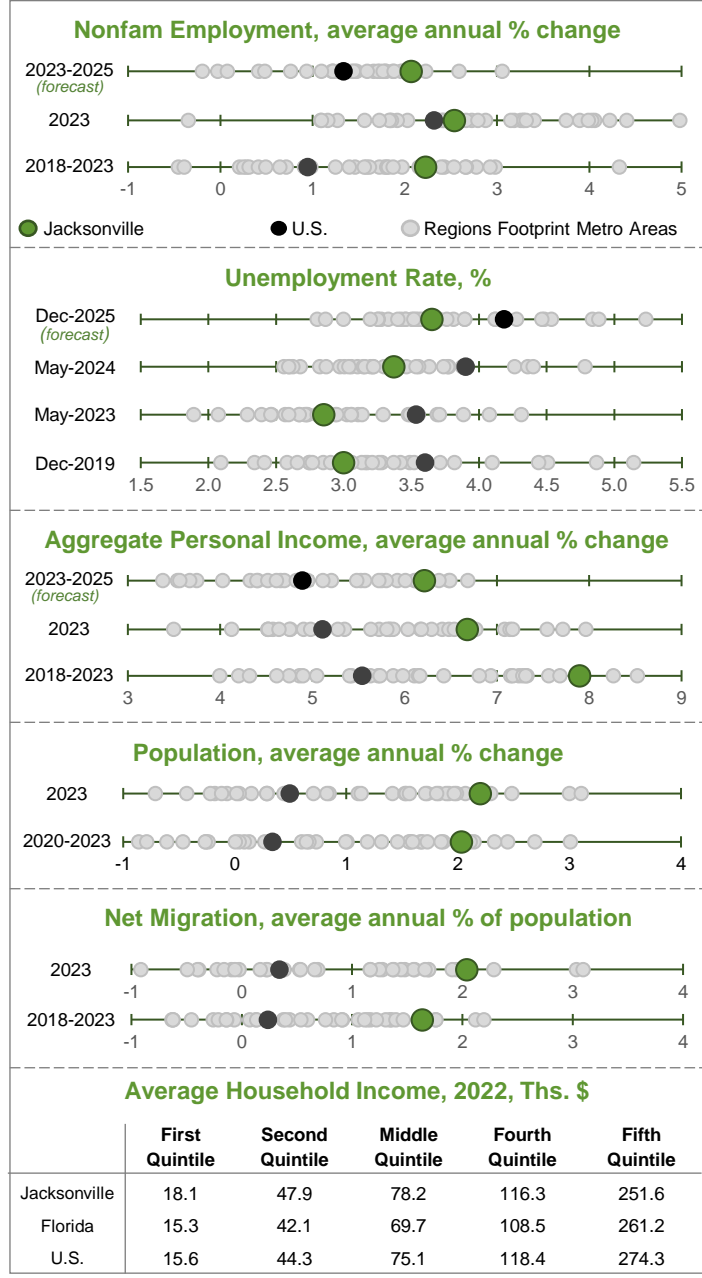


Overview: Jacksonville has become a top target for households and businesses looking to relocate, bringing outsized job gains and substantial residential and business investment to the metro area. Leveraging its relative affordability, we expect Jacksonville to remain among the fastest-growing markets in the U.S. over coming years.

Labor Market: Jacksonville, building on solid momentum through 2019, experienced a rapid recovery out of the pandemic, becoming the fourth metro area among the 54 U.S. markets with populations of one million or more to return to the pre-recession level of employment. Local payrolls, as of May, have since climbed to 9.8 percent above the prior peak, ahead of the national average of 4.1 percent, with key contributions from financial, business, and information services. Relative to the U.S., Jacksonville maintains a higher share of jobs within financial services, supported by operations centers for Bank of America, Citi, and J.P. Morgan – three of the area’s top employers – and corporate headquarters for several insurance and real estate companies. Since February, 2020, financial services payrolls have expanded 12.4 percent, more than triple the national average, while employment within business and information services – which include many scientific and technical occupations – has advanced by a combined 10.4 percent. Despite greater workforce concentrations within these industry groups, which include some of the highest-paying occupations, the median household income for Jacksonville, at \$77,583 as of 2022, is only slightly ahead of the national median of \$74,755 and ranks 28th among the 54 largest U.S. markets. Across most industries, median annual wages are much lower than the U.S., which, for workers, is balanced by a lower cost of living. For employers, though, this translates into relatively lower overhead expenses, which has made Jacksonville a prime target for business migration and expansion.

