



Jacksonville, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2012



Summary

Economy

Nonfarm payrolls in the Jacksonville HMA increased during the most recent 12 months, continuing a recovery that began in 2010. During the 12 months ending June 2012, nonfarm payrolls grew by 3,400 jobs, or 0.6 percent, compared with an increase of 7,300 jobs, or 1.2 percent, during the 12 months ending June 2011. Nonfarm payrolls are projected to increase by an average annual rate of 1 percent during the forecast period. Table DP-1 at the end of this report provides employment data for the HMA.

Sales Market

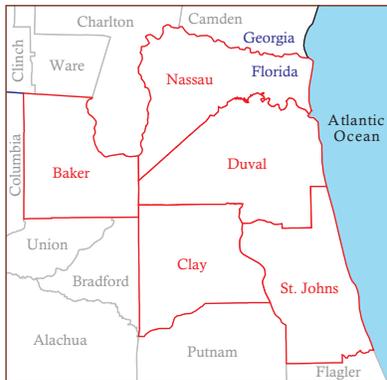
The home sales market in the HMA is currently soft. During the 12 months ending June 2012, new and existing home sales increased 16 percent, to

12,600 homes. Demand is expected for 13,575 new homes during the forecast period (Table 1). The 1,020 homes currently under construction and a portion of the 35,600 other vacant units in the HMA that may reenter the market will satisfy some of the forecast demand.

Rental Market

The rental housing market in the HMA is currently soft, with a 10-percent overall rental vacancy rate, down from the 13.3-percent rate recorded in 2010. The market began to improve in 2011, primarily in the Suburban submarket, because builders reduced production levels in response to soft markets. During the forecast period, demand is expected for 460 new rental units. The 485 units currently under construction will more than satisfy this demand (Table 1).

Housing Market Area



The Jacksonville Housing Market Area (HMA) consists of Baker, Clay, Duval, Nassau, and St. Johns Counties in northeast Florida. For purposes of this analysis, the HMA is divided into three submarkets: the Duval submarket, which is coterminous with the consolidated Jacksonville government of Duval County and the city of Jacksonville; the Suburban submarket, which includes Clay and St. Johns Counties to the south; and the Rural submarket, which includes Baker County to the west and Nassau County to the north.

Market Details

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Table 1. Housing Demand in the Jacksonville HMA, 3-Year Forecast, July 1, 2012, to July 1, 2015

	Jacksonville HMA		Duval Submarket		Suburban Submarket		Rural Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	13,575	460	4,800	0	7,475	460	1,300	0
Under Construction	1,020	485	350	460	600	25	70	0

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2012. A portion of the estimated 35,600 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

During the 12 months ending June 2012, economic conditions in the Jacksonville HMA continued the recovery that began during the previous 12 months. During the 12 months ending June 2012, nonfarm payrolls increased by 3,400 jobs, or 0.6 percent, compared with the increase of 7,300 jobs, or 1.2 percent, during the 12 months ending June 2011 (Table 2). By comparison, annual gains from 2002 through 2007

averaged 14,650 jobs, or 2.5 percent, led by the construction subsector and the wholesale and retail trade sector. Figure 1 displays sector growth change from 2000 to current in the HMA. The largest employers in the HMA are the Naval Air Station (NAS) Jacksonville, Naval Station Mayport, and Baptist Health, with 25,250, 12,650, and 8,725 employees, respectively (Table 3).

According to the Florida Defense Industry Economic Impact Analysis in January 2008, NAS Jacksonville and Naval Station Mayport had a \$2.1 and \$1 billion impact on the area economy, respectively. In addition to the economic impact of NAS Jacksonville and Naval Station Mayport, the military installations in the area are the source of more than 3,000 retired and separated military members each year who choose to remain in the HMA, providing highly skilled workers for area businesses. The economic impact of military retirees in the HMA includes \$860 million paid in pensions and transfers.

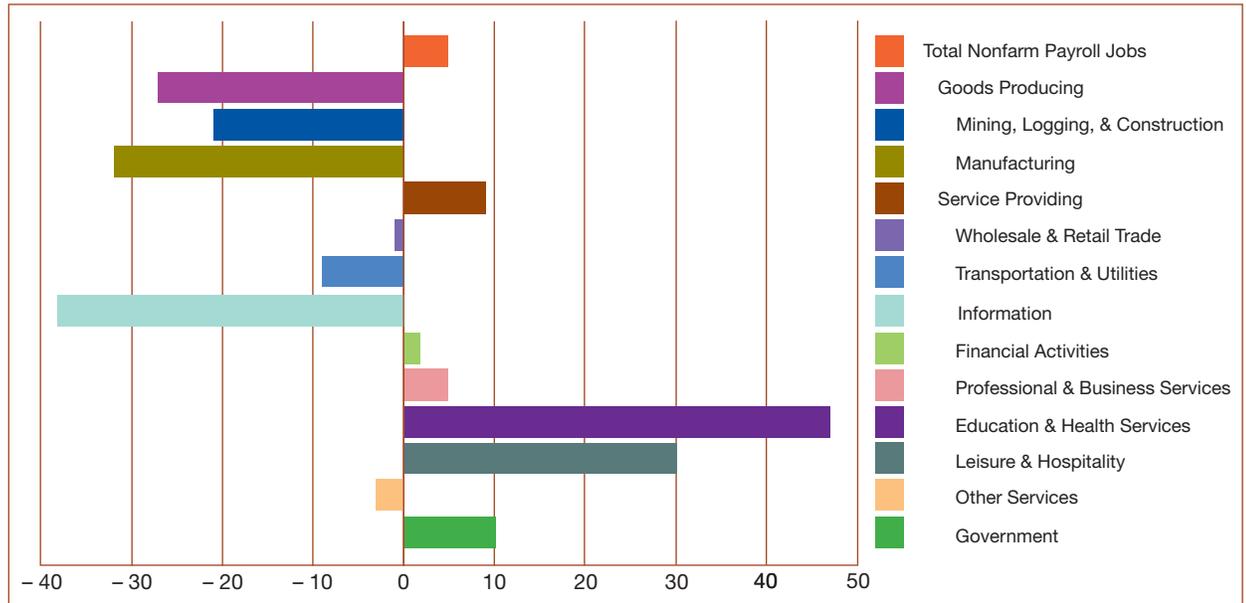
Within the Jacksonville economy, the largest six sectors account for between

