



# Cape Coral-Fort Myers, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of August 1, 2014

PD&R

## Housing Market Area



The Cape Coral-Fort Myers Housing Market Area (HMA) in southwest Florida, about 120 miles south of Tampa and 40 miles north of Naples, is coterminous with Lee County and the Cape Coral-Fort Myers, FL Metropolitan Statistical Area. Because of its year-round temperate weather, the HMA is a popular winter tourist destination and second home location, primarily for retirees. Tourism expenditures during the winter months of 2013 totaled \$1.1 billion, accounting for 38 percent of the total \$2.8 billion expenditures in the year (Lee County Visitor & Convention Bureau).

## Market Details

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## Summary

### Economy

The economy of the Cape Coral-Fort Myers HMA strengthened during the past 3 years after job losses from 2007 through 2010. Nonfarm payrolls increased by 7,500 jobs, or 3.5 percent, to 221,400 jobs during the 12 months ending July 2014 compared with the number of jobs during the previous 12-month period. The professional and business services sector recorded the greatest increase in jobs, primarily as a result of The Hertz Corporation's headquarters relocation from New Jersey to the city of Estero. Nonfarm payrolls are expected to increase 3.7 percent annually during the 3-year forecast period.

### Sales Market

The sales housing market in the HMA is currently soft but improving, with an estimated vacancy rate of 4.8 percent, down from 6.6 percent in April 2010. During the forecast period, demand is expected for 13,800 new homes (Table 1). Limited production is needed in the first year of the forecast period to allow for the absorption of the 1,500 homes currently under construction. In addition, a portion of the 72,000 other vacant units in the HMA may return to the market and satisfy some of the forecast demand.

### Rental Market

The rental housing market in the HMA is currently soft but improving, with an estimated overall vacancy rate of 8.9 percent, down from 17.4 percent in April 2010. During the forecast period, demand is expected for 4,400 new rental units (Table 1). The 1,100 rental units currently under construction will meet rental demand during the first year of the forecast period.

**Table 1. Housing Demand in the Cape Coral-Fort Myers HMA During the Forecast Period**

|                    | Cape Coral-Fort Myers HMA |              |
|--------------------|---------------------------|--------------|
|                    | Sales Units               | Rental Units |
| Total demand       | 13,800                    | 4,400        |
| Under construction | 1,500                     | 1,100        |

*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of August 1, 2014. A portion of the estimated 72,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is August 1, 2014, to August 1, 2017. Source: Estimates by analyst*

# Economic Conditions

Economic conditions in the Cape Coral-Fort Myers HMA continued to improve during the 12 months ending July 2014, a trend that began in 2011 after annual job losses from 2007 through 2010. Nonfarm payrolls increased by 7,500 jobs, or 3.5 percent, and the unemployment rate declined from 7.9 to 6.2 percent during the 12 months ending July 2014. Table 2 shows the change in nonfarm payrolls by sector during the past 12 months, and Figure 1 shows trends in the labor force, resident employment, and the unemployment rate from 2000 through 2013. Despite the recent increase, nonfarm payrolls remain below the peak of 232,200 jobs in 2006.

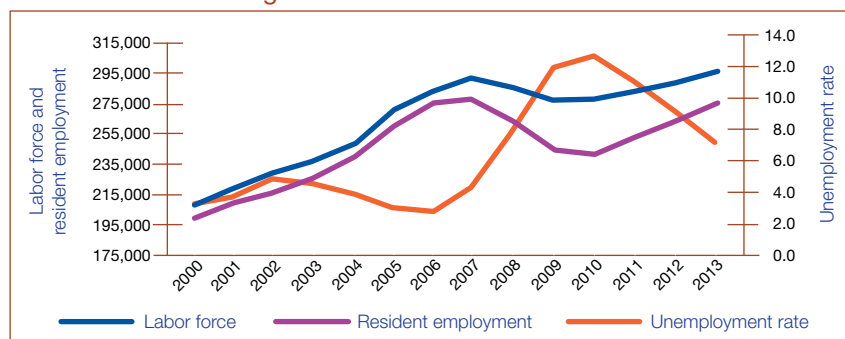
**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the Cape Coral-Fort Myers HMA, by Sector

