

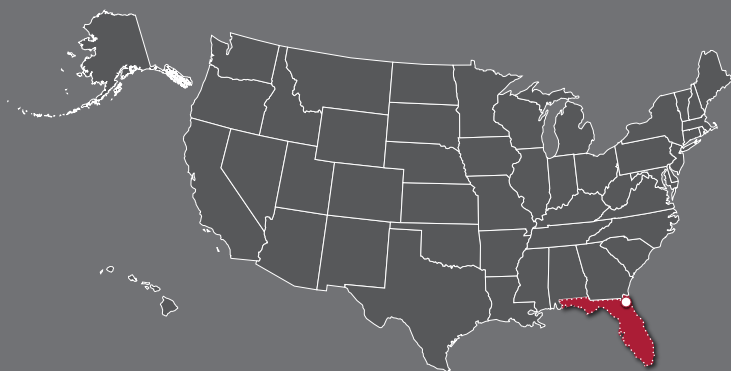
HUD PD&R Housing Market Profiles

Jacksonville, Florida



Quick Facts About Jacksonville

- Current sales market conditions: balanced
- Current apartment market conditions: soft
- The Department of Defense is the largest employer in the Jacksonville metropolitan area and has a strong presence in the local economy, directly employing 32,400 people, primarily in Duval County, where Naval Air Station Jacksonville and Naval Station Mayport are located. Also in Duval County is Marine Corps Support Facility Blount Island, focused on maintenance and logistics for U.S. Navy ships. Camp Blanding Joint Training Center, primarily in Clay County, provides training for the Florida National Guard. In 2020, the Department of Defense directly supported about 122,100 civilian and military jobs and had an economic impact of nearly \$14.4 billion in the metropolitan area (Florida Military & Defense Economic Impact Summary, 2022). The economic impact includes \$2.7 billion in pensions and other benefits paid to retirees.



By [T. Michael Miller](#) | As of October 1, 2023

Overview

The Jacksonville metropolitan area includes Baker, Clay, Duval, Nassau, and St. Johns Counties in northeast Florida. In addition to a large military presence, the metropolitan area includes the Port of Jacksonville—the leading container port in Florida—connecting to 140 ports in 70 countries and providing access to more than 98 million consumers within 24 hours. Commonly referred to as JAXPORT, the port received nearly 1,575 shipping vessels during fiscal year 2022, up 3 percent from a year earlier (Jacksonville Port Authority). The city of Jacksonville encompasses nearly all of Duval County and, at 875 square miles, is the largest incorporated city in the continental United States by area and the most populous city in the state of Florida, with nearly 971,300 residents in 2022 (Census Bureau population estimates as of July 1). Increases in new and existing average home sales prices and rising mortgage interest rates have contributed to declining home sales, although population growth remains strong. An elevated number of apartments were completed during the past year, contributing to a rising vacancy rate and a declining average apartment rent.

- The population of the metropolitan area is estimated at nearly 1.72 million, an increase of 32,350, or 2.0 percent,

continued on page 2



continued from page 1

annually since 2020; net in-migration averaged 31,500 people a year, accounting for more than 97 percent of the increase due to very strong job growth attracting new residents. From July 2014 to April 2020, population growth averaged 31,900 people, or 2.1 percent, annually. Net in-migration averaged 26,700 people, accounting for nearly 84 percent of the growth, whereas net natural increase averaged approximately 5,200 people a year (Census Bureau decennial census counts; population estimates as of July 1).

- Net in-migration to the Jacksonville metropolitan area from 2016 through 2020 was primarily from other metropolitan areas in Florida or along the east coast of the United States

(2016–2020 American Community Survey [ACS] 5-year data). Net in-migration from Florida metropolitan areas accounted for nearly one-fourth of all domestic net in-migration to the metropolitan area during the period, led by the Miami-Fort Lauderdale-West Palm Beach metropolitan area.

- The lower relative cost of housing attracts migrants to the Jacksonville metropolitan area; average existing home sales prices are a respective 46 and 32 percent lower than in the New York-Newark-Jersey City and Miami-Fort Lauderdale-West Palm Beach metropolitan areas—the two largest sources of net in-migration to the Jacksonville metropolitan area from 2016 through 2020 (most recent data available).