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Jacksonville HMA, by Sector

	12 Months Ending June 2011	12 Months Ending June 2012	Percent Change
Total Nonfarm Payroll Jobs	587,300	590,700	0.6
Goods Producing	54,700	52,650	-3.7
Mining, Logging, & Construction	27,750	25,950	-6.5
Manufacturing	26,950	26,700	-0.9
Service Providing	532,600	538,100	1.0
Wholesale & Retail Trade	94,100	95,950	1.9
Transportation & Utilities	30,200	29,950	-0.9
Information	9,900	9,525	-3.7
Financial Activities	57,150	57,900	1.3
Professional & Business Services	88,850	92,600	4.2
Education & Health Services	86,550	87,750	1.4
Leisure & Hospitality	64,950	65,250	0.5
Other Services	23,750	23,050	-2.9
Government	77,100	76,100	-1.3

Notes: Based on 12-month averages through June 2011 and June 2012. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Sector Growth in the Jacksonville HMA, Percentage Change, 2000 to Current

Note: Current is based on 12-month averages through June 2012.

Source: U.S. Bureau of Labor Statistics

9.8 and 16.2 percent of nonfarm payroll jobs, and the economy is supported by a comprehensive transportation infrastructure. The Port of Jacksonville is home to more than 65,000 jobs and has an annual economic impact on the HMA of approximately \$19 billion, according to the Jacksonville Port Authority. The Port is expected to be the source of most economic expansion in the near future in the HMA. As the largest deepwater port in the South and the second largest deepwater port on the east coast, Jacksonville is

expected to benefit from the expansion of the Panama Canal, planned to be complete in 2014. Using the three major railroads in Jacksonville (CSX, Norfolk Southern, and Florida East Coast Railway) and the three major interstate highways (Interstate 95 [I-95], I-10, and I-75), businesses are able to ship from the Port of Jacksonville to 60 percent of the U.S. population, or 185 million people, in less than 24 hours or 55 million consumers within 8 hours.

During the 12 months ending June 2012, net gains in the service-providing sectors more than offset net losses in the goods-producing sectors. The professional and business services sector led job growth with the addition of 3,750 jobs, a 4.2-percent increase from the previous 12 months. The wholesale and retail trade sector, the largest sector in the HMA, increased by 1,850 jobs, or 1.9 percent, during the 12 months ending June 2012. All of these gains were the result of the retail trade subsector, which increased

Table 3. Major Employers in the Jacksonville HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Naval Air Station Jacksonville	Government	25,250
Naval Station Mayport	Government	12,650
Baptist Health	Education & Health Services	8,725
Bank of America Merrill Lynch	Financial Services	8,000
Blue Cross and Blue Shield of Florida, Inc.	Financial Services	5,000
Mayo Clinic	Education & Health Services	4,975
Citigroup Inc.	Financial Services	4,200
United Parcel Service of America, Inc.	Professional & Business Services	4,100
CSX Corporation Inc.	Transportation & Utilities	4,000
St. Vincent's Medical Center Riverside	Education & Health Services	4,000

Note: Excludes local governments and school districts.

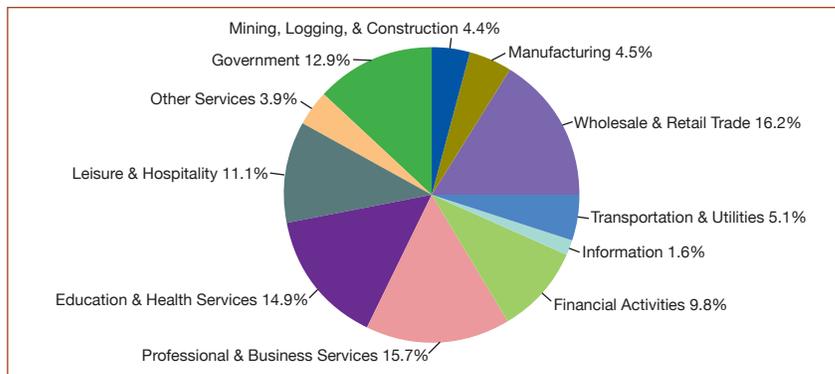
Source: Business Intelligence, JAXUSA Partnership, a division of JAX Chamber

by 2,100 jobs while the wholesale trade subsector decreased by 250 jobs, or 3.2 percent. During the 12 months ending June 2012, the education and health services sector increased by 1,200 jobs, or 1.4 percent. Figure 2 displays current nonfarm payroll jobs in the HMA by sector.

As a result of reduced residential and commercial building activity and slow economic growth, the construction subsector has continued to reduce payrolls. During the 12 months ending June 2012, the subsector declined by 1,800 jobs, or 6.7 percent, compared

