



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

**MARCH 2022**

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

- In our previous snapshot summary, dated November 2022, we provided information from the devastating effects as a result of Hurricane Ian which made landfall on our coast September 28<sup>th</sup>. Lee County's real estate market was significantly impacted due to this Category 4 hurricane and many would think this near Category 5 hurricane would spell a grim fate for local real estate. Instead, it boomed for coastal and barrier island communities, like Sanibel and Fort Myers Beach. For those properties inland, increasing interest rates buckled the market, which happened before Hurricane Ian. Ian destroyed the beach towns and barrier islands; these locations have been given a clean slate to replace the older product with new more upscale properties to move in. Local experts predict the real estate market to be headed for a chaotic future due to rising interest rates, industry shifts, and the impact of Ian. The rebuilding of our local community is going to continue for years, but there are plenty of positive aspects in the rebuilding. A new era has begun in Southwest Florida.
- Rental rates continue to climb in Southwest Florida, bucking a national trend. Demand remains strong amid an even tighter supply, thanks to Hurricane Ian. The latest Waller, Weeks and Johnson Rental Index indicates that average rent in Cape Coral-Fort Myers metro increased 1.76% in October, reflecting what is happening in the regional market. An increase in the scarcity of rental units due to Ian is almost certainly the cause of this surge. Cape Coral renters are paying the highest premiums in the country, beating out major cities like New York City, Miami and San Diego. In this recent study, Cape Coral-Fort Myers renters lead the nation in paying 18.05% above the long-term leasing trend. The average rental premium paid in the US is 7.40%. Average rent in Cape Coral is \$2,219.75 where the average rent should be \$1,880.39. As of January 2023, the average rent for a 1-bedroom apartment in Ft. Myers was \$1,758. This is a 10% increase compared to the previous year.
- A second notable swell of newcomers traded out-of-state driver's licenses last year for ones with a Florida address. More than 583,200 people were entered into the state Department of Highway Safety and Motor Vehicles database in 2022 after surrendering non-Florida licenses. That's 28% higher than the average of the previous six years and 36,200 more than the pandemic-triggered migration of 2021. And whether they stay is enduring or dalliance, demographers said getting a driver's license signifies at least some resolve to make Florida a permanent location. Census data



released last December, shows a hefty population increase last year in Florida, which led the nation for the first time since 1957 with growth of 1.9%. Among the states, people from New York led the way for most people surrendering their licenses at 61,205 a 35% increase from the six-year average of 2016 through 2021. New Jersey was runner-up with 30,837, which was 28% higher than the average of the previous six years. California ranked third. While the California number was lower comparatively at 28,957, it was a steep 57% higher than average. In Lee County, Illinois represented the highest state transferring licenses followed by New York and New Jersey.

- Monetary policy and Hurricane Ian continued to play a role in the local real estate market to start off the new year, as the region saw both a decline in existing home sales (down 27 percent from January 2022) and a rise in active listings (up 172% over 2022, or 8,853 residential properties). From January 1<sup>st</sup> - December 31<sup>st</sup>, 2022, 15,484 single family homes sold in Lee County. The median sales price was \$416,200 with average of 28 days on the market. During the same time period 6,559 multi-family homes were sold at a median sales price of \$326,975 and an average of 20 days on the market. Local market experts suggest that sellers need to be realistic about their asking prices. Experts predict the market will flatten this year due to interest rates as well as the uncertainty with the economy and political climate, which is slowing the housing market. Predictions are for a very strong market ahead, but 2023 is going to be a transitioning year.
- Lee County's unemployment rate is currently around 3%. Seasonally adjusted tourist tax revenues for the region were down 15% in December 2022 compared to November 2022, as well as 31% below December 2021. Lee County experienced the largest decrease in tourist tax revenues, down 46% compared to December 2021. These numbers reflect the destruction from Hurricane Ian of Ft. Myers Beach and coastal areas.