# Housing Market Analysis
# Nassau County, Florida

*Updated October 3, 2020*

URBANOMIC$
Urban and Real Estate Economics

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# 1. Introduction and Summary

## STUDY OBJECTIVES AND SCOPE

### Objectives

URBANOMICS, Inc., was retained by Nassau County to assist its Department of Planning and Economic Opportunity (PEO) in analyzing and understanding the demand and supply dynamics of the local housing market and to develop realistic long-range housing demand projections to guide land use planning and to anticipate needs for improved and expanded public infrastructure and urban services.

County interest in this analysis arose in response to questions raised by the PEO as to (1) what is the current and potentially continuing status of the County housing market in terms of demand and supply, and (2) what constitutes a "balanced" housing market in which neither supply nor demand are unduly excessive relative to the other. A balanced housing market is defined in this context as the level at which the supply of housing as, measured by, for example, approved plats and building permits, substantially exceeds demand (i.e., over-supply) and may drive down housing costs and property values or the level which housing demand substantially exceeds supply (i.e., unmet demand), which may drive up housing costs.

### Scope of Study

***Report Content and Format.*** Key findings of this analysis are summarized below. Relevant housing market details for Nassau County and Northeast Florida, including development, building permit, and sales trends, are presented in Section 2. For purposes of this report, Northeast Florida is defined as including Clay, Duval, Nassau, and St. Johns Counties. Section 3 presents relevant details as to the current extent of approved housing development, including entitlements and plats. Finally, Section 4 presents long-term population housing projections for the County, including a review of factors potentially affecting housing demand.

***Data Sources.*** A number of statistical tables in this report present data that detail housing market characteristics, trends, projections, and local and regional factors that drive and influence the market. Data sources utilized are shown for each table. Latest available data and sources utilized include, annual population and housing estimates from the US Census Bureau, annual building permit data from the US Department of Housing and Urban Development (SOCDS database), housing sales data from the Northeast Florida Association of Realtors (NEFAR), and Nassau County's 2018, 2019, and 2020 Growth Trends Reports.

***Note:*** There may be some instances where statistics for housing units, building permits, housing sales, and other data presented in this report may be at variance from those in the Growth Trends Reports. This may be due to the use of different data sources, however, any such differences are minor and have little or no bearing on report analyses and findings.

## *SUMMARY OF FINDINGS*

### *Housing Market Trends*

***Housing Units.*** The number of housing units in Nassau County increased by 6,175 from 2010 to a total of 41,234 in 2019, including an estimated 1,281 from 2018 to 2019. Although County housing is a modest 6.3 percent of the Northeast Florida total in 2019, the County captured 9.1 percent of the region's gain from 2018 to 2019, and 8.9 percent of all new units the region from 2010 to 2019. This is a clear indication that the Nassau County housing market is experiencing long-term growth in relation to the four-county area and is highly likely to increase its share of regional growth in coming years.

***Building Permits.*** Nassau County shares of single family homes permitted in Northeast Florida averaged 8.4 percent annually between 2000 and 2014. From 2015 to 2019, however, County shares increased to an average of 11.3 percent, a significant increase in regional market share. Single family permits countywide exceeded 1,000 in the past four years (2016-2019), averaging 1,142 units per year and including 1,401 units in 2019. The unincorporated area averaged 968 per year in the same four years, including a high of 1,226 units in 2019 (Table 3, page 9).

***New Single Family Home Sales.*** A countywide average of 942 sales of new homes were recorded annually from 2016 to 2019, peaking in 2017 with 1,024 sales. The countywide number declined slightly in to 986 sales in 2018 and to 922 in 2019, but the average price has increased every year from $285,081 in 2016 to $345,532 in 2019.

Zip Code 32034 is the most active area of the County, accounting for 42.5 percent of sales in 2016, increasing to 61.2 percent in 2019. Next most active is Zip Code area 32097, where sales declined from 38.2 percent in 2016 to 28.1 percent in 2019. Relationships between Zip Code areas 32034 and 32097 are likely to reverse in the future, as a large majority of approved unbuilt units are in 32097.

### *Approved Developments*

***Development Rights.*** The 2020 Growth Trends Report lists a number of residential projects and planning areas having a combined total of 36,746 housing units with some level of approved, entitled, or vested development rights. The East Nassau Community Planning Area (ENCPA) has 24,000 of these units. ENCPA encompasses a 24,000-acre state approved Sector Plan area that includes the Wildlight master planned community. Currently, only 4,038 of all ENCPA units (16.8 percent) are fully entitled. The large majority of these units (19,962) will require additional development approvals. Of all 36,746 units, 16,789 (45.7 percent) are fully entitled, and only 4,532 units (12.3 percent) are built to date. Unbuilt fully entitled units total 12,257.

The presence of these developments demonstrates that Nassau County has become recognized as an attractive and emerging surburban housing market and regarded as more than a seasonal coastal resort area. These developments and others that follow are unlikely to trigger rampant growth in Nassau County beyond that which the normal growth of the regional economy, population, and housing market can accommodate. Buildout of large-scale developments such as ENCPA (including Wildlight) and Tributary (Three Rivers DRI) will stretch out over many years based on regional and local demand.

***Approved Plats.*** The 2018, 2019, and 2020 Growth Trend Reports show a three-year total of 2,763 single family lots in approved plats in a number of residential communities. Developer Greg Matovina estimates an inventory of approximately 3,231 platted lots in the unincorporated area as of 12/31/20, including 2,179 in the greater Yulee area. Based on 1,226 permits for single family homes issued in the unincorporated area in 2019, platted lot counts suggest a rolling 24-30 month supply of 2,500-3,000 vacant platted lots. This provides for an entirely appropriate and reasonable balance of supply and demand in the current County housing market.

Although the provision of housing is facilitated by the availability of existing entitlements and platted lots, demand for housing is driven by various regional and local economic, regulatory, and lifestyle factors, including access to employment and good schools. Demand for and price of housing in Nassau County are neither being inflated or depressed by an oversupply or under-supply of these developments rights.

### *Population and Housing Projections*

***Approach.*** Population and housing projections for the unincorporated area of Nassau County are based on a "top down" methodology, where growth in the County reflects its relationship to and is driven by regional economic and population growth. There is strong evidence that Nassau County has a growing regional presence and is gaining market share of the regional population and economic activity, including real estate market activity.

It is the opinion of URBANOMICS, that BEBR population projections miss the changing real estate market dynamics in Nassau County and underestimate the growing presence of the County in Northeast Florida. For this reason, US Census Bureau population and housing estimates provide a more realistic basis for County projections, in that they show increasing regional market shares for the County that are consistent with increased building permit activity.

New home sales and employment changes in the local and metro areas in and through June 2019 and 2020 were assessed to determine the extent to which the COVID-19 pandemic may be affecting the market. Although significant local and regional job losses have occurred thus far in 2020, the number and average prices of new home sales show no significant adverse impacts.

***Projections.*** Increasing market shares of the Northeast Florida population are entirely realistic but appear modest, beginning at an estimated 5.87 percent in 2020 and increasing to a projected 7.11 percent in 2040. In numerical terms, however, impacts are very significant, and indicate that the County population would increase from an estimated 91,768 in 2020 to a projected 149,787 in 2040. This compares to the BEBR population projection in 2040 of only 114,300.

The unincorporated area is projected to add 54,988 new residents and 20,857 new households by 2040, averaging 2,618 new residents and 1,043 new households annually. This will generate demand for a projected 24,118 new housing units, averaging 1,205 annually.

Housing demand reflects a vacancy factor for unoccupied units that are for rent, for sale, and only seasonal occupied. This vacancy factor is expected to decline over time from 16.0 percent in 2020 to 12.0 percent in 2040 as the County continues to transition from a seasonal coastal resort area to a suburban community. Projected average annual demand for 1,205 housing units of all types is a reasonable and potentially conservative expectation for the unincorporated area, given that 1,226 building permits were issued for single family homes in this area in 2019 (Table 3, page 9).