Economic Conditions

The economy in the Jacksonville metropolitan area expanded during the past year, continuing strong nonfarm payroll job growth following the recession of 2020. As of the 3 months ending September 2023, nonfarm payrolls in the metropolitan area increased by 30,900 jobs, or 4.0 percent, from a year earlier to 805,000 jobs; that increase followed an increase of 38,300 jobs, or 5.2 percent, as of the same 3 months a year ago. By comparison, nonfarm payrolls increased an average of 2.5 percent annually from 2011 through 2019. The metropolitan area had recovered all jobs lost during the early months of the pandemic by July 2021. The leisure and hospitality sector, the fourth largest employment sector, with 93,100 jobs as of the

3 months ending September 2023, was the hardest hit by the 2020 recession, representing nearly 72 percent of jobs lost in the metropolitan area, with job losses of 13,100, or 15.1 percent, during 2020 compared with 2019. As of the 3 months ending September 2023, the sector added 5,300 jobs, an increase of 6.0 percent from a year ago, and was the second fastest growing sector during the period.

As of the 3 months ending September 2023—

- The professional and business services sector, the largest nonfarm payroll sector in the metropolitan area, led job gains, expanding by 6,700 jobs, or 5.3 percent, from a

continued on page 3

As of the third quarter of 2023, 9 of 11 payroll sectors added jobs in the Jacksonville metropolitan area compared with a year ago.

	3 Months Ending		Year-Over-Year Change	
	September 2022 (Thousands)	September 2023 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	774.1	805.0	30.9	4.0
Goods-Producing Sectors	85.1	88.6	3.5	4.1
Mining, Logging, & Construction	50.7	51.8	1.1	2.2
Manufacturing	34.4	36.9	2.5	7.3
Service-Providing Sectors	689.0	716.4	27.4	4.0
Wholesale & Retail Trade	111.7	116.0	4.3	3.8
Transportation & Utilities	55.2	55.4	0.2	0.4
Information	13.7	13.6	-0.1	-0.7
Financial Activities	73.8	77.6	3.8	5.1
Professional & Business Services	125.9	132.6	6.7	5.3
Education & Health Services	118.0	123.4	5.4	4.6
Leisure & Hospitality	87.8	93.1	5.3	6.0
Other Services	26.9	26.9	0.0	0.0
Government	75.9	77.9	2.0	2.6
Unemployment Rate	2.9%	3.1%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



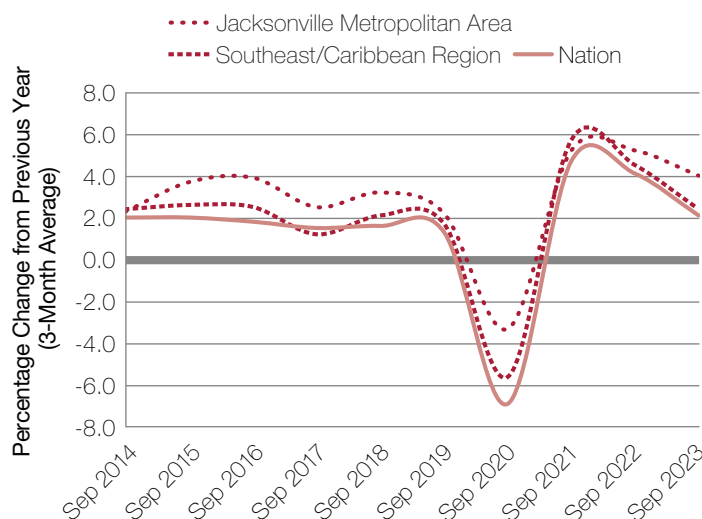
continued from page 2

year ago to 132,600. 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 metropolitan area (JAXUSA Partnership, a division of JAX Chamber).