|                                  | 12 Months Ending |           | Absolute Change | Percent Change |
|----------------------------------|------------------|-----------|-----------------|----------------|
|                                  | July 2013        | July 2014 |                 |                |
| Total nonfarm payroll jobs       | 213,900          | 221,400   | 7,500           | 3.5            |
| Goods-producing sectors          | 21,600           | 22,500    | 900             | 4.2            |
| Mining, logging, & construction  | 17,000           | 17,700    | 700             | 4.1            |
| Manufacturing                    | 4,600            | 4,800     | 200             | 4.3            |
| Service-providing sectors        | 192,300          | 198,900   | 6,600           | 3.4            |
| Wholesale & retail trade         | 42,000           | 43,200    | 1,200           | 2.9            |
| Transportation & utilities       | 3,900            | 4,100     | 200             | 5.1            |
| Information                      | 3,100            | 3,200     | 100             | 3.2            |
| Financial activities             | 11,000           | 11,500    | 500             | 4.5            |
| Professional & business services | 27,000           | 29,100    | 2,100           | 7.8            |
| Education & health services      | 24,700           | 25,200    | 500             | 2.0            |
| Leisure & hospitality            | 33,800           | 34,900    | 1,100           | 3.3            |
| Other services                   | 8,900            | 9,100     | 200             | 2.2            |
| Government                       | 37,800           | 38,600    | 800             | 2.1            |

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through July 2013 and July 2014.

Source: U.S. Bureau of Labor Statistics

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Cape Coral-Fort Myers HMA, 2000 Through 2013



Source: U.S. Bureau of Labor Statistics

From 2000 through 2006, nonfarm payrolls increased by an average of 10,600 jobs, or 5.5 percent, a year. The greatest gains occurred in the mining, logging, and construction sector, which increased by an average of 3,200 jobs, or 12.6 percent, annually because of significant speculative residential construction to attract retirees and second home buyers. The trade, transportation, and utilities, the professional and business services, and the leisure and hospitality sectors also realized significant job gains, recording average annual increases of 1,675, 1,350, and 1,325 jobs, or 4.0, 5.8, and 5.6 percent, respectively, largely because of the increased number of visitors and new residents. From 2000 through 2006, an average of nearly 2.0 million people visited the HMA annually, an increase of 13 percent from the average of 1.7 million people annually from 1996 through 1999, the earliest data available (Lee County Visitor & Convention Bureau). The greatest percentage of visitors originated from Midwestern and Northeastern U.S. metropolitan areas, including Chicago, Indianapolis, Minneapolis, and New York; the visitors cited “warm weather” as their top reason for visiting the HMA.

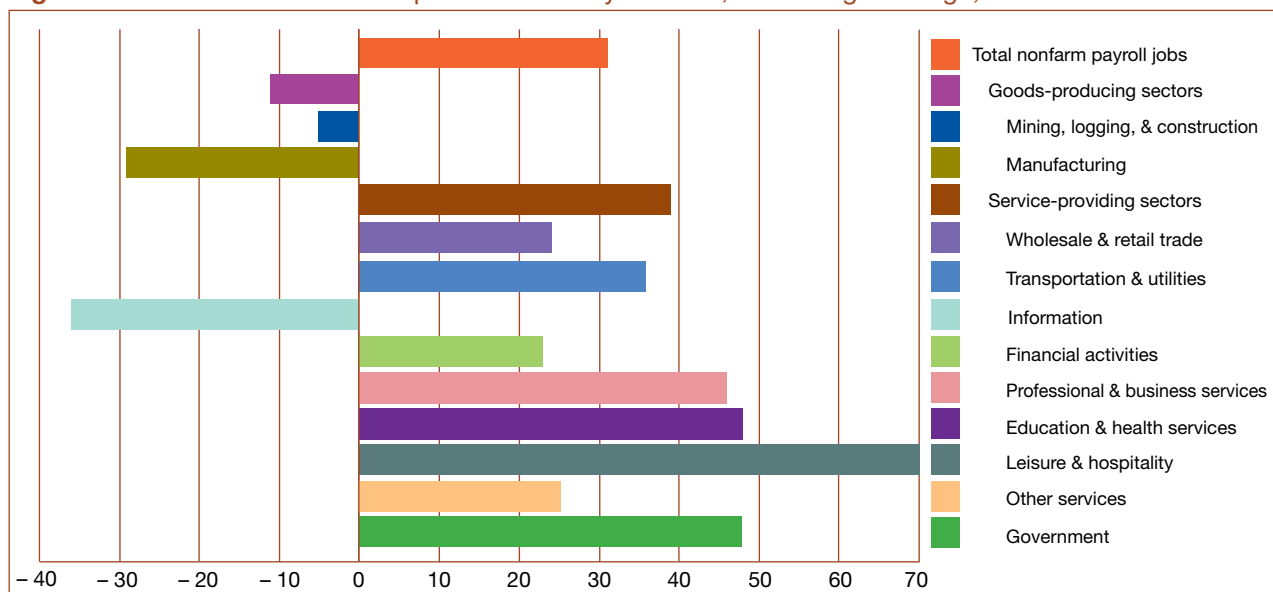
Significant job losses occurred in the HMA from 2007 through 2010, when nonfarm payrolls declined by an average of 10,800, or 4.9 percent, annually as a result of the effects of the national recession. During this period, nearly every sector experienced declines; the education and health services and the government sectors were the exceptions. The greatest losses occurred in the mining, logging, and construction, the trade, transportation, and utilities, and the professional and business services sectors, which declined by average annual totals of 5,525, 2,300, and