## *DEVELOPMENT AND PERMIT TRENDS*

### *Housing Unit Estimates and Trends*

Northeast Florida is defined in this report as including the four urban counties in the Jacksonville Metropolitan Area – Clay, Duval, Nassau, and St. Johns. These counties added a total of 69,246 housing units from 2010 to 2019, according to Census Bureau estimates, including 6,175 units in Nassau County, as shown in **Table 1**. The Nassau County share of the four-county total number of units in each of the ten years increased modestly from 5.9 percent in 2010 to 6.3 percent in 2019. However, the County share of the increased number of all housing units in the four-county area from 2010 to 2019 was 8.9 percent, including a 9.1 percent share on new units added from 2018 to 2019. This is a clear indication that the Nassau County housing market is experiencing long-term growth in relation to the four-county Jacksonville area and is highly likely to increase its share of regional growth in coming years.

St. Johns County is the leader in increased market share, having accounted for only 15.3 percent of all housing units in 2010, but a 38.0 percent share of all new housing in the four-county area from 2010 to 2019. Meanwhile, Clay and Duval Counties have seen declines from 12.8 percent and 66.0 percent of all housing units in 2010, to only 10.1 percent and 42.7 percent of the total number of units added from 2010 to 2019.

### *Building Permit Trends – Northeast Florida*

The four Northeast Florida counties permitted a total of 229,982 single family and multifamily housing units in the last 20 years (2000-2019), including 16,842 units in Nassau County. Nassau County shares of all permitting activity in the four counties remained fairly constant at an average of 6.3 percent per year for the first 15 years (2000-2014), but have increased noticeably in the last five years (2015-2019), as shown in **Table 2**. In 2019, a total of 14,554 housing units of all types were permitted in the four-county area, including 1,431 in Nassau County, a 9.8 percent share. Numbers of permitted units in Nassau County are significantly lower than those in the other three counties, but an increase from an average 6.3 percent market share in the first fifteen years to a 9.8 percent share in the last five years is worthy of note and indicative of the County having entered a new phase of growth.

***Single Family Housing.*** Nassau County shares of four-county single family housing totals averaged 8.4 percent annually between 2000 and 2014. From 2015 to 2019, however, County

***Table 1. Housing Unit Estimates, Northeast Florida, 2010-2019***

| County | Housing Units (July 1) | | | | | | | | | | Growth |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-19 |
| Clay | 75,596 | 76,058 | 76,447 | 77,050 | 77,917 | 78,744 | 79,642 | 80,750 | 81,780 | 82,617 | 7,021 |
| Duval | 388,959 | 389,778 | 390,670 | 393,844 | 396,070 | 398,715 | 402,377 | 407,250 | 412,452 | 418,708 | 29,749 |
| **Nassau** | **35,059** | **35,264** | **35,545** | **35,814** | **36,312** | **36,855** | **37,911** | **38,891** | **39,953** | **41,234** | **6,175** |
| St. Johns | 90,084 | 91,236 | 92,613 | 94,676 | 97,334 | 99,969 | 102,829 | 106,394 | 110,696 | 116,385 | 26,301 |
| 4-County Total | 589,698 | 592,336 | 595,275 | 601,384 | 607,633 | 614,283 | 622,759 | 633,285 | 644,881 | 658,944 | 69,246 |
| **Nassau County Share** | **0.059** | **0.060** | **0.060** | **0.060** | **0.060** | **0.060** | **0.061** | **0.061** | **0.062** | **0.063** | **0.089** |
| 4-County Annual Growth | | 2,638 | 2,939 | 6,109 | 6,249 | 6,650 | 8,476 | 10,526 | 11,596 | 14,063 | |
| **Nassau County Growth** | | **205** | **281** | **269** | **498** | **543** | **1,056** | **980** | **1,062** | **1,281** | |
| **Nassau County Share** | | **0.078** | **0.096** | **0.044** | **0.080** | **0.082** | **0.125** | **0.093** | **0.092** | **0.091** | |

Sources: U.S. Census Bureau; URBANOMICS, Inc.

***Table 2. Building Permit Trends, Northeast Florida, 2000-2019***

| Year | Clay County | | Duval County | | Nassau County | | St. Johns County | | Four County Total | | Nassau S |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | SF | MF | SF | MF | SF | MF | SF | MF | SF | MF | SF |
| 2019 | 1,246 | 74 | 4,290 | 2,650 | **1,401** | **30** | 4,513 | 350 | 11,450 | 3,104 | **0.12** |
| 2018 | 900 | 0 | 3,977 | 3,223 | **1,085** | **237** | 4,679 | 1,231 | 10,641 | 4,691 | **0.10** |
| 2017 | 981 | 133 | 3,231 | 2,874 | **1,078** | **31** | 4,422 | 54 | 9,712 | 3,092 | **0.11** |
| 2016 | 1,046 | 144 | 2,908 | 2,843 | **1,007** | **18** | 3,568 | 164 | 8,529 | 3,169 | **0.12** |
| 2015 | 902 | 80 | 2,606 | 1,908 | **800** | **310** | 2,908 | 118 | 7,216 | 2,416 | **0.11** |
| **Subtotal** | 5,075 | 431 | 17,012 | 13,498 | **5,371** | **626** | 20,090 | 1,917 | 47,548 | 16,472 | **0.11** |
| Annual Avg | 1,015 | 86 | 3,402 | 2,700 | **1,074** | **125** | 4,018 | 383 | 9,510 | 3,294 | |
| Share (%) | 0.11 | 0.03 | 0.36 | 0.82 | **0.11** | **0.04** | 0.42 | 0.12 | | | |
| 2014 | 813 | 102 | 2,242 | 1,204 | **545** | **42** | 2,658 | 128 | 6,258 | 1,476 | **0.09** |
| 2013 | 948 | 12 | 2,002 | 994 | **481** | **63** | 2,793 | 8 | 6,224 | 1,077 | **0.08** |
| 2012 | 669 | 26 | 1,422 | 2,517 | **305** | **8** | 2,154 | 36 | 4,550 | 2,587 | **0.07** |
| 2011 | 468 | 7 | 1,027 | 562 | **309** | **18** | 1,412 | 79 | 3,216 | 666 | **0.10** |
| 2010 | 528 | 23 | 1,429 | 72 | **251** | **0** | 1,144 | 124 | 3,352 | 219 | **0.07** |
| **Subtotal** | 3,426 | 170 | 8,122 | 5,349 | **1,891** | **131** | 10,161 | 375 | 23,600 | 6,025 | **0.08** |
| Annual Avg | 685 | 34 | 1,624 | 1,070 | **378** | **26** | 2,032 | 75 | 4,720 | 1,205 | |
| Share (%) | 0.15 | 0.03 | 0.34 | 0.89 | **0.08** | **0.02** | 0.43 | 0.06 | | | |
| 2009 | 459 | 73 | 1,484 | 1,210 | **252** | **0** | 1,082 | 60 | 3,277 | 1,343 | **0.08** |
| 2008 | 715 | 30 | 2,643 | 1,628 | **418** | **67** | 1,281 | 89 | 5,057 | 1,814 | **0.08** |
| 2007 | 920 | 113 | 3,498 | 2,832 | **626** | **313** | 2,139 | 323 | 7,183 | 3,581 | **0.09** |
| 2006 | 1,336 | 1,076 | 6,450 | 3,633 | **986** | **250** | 2,502 | 508 | 11,274 | 5,467 | **0.09** |
| 2005 | 3,831 | 282 | 8,328 | 5,179 | **1,418** | **53** | 4,754 | 964 | 18,331 | 6,478 | **0.08** |
| **Subtotal** | 7,261 | 1,574 | 22,403 | 14,482 | **3,700** | **683** | 11,758 | 1,944 | 45,122 | 18,683 | **0.08** |
| Annual Avg | 1,452 | 315 | 4,481 | 2,896 | **740** | **137** | 2,352 | 389 | 9,024 | 3,737 | |
| Share (%) | 0.16 | 0.08 | 0.50 | 0.78 | **0.08** | **0.04** | 0.26 | 0.10 | | | |
| 2004 | 2,935 | 213 | 6,193 | 3,468 | **1,252** | **35** | 4,119 | 905 | 14,499 | 4,621 | **0.09** |
| 2003 | 2,853 | 6 | 5,942 | 2,457 | **781** | **17** | 3,371 | 550 | 12,947 | 3,030 | **0.06** |
| 2002 | 2,131 | 8 | 5,537 | 2,724 | **755** | **44** | 2,424 | 594 | 10,847 | 3,370 | **0.07** |
| 2001 | 1,821 | 790 | 4,947 | 1,820 | **708** | **81** | 2,134 | 337 | 9,610 | 3,028 | **0.07** |
| 2000 | 1,520 | 8 | 3,631 | 2,170 | **629** | **138** | 2,086 | 398 | 7,866 | 2,714 | **0.08** |
| **Subtotal** | 11,260 | 1,025 | 26,250 | 12,639 | **4,125** | **315** | 14,134 | 2,784 | 55,769 | 16,763 | **0.07** |
| Annual Avg | 2,252 | 205 | 5,250 | 2,528 | **825** | **63** | 2,827 | 557 | 11,154 | 3,353 | |
| Share (%) | 0.20 | 0.06 | 0.47 | 0.75 | **0.07** | **0.02** | 0.25 | 0.17 | | | |
| **TOTAL** | 27,022 | 3,200 | 73,787 | 45,968 | **15,087** | **1,755** | 56,143 | 7,020 | 172,039 | 57,943 | **0.09** |
| Annual Avg | 1,351 | 160 | 3,689 | 2,298 | **754** | **88** | 2,807 | 351 | 8,602 | 2,897 | |
| Share (%) | 0.16 | 0.06 | 0.43 | 0.79 | **0.09** | **0.03** | 0.33 | 0.12 | | | |