- Growth in life sciences firms in the metropolitan area contributed to the education and health services sector increasing by 5,400 jobs, or 4.6 percent, from a year earlier to 123,400 jobs. The metropolitan area is home to one of three Mayo Clinics in the nation; in addition, Baptist Health System, Inc. and the JAX Chamber Open Innovation Center each contribute to growth in the sector.
- The financial activities sector increased by 3,800 jobs, or 5.1 percent, from a year earlier, partly because of financial technology companies expanding in or relocating to the metropolitan area. Fidelity National Information Services, Inc. expanded in 2022 with the opening of a new 386-square-foot global headquarters in downtown Jacksonville.
- The wholesale and retail trade sector expanded by 4,300 jobs, or 3.8 percent, from a year ago. That expansion occurred partly because of an increase in e-commerce businesses in the metropolitan area.

The manufacturing sector in the Jacksonville metropolitan area has expanded nearly every year since 2013, partly because of a highly skilled workforce and well-developed transportation infrastructure contributing to the development of multiple large-scale industrial parks. During 2022, nearly 137,050 former military servicemembers resided in the metropolitan area, providing highly skilled workers for area businesses (Census Bureau; ACS 1-year data). The metropolitan area also has more than 100 trucking firms. The infrastructure includes four deep-water terminals at JAXPORT, Jacksonville International Airport, three interstate highways, and rail service by CSX, Norfolk Southern, and Florida East Coast Railways. The area is home to the 17,000-acre Cecil Commerce Center and the Crawford Diamond Industrial Park, with 400 acres of land for industrial

Nonfarm payroll growth in the Jacksonville metropolitan area has outpaced growth in the Southeast/Caribbean region and the nation during the past year.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Jacksonville Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
U.S. Department of Defense	Government	32,400
Amazon.com, Inc.	Transportation & Utilities	16,000
Baptist Health System, Inc.	Education & Health Services	12,400

Notes: Excludes local school districts. Data for the U.S. Department of Defense include 18,575 military personnel at Naval Station Mayport and Naval Air Station Jacksonville, which are not included in nonfarm payrolls.

Sources: JAXUSA Partnership, a division of JAX Chamber; U.S. Department of Defense

use and 1,300 acres for solar energy production. As of the 3 months ending September 2023, the manufacturing sector expanded by 2,500 jobs, or 7.3 percent, from a year ago and was the fastest growing sector during the period. That growth followed an increase of 1,600 jobs, or 5.0 percent, as of the 3 months ending September 2022.

Sales Market Conditions

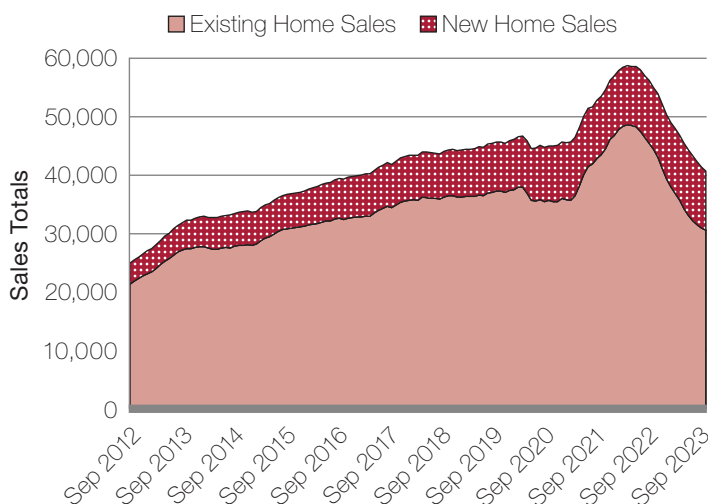
The sales housing market in the Jacksonville metropolitan area is balanced, unchanged from a year ago. The sales vacancy rate is currently estimated at 2.0 percent, unchanged from 2020. During the 12 months ending September 2023, new home sales (including single-family homes, townhomes, and condominiums) declined 4 percent from a year earlier, following an increase of 6 percent during the previous 12 months. The number of existing home sales declined 31 percent during the 12 months ending September 2023, following an increase of 2 percent during the previous 12 months. Although home sales declined, the available inventory of homes for sale remained unchanged from the 2.8-month supply a year earlier. Supply has remained unchanged partly because of the reluctance of homeowners who purchased or refinanced at low mortgage interest rates to sell.