1,275 jobs, or 21.0, 5.0, and 4.8 percent, respectively. Figure 2 shows sector growth from 2000 to the current date. The unemployment rate rose from 4.5 percent in 2007 to 12.7 percent in 2010. The economic decline can be attributed to significant speculative overbuilding of housing during the early part of the decade and the resulting spike in foreclosure activity. Economic conditions began to improve from 2011 through 2013, when nonfarm payrolls increased by an average of 7,350, or 3.6 percent, a year. During this period, job growth was strongest in the trade, transportation, and utilities and the leisure and hospitality sectors, which added averages of 1,950 and 1,800 jobs, increases of 4.4 and 5.6 percent, respectively, a year as tourism into the HMA returned. The professional and business services sector, which added 1,050 jobs, or 4.0 percent, a year, also contributed to job growth during this period.

During the 12 months ending July 2014, the professional and business services sector led job growth in the

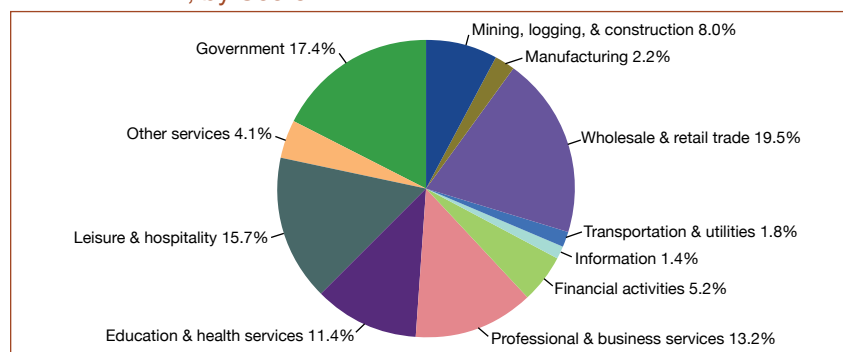
Cape Coral-Fort Myers HMA, adding 2,100 jobs, an increase of 7.8 percent from the previous 12-month period. The sector is the fourth largest in the HMA, accounting for 13.2 percent of total nonfarm payrolls during the 12 months ending July 2014 (Figure 3). The recent increase in this sector is due to the expansion and relocation of several corporate headquarters; for example, Chico's FAS Inc., the women's fashion retailer, already one of the largest employers in the HMA, expanded its headquarters and has added 150 new jobs since 2011 to reach 1,700 employees (Table 3). The expansion was motivated by a combined \$3.26 million incentive package from the state of Florida and Lee County. Two other major expansions and relocations will add jobs during the 3-year forecast period. Construction of the new \$70 million Hertz corporate headquarters campus in the city of Estero is expected to be complete in 2015, and the company has already begun to add some of the expected 700 jobs, 400 of which are to be filled

**Figure 2. Sector Growth in the Cape Coral-Fort Myers HMA, Percentage Change, 2000 to Current**



Note: Current is based on 12-month averages through July 2014.

Source: U.S. Bureau of Labor Statistics

**Figure 3.** Current Nonfarm Payroll Jobs in the Cape Coral-Fort Myers HMA, by Sector

Note: Based on 12-month averages through July 2014.