SF -- Single family units; MF -- Attached and Multifamily units.
Sources: US Department of Housing and Urban Development Building Permit Database (socds.huduser.gov); URBANOMICS, Inc.

shares increased to an average of 11.3 percent, a modest but significant increase in regional market share. Meanwhile, shares of single family housing permits in Clay and Duval Counties declined from 19.3 percent and 46.2 percent, respectively, in 2000 to 10.9 percent and 37.3 percent in 2019. Shares in St. Johns County increased from 26.5 percent in 2000 to 39.4 percent in 2019. St. Johns County has been the four-county market leader in new single family housing permits every year since 2011.

***Multifamily Housing.*** Multifamily housing includes rental apartments, condominiums, and attached townhouses. Duval County remains the four-county market leader in permits for new housing, including 79 percent of the all multifamily units permitted from 2000 to 2019 and an 85 percent share in 2019.

Activity in Nassau County over the years has remained limited. Over the past five years (2015-2019), 626 multifamily units were permitted, representing 10.4 percent of all housing units permitted in that time frame. Interestingly, Nassau County leads both Clay (7.8 percent) and St. Johns (8.7 percent) Counties in shares of multifamily housing units permitted since 2015.

Future shares of new multifamily housing will remain comparatively modest in relation to new single family units in Nassau County. However, demand for multifamily housing will continue, particularly for rental apartments and lower cost attached for sale housing. These provide lower cost alternatives to increasingly expensive single family housing particularly for workers in the low wage hospitality and retail industries.

### *Building Permit Trends – Nassau County*

Building permit trends for single family homes and all units (including multifamily) from 2000 to 2019 for the County, unincorporated area, and three municipalities are presented in **Table 3**. More than 1,000 housing units were permitted countywide for the past five years (2015-2019).

It is interesting to note that three of the top five years in the last 20 years occurred the decade before last (2004, 2005, and 2006), and that the total number of permitted units was slightly larger in the earlier decade (8,814) than in the past decade (8,019), largely because of the severity of the national economic collapse that began in 2008 and the long recovery thereafter.

Over the past ten years (2010-2019), 83.7 percent of single family homes (6,081) and 67.8 percent of all multifamily units (513) were permitted in the unincorporated area of the County. The City of Fernandina Beach was next most active with 1,019 single family homes and 216 multifamily units permitted from 2010 to 2019. The Cities of Callahan and Hilliard permitted a combined 162 single family homes and 28 multifamily units in this time frame.

***Table 3. Nassau County Residential Building Permit Trends, 2000-2019***

| Year | Unincorporated Area | | Fernandina Beach | | Callahan | | Hilliard | | County Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | SF Homes | All Units | SF Homes | All Units | SF Homes | All Units | SF Homes | All Units | SF Homes | All Units |
| 2019 | 1,226 | 1,231 | 165 | 165 | 0 | 25 | 10 | 10 | 1,401 | 1,431 |
| 2018 | 890 | 911 | 175 | 391 | 2 | 2 | 18 | 18 | 1,085 | 1,322 |
| 2017 | 907 | 938 | 159 | 159 | 6 | 6 | 6 | 6 | 1,078 | 1,109 |
| 2016 | 850 | 868 | 121 | 121 | 32 | 32 | 4 | 4 | 1,007 | 1,025 |
| 2015 | 668 | 978 | 87 | 87 | 45 | 45 | 0 | 0 | 800 | 1,110 |
| 2014 | 463 | 505 | 78 | 78 | 0 | 0 | 4 | 4 | 545 | 587 |
| 2013 | 390 | 450 | 77 | 77 | 7 | 7 | 7 | 10 | 481 | 544 |
| 2012 | 247 | 255 | 54 | 54 | 1 | 1 | 3 | 3 | 305 | 313 |
| 2011 | 241 | 259 | 59 | 59 | 7 | 7 | 2 | 2 | 309 | 327 |
| 2010 | 199 | 199 | 44 | 44 | 6 | 6 | 2 | 2 | 251 | 251 |
| **10yr. Subtotal** | **6,081** | **6,594** | **1,019** | **1,235** | **106** | **131** | **56** | **59** | **7,262** | **8,019** |
| Annual Avg. | 608 | 659 | 102 | 124 | 11 | 13 | 6 | 6 | 726 | 802 |
| 2009 | 210 | 210 | 25 | 25 | 16 | 16 | 1 | 1 | 252 | 252 |
| 2008 | 329 | 394 | 68 | 70 | 19 | 19 | 2 | 2 | 418 | 485 |
| 2007 | 507 | 819 | 79 | 79 | 35 | 35 | 5 | 5 | 626 | 938 |
| 2006 | 801 | 1,051 | 158 | 158 | 21 | 21 | 6 | 6 | 986 | 1,236 |
| 2005 | 1,228 | 1,277 | 138 | 138 | 11 | 15 | 41 | 41 | 1,418 | 1,471 |
| 2004 | 1,067 | 1,094 | 137 | 137 | 3 | 3 | 45 | 53 | 1,252 | 1,287 |
| 2003 | 664 | 682 | 95 | 95 | 2 | 2 | 20 | 20 | 781 | 799 |
| 2002 | 638 | 676 | 87 | 93 | 7 | 7 | 23 | 23 | 755 | 799 |
| 2001 | 568 | 647 | 112 | 114 | 3 | 3 | 25 | 25 | 708 | 789 |
| 2000 | 408 | 542 | 192 | 196 | 1 | 1 | 19 | 19 | 620 | 758 |
| **10yr. Subtotal** | **6,420** | **7,392** | **1,091** | **1,105** | **118** | **122** | **187** | **195** | **7,816** | **8,814** |
| Annual Avg. | 642 | 739 | 109 | 111 | 12 | 12 | 19 | 20 | 782 | 881 |
| **20yr. TOTAL** | **12,501** | **13,986** | **2,110** | **2,340** | **224** | **253** | **243** | **254** | **15,078** | **16,833** |
| Annual Avg. | 625 | 699 | 106 | 117 | 11 | 13 | 12 | 13 | 754 | 842 |

Sources: US Department of Housing and Urban Development Building Permit Database (socds.huduser.com); URBANOMICS, Inc.

