decline of more than 5 percent in the Beaches market area, where the average monthly rent was \$1,621.

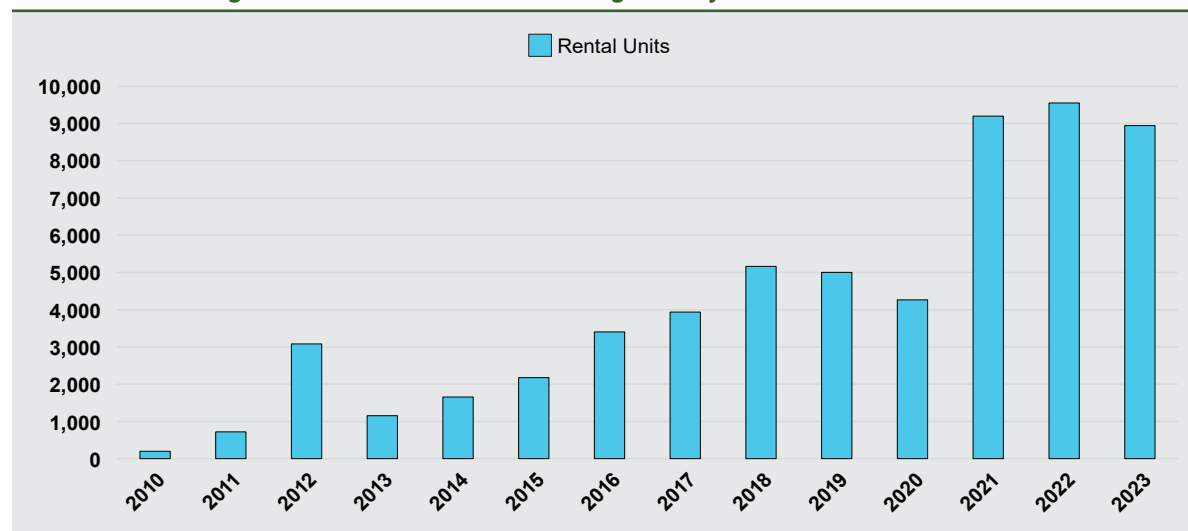
Rental Construction

Rental construction activity, as measured by the number of rental units permitted, has been

strong in the HMA since 2021, primarily because of stronger population growth and builders responding to low vacancy rates and strong rent growth during 2021. An average of 1,500 rental units were permitted annually from 2010 through 2015 (Figure 12). Rental construction activity increased to an average of 4,350 units permitted annually from 2016 through 2020, when builders responded to relatively tighter rental market conditions compared with the previous period. Stronger net migration into the HMA, rapid apartment rent growth, and low vacancy rates at existing apartment communities prompted builders to increase construction to an average of 9,375 units permitted annually during 2021 and 2022. During 2023, approximately 8,950 rental units were permitted (preliminary data, with adjustments by the analyst), down 6 percent compared with permitting during 2022.

New rental construction is scattered throughout the HMA. Of the units under construction, nearly two-thirds are in the city of Jacksonville. Recent construction activity includes the 376-unit Pinnacle in the city of Jacksonville, which was completed in late 2023. Rents at Pinnacle for one-, two-, and three-bedroom units start at \$1,499, \$1,949, and \$2,499, respectively. Beachline, a 240-unit apartment community also in the city of Jacksonville, was completed in late 2023, with rents for one-, two-, and three-bedroom units starting at \$1,291, \$1,547, and \$2,358, respectively.

Figure 12. Annual Rental Permitting Activity in the Jacksonville HMA



Note: Includes apartments and units intended for rental occupancy.
 Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst



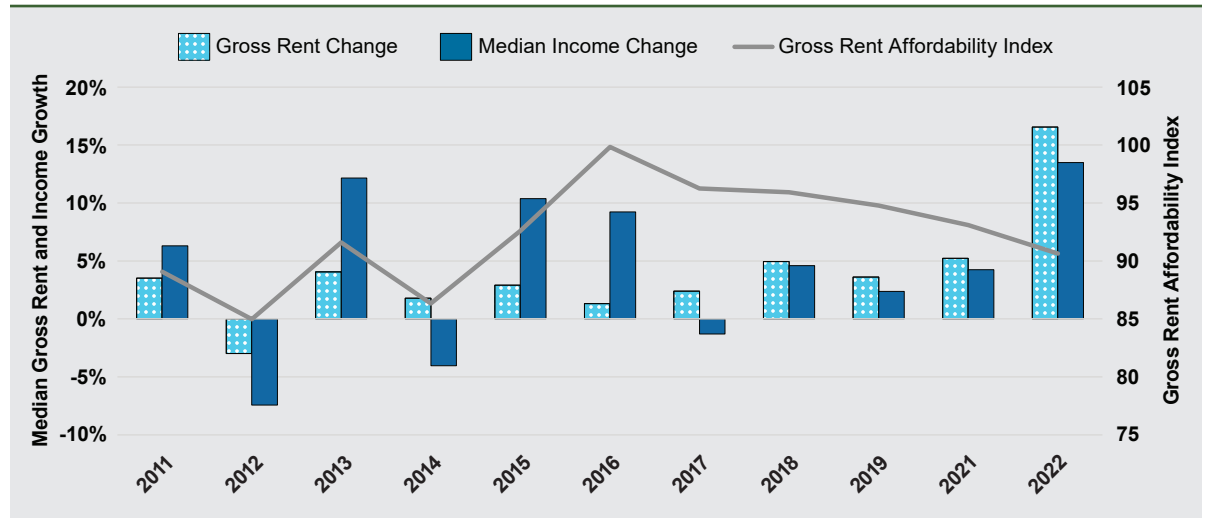
Housing Affordability: Rental

The rental market in the HMA is relatively affordable, even though rental affordability has generally declined since 2016. Significant rent growth that outpaced the growth in median income for rental households has challenged rental affordability. From 2014 to 2016, the median gross monthly rent increased only 4 percent from \$966 to \$1,007, and the median income for rental households rose 21 percent from \$33,357 in 2014 to \$40,214 in 2016. A decline in median income for rental households in 2017 resulted in a slight decline in rental affordability, and gross monthly rent increased moderately during the same period. From 2018 to 2022, the median gross monthly rent and median income for rental households increased 33 and 26 percent, respectively. The HUD Rental Affordability Index, a measure of median renter household income relative to qualifying income for a median-priced rental unit, has declined slightly each year since 2016. The index was 90.6 during 2022, down from 99.8 in 2016 (Figure 13). By comparison, the index for the nation was 95.0 during 2022.

Forecast

During the 3-year forecast period, demand is estimated for 14,300 rental units (Table 8). Demand is expected to be relatively steady throughout the forecast period. The 10,500 units under construction will satisfy demand during the first 2 years.

Figure 13. Jacksonville HMA Gross Rent Affordability Index



Notes: Rental affordability is for the larger Jacksonville Metropolitan Statistical Area. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available.

Source: American Community Survey 1-year data

Table 8. Demand for New Rental Units in the Jacksonville HMA During the Forecast Period

Rental Units	
Demand	14,300 Units
Under Construction	10,500 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.

Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease-up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Include resales, short sales, and REO sales.
Forecast Period	1/1/2024–1/1/2027—Estimates by the analyst.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.



Net Natural Change	Resident births minus resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	The NAHB/Wells Fargo Housing Opportunity Index represents the share of homes sold in the housing market area that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.



3.	<p>The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.</p>
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D. Photo/Map Credits

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