



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

**JULY 2022**

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

- Southwest Florida continues to be one of the fastest growing areas in the nation. Growth is attributed to in-migration from Midwest states along with Western states. Historically Southwest Florida is an attraction for folks migrating mainly from the Midwest however, since COVID California and other western states have been attracted to Florida. Between January 1 and May 31<sup>st</sup> of this year, 235,261 people statewide exchanged driver's licenses for ones from Florida. That's a 30% increase for the same five-month period over a seven year average from 2016 through 2022. New York topped the list at 42,224 new driver's licenses followed by New Jersey at 32,083 and California ranked third highest at 27,081. California reflects a notable 43% increase over the five year average and 55% higher than 2020, according to the Florida Department of Highway Safety and Motor Vehicles. Illinois, Pennsylvania, Georgia, Texas, Ohio, Virginia and Massachusetts rounded out the top 10 of the most license swaps last year. All were higher than the five year average.
- The current population for Lee County is approximately 800,000. According to U.S. Census Population Estimates, released in April 2022, Southwest Florida experience significant gains in population with a 2.3% gain (or 30,597 people) in 2020 over 2019 for the three County (Lee, Collier, Charlotte) area. This is 6.7 times the national population growth rate (0.35%) and double Florida's population growth rate (1.1%) over the same period. During 2019-2021 Lee County built 19,251 single family homes and 1,943 multi-family units. According to Metro Forecasting Models about 104,000 new housing units will be added to accommodate a projected population increase of 293,000 people in Lee County, or a total projected population of 1,100,000 by the year 2040.
- Florida's median rent hit an all-time high of \$1,705 per month in May 2022, according to rental search website Apartment List, compared to \$1,356 in the same month in 2021. Ft. Myers led the state for year-over-year rent increase at 32.38%. While some experts say the market could be getting some much needed reprieve after about a year of major rental rate increases, prices in 2022 are still at historic highs, and several regions in the state, including Ft. Myers, are considered overvalued. Florida's median income is \$57,700. Typically, financial experts recommend spending approximately one third of your total income on rent. Thirty-three percent of \$57,700 is \$19,041, or \$1,586 per month. Median rental rates in Lee County are approximately \$2,100. Finding affordable rental housing, especially for the local working population, is a challenge. Low inventory is partly to blame for soaring rental prices, but the firms that typically build apartment rentals are facing their own challenges. The cost to build



apartment units have continuously increased about 2% per month for the past year. Prices for concrete, steel rebar and metal, exacerbated by Russia's ongoing attack on Ukraine, fuel increases and supply chain challenges add to the continued increase.

- The Southwest Florida coastal counties issued 1,880 single-family building permits in May 2022, an increase of 409 permits (28 percent) over May 2021 and up 252 permits (15 percent) from April 2022. Lee County issued 1,206 permits in May 2022, an increase over both the 758 permits issued in May 2021 and the 919 permits issued in April 2022. There were 2,692 Single Family permits issued in Lehigh Acres over the past 12 months ending on March 31, 2022. This reflects a 140% increase over the previous 12-month period. The City of Cape Coral issued 4,414 Single Family permits over the same 12 month period and a 41% increase over the previous 12 month period. The City of Ft. Myers experienced a 76% decrease in Single Family permits from the previous 12 month period as undeveloped land within the City of Ft. Myers is scarce. The seasonally adjusted unemployment rate for the region was 2.1 percent in May 2022, up 0.2 percentage points from the prior month, and 1.7 percentage points below the May 2021 figure.
- Rising inflation, soaring home prices, and increased mortgage rates have combined to cause a slowdown in the U.S. housing market. Inflation reached 8.6% in May and the Federal Reserve raised interest rates by three quarters of a percentage point in June. Home sales and mortgage applications have fallen sharply from one year ago. According to the recent Royal Palm Coast Realtor's June summary, new listings increased 17.8% for Single Family homes but decreased for Townhouse/Condo homes. Pending sales increased 24.5% for Single Family homes but decreased 9.1% for Townhouse/Condo homes. Inventory decreased 8.4% for Single Family homes and 19.4% for Townhouse/Condo homes.
- Median Sales Price increased 24.7% to \$450,000 for Single Family homes and 37.3% to \$350,100 for Townhouse/Condo homes. Days on market decreased 10% for Single Family homes and 57.6% for Townhouse/Condo homes. Month's supply of Inventory decreased 5.3% for Single Family homes but remained flat for Townhouse/Condo homes. June 2022 currently reflects 1.8 months of Single Family Inventory and 1.3 months of Townhouse/Condo homes. In June 2020 Ft. Myers/Cape Coral market had 4.5 months of Single Family Inventory and 6.1 months of Townhouse/Condo homes.