Permits for single family homes countywide have exceeded 1,000 in the past five years (2016-2019), averaging 1,142 units per year and including 1,401 units in 2019. The unincorporated area has averaged 968 per year in the same four years, including a high of 1,226 units in 2019. Over 1,000 permits for single family homes were issued for the unincorporated area in 2004 and 2005, including an all-time high of 1,277 units in 2005.

## *HOME SALES TRENDS*

### *Northeast Florida*

Sales volumes and prices and trends in these variables are useful indicators of the size, strength, and direction of the regional and local housing market. **Table 4** shows the number of sales and median prices of homes sold in the four Northeast Florida counties in the last three years (2017-2019) and the first half of 2020 based on sales data from the Northeast Florida Association of Realtors (NEFAR).

NEFAR data is for a combination of existing and new construction homes, including for sale multifamily units. The mix of existing and new and housing types varies widely by county, such that counties cannot be compared directly. As examples, higher percentages of homes in Duval and St. Johns Counties are multifamily units, and higher percentages in Nassau and St. Johns Counties are new construction homes. Nassau and St. Johns Counties can be compared more directly, given their comparable and higher percentages of new construction homes.

In all four counties the number of sales increased year-to-year from 2017 to 2019. The lone exception is a slight decline in Clay County from 2017 to 2018. Median price increased every year in all four counties.

Nassau County had the highest percentage increases in both number of sales and median price from 2017 to 2019. Number of closed sales increased 17.5 percent from 1,132 in 2017 to 1,378 in 2019 and median price increased 18.1 percent from $227,975 in 2017 to $269,155 in 2019. Median price in Nassau County is second only that in St. Johns County, but by a sizeable margin. Median prices in Clay and Duval Counties lag well behind, although this may be explained by much lower percentages of new construction homes in these counties.

Comparisons for the first six months of 2019 and 2020 show that the number of sales declined in three of the four counties and increased by a small fraction in Nassau County from 661 to 670. Median prices, however, increased in all four counties. Declines in the number of sales in 2020 may be signs of the economic impacts of the COVID-19 pandemic, and may possibly become more apparent in future months.

***Table 4. Home Sales Trends, Northeast Florida, 2017-2020***

| Year | Sales Factor | Clay | Duval | Nassau | St. Johns |
|---|---|---|---|---|---|
| 2020 (thru June) | Closed sales | 1,875 | 7,943 | 670 | 3,560 |
| | Median price ($) | 229,000 | 219,900 | 275,900 | 342,000 |
| | Months of Inventory | 2.4 | 2.4 | 3.3 | 3.3 |
| 2019 (thru June) | Closed sales | 2,048 | 8,621 | 661 | 3,618 |
| | Median price ($) | 217,000 | 201,120 | 270,000 | 337,490 |
| | Months of Inventory | 3.1 | 3.3 | 4.9 | 4.8 |
| 2019 | Closed sales | 4,109 | 17,277 | 1,378 | 7,298 |
| | Median price ($) | 220,000 | 206,000 | 269,155 | 337,861 |
| | Months of Inventory | 2.4 | 2.3 | 3.8 | 3.5 |
| | Multifamily (%) (1) | 9.6 | 19.8 | 11.6 | 18.2 |
| | New construction (%) | 12 | 11.4 | 28.8 | 30.8 |
| 2018 | Closed sales | 3,809 | 16,627 | 1,173 | 6,781 |
| | Median price ($) | 210,000 | 196,000 | 260,000 | 326,667 |
| | Months of Inventory | 3.2 | 3.2 | 4.6 | 4.2 |
| | Multifamily (%) (1) | 8.8 | 18.2 | 11.7 | 18.6 |
| | New construction (%) | 10.3 | 10.8 | 28.3 | 30.8 |
| 2017 | Closed sales | 3,966 | 16,158 | 1,132 | 6,390 |
| | Median price ($) | 189,000 | 180,000 | 227,975 | 311,032 |
| | Months of Inventory | 2.6 | 2.8 | 3.4 | 4.3 |
| | Multifamily (%) (1) | 8.3 | 17.2 | 12.1 | 16.5 |
| | New construction (%) | 12.5 | 10.3 | 31 | 33.3 |
| | **Percent Changes** | | | | |
| 2019-June 2020 | Closed sales | -8.4 | -7.9 | 1.4 | -1.6 |
| | Median price | 12 | 9.3 | 2.2 | 1.3 |
| 2018-2019 | Closed sales | 7.9 | 3.9 | 17.5 | 7.6 |
| | Median price | 4.8 | 5.1 | 3.5 | 3.4 |
| 2017-2018 | Closed sales | -4.7 | 2.9 | 4.1 | 6.1 |
| | Median price | 11.1 | 8.9 | 14.6 | 5 |
| 2017-June 2020 | Median price | 21.2 | 22.2 | 21 | 10 |

(1) Multifamily applies to townhouses and condominiums.
(00) Numbers in parentheses indicate a loss during the period.
Sources: Northeast Florida Association of Realtors (NEFAR); and URBANOMICS, Inc.

## *Nassau County*

***New Single Family Homes.*** Numbers and average prices of new single family home sales by Nassau County zip code area are presented in **Table 5** for 2016 through June 2020. This data is from another source, Metro Market Trends, which tracks single family home sales from County deed records, and is only new homes not existing homes. Data is also inclusive of sales in the three municipalities.

It should be pointed out that there are noteworthy and significant differences between home sales data in Table 4 and Table 5. Table 4 presents sales data for a mix of existing and new construction homes and for a mix of single family homes and attached for sale housing sales, whereas Table 5 presents sales data only for new single family detached homes. The total number of Nassau County home sales in 2019 in Table 4 is 1,378 compared to only 922 in Table 5. The median price of sales in 2019 in Table 4 is $269,155, compared to an average 2019 sales price of $345,532 in Table 5.

A countywide average of 942 sales of new homes were recorded annually from 2016 to 2019 is shown in Table 5, peaking in 2017 with 1,024 sales. The countywide number declined slightly in to 986 sales in 2018 and to 922 in 2019, but the average price has increased every year from $285,081 in 2016 to $345,532 in 2019.

Zip Code 32034, which includes Amelia Island and nearby mainland areas, has become the most active area of the County, accounting for 42.5 percent of new home sales in 2016, increasing to 61.2 percent in 2019. Meanwhile, sales in Zip Code 32097, the Yulee area and next most active area of the County, declined from 38.2 percent in 2016 to 28.1 percent in 2019. Relationships of Zip Code areas 32034 and 32097 are likely to reverse in the future, inasmuch as the vast majority unbuilt development rights are in 32097, principally in the East Nassau Community Planning Area (ENCPA). The three western Zip Code areas, 32046 (Hilliard), 32011 (Callahan), and 32009 (Bryceville), have dropped from a combined 19.4 percent of countywide sales in 2016 to 10.7 percent in 2019.

Table 5 presents sales comparisons between the first halves of 2019 and 2020 to see the extent to which, if any, the COVID-19 pandemic may have affected sales volumes and prices. There appear to be no significant effects as of June 2020. The number of sales has declined less than five percent from 458 in June 2019 to 438 in June 2020, but average prices increased from $344,625 in June 2019 to $369,277 in June 2020. Indeed, average prices increased in all five Zip Code areas, and in Zip Code 32034, 263 new home sales averaged $418,808.