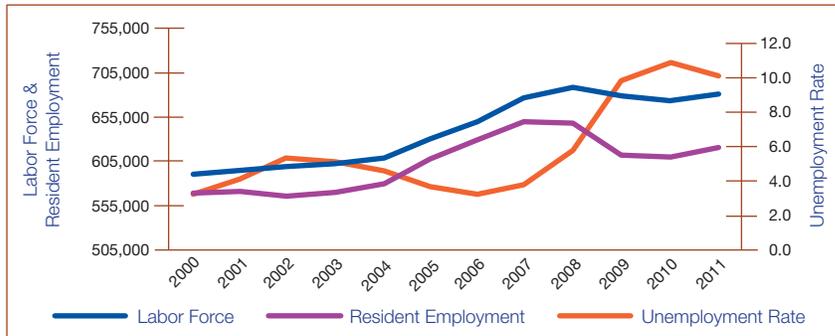
with the number of jobs during the previous 12 months. Nonfarm payrolls in the construction subsector have declined by nearly 50 percent from the peak of 49,700 jobs recorded in 2006. The government sector added 700 jobs during 2010 and then declined by 1,100 jobs from 2010 to the current date. Recent declines in the government sector and the construction subsector are expected to be partially offset by more than \$130 million in new construction projects on NAS Jacksonville planned to begin by the end of the 2012 fiscal year and continue through 2015. The addition of the new Triton Broad Area Maritime Surveillance unmanned aircraft system operator training program and the P-8A Poseidon maintenance program will result in \$15 million in construction and expand the mission of NAS Jacksonville. During the 12 months ending June 2012, the unemployment rate in the HMA averaged 9.5 percent, down from 10.5 percent during the previous 12 months. Figure 3 shows trends in the labor force, resident employment, and unemployment rate from 2000 through 2011.

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



Note: Based on 12-month averages through June 2012.
Source: U.S. Bureau of Labor Statistics

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Jacksonville HMA, 2000 Through 2011



Source: U.S. Bureau of Labor Statistics

During the forecast period, nonfarm payrolls are expected to increase by an average annual rate of 5,975 jobs, or 1 percent. Job growth is expected to remain moderate during the first year of the forecast period as the local economy continues to adjust to losses in the construction and government sectors. Job growth is expected to accelerate to 1.2 percent during the final year of the forecast period, when gains are expected to occur in most sectors.

Population and Households

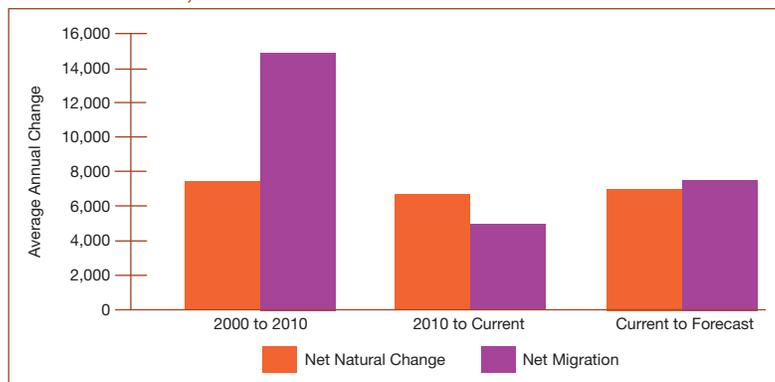
As of July 1, 2012, the population of the Jacksonville HMA was estimated to be 1.37 million, reflecting an average annual increase of 11,750, or 0.9 percent, since April 1, 2010. Tables DP-1 through DP-4 at the end of this report provide information on the population growth in the HMA and in each submarket from 2000 to the current date. The recent recession has resulted in a slower growth rate since 2007: 1.0 percent compared with the average annual increase of 2.1 percent, or 25,800, recorded from 2000 through 2007. Net in-migration, which accounted for approximately 73 percent of the population increase from 2000 through 2007, has accounted for nearly 42 percent of the increase since 2007, or an average annual rate of 4,975 people (Figure 4). As the economy of the HMA continues to recover, the annual population growth rate is expected to increase slightly to 1 percent, or 14,350 people, during the 3-year forecast period. The population of the HMA is expected to reach 1.42 million by July 1, 2015.

The fastest growing portion of the HMA is the Suburban submarket, which has grown by an average annual rate of 5,725, or 1.5 percent, since

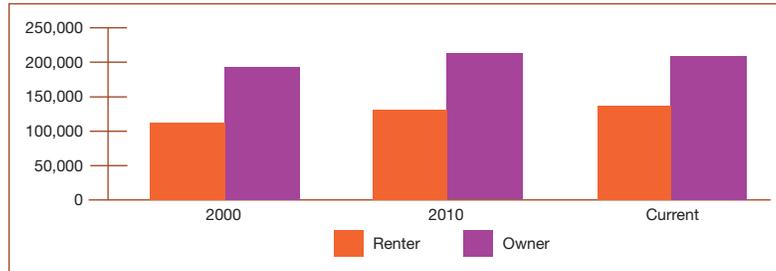
2010, to 393,800. From 2000 through 2007, the population in the submarket increased by an average annual rate of 13,350, or 4.4 percent. Affordable housing in northern St. Johns and Clay Counties contributed to an average annual net in-migration of 12,450 people during the same period, accounting for approximately 90 percent of the population increase in the submarket. The population of the Suburban submarket is expected to increase annually by 7,700, or 1.9 percent, to 416,900 during the forecast period.

Since 2010, the population of the Duval submarket, which accounts for nearly 64 percent of the population in the HMA, has increased by an average annual rate of 5,175, or 0.6 percent, to 875,900. A preference for housing in the suburbs of Jacksonville has in part resulted in a net out-migration from the Duval submarket to the Suburban submarket. From 2000 through 2007, a net average annual rate of 4,000 people migrated out of Duval into the surrounding submarkets, according to data from the Internal Revenue Service. During the same period, net averages of 3,850, 1,075, and 1,050 people migrated into the Duval submarket from other states, Florida (counties outside the HMA), and foreign countries, respectively. By comparison, from 2008 through 2010, net averages of 2,325 and 1,775 people annually migrated out of the Duval submarket into the surrounding submarkets and other states, respectively. During the same period, net averages of 700 and 325 people annually migrated into the Duval submarket from Florida counties outside the HMA and foreign countries, respectively. According to census data,

Figure 4. Components of Population Change in the Jacksonville HMA, 2000 to Forecast