The percentage of home loans in the Jacksonville metropolitan area that were seriously delinquent or had transitioned into real estate owned (REO) status declined from 1.6 percent in September 2022 to 1.4 percent in September 2023 (CoreLogic, Inc.). The decline in the rate primarily reflects fewer loans seriously delinquent and in forbearance compared with 2 years earlier, when the economic contraction during the COVID-19 pandemic made it difficult for some homeowners to stay current on their mortgage payments. The current rate is significantly below the peak of 14.3 percent during January 2012 but slightly higher than the current rates of 1.2 percent for Florida and 1.0 percent for the nation.

During the 12 months ending September 2023—

- The number of new homes sold totaled 10,100, down 4 percent from the 10,500 sold during the previous 12 months but higher

The number of new and existing home sales decreased in the Jacksonville metropolitan area during the 12 months ending September 2023.



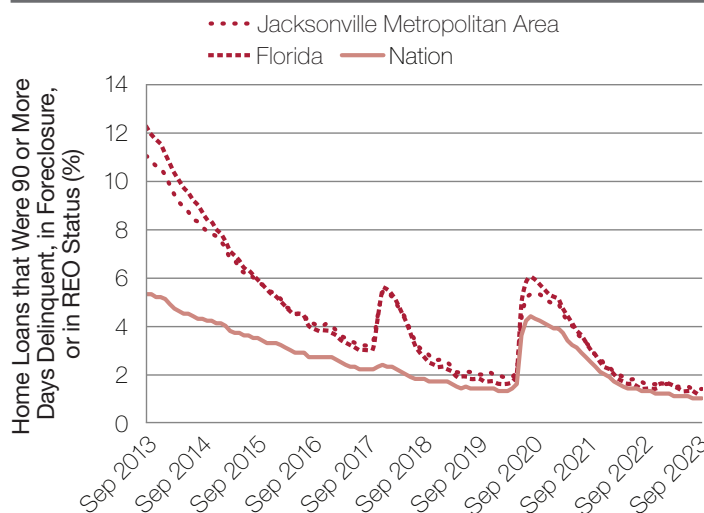
Note: Sales are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

than the 9,925 sold during the corresponding 12 months in 2021 (CoreLogic, Inc., with adjustments by the analyst).

- Existing home sales totaled 30,500, a decline of 31 percent from 44,250 homes sold during the previous 12 months.
- The average sales price for new homes was \$463,600, up 8 percent from \$428,300 during the previous 12 months, which followed an increase of 24 percent from \$344,100 during the 12 months ending 2021.

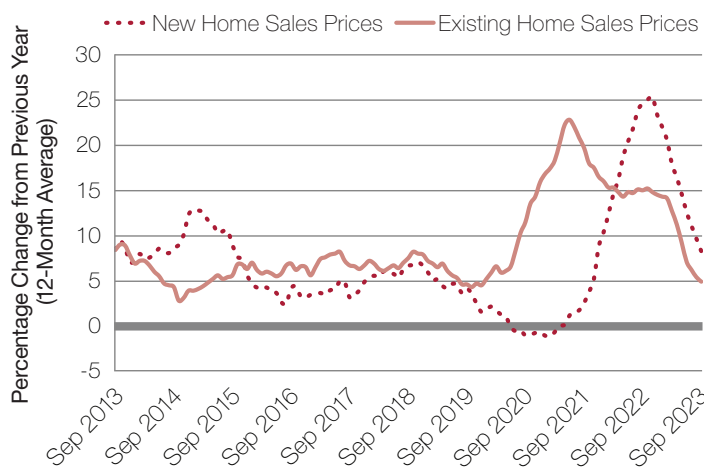
continued on page 5

The share of seriously delinquent home loans in the Jacksonville metropolitan area, Florida, and the nation are at the lowest levels during the past decade.



REO = real estate owned.
Source: CoreLogic, Inc.

New and existing home sales price growth in the Jacksonville metropolitan area slowed during the 12 months ending September 2023, following stronger growth during the previous 12 months.