***Table 5. Nassau County New Single Family Home Sales by Zip Code, 2016-2020***

| Nassau County Zip Code Area | Calender Years | | | | Through June | |
|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2019 | 2020 |
| **32034 (FB/Amelia)** | | | | | | |
| Number Sold | 355 | 597 | 554 | 564 | 276 | 263 |
| Average Price ($) | 364,278 | 346,884 | 373,473 | 381,642 | 382,296 | 418,808 |
| **32097 (Yulee)** | | | | | | |
| Number Sold | 319 | 322 | 307 | 259 | 125 | 110 |
| Average Price ($) | 227,874 | 239,102 | 266,466 | 285,828 | 287,926 | 292,122 |
| **32011 (Callahan)** | | | | | | |
| Number Sold | 134 | 74 | 81 | 61 | 34 | 35 |
| Average Price ($) | 216,002 | 254,831 | 288,428 | 302,815 | 292,020 | 297,379 |
| **32046 (Hilliard)** | | | | | | |
| Number Sold | 22 | 24 | 26 | 26 | 18 | 19 |
| Average Price ($) | 260,816 | 276,093 | 264,132 | 298,972 | 293,337 | 329,170 |
| **32009 (Bryceville)** | | | | | | |
| Number Sold | 6 | 7 | 18 | 12 | 5 | 11 |
| Average Price ($) | 298,915 | 271,921 | 247,488 | 254,917 | 224,997 | 254,644 |
| **County Total** | | | | | | |
| Number Sold | 836 | 1,024 | 986 | 922 | 458 | 438 |
| Average Price ($) | 285,081 | 303,581 | 327,520 | 345,532 | 344,625 | 369,277 |

Sources: Metro Market Trends; URBANOMICS, Inc.

# 3. Approved and Unbuilt Development

## RESIDENTIAL PROJECTS AND DEVELOPMENT AREAS

The Nassau County 2020 Growth Trends Report tracks development in 44 named residential projects and four defined planning areas having a combined total of 36,746 housing units, as shown in **Table 6**, having some level of development approval, entitlement, or vesting. Buildout totals only 4,532 units (12.3 percent), and 32,214 units are unbuilt. The 44 named residential projects have a total of 12,746 entitled units, of which 4,483 are built (35 percent) and 8,263 are unbuilt. The 44 projects include the Tributary development (formerly the Three Rivers DRI), with 3,200 unbuilt units.

The remaining 24,000 units, of which only 49 are built, are located in the 24,000-acre Eastern Nassau Community Planning Area (ENCPA) Sector Plan area. This area encompasses the Wildlight master planned community and three designated (Central, Northern, and Southern) Detailed Special Area Plan areas (DSAPs). ENCPA accounts for approximately two-thirds of all unbuilt units in unincorporated areas of the County that have some level of development approval.

Of all 24,000 potential ENCPA units, only 4,038 currently have full entitlements, including 3,269 in the Central DSAP and 769 in the Northern DSAP. The remaining 19,962 units will require additional incremental development approvals. The total number of ENCPA units and units in the 44 named residential communities with full entitlements is 16,784.

Thirty-nine of the 44 named residential projects and most of ENCPA are located between I-95 and the Amelia River. These projects and development areas have 31,262 units having some level of approval, of which 3,969 (12.7 percent) are built. The six on the west side of I-95, include five in the SR200 corridor, largest of which is the Tributary project (formerly Three Rivers), and the Northern Planning Area DSAP on US17. All six have a total of 5,484 fully entitled units, of which 563 (10.3 percent) are built.

These 48 projects and development areas demonstrate that Nassau County is now recognized as an attractive and emerging surburban housing market and regarded as more than a seasonal coastal resort area. These developments and others that may follow are unlikely to trigger rampant growth in Nassau County beyond that which the normal growth of the regional economy, population, and housing market can accommodate. Buildout of large-scale projects such as ENCPA and Tributary (formerly Three Rivers) will extend over many years in increments sized to compete for market share with many other projects in the County and region.

## *Table 6. Nassau County Approved/Entitled Residential Developments, 2018-2020*

| Development | Approved Units, 2020 (1) | Unbuilt Units, 2020 (1) | Built Units (2) | | | Annual Growth | |
|---|---|---|---|---|---|---|---|
| | | | 2018 | 2019 | 2020 | 2018-19 | 2019-20 |
| Amelia Bay Estates | 39 | 29 | 4 | 4 | 10 | 0 | 6 |
| Amelia Concourse | 465 | 189 | 133 | 175 | 276 | 42 | 101 |
| Amelia National | 749 | 523 | 190 | 202 | 226 | 12 | 24 |
| Barnwell Manor | 207 | 151 | 0 | 0 | 56 | 0 | 56 |
| Blackheath Park | 22 | 19 | 0 | 0 | 3 | 0 | 3 |
| Blackrock Hammock | 48 | 12 | 31 | 32 | 36 | 1 | 4 |
| Blackrock Park | 82 | 59 | 0 | 0 | 23 | 0 | 23 |
| Brady Point Reserve | 76 | 51 | 14 | 15 | 25 | 1 | 10 |
| Captains Point | 20 | 8 | 10 | 12 | 12 | 2 | 0 |
| Concourse Crossing | 247 | 247 | | 0 | 0 | 0 | 0 |
| Creekside | 68 | 10 | 55 | 55 | 58 | 0 | 3 |
| Creekstone | 46 | 17 | 0 | 0 | 29 | 0 | 29 |
| Dockside on Christopher Crk | 4 | 4 | 0 | 0 | 0 | 0 | 0 |
| Flora Parke | 732 | 139 | 554 | 572 | 593 | 18 | 21 |
| Grand Oaks at Amelia | 80 | 14 | 37 | 43 | 66 | 6 | 23 |
| Hampton Lakes (Amelia Walk) | 749 | 492 | 181 | 203 | 257 | 22 | 54 |
| Hampton Lakes (Village Walk) | 210 | 188 | 0 | 0 | 22 | 0 | 22 |
| Harbor Concourse | 138 | 20 | 54 | 81 | 108 | 27 | 27 |
| Holly Point Estates | 9 | 7 | 1 | 1 | 2 | 0 | 1 |
| Jordans Cove | 8 | 5 | 3 | 3 | 3 | 0 | 0 |
| Lanceford | 40 | 15 | 22 | 22 | 25 | 0 | 3 |
| Lofton Reserve | 8 | 3 | 2 | 2 | 5 | 0 | 3 |
| Lumber Creek | 318 | 75 | 98 | 153 | 243 | 55 | 90 |
| Marshes at Lanceford | 62 | 3 | 50 | 50 | 59 | 0 | 9 |
| Marsh View Townhouses | 20 | 20 | 0 | 0 | 0 | 0 | 0 |
| Mills Creek Preserve | 300 | 300 | 0 | 0 | 0 | 0 | 0 |
| Murrays Triangle | 17 | 13 | 2 | 3 | 4 | 1 | 1 |
| Nassau Crossing | 800 | 800 | 0 | 0 | 0 | 0 | 0 |
| Nassau Station | 136 | 136 | 0 | 0 | 0 | 0 | 0 |
| Northbrook | 37 | 5 | 18 | 25 | 32 | 7 | 7 |
| North Hampton | 749 | 46 | 612 | 614 | 703 | 2 | 89 |
| Oyster Bay | 399 | 114 | 163 | 166 | 285 | 3 | 119 |
| Parliament Estates | 4 | 2 | 1 | 1 | 2 | 0 | 1 |
| Plummers Creek | 500 | 208 | 264 | 292 | 292 | 28 | 0 |
| River Glen | 688 | 457 | 231 | 231 | 231 | 0 | 0 |
| Sandy Point Preserve | 121 | 106 | 0 | 5 | 15 | 5 | 10 |
| Sheffield Bluff | 17 | 8 | 4 | 4 | 9 | 0 | 5 |
| Southern Creek | 17 | 16 | 1 | 1 | 1 | 0 | 0 |
| The Hideaway | 483 | 62 | 310 | 324 | 421 | 14 | 97 |
| Three Rivers/Tributary | 3,200 | 3,200 | 0 | 0 | 0 | 0 | 0 |
| Timberland Estates | 27 | 14 | 7 | 7 | 13 | 0 | 6 |
| Villages of Woodbridge | 554 | 368 | 141 | 158 | 186 | 17 | 28 |
| Watermans Bluff | 144 | 91 | 27 | 31 | 53 | 4 | 22 |
| Woodbriar | 106 | 7 | 45 | 66 | 99 | 21 | 33 |
| **SUBTOTAL - Developments** | **12,746** | **8,253** | **3,265** | **3,553** | **4,483** | **288** | **930** |
| **ENCPA and DSAPs (3)** | | | | | | | |
| ENCPA | 19,962 | 19,962 | 0 | 0 | 0 | 0 | 0 |
| Central DSAP | 3,269 | 3,220 | 0 | 13 | 49 | 13 | 36 |
| Northern DSAP | 769 | 769 | 0 | 0 | 0 | 0 | 0 |
| Southern DSAP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUBTOTAL - ENCPA & DSAPs** | **24,000** | **23,951** | **0** | **13** | **49** | **13** | **36** |
| **TOTAL** | **36,746** | **32,204** | **3,265** | **3,566** | **4,532** | **301** | **966** |