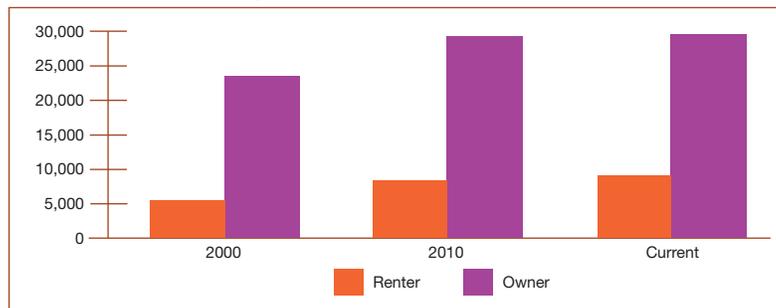
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Population and Households *Continued***Figure 5.** Number of Households by Tenure in the Duval Submarket, 2000 to Current

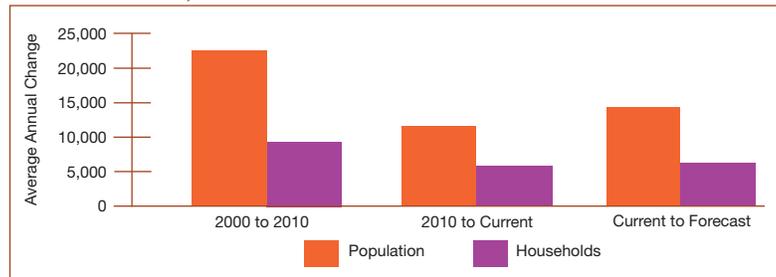
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 6. Number of Households by Tenure in the Suburban Submarket, 2000 to Current

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 7. Number of Households by Tenure in the Rural Submarket, 2000 to Current

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 8. Population and Household Growth in the Jacksonville HMA, 2000 to Forecast

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

from 2007 through 2010, net out-migration averaged 1,525 people annually; however, since 2010, net out-migration has slowed to an average annual rate of 180. By contrast, from 2000 through 2007, net in-migration averaged 4,475 people annually. The population of the Duval submarket is expected to increase by 5,400, or 0.6 percent, annually, to 892,100, during the forecast period.

An estimated 537,000 households currently reside in the HMA. Although approximately 65 percent of these households are in the Duval submarket, nearly 50 percent of the increase in the number of households since 2000 has occurred in the Suburban submarket. Figures 5, 6, and 7 show the number of households by tenure in each of the submarkets from 2000 to the current date. From 2010 to the current date, the homeownership rate in the HMA decreased from 66.9 to 65.6 percent, with declines recorded in all submarkets. The number of households in the HMA is expected to grow by 6,125, or 1.1 percent, annually during the next 3 years to total 555,400. Figure 8 shows population and household trends in the HMA from 2000 through the forecast period.

Housing Market Trends

Sales Market—Duval Submarket

The sales housing market in the Duval submarket is soft, with a current estimated vacancy rate of 2.8 percent, down from 3.4 percent recorded in the 2010 Census. According to Hanley Wood, LLC, during the 12 months ending June 2012, new and existing home sales totaled 6,250, an increase of 12 percent compared with the number sold during the previous 12 months. The current level of sales activity remains much less than the peak of 25,000 homes sold during 2005, and it is less than the average annual level of 8,600 homes sold from 2008 through 2009.

During the 12 months ending June 2012, existing single-family home sales totaled 5,200, an increase of nearly 18 percent compared with the number sold during the previous 12 months. The current level of existing home sales activity is much less than the peak of 18,300 homes sold during 2005. From 2006 through 2010, an average annual level of 9,150 existing single-family homes sold in the submarket. Existing home sales increased partly because of a decline in existing home prices during the 12 months ending June 2012. The current average sales price of an existing home in the submarket decreased nearly 6 percent, to \$181,650, compared with the average price during the previous 12 months. Existing home sales prices have declined each month since mid-2007, with few exceptions. Real Estate Owned (REO) sales accounted for approximately 39 percent of existing sales in 2011, down from 47 percent in 2010. By comparison, less than 5 percent of existing sales in 2005 resulted from REO sales. The current average sales price of an REO home

in the submarket decreased nearly 1 percent, to \$100,000, compared with the average price during the previous 12 months. According to LPS Applied Analytics, as of June 2012, 16.7 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, up from 15 percent a year earlier. The distressed rate in the submarket remains less than the state rate of 17.7 percent but much more than the national rate of 7.7 percent.

During the 12 months ending June 2012, new home sales activity declined nearly 11 percent, to 1,050 homes sold, compared with 1,200 homes sold during the previous 12 months; it was down significantly from the average annual rate of 2,400 new homes sold from 2008 through 2010. During the 12 months ending June 2012, the average new home sales price increased to \$196,900, a 5-percent increase from the previous 12 months, but well below the average annual price of \$221,700 recorded from 2005 through 2010.

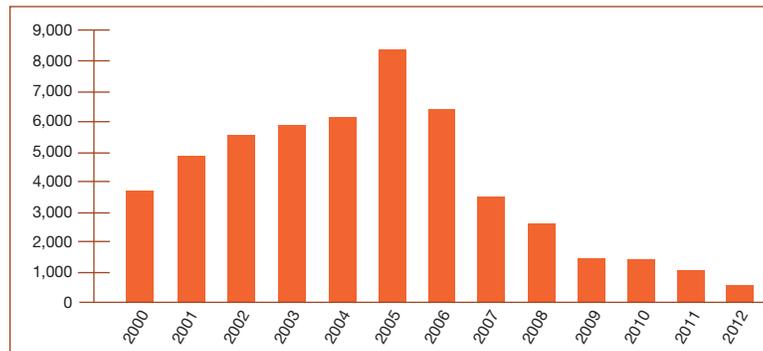
Since 2000, in the Duval submarket, condominiums have accounted for 26 percent of multifamily units permitted, or an average annual level of 570 permits. New condominium sales have been in decline since 2007. During the 12 months ending June 2012, new condominium sales activity declined to 40 condominiums sold compared with 90 sold during the previous 12 months; it is down significantly from the average of 2,500 sold from 2006 through 2008. The average sales price of new condominiums more than doubled during the 12 months ending June 2012, to \$322,000, up

Housing Market Trends

Sales Market—Duval Submarket *Continued*

from \$166,500 during the previous 12 months. During the same period in 2012, the average existing condominium sales price increased 12 percent to \$125,200. During the 12 months ending June 2012, existing condominium sales activity increased to 130 condominiums sold compared with 85 sold during the previous 12 months, but it decreased significantly from the average of 1,450 sold from 2006 through 2008.