Note: Prices are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

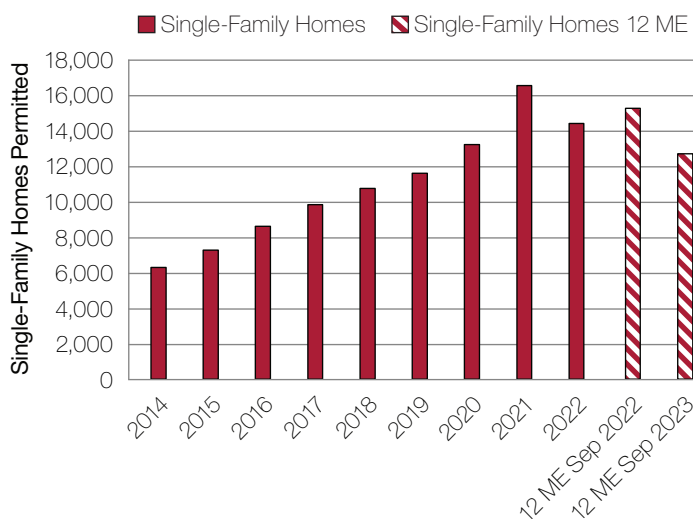
continued from page 4

- The average sales price for existing homes was \$377,400, an increase of 5 percent compared with \$360,100 during the previous 12 months. The average price for existing homes increased an average of 7 percent a year from 2014 through 2019, but during 2020 and 2021 prices increased an average of 16 percent a year.

Single-family home construction activity, as measured by the number of single-family homes permitted, decreased during the past 12 months in response to reduced demand, partly due to elevated home mortgage interest rates coupled with increasing new home sales prices. An estimated 7,200 single-family homes are under construction.

- The number of single-family homes permitted decreased to 12,700 during the 12 months ending September 2023, down 17 percent from 15,250 homes permitted during the previous 12 months (preliminary data).
- Single-family construction activity averaged 14,725 homes permitted annually from 2020 through 2022, primarily because of strong in-migration and economic growth in the metropolitan area, up from an average of 10,725 homes a year from 2017 through 2019 and an average of 7,375 homes a year from 2014 through 2016.
- Much of the recent single-family home construction has been concentrated in the southern part of the metropolitan area, with St. Johns County accounting for 41 percent of all single-family homes permitted during the past 12 months.
- Two of the 50 fastest growing master-planned communities in the nation are in the Jacksonville metropolitan area, including SilverLeaf and Nocatee. SilverLeaf includes 16,300 home

Single-family home construction in the Jacksonville metropolitan area has been in decline following peak permitting during 2021.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

sites spread across 8,500 acres in northwest St. Johns County. A total of 1,025 homes were sold in the development during 2022, the third highest total for a master-planned community in the nation (John Burns Real Estate Consulting, LLC). 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.

Apartment Market Conditions

Apartment market conditions in the Jacksonville metropolitan area are soft. The market has softened during the past year because the growth in supply has exceeded demand for apartments; 7,600 apartment units were completed during the past 12 months, a period when net absorption totaled 2,175 units (CoStar Group). The average apartment vacancy rate at stabilized properties increased 2.7 percentage points compared with the third quarter of 2022 to 9.1 percent as of the third quarter of 2023. During the same period, asking rents in the metropolitan area declined 2 percent to average \$1,484 as of the third quarter of 2023.

As of the third quarter of 2023—

- Apartment vacancy rates in the 11 CoStar Group-defined market areas within the Jacksonville metropolitan area ranged from 2.9 percent in the Baker County market area to 12.8 percent in the North Side market area.

- The apartment vacancy rate increased in all market areas relative to a year ago. The largest apartment vacancy rate increase occurred in the North Side market area, where the apartment vacancy rate was up 6.0 percentage points from a year ago. Approximately 790 apartment units were completed in the market area during the past 12 months, a 14-percent increase in supply.
- Substantial vacancy rate increases also occurred in the Arlington, Southside, and Orange Park market areas, with increases of 3.6, 2.8, and 2.8 percentage points to 10.4, 8.1, and 7.9 percent, respectively. A combined 2,825 apartments were completed in these market areas during the past 12 months.
- The Central Jacksonville, West Side, and Arlington market areas had the lowest average rents at \$1,139, \$1,331, and