Source: U.S. Bureau of Labor Statistics

**Table 3.** Major Employers in the Cape Coral-Fort Myers HMA

| Name of Employer              | Nonfarm Payroll Sector      | Number of Employees |
|-------------------------------|-----------------------------|---------------------|
| Lee Memorial Health System    | Education & health services | 10,425              |
| Lee County                    | Government                  | 5,200               |
| Publix Super Markets, Inc.    | Wholesale & retail trade    | 4,400               |
| Wal-Mart Stores, Inc.         | Wholesale & retail trade    | 1,975               |
| Chico's FAS Inc.              | Wholesale & retail trade    | 1,700               |
| U.S. Postal Service           | Government                  | 1,475               |
| Florida Gulf Coast University | Government                  | 1,325               |
| City of Cape Coral            | Government                  | 1,200               |
| Target Corporation            | Wholesale & retail trade    | 1,100               |
| Hope HealthCare Services      | Education & health services | 1,000               |

Note: Excludes local school districts.

Source: Lee County Economic Development Office

by local residents and the remaining 300 of which are expected to be filled by relocating current Hertz employees from New Jersey. By the time hiring is complete in 2017, the estimated annual economic impact of the relocation on the local economy is about \$190 million (Florida Gulf Coast University [FGCU] data). Gartner, Inc., an information technology company, will add 400 jobs in the HMA by the end of 2019. The company's new 120,000-square-foot facility—motivated by \$1.48 million in incentives from Enterprise Florida, the Lee County Economic Development Office, CareerSource

Florida, and the Florida Department of Economic Opportunity—is expected to be complete by mid-2016.

Nonfarm payrolls in the HMA are expected to expand by an average of 8,275 jobs, or 3.7 percent, each year during the forecast period. The professional and business services sector will continue to lead growth during the forecast period because of the ongoing Hertz relocation and Gartner expansion. The mining, logging, and construction sector will also benefit from the construction of these new corporate headquarters.

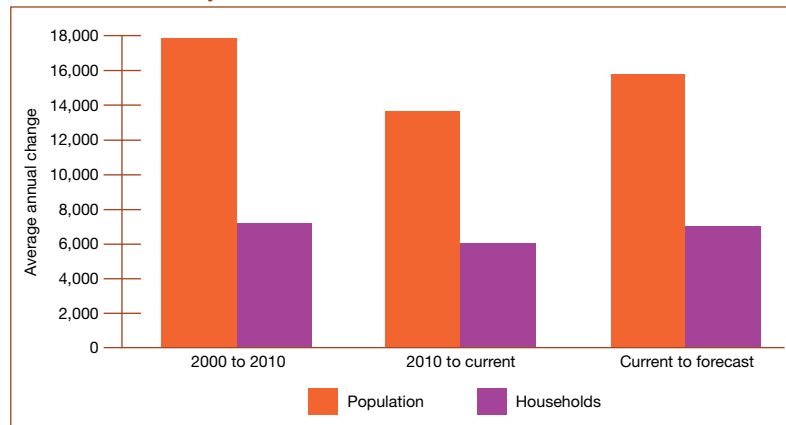
# Population and Households

As of August 1, 2014, the population of the Cape Coral-Fort Myers HMA was estimated to be 677,700, an average increase of 13,600, or 2.1 percent, annually since April 1, 2010. Net in-migration, particularly of retirement-age individuals, accounted for nearly all the population growth in the HMA. In 2013, residents ages 60 years and older accounted for nearly 33 percent of the total population in the HMA compared with 31 percent in 2010 (2013 American Community Survey 1-year data; 2010 Census). By comparison, population growth from 2000 through 2010 averaged 17,800

people, or 3.4 percent, annually, with peak growth from July 2000 through July 2006. During the peak period, population growth in the HMA averaged 23,050 people, or 4.6 percent, annually. Net in-migration accounted for 99 percent of population growth, with an average of 22,700 people migrating into the HMA annually. From July 2007 through July 2010, population growth in the HMA averaged 9,450 people, or 0.9 percent, annually. Net migration, although still positive in every year except 2009, contributed to a decreased percentage of population growth because weak sales conditions across the nation restrained the ability of potential migrants to sell their homes and move to the HMA. During the period, net in-migration averaged 7,975 people annually, accounting for 84 percent of population growth. As both economic and sales housing market conditions improved in 2011, net in-migration and population growth rebounded but remained below the peak levels from 2000 through 2006. From 2011 through 2013, population growth averaged 13,500 people, or 2.3 percent, annually and net in-migration averaged 13,300 people, contributing to 99 percent of population growth. Figure 4 shows population and household growth and Figure 5 shows the components of population change in the HMA from 2000 to the forecast date.