Figure 9. Single-Family Building Permits Issued in the Duval Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Duval Submarket, July 1, 2012, to July 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	860	18.0
150,000	199,999	1,450	30.0
200,000	249,999	1,250	26.0
250,000	299,999	670	14.0
300,000	349,999	290	6.0
350,000	and higher	290	6.0

Note: The 350 homes currently under construction and a portion of the estimated 17,800 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Single-family home construction activity, as measured by the number of single-family building permits issued, increased in the Duval submarket during the 12 months ending June 2012 relative to the previous 12 months, but activity remains much less than the peak of 8,325 homes permitted in 2005. From 2007 through 2010, an average annual level of 2,275 single-family building permits were issued as builders reduced construction activity in response to a decline in demand for new homes. Based on preliminary data, during the 12 months ending June 2012, the number of single-family homes permitted increased to 1,400, up 33 percent from 1,050 homes permitted during the same period a year earlier. Figure 9 shows single-family building permits issued in the submarket from 2000 to the current date. Recent single-family construction activity has been concentrated in Atlantic Beach.

During the next 3 years, demand is estimated for 4,800 new market-rate homes in the submarket (Table 1). Of that demand, 56 percent is expected to be for homes priced between \$150,000 and \$250,000. The 350 homes currently under construction and a portion of the 17,800 other vacant units in the submarket that may reenter the market will satisfy some of the forecast demand. Table 4 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the forecast period.

Rental Market—Duval Submarket

The rental housing market in the Duval submarket is soft, with an estimated overall vacancy rate of 10.5 percent, down from the 13.7-percent rate reported in the 2010 Census (Figure 10).

Despite significantly reduced multi-family construction during the past 3 years, the apartment market is soft. According to Real Data, the average apartment vacancy rate was 10.6

Housing Market Trends

Rental Market—Duval Submarket *Continued*

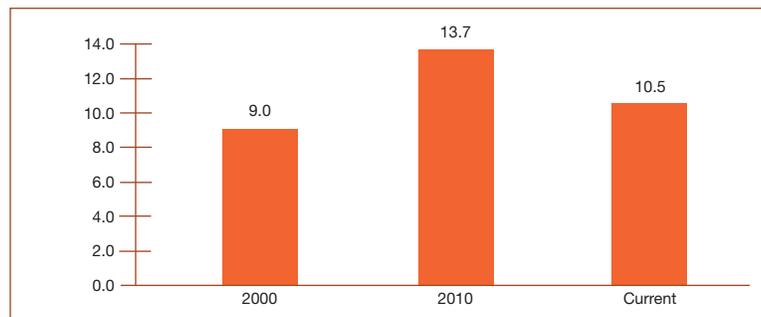
percent in June 2012, down from 11 percent in June 2011. According to ALN Systems, Inc., about 42 percent of the apartments were offering concessions that averaged \$50 a month off the asking rent. The average apartment rent during June 2012 increased by nearly 3 percent, to \$785, compared with the average apartment rent in June 2011. Asking rents averaged \$655 for a one-bedroom unit, \$825 for a two-bedroom unit, and \$990 for a three-bedroom unit.

NAS Jacksonville and Naval Station Mayport currently employ a combined 25,500 military members, but they provide housing for only about 4,300. The remaining military members reside throughout the HMA and account for about 4 percent of total households in the HMA.

Multifamily construction activity, as measured by the number of multifamily units permitted, declined from 2008 through 2011 because the number of single-family homes entering the rental market increased. The percent of single-family rental units increased to 11 percent of the total housing inventory in 2010, up from 10 percent in 2008, which is an increase of 5,100 homes. Construction activity increased during the past year in response to an increasing preference for rental properties (Figure 11). Based on preliminary data, during the 12 months ending June 2012, the number of multifamily units permitted increased to 680 compared with the 120 units permitted during the previous 12-month period. From 2002 through 2008 and 2009 through 2010, the average annual levels of units permitted were 2,975 and 640 units, respectively. The most recent multifamily development completed is Cabana Club in the Baymeadows area located in southeast Duval County. The 84-unit complex completed its first phase of construction in June 2012; the second phase, which will add 168 units, is currently under way, with an expected completion date of early 2013. Current asking rents at the project start at \$995 for a one-bedroom unit, \$1,270 for a two-bedroom unit, and \$1,485 for a three-bedroom unit.

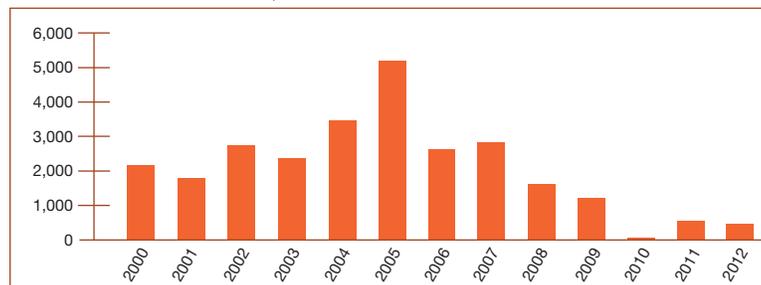
After accounting for the current excess supply of vacant available units, no additional units should be constructed during the forecast period (Table 1). The 460 units currently under construction should be more than sufficient to meet the demand for rental units in the submarket for the foreseeable future to provide enough time for the excess supply to be absorbed and return to balanced rental market conditions.