continued on page 6

continued from page 5

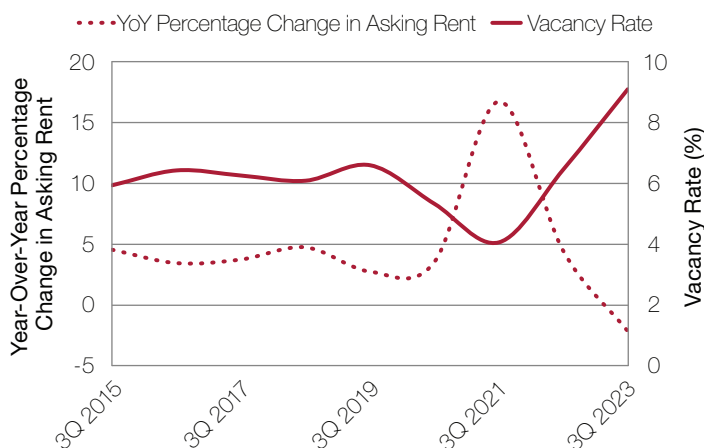
\$1,346, respectively, and were among the market areas with the highest vacancy rates, at 12.7, 10.2, and 10.4 percent, respectively.

- Asking apartment rents decreased from the third quarter of 2022 in 7 of the 11 market areas from 0.9 to 3.8 percent; rents declined nearly 3 percent in the St. Augustine and Nassau County market areas. Asking apartment rent increases ranged from less than 1 percent in the Orange Park market area to more than 3 percent in the Baker County market area.

Multifamily construction activity, as measured by the number of multifamily units permitted, declined 13 percent from a year earlier during the 12 months ending September 2023 to 8,350 units. Builders have responded to higher vacancy rates by slowing multifamily production to allow many recently completed units to be absorbed. Multifamily construction activity in the metropolitan area was relatively stable from 2016 through 2020, averaging 4,575 units a year. As developers responded to increased apartment demand following the onset of the pandemic, multifamily construction surged to an average of 10,250 units annually during 2021 and 2022.

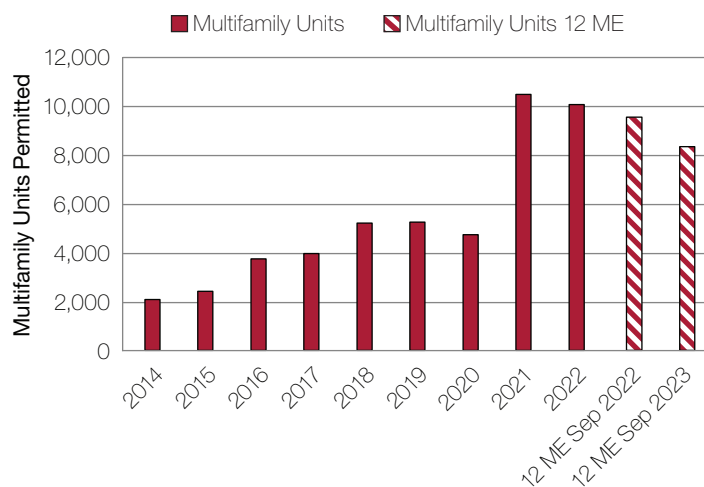
- An estimated 7,600 units were added to the apartment inventory in the metropolitan area during the 12 months ending September 2023. That figure represents a 7-percent increase in the existing inventory during the period, following average gains of 4 percent annually from 2018 to 2022 and 1 percent annually from 2010 to 2017.
- In the past year, apartment construction was concentrated in the St. Augustine, West Side, and Southside market areas, which accounted for 70 percent of all completed apartment units.
- An estimated 10,500 apartment units are under construction in the metropolitan area, mostly in the Southside and St. Augustine market areas, with 37 and 34 percent, respectively, of total units under construction in the metropolitan area (CoStar Group).

As of the third quarter of 2023, average rents declined, and the vacancy rate rose from a year ago in the Jacksonville metropolitan area.



3Q = third quarter. YoY = year-over-year.
Source: CoStar Group

Multifamily permitting activity in the Jacksonville metropolitan area has been elevated since 2020 compared with the previous 7 years.



12 ME = 12 months ending

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
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.
Existing Home Sales	Includes resales, short sales, and real estate owned (REO) sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
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.
----	---