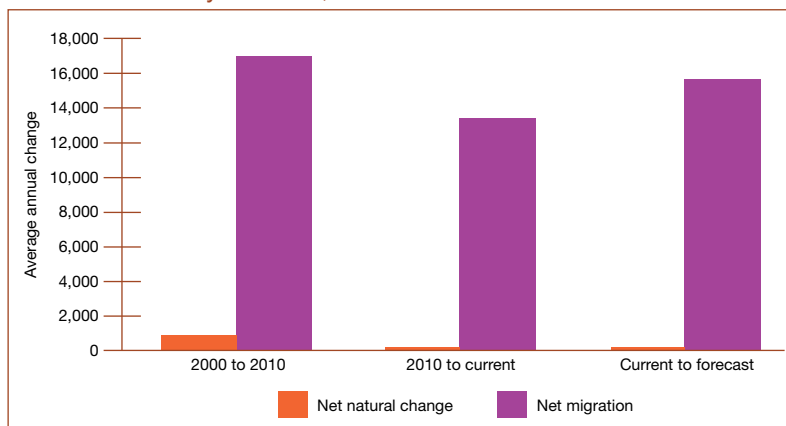
An estimated 285,200 households reside in the HMA, which represents an average increase of 5,850 households, or 2.2 percent, annually since 2010. By comparison, the number of households in the HMA increased by an average of 7,125, or 3.3 percent, annually from 2000 to 2010. The homeownership rate decreased from

**Figure 4. Population and Household Growth in the Cape Coral-Fort Myers HMA, 2000 to Forecast**



Notes: The current date is August 1, 2014. The forecast date is August 1, 2017.  
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5. Components of Population Change in the Cape Coral-Fort Myers HMA, 2000 to Forecast**



Notes: The current date is August 1, 2014. The forecast date is August 1, 2017.  
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

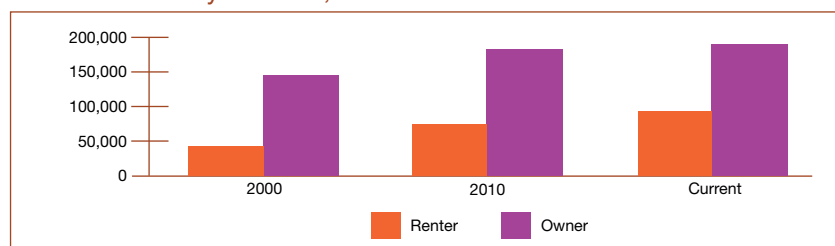


2000 to 2010, from 76.5 to 71.0 percent, and has declined since 2010 to 67.2 percent. Figure 6 shows the number of households by tenure in the HMA from 2000 to the current date.

During the 3-year forecast period, population growth in the HMA is expected to accelerate to an average of

15,700 people, or 2.3 percent, annually and household growth is estimated to average 7,025, or 2.4 percent, annually. The higher expected household growth rate is a result of smaller average household sizes, mainly of retirees moving into the HMA, a trend that slowed during the recession.

**Figure 6. Number of Households by Tenure in the Cape Coral-Fort Myers HMA, 2000 to Current**



*Note: The current date is August 1, 2014.*

*Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst*

## Housing Market Trends

### Sales Market

Sales housing market conditions in the Cape Coral-Fort Myers HMA are currently soft but improving, with an estimated vacancy rate of 4.8 percent, down from 6.6 percent in April 2010 (Table DP-1 at the end of the report). Approximately 24,100 total homes (including single-family homes, townhomes, and condominiums) sold during the 12 months ending July 2014, a 3-percent increase from the 23,400 homes sold during the previous 12-month period (Metrostudy, A Hanley Wood Company). The average sales price for new and existing homes increased by \$22,300, to \$233,500, an 11-percent increase compared with prices during the 12 months ending July 2013. Significant construction of speculative housing contributed to

the HMA experiencing the effects of the foreclosure crisis sooner than the rest of the nation; sales declined each year from 2005 through 2008, from 65,100 new and existing homes sold in 2005 to 16,850 homes sold in 2008. Home sales began to increase in 2009 as investors took advantage of price declines from distressed properties and, from 2009 through 2011, an average of 24,700 homes sold annually. During this period, sales of REO (Real Estate Owned) properties accounted for 49 percent of total sales, and the average sales price was \$175,600. By comparison, from 2005 through 2008, REO sales accounted for an average of 8 percent of annual sales, and the average sales price was \$256,800. Improved economic conditions nationally