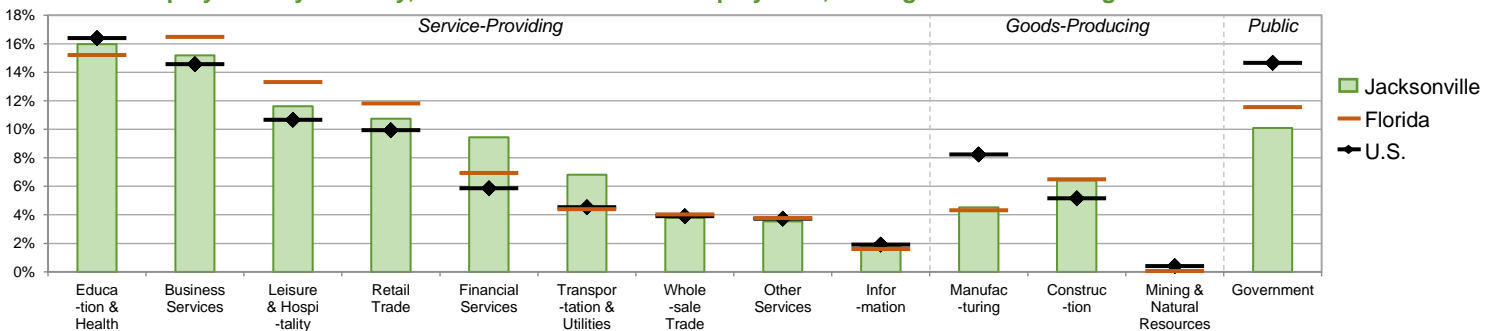
Job gains among transportation and warehousing services, sponsored in part by the Port of Jacksonville and CSX corporate headquarters, have been notably soft since the start of the pandemic, with a cumulative gain of 6.2 percent that lags the U.S. average of 13.3 percent. Stronger growth may lie ahead, however, thanks to the city’s recent efforts to equip the port with wider cranes and a deeper channel capable of handling large cargo ships typically destined for Savannah or Charleston.

Demographics: The wider adoption of remote work has benefitted the metro area by eroding a key barrier for outside residents looking to relocate to an area like Jacksonville, which offers lower tax burdens and greater housing affordability than many other U.S. markets. Domestic inflows – particularly from Miami, New York City,



3-month moving average for Unemployment Rate; Annual totals for all others
continued . . .

Employment by industry, share of total nonfarm employment, trailing 12-month average

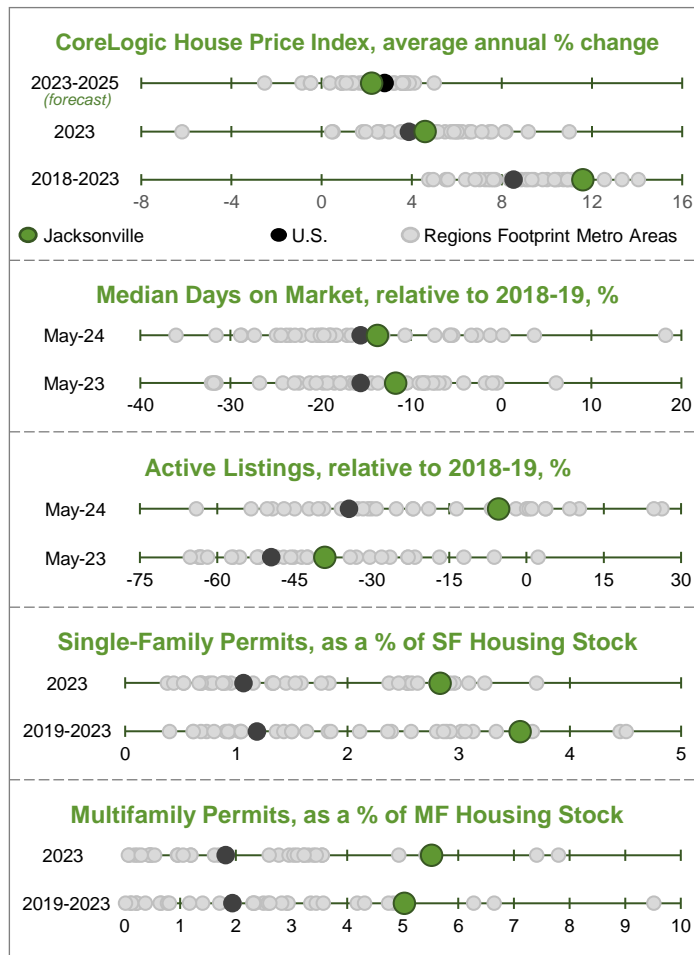


Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Census Bureau; Regions Financial Economics Division. Forecast as of July, 2024.

and Washington, D.C. – accelerated over the last three years, which became the driving force behind Jacksonville’s total population growth of 6.2 percent since 2020, the third-fastest rate among major U.S. markets. Robust household growth has bolstered demand for local services, such as education and health care, leisure and hospitality, and retail trade, with hiring rates across these industries easily surpassing those at the national level since 2019.

