



**RESIDENTIAL MANAGEMENT
RENTALS | SALES | CONSTRUCTION**

**LEE COUNTY MARKET SNAPSHOT
MULTI-FAMILY & SINGLE FAMILY
JANUARY 2022**

Although Lee County continues to struggle with the on-going effects of the Pandemic, similar to our nation, the County's Real Estate market is booming. The level of local market activity is particularly noteworthy in that November and December are typically slow sales months as buyers settle in for the holidays. Tourism and seasonal rentals are normally robust in the first quarter of the year when the County's population increases several hundred thousand as winter residents migrate here to enjoy our weather. The Pandemic appears to have significantly adjusted those normal tendencies as Southwest Florida's skyrocketing sales and rental activity for the last quarter of 2021 indicates. Strong buyer demand and inventory shortages are likely to persist over the next year. An expected rise in mortgage rates never materialized in 2021, leaving the market red-hot going into 2022.

This Snapshot will attempt to provide a brief summary of our local Real Estate Market conditions.

- New year over year home data shows Southwest Florida dominating near the top of the nation, with the largest price increases for 2021 for single-family homes. Lee County finished third in America, a 31.4% increase year over year, behind only Travis County, Texas (41.4%) and Maricopa, Arizona (32.3%), for large counties, with 750,000 or more residents, with the highest home price growth, according to Inspection Report. Our pricing is being driven by our population growth, a strong economy and very favorable interest rates. A typical single family home in Lee County now sells for \$408,000. The typical home price in January 2021 was \$315,000. Two years ago in January 2019, you had an inventory of homes to purchase at 3,215 units, last year, January 2021, still featured 2,390 units. Now January 2022? 317 units. It's not that fewer homes are going on the market. In fact, 2021 had 28,175 new listings, more than 2020's 28,060. In 2021, single-family homes sold on an average at 98.9% of the list price with an average of 28 days on the market. New listings today barely make the Realtors MLS listing service without already having a contract. Some large Tract home builders are selling new homes by auction, when they are completed and ready for move-in.
- The multi-family townhome & condominium segment is similar to single-family homes. The average sale price of a multi-family resident was \$337,121 in November 2021, with an average of 16 days to sell. In November 2020 an average sale price was \$280,626, with an average of 72 days to sell. This is an increase of \$56,495 or 21%. Sale prices of townhomes & condominiums are typically selling at 100.2% of the list price. There are currently 277 townhomes & condominiums listed For Sale in MLS compared to 5,128 listed For Sale this same time last year.

- Rental activity remains brisk for existing multi-family units in Lee County despite a record number of new apartment complexes/units coming on the market in 2021 and scheduled for 2022. Historically low levels of single family inventory contribute to the demand for multi-family rental units. Southwest Florida's growth is being fueled in part by the inordinate population growth. We simply do not have enough housing to satisfy current demands. Rental rates are increasing between 5-15% compared to this time last year.
- Lee County issued 911 single-family permits in November 2021, up from 636 permits issued in November 2020. In December 2021, Lee County issued 751 single-family permits. The supply chain is extremely constrained. Lumber prices are increasing as well as most raw materials. Labor cost, of course are also at an all-time high. All of these issues connect back to the lack of inventory. Strong buyer demand and inventory shortages are likely to persist over the next year. Home sales, while strong, will be tempered by supply, higher prices and rising interest rates. Price growth is expected to slow somewhat as a result, but affordability will likely remain a top constraint for several homebuyers. Porch.com points out that the "unusually high demand in the Real Estate market has been a consistent fact throughout the COVID-19 pandemic. The report states "While Real Estate sales-like most aspects of the economy-ground to a halt in March and April 2020, buyers since then have been snapping homes up quickly, often offering to pay above asking price and make other concessions to land the deal".
- Tourism hit a new record in Lee County in 2021, raking in more than \$53.3 million in bed taxes for the fiscal year, according to the latest figures released by the Lee County Clerk Of Courts. The 5% tourist tax, which is applied to all hotel stays and rental units with a lease term of six months or less, surpassed the record of \$42.6 million in fiscal year 2019. Airport passenger activity for November 2021 increased by 24% from October 2021, following the traditional seasonal pattern. Activity was 108% above the COVID impacted November 2020, as well as 23% above November 2019. The seasonally-adjusted unemployment rate for the region was 4.0 percent in November 2021, down 0.1 percent points from the prior month, and 0.9 percentage points below the COVID impacted month of November 2020 figure.
- Recent data indicated that the Ft. Myers area is among the nation's top destination for folks moving in 2021. U-Haul compiles the information from its one-way rentals and annually does a top 25 list, which shows it's Ft. Myers-North Ft. Myers market as number 6 among 10 Sunshine State communities making the cut. Texas had five. Florida has always been a destination for retirees, but more so in 2021. Retirees are not just moving to Florida anymore. There is a huge influx of people moving to Florida, not to retire but to continue to work or to work via electronically where perhaps this option did not exist prior to the pandemic. Driven in part by the highest rating on most health care places by capita, Ft. Myers landed second behind Sarasota, according to WalletHub data. Florida was named the best state to retire earlier this year. U.S News & World Report also places Southwest Florida high on their list as one of the best places to live overall.