## Housing Market Trends

### Sales Market *Continued*

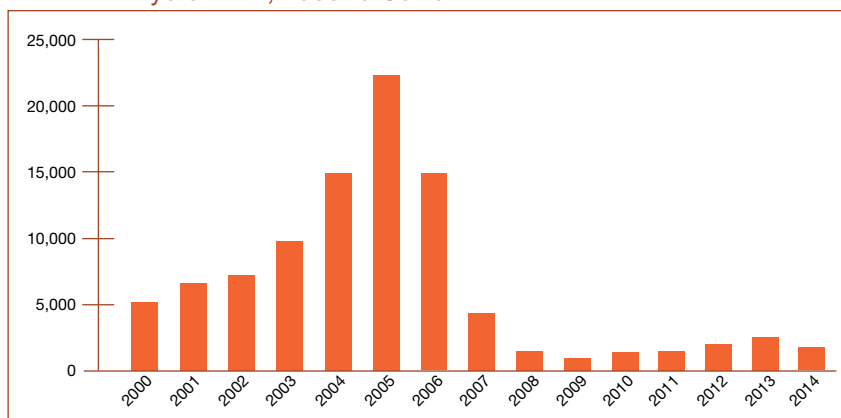
have resulted in increased net immigration and declining numbers of loans in foreclosure and REO sales since late 2009. From 2011 through 2013, new and existing home sales averaged 21,700 and REO sales accounted for 25 percent of total sales. As of August 2014, 7.2 percent of home loans in the HMA were 90 or more days delinquent, were in foreclosure, or transitioned into REO status, down from 11.1 percent as of August 2013. Despite the decline, the rate in the HMA remained above the national average of 4.8 percent as of August 2014 (Black Knight Financial Services, Inc.).

Condominiums comprise a significant portion of the sales market because of the HMA's popularity as a second home location. During the 12 months ending July 2014, 6,850 condominiums sold, a nearly 4-percent increase from the previous 12-month period. Condominium sales accounted for 28 percent of total home sales in the HMA during the 12 months ending July 2014. The average sales price of new and existing condominiums increased by \$19,800, to \$201,600, an 11-percent increase from the 12 months ending July 2013.

Single-family home construction, as measured by the number of single-family homes permitted, increased 30 percent, to 2,850 homes, during the 12 months ending July 2014 (preliminary data). Although construction activity in the Cape Coral-Fort Myers HMA has increased since 2012 because of recoveries in both the labor and housing markets, recent permitting remains well below historic peaks. From 2004 through 2006, an average of 17,300 homes, many in speculative housing developments, were permitted annually (Figure 7). By comparison, from 2000 through 2003, an average of 7,125 single-family homes were permitted annually. Condominium development followed roughly the same trend as single-family housing construction. New condominium construction declined 98 percent, from an average of 3,700 units permitted annually from 2004 through 2007 to an average of 85 units permitted annually from 2009 through 2012. As with single-family home construction, condominium construction is returning, and condominium permitting increased to 190 units in 2013.

New developments in the HMA include the Tortuga master-planned community, a 369-unit condominium and villa development in the city of Fort Myers. Construction commenced in 2007, but development stalled until recently because of weak sales during the foreclosure crisis. More than one-half of the units have been constructed, and completion of the entire development is expected by December 2015. Condominium units average 1,600 square feet and range in price from \$164,000 to \$182,000, and villa units average 1,525 square feet with garage parking and start at \$204,000.