Housing: Prior to 2020, residential construction largely kept pace with Jacksonville’s population growth, which gave better balance to the housing market and led to more gradual increases in house prices and rents compared to the rest of the state. Competition picked up as domestic inflows accelerated, yielding a cumulative increase in house prices of 66.7 percent from Q4 2019 to Q4 2023 that handily beat the 45.4 percent gain nationally. The local housing market notably outperformed through the rise in mortgage interest rates, boasting faster sales rates, stronger house price appreciation, and a smaller decline in home sales from pre-pandemic levels compared to the national average. Jacksonville, despite four years of outsized growth in house prices, still features lower median list prices than most major Sunbelt markets, according to data from Realtor.com, maintaining a key affordability edge. Supported by healthy job gains and a solid pace of new residential construction, we expect continued strength from Jacksonville’s housing market.

Jacksonville’s relative affordability also extends to the rental market, where median rents have hovered around 20.0 percent under the national median, according to data from Costar. Unlike house prices, market rents have softened lately, largely due to an aggressive pace of multi-family development. Over the last year, 8,390 units – equivalent to 7.3 percent of existing apartment inventories – were delivered to the market, more than double the national pace. Apartment vacancies spiked to 14.4 percent in the first quarter – the highest rate since 1989 – driving a 3.9 percent decline in rents over the year. Backlogs of units under construction, while having receded considerably, remain elevated, suggesting further weakness ahead.



3-month moving average for Median Days and Active Listings; Annual totals for all others

Residential Sales and Construction	2017	2018	2019	2020	2021	2022	2023	2023 ytd*	2024 ytd*
Existing Home Sales, ths. units	35.6	36.3	37.6	36.6	47.9	39.9	30.4	9.8	9.2
New Home Sales, ths. units	7.5	7.8	8.4	9.6	10.1	10.7	9.7	3.4	2.2
Single-Family Permits, ths. units	9.8	10.8	11.6	13.2	16.5	14.4	12.5	4.7	5.8
Multifamily Permits, ths. units	3.1	4.7	3.1	4.0	6.2	8.8	7.8	4.1	0.9

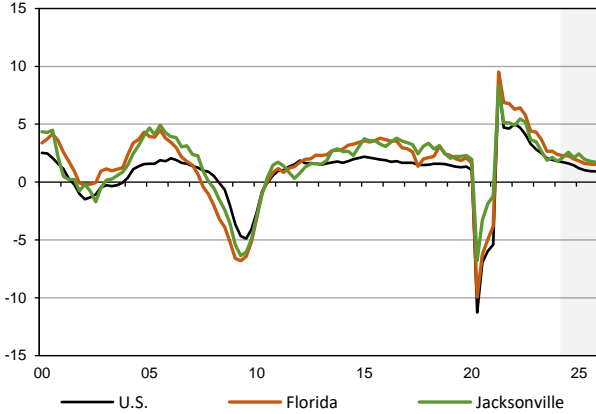
	Jacksonville			Florida			U.S.		
Housing Characteristics	2009	2016	2022	2009	2016	2022	2009	2016	2022
Occupied Housing Units, mil.	0.503	0.531	0.623	7.077	7.393	8.353	112.611	117.716	125.736
Homeownership rate, %	68.0	64.5	65.8	69.7	64.8	66.9	66.9	63.6	64.8
Occupied Single-Family Units, mil.	0.354	0.374	0.441	4.553	4.781	5.427	77.643	80.973	86.522
% renter-occupied	16.2	19.7	17.4	15.6	20.2	17.0	15.2	18.4	16.6
Occupied Multifamily Units, mil.	0.105	0.118	0.142	1.869	2.007	2.297	27.884	29.929	32.528
% of total occupied units	20.8	22.2	22.8	26.4	27.1	27.5	24.8	25.4	25.9
Demographics	2003	2013	2023	2003	2013	2023	2003	2013	2023
Population, mil.	1.193	1.394	1.713	17.004	19.552	22.611	290.108	316.060	334.915
10-year cumulative growth, %	22.0	16.8	22.9	24.6	15.0	15.6	13.1	8.9	6.0
15-24 age cohort share, %	13.9	13.2	11.9	12.8	12.8	11.6	14.3	13.9	13.1
25-44 age cohort share, %	29.6	26.9	27.4	27.3	24.9	25.2	28.7	26.4	26.8
45-64 age cohort share, %	24.3	27.1	25.1	24.4	26.8	25.6	23.7	26.3	24.5
65+ age cohort share, %	11.0	13.6	17.5	17.0	18.6	21.7	12.4	14.1	17.7

Shading relative to U.S.

