



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

NOVEMBER 2022

This snapshot will attempt to provide a brief summary of our local market conditions.

- Southwest Florida continues with efforts to recover from devastating effects as a result of Category 4 Hurricane Ian, which made landfall on our coast September 28th. Assessments of the damage are on-going despite restricted access to the barrier island properties primarily located on Ft. Myers Beach, Sanibel and Pine Island. Projections for full repairs to essential utilities including power and water/sewer may take several months. According to Lee County Hurricane Ian Initial Damage Assessments as of October 3rd include the following:

STATUS	RESIDENTIAL STRUCTURES	COMMERCIAL STRUCTURES
Destroyed	5,071	284
Major Damage	13,479	910
Minor Damage	14,417	1,851
Affected	17,201	2,538
Total	50,173	5,583

These numbers represent a small fraction of the widespread damage to residential/commercial structures due to wind and flooding from Hurricane Ian. Most all structures throughout Lee, Collier and Charlotte counties sustained some damage including partial roofs, fencing, siding, signage, pool and horticulture debris/damage which is not reflected in the total numbers above

- Despite the effects of Hurricane Ian, Southwest Florida’s housing market is likely to stay overheated. According to Housing Industry expert Ken Johnson expects a temporary downturn in the home purchase and rental markets as the region begins to recover from the hurricane damage. But soon the markets will return to their previous heights. The reason? Pre-hurricane, the Ft. Myers area was facing “a severe housing shortage”. That’s only going to get worse, according to Johnson. Ft. Myers/Cape Coral area had the most overvalued housing market of the nation’s 100 largest metropolitan areas. Ft. Myers average home price of \$429,775 in August 2022 was 70.43% above the long-term pricing trends for home purchases in that market. Median price for Townhome/Condo is \$316,000. Average rents for a 2/2 in the Ft. Myers area of \$2,186 in August was considered 17.59% above where it should be- a premium that ranked Ft. Myers second in the country behind Miami from among the nation’s 100 largest metro areas. Ft. Myers also had a 21.6% increase in rents from a year ago, ranking it second in the country in that metric. Researchers expect Hurricane Ian to have a short-term effect on rents. Areas hit by the



storm already lacked enough rental units, and the disruption caused by Ian will only slow down needed construction, forcing rents to increase. “There will be people looking to buy in Florida when the debris is cleared away”. “In the long run, people still will want to live in Florida, increasing demand dramatically,” Johnson said.

- With inflation showing little sign of abating, the Federal Reserve implemented a 75-basis point hike in September along with an additional 75-basis point hike in November, making it the fourth such rate increase this year. For month end September 2022 compared to year-over-year September 2021, new listings decreased 21.1 percent for Single Family homes and 36.3 percent for Townhomes/Condo Sales. Pending Sales decreased 28.2 percent for Single Family homes and 38.9 percent for Townhouse/Condo homes. Average Days on Market for September 2022 were 30 days for Single Family homes and 27 for Townhouse/Condo.
- Lee County’s seasonally adjusted unemployment rate was 2.6% in August 2022, unchanged since July 2022, and down 1.7 percent since August 2021. Airport passenger activity slipped slightly in August 2022, falling 1 percent from August 2021. On the other hand, seasonally adjusted taxable sales saw a year-to-year growth in July 2022, up 5 percent over July 2021.
- The state continues to see significant population growth as the economy rebounds from the pandemic and baby boomers retire to the state in large numbers. Florida grew by 709,000 people in 2021, according to Florida Office of Economic and Demographic Research, and is projected to grow by nearly 1 million more from 2022 through the end of 2024. At the same time, the cost of building materials increased along with land values and most builders struggle to find enough workers, all of which has contributed to higher housing cost and an inability to meet demand.