Figure 10. Rental Vacancy Rates in the Duval Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 11. Multifamily Building Permits Issued in the Duval Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Sales Market—Suburban Submarket

The sales housing market in the Suburban submarket is soft, with a current estimated vacancy rate of 3 percent, improved from 3.3 percent recorded in the 2010 Census. According to data from Hanley Wood, LLC, during the 12 months ending June 2012, new and existing homes sales totaled 5,400, a nearly 22-percent increase compared with the number sold during the previous 12 months. Despite the recent increase, the current level of sales activity remains much less than the peak of 20,100 homes sold during 2005, but it is improved from the average annual level of 5,575 homes sold from 2008 through 2009.

During the 12 months ending June 2012, existing home sales totaled 3,625, a 20-percent increase compared with the number sold during the previous 12 months, but it is a significant decrease from the average annual rate of 6,475 sold from 2005 through 2007. The current average sales price of an existing home in the submarket decreased nearly 3 percent, to \$257,000, compared with the average price during the previous 12 months; this price is down 9 percent from the average price from 2005 through 2010. During the 12 months ending June 2012, REO sales totaled 1,150, a 30-percent decrease compared with the number sold during the previous 12 months. During the 12 months ending June 2012, about 24 percent of total existing sales were the result of REO sales, down from 35 percent during the previous 12 months. According to LPS Applied Analytics, as of June 2012, 12.1 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or

transitioned into REO, up from 11.4 percent a year earlier. The distressed rate in the submarket remains less than the state rate of 17.7 percent but much more than the national rate of 7.7 percent.

During the 12 months ending June 2012, new home sales increased 25 percent, to 1,800 homes sold, compared with the 1,425 homes sold during the previous 12 months. The average new home sales price increased to \$239,900, a 3-percent increase from the previous 12 months. By comparison, from 2006 through 2010, new homes sales averaged 2,500 homes sold annually, at an average price of \$271,500.

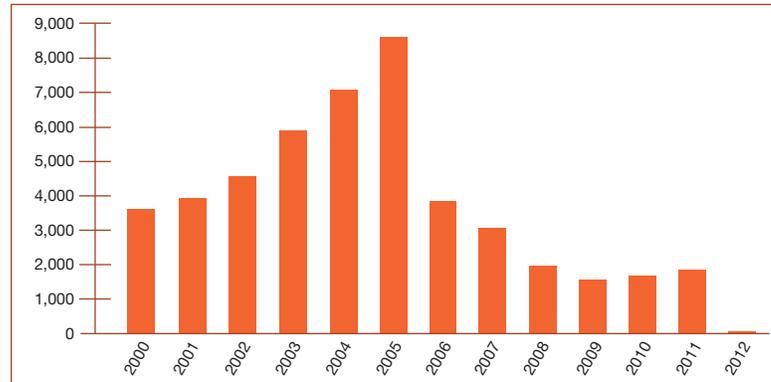
Single-family home construction activity, as measured by the number of single-family building permits issued, began to increase in the submarket in 2010. Based on preliminary data, during the 12 months ending June 2012, the number of single-family homes permitted increased to 2,300, up nearly 40 percent from the 1,650 homes permitted during the same period a year earlier. From 2003 through 2005, an average annual level of 7,200 homes was permitted compared with 2,425 homes permitted from 2006 through 2010. Figure 12 shows single-family building permits issued in the submarket from 2000 to the current date. Recent single-family construction activity in the submarket has been concentrated in Ponte Vedra Beach North and Ponte Vedra Beach South.

During the next 3 years, demand is estimated for 7,475 new market-rate homes in the submarket (Table 1). Half of the demand is expected for homes priced between \$150,000 and

\$250,000. The 600 homes currently under construction and a portion of the 13,000 other vacant units in the submarket that may reenter the market will satisfy some of the forecast

demand. Table 5 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the forecast period.

Figure 12. Single-Family Building Permits Issued in the Suburban Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Sales Housing in the Suburban Submarket, July 1, 2012, to July 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	1,125	15.0
150,000	199,999	1,875	25.0
200,000	249,999	1,875	25.0
250,000	299,999	1,125	15.0
300,000	349,999	900	12.0
350,000	and higher	600	8.0

Note: The 600 homes currently under construction and a portion of the estimated 13,000 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

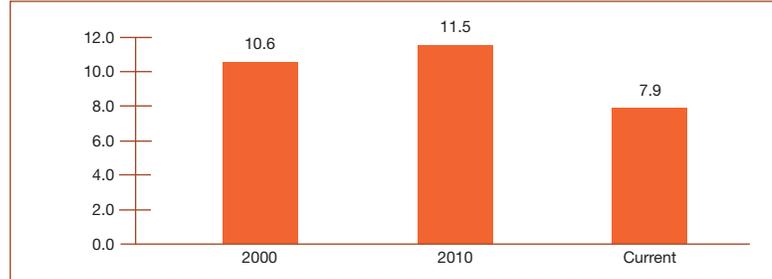
Rental Market—Suburban Submarket

The rental housing market in the Suburban submarket is soft, with an estimated overall vacancy rate of 7.9 percent, down from the 11.5-percent rate reported in the 2010 Census (Figure 13). The apartment market is also soft. According to Real Data, in June 2012, the average apartment vacancy rate was 6 percent, down slightly from 6.1 percent in June 2011. The average apartment rent during June 2012 increased by 2 percent,

to \$790, compared with the average apartment rent in June 2011. Asking rents averaged \$680, \$800, and \$970 for one-, two-, and three-bedroom units, respectively.

