

APRIL 2024
LEE COUNTY MARKET SNAPSHOT
SINGLE FAMILY/MULT-FAMILY

This Market Snapshot will attempt to provide a brief summary of our local real estate market conditions.

- While Lee County gained in population growth between 2022 and 2023, a slowdown after COVID, Hurricane Ian walloping Southwest Florida and the sheer scale of the current population may have cut the rate of growth by more than half compared to years ago. According to data released this past March by the U.S. Census Bureau, while Lee County's population continued to grow by roughly 1,000 per month between 2022 and 2023, its growth rate slowed consistently. Between 2021 and 2022, Lee County added about 32,000 residents, or 2,666 residents per month through births and migration, a rate of nearly 4% growth. The year before, Lee County grew by another 25,000 residents, or about 2,100 residents per month- a growth rate of 3.9%. The rate of growth dropped to 1.5% from July 2022 to July 2023. In 2020, Lee stood at 756,000 residents; by July of 2023, the population has grown to 834,573. Although Lee County's population still saw a net growth population between 2022 and 2023, an increased cost of living and Hurricane Ian's devastation may have played a role in the decreased rate of growth as rebuild cost and insurance rates have soared.
- In 2022, Florida was named the fastest-growing state in the nation by the U.S. Census Bureau, the first time it has held this distinction since 1957. Between 2021 and 2022, Florida's population increased by 1.9% to 22,224,823 residents. With this type of growth, challenges for providing adequate roads, utilities, schools, manpower and housing are continuous. According to a study performed by Stantec, hired to research water/sewer impact fees for the City Of Ft. Myers, the City experienced a population growth significantly higher than normal from 2013 to 2022. During that time, the City's population increased by 44.2% compared to 24.7% in Lee County, and 15.7% in the State of Florida. Additional growth of approximately 16% is also projected by the University of Florida's Bureau of Economic and Business Research in Lee County between 2025 and 2035. These levels of historical population growth and projected future growth beyond regional and statewide experience requires the City to immediately invest in expanded utility services. New research has revealed which state's properties are most likely to be sold and rented this year. Florida is number 2 on the list. According to the research, a huge 476,050,700 Google searches were made for property and rental sites last year across the U.S. Florida came in with 13,985 searches per 100,000 people – 18% above the national average.
- Indeed, the average cost of housing in Lee County is significantly higher than the national average. According to the Waller, Weeks, and Johnson Rental Index, in February 2024 the average cost to rent a one bedroom was approximately \$2,200 compared to the national average in the U.S. is just over \$1,900 a month. Across much of the nation rental rates have spiked, but incomes have not kept pace, leading to housing cost eating up an even larger portion of household budgets. In 2023, Cape Coral made the top-ten list of cities in the U.S. with cost-burdened renters, which is defined as someone who pays more than 30% of their total income toward rent. With a high level of new apartments coming on line combined with historical high rental rates, Malt Realty is continuously researching opportunities to list/ lease units. We are educating buyers with current conditions which may require adjusting monthly rentals rates to accommodate current trends including reviewing credit evaluations, move-in specials and retaining existing tenants. Ready to rent units are ranging between 30 and 90 days of vacancy compared to 7 to 30 days during the first two quarters of 2023.
- Mortgage rates have cooled down from their high in October 2023, when the average 30-year fixed mortgage rate reached nearly 8 percent. Demand for housing has slowed regionally, as Southwest Florida closed out 2023 with 5 months of inventory, up from the previous 2022 year of 2 months' worth. Consequently, supply of housing, measured through residential active listings, was up 84 percent from the fourth quarter of 2022 to the fourth quarter of 2023. The median single family home sale ending in February 2024, sold for \$400,000, up 2.0% from the previous month. The number of closed sales was 862, up 21.1% over January. Finally, the months' supply of inventory decreased to 7.1, 16.7% lower compared to January 2024.
- For the townhouse and condo market, the median sold price was \$305,000, down 1.3% from the previous month, and down 1.6% over last February 2023. The number of closed sales was 233, an increase of 43.8% from January, with median days on the market up 16.3% at 50. The number of new listings at the end of February was 586, a decrease of 12.1% from the prior month. Finally, the monthly supply of inventory decreased to 8.9, down 26.4% from January, and up 126.4% compared to February 2023.