(1). Approved and unbuilt units as shown in the 2020 Growth Trends Report.
(2). Built units as shown in the 2018, 2019, and 2020 Growth Trends Report.
(3). A large majority of units in the Wildlight ENCPA and DSAPs are not net fully entitled and require additional development approvals.
Sources: Nassau County Growth Trends Reports; URBANOMICS, Inc.

Development of residential communities and housing is facilitated by the presence of existing development rights by reducing the hurdles involved in acquiring approvals/entitlements. Demand for new housing, however, is not driven by these approvals/entitlements, but rather by a wide variety of economic and quality of life factors, including access to and availability of employment, adequacy and quality of schools and other community facilities and services, natural and recreational amenities, and other lifestyle characteristics and quality of life attributes.

### *SUBDIVISION PLATS*

The 2018, 2019, and 2020 PEO Growth Trend Reports list 40 residential projects for which plats have been approved in the last three years. Approved plats for these projects have a total of 2,763 single family lots, as shown in **Table 7**.

Developer Greg Matovina has compiled a detailed inventory of homes and permitted homes and platted lots (which are assumed to be vacant) by residential community in three Nassau County submarkets -- Island, Yulee, and West -- as of 12/31/20. This inventory shows a total of 3,231 platted lots in the unincorporated area, including 179 on the island (excluding 186 in the City of Fernandina Beach), 2,179 in the greater Yulee mainland area, and 873 in the western area of the County. The 2,179 platted lots in the Yulee area are particularly relevant, as the large majority of most future residential growth will occur in this mainland area.

Based on 1,226 permits for single family homes issued in the unincorporated area in 2019, both the number of lots in approved plats (Table 7) and Mr. Matovina's inventory data suggest that there is a rolling 24-30 month supply in the range of 2,500-3,000 vacant platted lots, including a mix of undeveloped and improved finished lots. This provides an appropriate and reasonable balance of supply and demand in the current County housing market.

Experienced residential developers and homebuilders, which are increasingly present and active in Nassau County, tend to be very good at reading market trends, housing demand, and the competitive environment and knowing when it is most opportune to invest dollars in securing plat approvals, improving and selling lots, building homes, and avoid overbuilding.

As stated before, housing demand is facilitated by the availability of platted lots, undeveloped and improved, but availability of existing approved plats and finished lots is not the driving factor, nor are existing entitlements.

***Table 7. Nassau County Approved Residential Plats, 2018-2020***

| Project | Approved Plats (No. Lots) 2018 | 2019 | 2020 | Approved Lots 2018-2020 (1) | Units Built 2018-2020 (2) |
|---|---|---|---|---|---|
| **Single Family Lots** | | | | | |
| Amelia Concourse | 153 | | | 153 | 153 |
| Andy's Acres | 5 | | | 5 | |
| Autumn Trace | | | 2 | 2 | |
| Barnwell Manor | 189 | 76 | | 207 (3) | 56 |
| Bellamy Point | | 5 | 5 | 10 | |
| Blackrock Park | 55 | | | 55 | 23 |
| Country Meadows | | | 5 | 5 | |
| Cashen Farms | 6 | | | 6 | |
| Clear Lakes | 72 | | | 72 | |
| Concourse Crossing | | | | | |
| Crane Island | | 80 | 33 | 113 | |
| Creekstone | 46 | | | 46 | 29 |
| Crossroads | | | 14 | 14 | |
| ENCPA Village Center | 84 | | | | |
| Flora Parke | 60 | | 46 | 106 | 39 |
| Hampton Lakes | 134 | 95 | 173 | 402 | 76 |
| Hampton Mill | 3 | | | 3 | |
| Heartwood Farms | | 6 | | 6 | |
| Heron Isles | 95 | | | 95 | |
| Hideaway | | 73 | | 73 | 111 |
| Horseshoe Ridge | 4 | | | 4 | |
| Laurel Oaks | | 30 | | 30 | |
| Lumber Creek | 243 | | | 243 | 145 |
| McCully Forest | 7 | | | 7 | |
| Mills Corner | 9 | | | 9 | |
| Mills Creek Farms | | 5 | | 5 | |
| Musslewhite Estates | | | 10 | 10 | |
| Nassau Crossing | | | 132 | 132 | |
| Nassau Station | | | | | |
| Oakleaf | | | 2 | 2 | |
| Old Mill | | | 7 | 7 | |
| Plummer Creek | 76 | 77 | | 153 | 28 |
| River Glen | | | 87 | 87 | 15 |
| Sandy Pointe Preserve | 71 | | | 71 | 15 |
| Section 39 | | 7 | | 7 | |
| Sharon Tract | | 8 | | 8 | |
| Villas at Oyster Bay Harbor | 54 | | | 54 | |
| Village Walk | | 131 | | 131 | 22 |
| Wildlight | | | 122 | 122 | |
| Woodbrier | 41 | | | 41 | 54 |
| Woodbridge | 113 | | | 113 | 45 |
| Woodmere | | | 12 | 12 | |
| **SUBTOTAL - SF** | 1,520 | 593 | 650 | 2,763 | 811 |
| **Townhouse Lots** | | | | | |
| Marsh View | | | | 0 | 0 |
| Nassau Crossing | | | | 0 | 0 |
| **TOTAL** | 1,520 | 593 | 650 | 2,763 | 811 |

(1) Three-year totals of lots in approved plats.

(1) Three-year totals of lots in approved plats.

(2) Two-year totals of increases in number of lots from 2018-2019 and 2019-2020.

(3) Lots in approved plats total 265 while total number of entitled units is 207.

Sources: Nassau County PEO Growth Trend Reports; URBANOMICS, Inc.

# 4. Population and Housing Projections

### *DEMAND FACTORS*

Housing demand is affected and driven by many national, regional, and local demographic, economic, and political factors. At the local level, these factors include access to and availability of employment, land use and growth policies and regulations, adequacy of infrastructure and community services, and various quality of life factors, not the least of which is the quality of local schools.

Recent trends in numbers of building permits and sales of new homes indicate that Nassau County has entered a new phase of development and growth. Reasons include a suburban-rural and coastal living environment, proximity to expanding employment opportunities in North Jacksonville, and a highly rated public school system. Nassau County has an A-rated school system according to the Florida Department of Education (FDOE), ranks first in Florida in the website, schooldigger.com, and ranks fourth in an FDOE measurement of performance.

A high quality of life, high quality of local public schools, and proximity to major employment centers in Southeastern Duval County have propelled significant growth in St. Johns County since the 1990s. Similar factors are now at work in Nassau County, and growth is expected to increase in the future, as evidenced by the large number of real estate development plans filed and proposals made in recent years and the growing presence of experienced developers and homebuilders in the County.