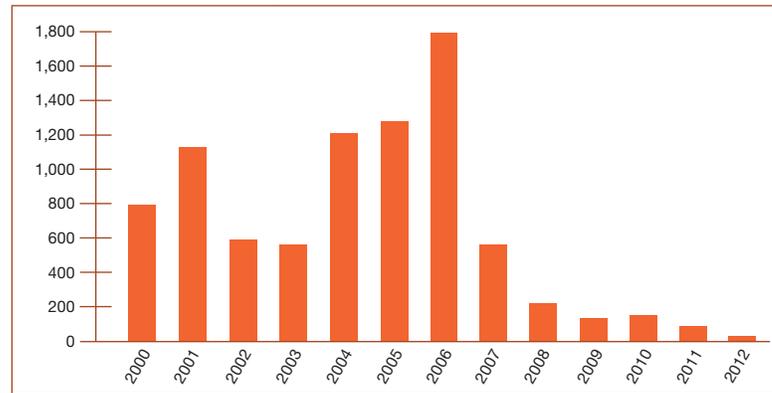
Multifamily construction activity, as measured by the number of multifamily units permitted, has declined significantly since 2008 (Figure 14). Based on preliminary data, the number of multifamily units permitted decreased to 50 compared with the

Figure 13. Rental Vacancy Rates in the Suburban Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 14. Multifamily Building Permits Issued in the Suburban Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

80 units permitted during the previous 12-month period. An average annual level of 1,100 units was permitted from 2004 through 2007. No significant projects have been completed in the submarket since 2009.

During the 3-year forecast period, demand is estimated for 460 new

market-rate rental units in the submarket (Table 1). The 25 units currently under construction will meet a portion of this demand. Table 6 shows estimated demand for new market-rate rental housing in the submarket by rent level and number of bedrooms.

Table 6. Estimated Demand for New Market-Rate Rental Housing in the Suburban Submarket, July 1, 2012, to July 1, 2015

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
995 or more	85	1,100 or more	260	1,200 or more	110
Total	85	Total	260	Total	110

Notes: Numbers may not add to totals because of rounding. The 25 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Sales Market—Rural Submarket

The sales housing market in the Rural submarket is soft, with a current estimated vacancy rate of 3.1 percent, improved from 3.3 percent recorded in the 2010 Census. According to data from Hanley Wood, LLC, during the 12 months ending June 2012, new and existing homes sales totaled 920, a nearly 14-percent increase compared with the number sold during the previous 12 months. Despite the recent increase, the current level of sales activity remains much less than the peak of 3,725 homes sold during 2005, but it is slightly more than the average annual level of 880 homes sold from 2009 through 2010.

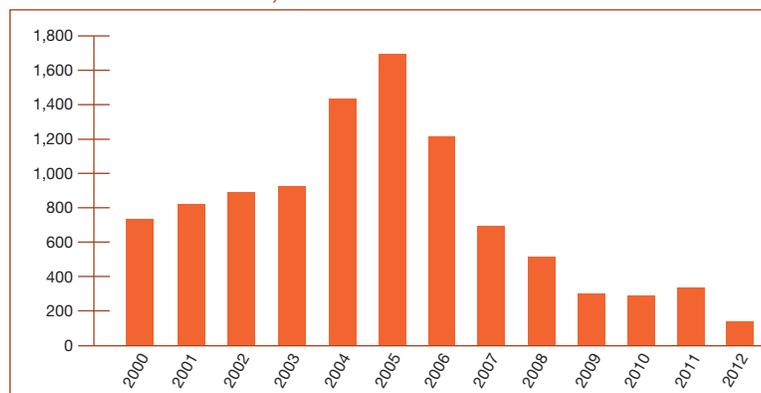
During the 12 months ending June 2012, existing home sales totaled 720, a 22-percent increase compared with the 590 sold during the previous 12 months, but a significant decrease from the average annual rate of 1,550 sold from 2005 through 2008. The current average sales price of \$225,600 for an existing home in the submarket is 4 percent less than the average price during the previous 12 months. By comparison, from 2006 through 2010, existing home sales averaged 860 homes sold annually, at an average

price of \$267,700. According to LPS Applied Analytics, as of June 2012, 12.7 percent of all home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, up from 11.3 percent a year earlier. The distressed rate in the submarket remains less than the state rate of 17.7 percent but much more than the national rate of 7.7 percent.

During the 12 months ending June 2012, new home sales increased nearly 10 percent, to 200 homes sold, compared with the number of sales during the previous 12 months and down significantly from the average annual rate of 2,400 homes sold from 2008 through 2010. The average new home sales price increased to \$203,000, a 3-percent increase from the previous 12 months. By comparison, from 2006 through 2010, new homes sales averaged 500 homes sold annually, at an average price of \$256,600.

Single-family home construction activity, as measured by the number of single-family building permits issued, began to increase in the submarket during the past 12 months. Based on preliminary data, during the 12 months ending June 2012, the number of single-family homes permitted increased to 330, up 22 percent from the 270 homes permitted during the same period a year earlier. From 2004 through 2006, an average annual level of 1,450 homes was permitted, compared with the average annual level of 525 homes permitted from 2007 through 2010. Figure 15 shows single-family building permits issued in the submarket from 2000 to the current date. Recent single-family construction activity in the submarket has been concentrated in Nassau County.

Figure 15. Single-Family Building Permits Issued in the Rural Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 7. Estimated Demand for New Market-Rate Sales Housing in the Rural Submarket, July 1, 2012, to July 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	260	20.0
150,000	199,999	390	30.0
200,000	249,999	390	30.0
250,000	299,999	130	10.0
300,000	349,999	80	6.0
350,000	and higher	50	4.0

Note: The 70 homes currently under construction and a portion of the estimated 4,800 other vacant units in the submarket will likely satisfy some of the forecast demand.
Source: Estimates by analyst