**Figure 7. Single-Family Homes Permitted in the Cape Coral-Fort Myers HMA, 2000 to Current**



Notes: Includes townhomes. Current includes data through July 2014.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Sales Market *Continued***Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Cape Coral-Fort Myers HMA During the Forecast Period

| Price Range (\$) |            | Units of Demand | Percent of Total |
|------------------|------------|-----------------|------------------|
| From             | To         |                 |                  |
| 75,000           | 149,999    | 690             | 5.0              |
| 150,000          | 199,999    | 1,375           | 10.0             |
| 200,000          | 249,999    | 3,450           | 25.0             |
| 250,000          | 299,999    | 2,075           | 15.0             |
| 300,000          | 349,999    | 2,750           | 20.0             |
| 350,000          | 399,999    | 1,650           | 12.0             |
| 400,000          | and higher | 1,800           | 13.0             |

*Notes: The 1,500 homes currently under construction and a portion of the estimated 72,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is August 1, 2014, to August 1, 2017.*

*Source: Estimates by analyst*

During the 3-year forecast period, demand in the Cape Coral-Fort Myers HMA is expected for 13,800 new homes (Table 1). Limited production is needed in the first year of the forecast period to allow for the absorption of the 1,500 homes currently under construction. In addition, a portion of the 72,000 other vacant units in the HMA may return to the market and satisfy some of the forecast demand. Table 4 illustrates the estimated demand for new sales housing in the HMA by price range.

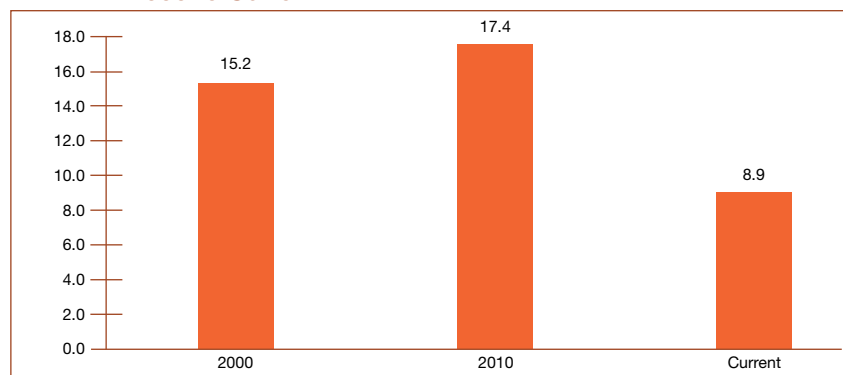
## Rental Market

The rental housing market in the Cape Coral-Fort Myers HMA is soft, although conditions have improved since 2010. The current overall renter vacancy rate, which includes single-family homes, mobile homes, and apartments, is estimated to be about 8.9 percent, down from 17.4 percent in April 2010 (Figure 8). As of 2013, approximately 60 percent of all renter households in the HMA lived in single-family or mobile homes, up from 46 percent in 2010 (American Community Survey).

The apartment market in the HMA is balanced to tight, in part due to an 11-percent average annual increase

in the student population at FGCU since 2005. FGCU enrolls 14,100 students and houses 4,225 students in on-campus housing; the remaining 9,875 students reside off campus (FGCU data). Students who reside in off-campus housing account for an estimated 2,475 renter households, or 3 percent of the overall renter households in the HMA, and typically reside near the campus. The apartment vacancy rate during the second quarter of 2014 was 4.1 percent, down from 5.3 percent a year earlier and 12.9 percent during the second quarter of 2010 (Reis, Inc.). The average apartment rent in the HMA was \$830 in the second quarter of 2014, up 3 percent from \$810 a year ago.

Multifamily construction, as measured by the number of multifamily units permitted, increased significantly in the Cape Coral-Fort Myers HMA during the 12 months ending July 2014, when 1,175 units were permitted, nearly triple the number of multifamily units permitted during the previous 12 months (Figure 9). As net in-migration slowed because of the effects of the national housing crisis, multifamily construction