#### *New Home Sales*

The long-term outlook for the housing market in Nassau County is very positive, as evidenced by construction and sales trends described in Section 2 of this report. This section looks more closely at shorter-term trends in new single family homes, the mainstay of the local housing market, particularly at how the market is responding to the COVID-19 pandemic and prospects for a prolonged impact.

**Table 8** presents a comparison of the numbers of new single family homes sold and their average prices through June 2019 and June 2020 for 28 residential developments throughout the County. The number of sales increased in 19 of 26 projects with sales, and average prices increased in 18 of 26 projects with sales in 2020. This suggests that the local housing market has yet to show any significant negative effects of the pandemic.

***Table 8. New Single Family Home Sales, Selected Developments, 2019-2020***

| Development | CY 2019 | | 2019 Through June | | 2020 Through June | |
|---|---|---|---|---|---|---|
| | No. Sold | Av Price ($) | No. Sold | Av Price ($) | No. Sold | Av Price ($) |
| **Zip Code 32034** | | | | | | |
| Amelia Concourse | 64 | 301,972 | 34 | 297,185 | 21 | 304,043 |
| Hampton Lakes | 45 | 369,467 | 23 | 358,674 | 23 | 384,439 |
| Village of Woodbridge | 40 | 239,040 | 15 | 236,800 | 16 | 239,163 |
| Amelia National | 39 | 480,623 | 17 | 475,182 | 17 | 558,224 |
| Harbor Concourse | 34 | 295,588 | 24 | 303,438 | 7 | 269,357 |
| Flora Parke | 33 | 351,809 | 18 | 351,311 | 20 | 334,405 |
| Woodbrier | 28 | 255,428 | 13 | 256,292 | 5 | 264,880 |
| Dunes of Amelia (1) | 28 | 374,729 | 22 | 375,141 | 7 | 397,057 |
| Barnwell Manor | 24 | 376,858 | 4 | 407,850 | 5 | 371,860 |
| Creekstone | 22 | 292,363 | 4 | 280,550 | 14 | 299,864 |
| Enclave at Summer Bch (1) | 19 | 510,149 | 3 | 477,833 | 6 | 546,950 |
| Village Walk | 14 | 274,421 | 0 | | 32 | 277,181 |
| Grande Oaks at Amelia (1) | 12 | 383,542 | 12 | 383,542 | 0 | |
| Amelia Park Town Center (1) | 11 | 544,124 | 7 | 525,880 | 5 | 579,860 |
| Coastal Oaks (1) | 10 | 471,330 | 4 | 478,950 | 2 | 528,250 |
| Sandy Pointe Preserve | 9 | 412,733 | 5 | 390,380 | 15 | 420,313 |
| Brady Point Preserve | 6 | 503,525 | 2 | 492,706 | 1 | 579,860 |
| Crane Island (1) | 2 | 339,682 | 1 | 358,562 | 6 (1) | 1,405,931 |
| **Zip Code 32097** | | | | | | |
| Lumber Creek | 87 | 233,984 | 42 | 231,533 | 36 | 243,392 |
| Plummer Creek | 72 | 323,881 | 21 | 358,281 | 29 | 303,417 |
| Hideaway | 31 | 256,658 | 18 | 256,256 | 22 | 274,277 |
| E. Nassau/Wildlight | 21 | 354,410 | 8 | 408,573 | 9 | 388,522 |
| Northbrook | 7 | 236,471 | 0 | | 0 | |
| Blackrock Park | 5 | 296,420 | 4 | 294,025 | 4 | 319,500 |
| Lighthouse Point | 5 | 341,350 | 4 | 353,298 | 1 | 364,584 |
| **Zip Code 32011** | | | | | | |
| Clearlake Estates | 8 | 337,000 | 4 | 361,450 | 5 | 333,600 |
| Tupelo Plantation | 4 | 381,480 | 2 | 306,391 | 3 | 307,425 |
| **Zip Code 32009** | | | | | | |
| Buckhead II | 5 | 238,733 | 3 | 243,700 | 3 | 232,133 |

(1) Developments located on Amelia Island.

(2) Includes one sale for $3,550,000.

Sources: Metro Market Trends; URBANOMICS, Inc.

National data from the US Census Bureau support this conclusion. The seasonally adjusted rate of new residential sales in July 2020 increased 13.9 percent over June 2020. Estimated monthly sales are 29.5 percent higher than a year earlier (July 2019). The number of new homes sold in the South region of the US in July 2020 are 22.7 percent higher than in July 2019, and average prices are 4.5 percent higher.

### *Employment Trends*

Employment impacts of the COVID-19 pandemic are evident in **Table 9** for the Jacksonville metro area and Nassau County. Total private employment in the Jacksonville metro area is down by 25,800 (4.0 percent) in June 2020 compared to June 2019, but has recovered from being down 43,400 jobs in May 2020 (6.8 percent). Particularly hard hit are the retail trade and leisure and hospitality sectors, which are still down 8.5 percent and 13.4 percent in the metro area, respectively, in June 2020 compared to June 2019. The leisure and hospitality sector is recovering from being down by 23,000 jobs (26.3 percent) in May 2020.

***Table 9. Recent Employment Trends Affecting Development in Nassau County***

| Employment Sector | June 2019 | May 2020 | June 2020 | Job Loss from 6/19 (No/%) | |
|---|---|---|---|---|---|
| | | | | May 2020 | June 2020 |
| ***Jacksonville Metropolitan Area*** | | | | | |
| Total Private Employment | 642,800 | 599,400 | 617,000 | 43,400/6.8 | 25,800/4.0 |
| Retail Trade Sector | 81,000 | 73,200 | 74,100 | 7,800/9.6 | 6,900/8.5 |
| Leisure & Hospitality Sector | 87,400 | 64,400 | 75,700 | 23,000/26.3 | 11,700/13.4 |
| ***Nassau County*** | | | | | |
| Total Employment | 39,970 | 34,482 | 36,153 | 5,488/13.7 | 3,817/9.5 |
| Unemployment Rate (%) | 3.2 | 10.2 | 7.4 | | |

Sources: Florida Department of Economic Opportunity; URBANOMICS, Inc.

The low-wage leisure and hospitality sector represents more than one-third of all "covered" jobs in Nassau County, and likely a larger share of all jobs in the County. Covered jobs are those subject to state unemployment insurance. Total employment in Nassau County is down by 3,817 jobs (9.5 percent) from June 2019 to June 2020, and the June 2020 unemployment rate is 7.4 percent, compared to only 3.2 percent a year ago, but is recovering from being down 10.2 percent in May 2020.

Recent job losses in Nassau County are not evident in sales of new single family homes. Buyers of new homes are largely higher income families and households moving in from outside the area and professionals, business owners and managers, and others working locally and in adjacent counties in higher wage sectors in the County and nearby.

## *POPULATION AND HOUSING PROJECTIONS*

### *Approach*

Population and housing projections presented herein for the unincorporated area of Nassau County are based on a "top down" methodology, where growth in the County reflects its relationship to and is driven by regional economic and population growth. There is strong evidence, as shown in Section 2, that Nassau County has a growing regional presence and is gaining market share of the regional population and economic activity, including real estate market activity. This is amply demonstrated by recent growth, the presence of a potential 32,214 unbuilt housing units with some level of planning and development approval, and the increasing presence of experienced developers and homebuilders in the market.

It is the opinion of URBANOMICS that "medium" population projections made annually for all Florida counties by the University of Florida's Bureau of Economic and Business Research (BEBR) miss the changing real estate market dynamics in Nassau County underestimate the growing market presence of the County in Northeast Florida. **Table 10** compares BEBR and US Census Bureau estimates of the 2019 County population. The Census estimate is 4.0 percent higher than the BEBR estimate and shows an increased share (5.8 percent) of the regional population from 2010. This is borne out by increasing shares of existing housing units and building permit in Section 2. Projections presented below are derived from the Census Bureau 2019 baseline estimates.