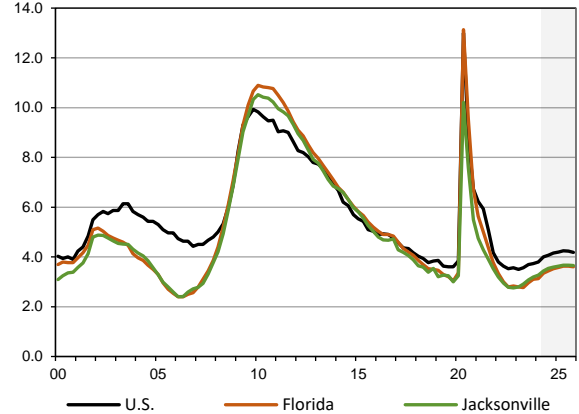
* Year-to-date through April for home sales; year-to-date through May for building permits.

Sources: CoreLogic; Realtor.com® Economic Research; U.S. Census Bureau; Regions Financial Economics Division.

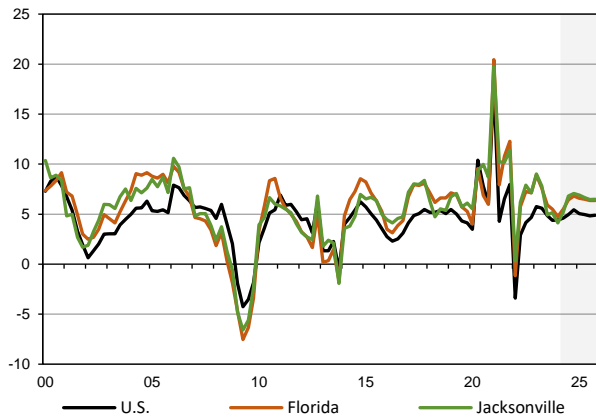
REGIONS
Total Nonfarm Employment, % change year ago



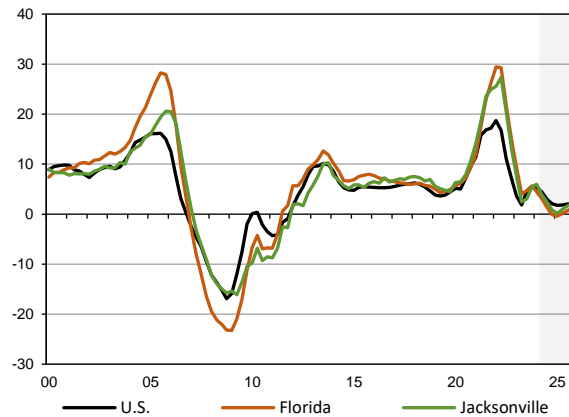
REGIONS
Unemployment Rate, %



REGIONS
Total Personal Income, % change year ago



REGIONS
CoreLogic House Price Index, % change year ago



Key Economic Indicators	2017	2018	2019	2020	2021	2022	2023	2024 (F)	2025 (F)
Total Employment, ths.	688.3	708.6	724.2	706.1	736.0	771.3	790.9	807.8	823.9
Annual % change	3.0	3.0	2.2	-2.5	4.2	4.8	2.5	2.1	2.0
Florida, annual % change	2.2	2.5	2.1	-4.9	4.6	5.7	3.3	2.2	1.6
U.S., annual % change	1.6	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	1.0
Unemployment Rate, %	4.1	3.5	3.2	6.6	4.1	2.9	3.0	3.5	3.7
Florida, %	4.3	3.7	3.3	8.2	4.7	3.0	2.9	3.4	3.6
U.S., %	4.4	3.9	3.7	8.1	5.4	3.6	3.6	4.0	4.2
Personal Income, \$ bil.	72.7	76.7	81.6	88.5	99.8	105.1	112.1	118.6	126.5
Annual % change	7.9	5.5	6.4	8.4	12.8	5.4	6.7	5.8	6.6
Florida, annual % change	7.7	6.6	6.3	6.6	12.8	4.7	6.9	5.9	6.4
U.S., annual % change	4.9	5.2	4.7	6.9	9.1	2.0	5.1	4.9	4.9
CoreLogic HPI, annual % change	7.1	7.1	5.0	7.9	20.5	21.3	4.6	3.3	1.2
Florida, annual % change	6.2	5.9	4.7	7.1	19.8	23.4	5.9	2.2	0.4
U.S., annual % change	5.8	5.5	3.9	6.7	15.4	13.2	3.9	3.7	1.9

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; CoreLogic; Regions Financial Economics Division. Forecast as of July, 2024.

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