**Figure 8.** Rental Vacancy Rates in the Cape Coral-Fort Myers HMA, 2000 to Current

*Note: The current date is August 1, 2014.*

*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*



## Housing Market Trends

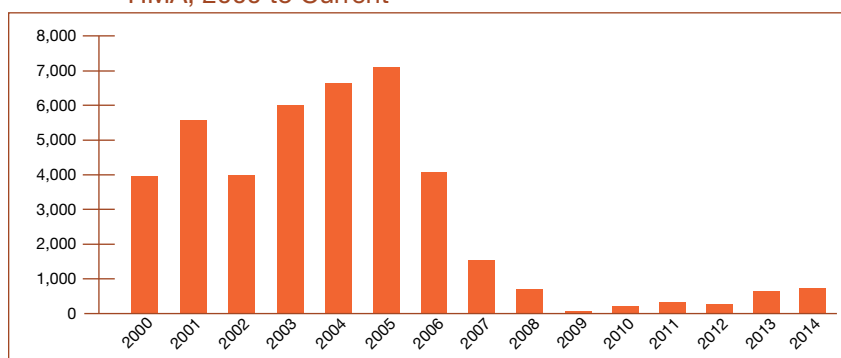
Rental Market *Continued*

activity declined to an average of 640 units permitted annually from 2007 through 2011. By comparison, from 2003 through 2006, an average of 5,975 units were permitted annually. Recent projects include University Village, a planned development with a mix of commercial, retail, and residential space, including two- and four-bedroom apartments in 16 buildings for 1,400 FGCU students. The development represents a partnership between the Miromar Lakes Development Corporation and FGCU. Construction of University Village is

expected to begin in January 2015, with student occupancy of the first phase of the project beginning in the fall semester of 2015.

During the 3-year forecast period, demand is expected for 4,400 new rental units in the HMA (Table 1). The 1,100 rental units currently under construction will meet rental demand during the first year of the forecast period. Table 5 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the HMA during the forecast period.

**Figure 9.** Multifamily Units Permitted in the Cape Coral-Fort Myers HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through July 2014.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Cape Coral-Fort Myers HMA During the Forecast Period

| One Bedroom             |                 | Two Bedrooms            |                 | Three or More Bedrooms  |                 |
|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|
| Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand |
| 750 to 949              | 1,925           | 850 to 1,049            | 2,075           | 930 to 1,129            | 210             |
| 950 to 1,149            | 40              | 1,050 to 1,249          | 110             | 1,130 to 1,329          | 10              |
| Total                   | 1,975           | Total                   | 2,200           | Total                   | 220             |

Notes: Numbers may not add to totals because of rounding. The 1,100 units currently under construction will likely satisfy some of the estimated demand. The forecast period is August 1, 2014, to August 1, 2017.

Source: Estimates by analyst

# Data Profile

**Table DP-1.** Cape Coral-Fort Myers HMA Data Profile, 2000 to Current

|                           | 2000     | 2010     | Current  | Average Annual Change (%) |                 |
|---------------------------|----------|----------|----------|---------------------------|-----------------|
|                           |          |          |          | 2000 to 2010              | 2010 to Current |
| Total resident employment | 201,047  | 243,845  | 281,000  | 1.9                       | 4.0             |
| Unemployment rate         | 3.2%     | 12.7%    | 6.2%     |                           |                 |
| Nonfarm payroll jobs      | 168,400  | 198,000  | 221,400  | 1.6                       | 3.2             |
| Total population          | 440,888  | 618,754  | 677,700  | 3.4                       | 2.1             |
| Total households          | 188,599  | 259,818  | 285,200  | 3.3                       | 2.2             |
| Owner households          | 144,245  | 184,477  | 191,600  | 2.5                       | 0.9             |
| Percent owner             | 76.5%    | 71.0%    | 67.2%    |                           |                 |
| Renter households         | 44,354   | 75,341   | 93,600   | 5.4                       | 5.1             |
| Percent renter            | 23.5%    | 29.0%    | 32.8%    |                           |                 |
| Total housing units       | 245,405  | 371,099  | 376,000  | 4.2                       | 0.3             |
| Owner vacancy rate        | 2.7%     | 6.6%     | 4.8%     |                           |                 |
| Rental vacancy rate       | 15.2%    | 17.4%    | 8.9%     |                           |                 |
| Median Family Income      | \$45,700 | \$60,700 | \$56,300 | 2.9                       | - 1.9           |

*Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through July 2014. Median Family Incomes are for 1999, 2009, and 2013. The current date is August 1, 2014.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 8/1/2014—Analyst's estimates  
 Forecast period: 8/1/2014–8/1/2017—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits.

As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [http://www.huduser.org/publications/pdf/CMARtables\\_CapeCoral-FortMyersFL\\_15.pdf](http://www.huduser.org/publications/pdf/CMARtables_CapeCoral-FortMyersFL_15.pdf).

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [www.huduser.org/portal/ushmc/chma\\_archive.html](http://www.huduser.org/portal/ushmc/chma_archive.html).