***Table 10. Population Growth and Distribution, Northeast Florida, 2010-2019***

| | 2010 US Census | | 2019 Estimate BEBR | | 2019 Estimate US Census Bureau | |
|---|---|---|---|---|---|---|
| ***County*** | ***Population*** | **Percent of Total** | **Population** | **Percent of Total** | **Population** | **Percent of Total** |
| Clay | 190,865 | 14.5 | 215,246 | 14.1 | 219,252 | 14.3 |
| Duval | 864,263 | 65.6 | 970,672 | 63.6 | 957,755 | 62.6 |
| **Nassau** | **73,314** | **5.6** | **85,070** | **5.6** | **88,625** | **5.8** |
| St. Johns | 190,039 | 14.4 | 254,412 | 16.7 | 264,672 | 17.3 |
| TOTAL | 1,318,481 | 100.0 | 1,525,400 | 100.0 | 1,530,304 | 100.0 |

Note: Percentages may not add to 100.0 due to rounding.
Sources: BEBR; US Census Bureau; URBANOMICS, Inc.

The next step in this top down approach is to develop 2019 baseline estimates of demographic variables for unincorporated area of the County from 2010 Census details for Census Tracts and municipalities. Results of this analysis for mainland and island sections of the unincorporated area are summarized in **Table 11**.

***Table 11. Nassau County Unincorporated Area, 2010 Census Demographics***

| Variable | Mainland (1) | | Amelia Island (2) | | Total or Average |
|---|---|---|---|---|---|
| | Number | Share (%) | Number | Share (%) | |
| Population | 48,653 | 84.4 | 8,965 | 15.6 | 57,618 |
| Households | 17,838 | 81.0 | 4,175 | 19.0 | 22,013 |
| Population in Households | 48,444 | 84.4 | 8,950 | 15.6 | 57,394 |
| Persons per Household | 2.72 | --- | 2.14 | --- | 2.61 |
| Housing Units | 19,553 | 74.6 | 6,657 | 6,657 | 26,210 |
| Vacant Units | 1,705 | 40.7 | 2,482 | 59.3 | 4,187 |
| Vacancy Rate (%) | 8.7 | --- | 37.3 | --- | 16.0 |

(1) Excludes Cities of Callahan and Hilliard.
(2) Excludes City of Fernandina Beach.
Sources: Census Tract data from usboundary.com; URBANOMICS, Inc.

### *Projections*

Population, households, and housing demand projections for the unincorporated area of Nassau County from 2020 to 2040 are presented in **Table 12**. BEBR projections for Northeast Florida and Nassau County are also shown for comparison to Census-based projections.

A key factor in County population projections is an increasing share of the Northeast Florida total, from 5.87 percent in 2020 to 7.11 in 2040. In each of the past five years, Census Bureau population estimates for Nassau County have increased by 0.08 or 0.10 percent of Northeast Florida totals, which corresponds to increased shares of building permit activity. Projections in future years reflect a more conservative 0.06 percent annual rate of increase, reaching a 7.11 percent share of the Northeast Florida population in 2040.

A 7.11 percent share of the Northeast Florida population in 2040, starting from a 5.87 percent share in 2020, may appear insignificant. In numerical terms, however, the impact is very significant, and indicates that the County population would increase to a projected 149,787 in 2040. This is 31 percent higher than the BEBR projection of 114,300 in 2040.

The unincorporated area is projected to grow by 54,988 new residents and 20,857 new households by 2040, averaging 2,618 new residents and 1,043 new households annually. New households will generate demand for a projected 24,118 new housing units, averaging 1,205 per year. Projected demand reflects a vacancy factor for unoccupied units that are for rent and for sale and occupied seasonally. This vacancy factor is expected and projected to decline from a current 16.0 percent to 12.0 percent in 2040, as most future growth will occur on the mainland.

*Table 12. Population and Housing Projections, Nassau County Unincorporated Area, 2020-2040*

| Area | 2010 Census | 2019 Estimate | Projections 2020 | 2025 | 2030 | 2035 | 2040 |
|---|---|---|---|---|---|---|---|
| **BEBR Estimates and Projections (presented for comparison)** | | | | | | | |
| **Population** | | | | | | | |
| Northeast Florida (1) | 1,318,481 | 1,525,400 | 1,555,300 | 1,693,800 | 1,807,500 | 1,902,200 | 1,983,300 |
| Nassau County | 73,314 | 85,070 | 86,900 | 95,800 | 103,100 | 109,100 | 114,300 |
| County Share of NE Florida (%) | 5.56 | 5.58 | 5.59 | 5.66 | 5.70 | 5.74 | 5.76 |
| **Census Based Estimates and Projections** | | | | | | | |
| **Population** | | | | | | | |
| Northeast Florida (1)(2) | 1,318,481 | 1,530,304 | 1,565,816 | 1,686,384 | 1,816,235 | 1,956,086 | 2,106,704 |
| County Share of NE Florida (%) (3) | 5.56 | 5.79 | 5.87 | 6.21 | 6.51 | 6.81 | 7.11 |
| Nassau County | 73,314 | 88,625 | 91,768 | 104,724 | 118,237 | 133,209 | 149,787 |
| Three Municipalities | 15,696 | 17,792 | | | | | |
| Unincorporated Area Share (%) (4) | 78.80 | 80.00 | 80.00 | 81.00 | 82.00 | 83.00 | 84.00 |
| Unincorporated Area | 57,618 | 70,833 | 73,414 | 84,827 | 96,954 | 110,564 | 125,821 |
| **Households** | | | | | | | |
| Population in Households (5) | 57,394 | 70,125 | 72,680 | 83,979 | 95,985 | 109,458 | 124,563 |
| Persons Per Household (6) | 2.61 | 2.61 | 2.61 | 2.61 | 2.61 | 2.61 | 2.61 |
| Number of Households | 22,013 | 26,868 | 27,847 | 32,176 | 36,776 | 41,938 | 47,725 |
| **Housing Demand** | | | | | | | |
| New Households | | | 979 | 4,329 | 4,600 | 5,162 | 5,787 |
| Vacancy Factor (7) | 16.0 | 16.0 | 16.0 | 15.0 | 14.0 | 13.0 | 12.0 |
| Number of Housing Units | | | 1,166 | 5,093 | 5,349 | 5,934 | 6,576 |

(1) Northeast Florida is defined in this report as including Clay, Duval, Nassau, and St. Johns Counties.

(2) NE Florida population growth rate from 2010 to 2020 was 1.7 percent per year. A conservative 1.5 percent growth rate is assumed for 2020 to 2040.

(3) Percent shares for 2020-2040 are derived from US Census estimates showing significant market share growth from 2016 to 2020, ranging from 0.08-0.10 percent per year. A more conservative 0.06 percent annual growth rate is assumed after 2020 to 2040.

(4) Unincorporated area share of County population will increase with continued growth in the SR200 corridor between Callahan and Amelia Island.

(5) Population in households estimate for 2010 is 99.6 percent. Current and future years are based on 99.0 percent. The other one percent of the population lives in group quarters, including nursing homes.

(6) Average household size is projected to remain constant at around 2010 levels, as increasing shares of growth of larger households occur in off-island locations. Future multifamily development on the mainland, however, may offset the greater size of single family households. Note: The average size of mainland households in 2010 was 2.72.

(7) Vacancy rate is expected to decline in the coming years, as most future growth will occur on the mainland and more seasonal homes on the island become occupied year-round. Note: The mainland vacancy rate in 2010 was 8.7 percent.

Note: Census-based population projections for NE Florida and Nassau County have been updated to reflect July 1, 2020 population estimates.

Sources: US Census Bureau; usboundary.com; BEBR; URBANOMICS, Inc.