



**LEE COUNTY MARKET SNAPSHOT
MULTI-FAMILY & SINGLE FAMILY
SEPTEMBER 2021**

The latest economic indicators continued to show mixed results for Southwest Florida economy, as some indicators improved while others declined. While COVID-19 vaccines continue throughout the state and county, uncertainty continues to impact the economy in the short and medium term, now with the Delta variant and the virus. Currently, per this publication date, approximately 56% of Floridians have had their 2nd dose of vaccine administered. As stated for the past couple of summaries, most indicators are now reaching or surpassing the one-year mark from April 2020, which represented the peak of the COVID-19 economic impact. Low home inventory continues to hold back the market's potential. There is not enough product to choose from.

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

- Lee County homebuyers are spending more closing on properties more quickly than they were a year ago, continuing a trend that roughly coincided with the beginning of the pandemic. Also in July 2021 more houses came onto the market locally as new listings increased 5.1 percent in the Single- family home category compared to July 2020. However, listings for Townhouses and Condominiums decreased 18.9 percent in the area.
- Median Sales price in Southwest Florida increased 29.3 percent to \$365,000 for single- family homes and 25.6 percent to \$245,000 for townhomes/condo homes versus a year ago. Days on the market decreased 72.9 percent for single-family dwellings and 71.8 percent for townhouses and condos. Single Family permits for Lee/Collier/Charlotte improved 61 percent in July 2020 to July 2021. Single Family home sales improved 4 percent in July 2020 over July 2021. Median prices for all three counties also increased by 27 to 39 percent during the same 12 month period. Realtor listings for the coastal counties were down in July 2021, falling 70 percent from July 2020. Steady increases in building materials along with a shortage of construction labor has limited the amount of new homes available. Despite significant drops in lumber prices in recent months, overall building material prices have increased 19.4% during the past 12 months and 13% year to date, according to the latest Producer Price Index (PPI) released by the Bureau of Labor Statistics.



- Single Family building permits in Lee County increased from 10,731 during August 2019-July 2020, to 11,925 during August 2020-July 2021, an 11.13% increase. Multi-Family permits decreased from 5,043 during August 2019-July 2020, to 2,798 from August 2020 to July 2021, a 44.52% decrease. The majority of the 2019/2020 multi-family permit activity included apartment complexes that have recently opened or projected to open within the next 12 months. In Lee County, from January 2021 thru July 2021, 10,205 homes were sold with an average days on market of 37. During that same time period 5,686 multi-family/condos were sold with an average of 54 days on the market.
- Lee County's population continues to grow from 700,243 in 2015 to 772,268 in 2020, an approximate 10 percent increase. The seasonally-adjusted unemployment rate for the region was 4.4 percent in July 2021, down 0.1 percentage points from the prior month and 5.4 percentage points below the Covid-19 impacted July 2020 figure. Airport passenger activity for July 2021 increased by 1 percent from June 2021, following the traditional seasonal pattern. Activity was 218 percent above the Covid impacted July 2020 and 51 percent above July 2019.
- Despite the additional new apartment units coming on line in Lee County, rentals of existing townhomes/condos remain strong averaging anywhere between 4-8 percent annual rental rate increase from the previous year. Evaluating credit history for new applicants remain important to ensure rental payments are timely and residents comply with community's rules and regulations. On August 27th the CDC Eviction Moratorium was struck down by the Supreme Court. All evictions can be filed as normal, and the special "Notice" advising the tenant of the CDC Order protection no longer needs to be provided. The latest guidance from HUD regarding the Cares Act states that if the property is covered under the Cares Act, the 30 Day Notice of Non-Payment of rent must be used rather than the usual 3 day notice. Lee County and The City of Ft. Myers both offer tenants rental assistance thru their Emergency Rental Assistance Program and Lee Cares Program. The applicant may apply based on their needs and assistance programs will provide rental payments directly to the property manager. If approved, the City's program allows up to six month's rental and/or utility assistance.
- In a recent publication professors at Florida Atlantic and Florida International Universities, concluded that Lee County is way overvalued. The study revealed that 95 of the 100 largest metros, of which 95 were selling above long term pricing. "We're almost certainly nearing the peak of the current housing cycle" said Ken H. Johnson, an economist in FAU's College Of Business. I'm concerned about some of these markets. Prices eventually will level off or fall, and recent buyers who want to sell would be hard pressed to earn sound returns. At 23.3% above where it should be, Cape Coral-Fort Myers ranked 39th in the nation on the overpriced list and fifth in Florida.