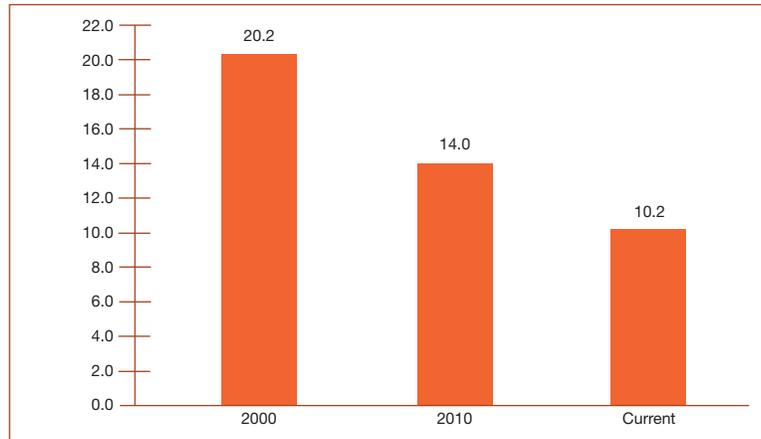
During the next 3 years, demand is estimated for 1,300 new market-rate homes in the submarket (Table 1). The 70 homes currently under construction and a portion of the 4,800 other vacant units in the submarket that may reenter the market will satisfy some of the forecast demand. Table 7 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the forecast period.

Rental Market—Rural Submarket

The rental housing market in the Rural submarket is soft, with an estimated overall vacancy rate of 10.2 percent,

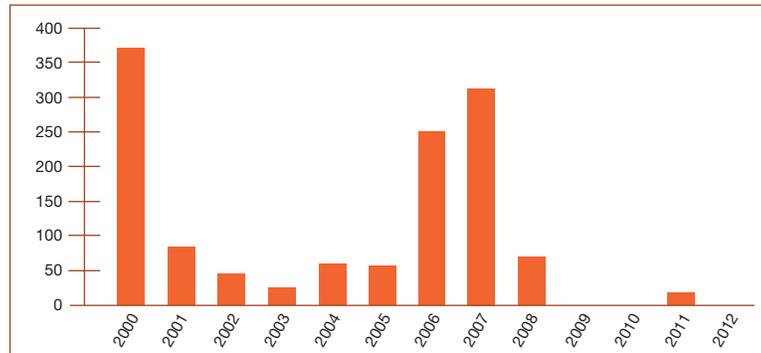
down from the 14-percent rate reported in the 2010 Census (Figure 16). The apartment market is also slightly soft. According to ALN Systems, Inc., in June 2012, the average apartment vacancy rate was 6.3 percent, down slightly from 6.5 percent in June 2011. The average rent in the submarket was \$760, up 15 percent from a year ago.

Figure 16. Rental Vacancy Rates in the Rural Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 17. Multifamily Building Permits Issued in the Rural Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through June 2012.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Multifamily construction activity, as measured by the number of multifamily units permitted, has been virtually nonexistent since 2008 (Figure 17). Based on preliminary data, the number of multifamily units permitted increased to 12 compared with the 6 units permitted during the previous 12-month period. An average annual level of 170 units was permitted from 2005 through 2008. No significant projects have been completed in the submarket since 2007.

After accounting for the current excess supply of vacant available units, no additional units should be constructed in the submarket during the forecast period (Table 1).

Table DP-1. Jacksonville HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	570,307	610,598	574,700	0.7	- 4.0
Unemployment Rate	3.2%	10.9%	9.5%		
Nonfarm Payroll Jobs	564,900	583,100	590,700	0.3	0.9
Total Population	1,122,750	1,345,596	1,372,000	1.8	0.9
Total Households	432,627	524,146	537,100	1.9	1.1
Owner Households	292,183	350,768	352,300	1.8	0.2
Percent Owner	67.5%	66.9%	65.6%		
Renter Households	140,444	173,378	184,800	2.1	2.9
Percent Renter	32.5%	33.1%	34.4%		
Total Housing Units	475,043	598,490	603,700	2.3	0.4
Owner Vacancy Rate	1.8%	3.4%	2.9%		
Rental Vacancy Rate	9.8%	13.3%	10.0%		
Median Family Income	\$48,800	\$65,100	\$65,800	2.9	1.1

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through June 2012. Median family incomes are for 1999, 2009, and 2010.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Duval Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	778,879	864,263	875,900	1.0	0.6
Total Households	303,747	342,450	348,700	1.2	0.8
Owner Households	191,734	211,077	210,000	1.0	- 0.2
Percent Owner	63.1%	61.6%	60.2%		
Rental Households	112,013	131,373	138,700	1.6	2.4
Percent Renter	36.9%	38.4%	39.8%		
Total Housing Units	329,778	388,486	388,800	1.7	0.0
Owner Vacancy Rate	1.8%	3.4%	2.8%		
Rental Vacancy Rate	9.0%	13.7%	10.5%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Suburban Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	263,949	380,904	393,800	3.7	1.5
Total Households	99,857	144,130	149,900	3.7	1.8
Owner Households	77,004	110,429	113,000	3.7	1.0
Percent Owner	77.1%	76.6%	75.4%		
Rental Households	22,853	33,701	36,900	4.0	4.1
Percent Renter	22.9%	23.4%	24.6%		
Total Housing Units	111,756	165,308	169,600	4.0	1.1
Owner Vacancy Rate	1.9%	3.3%	3.0%		
Rental Vacancy Rate	10.6%	11.5%	7.9%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-4. Rural Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	79,922	100,429	102,000	2.3	0.7
Total Households	29,023	37,566	38,500	2.6	1.1
Owner Households	23,445	29,262	29,315	2.2	0.1
Percent Owner	80.8%	77.9%	76.2%		
Rental Households	5,578	8,304	9,160	4.1	4.5
Percent Renter	19.2%	22.1%	23.8%		
Total Housing Units	33,509	44,696	45,250	2.9	0.5
Owner Vacancy Rate	1.3%	3.3%	3.1%		
Rental Vacancy Rate	20.2%	14.0%	10.3%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 7/1/2012—Analyst’s estimates
Forecast period: 7/1/2012–7/1/2015—Analyst’s estimates

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.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_JacksonvilleFL_13.pdf.

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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.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. 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.

For additional reports on other market areas, please go to
www.huduser.org/publications/econdev/mkt_analysis.html.