

COMPREHENSIVE HOUSING MARKET ANALYSIS

Cape Coral-Fort Myers, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of May 1, 2025



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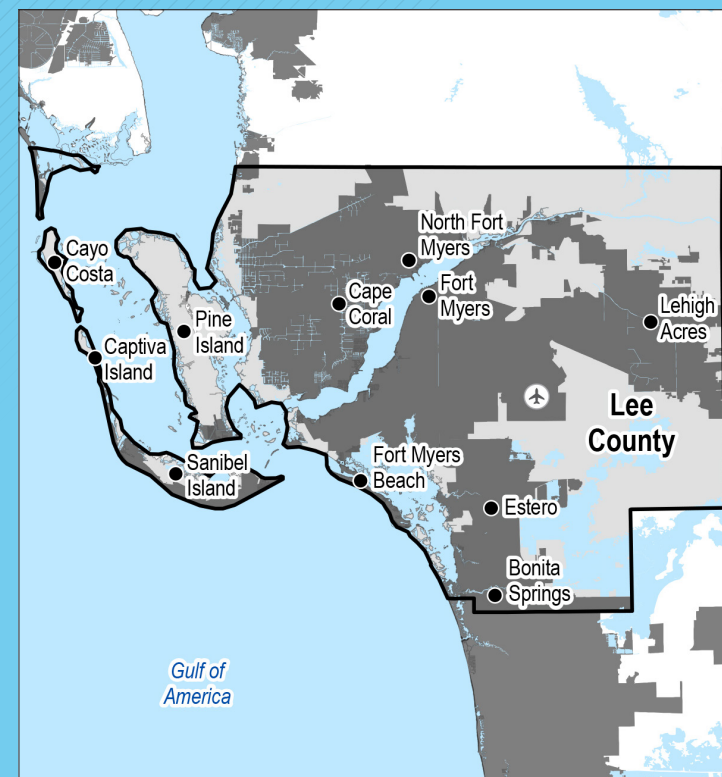
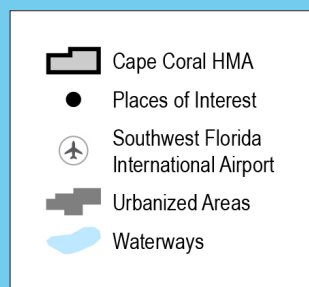
Executive Summary

Housing Market Area Description

The Cape Coral-Fort Myers Housing Market Area (hereafter, Cape Coral HMA) is defined as Lee County and is coterminous with the Cape Coral-Fort Myers, FL Metropolitan Statistical Area (MSA). The HMA is on the southwestern coast of Florida, approximately 120 miles south of the city of Tampa and 40 miles north of the city of Naples.

The current population of the HMA is estimated at 872,400.

With a year-round warm climate, approximately 590 miles of shoreline, and 50 miles of white-sand beaches, the HMA is a popular winter tourist destination and second home location, primarily for retirees. Commonly known as the “Waterfront Wonderland,” the city of Cape Coral has more than 400 miles of canals, attracting people seeking waterfront living. Access to outdoor recreational activities, including fishing, kayaking, boating, and golfing, helps draw retirees and millions of visitors to the HMA annually.



Tools and Resources


Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy

 **Stable:** During the 12 months ending April 2025, nonfarm payrolls in the Cape Coral HMA increased by 2,800 jobs, or 0.9 percent, compared with 3.6-percent growth during the 12 months ending April 2024.


Although the Cape Coral HMA economy continued to expand during the past 12 months, the pace of job growth decelerated from a year earlier and was outpaced by the 1.4-percent growth rate in Florida and the 1.3-percent rate for the nation. The education and health services and the government sectors led job gains in the HMA during the past year, increasing by 1,200 and 1,100 jobs, or 3.4 and 2.4 percent, respectively, from a year earlier. The unemployment rate averaged 3.8 percent during the 12 months ending April 2025, up from 3.3 percent during the previous 12 months. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 2.1 percent.

Sales Market

 **Soft:** In April 2025, the Cape Coral HMA had a 9.6-month supply of homes available for sale, up from 6.8 months in April 2024 (Redfin, a national real estate brokerage, with adjustments by the analyst).

The home sales market in the HMA is soft, with an estimated 3.5-percent vacancy rate as of May 1, 2025, up from 2.5 percent in April 2020, when the sales market was balanced. New and existing home sales declined for a third consecutive year, falling 9 percent to 20,500 homes sold during the 12 months ending April 2025 (Redfin, a national real estate brokerage). After increasing for more than 11 years, the average home sales price declined 3 percent to \$504,400 during the 12 months ending April 2025. Demand is expected for 12,500 new homes during the forecast period. The 5,325 homes under construction will meet some of that demand during the first and second years of the forecast.

Rental Market

 **Soft:** The overall rental market has an estimated vacancy rate of 16.0 percent, up from 13.0 percent in April 2020, when rental market conditions were balanced.

Apartment market conditions in the Cape Coral HMA are also soft, with a stabilized apartment vacancy rate of 9.7 percent as of the first quarter of 2025, up from 8.9 percent as of the first quarter of 2024 (CoStar Group). The average monthly apartment rent in the HMA was \$1,861 as of the first quarter of 2025, reflecting a 3-percent decline from the first quarter of 2024, when the average monthly apartment rent fell 5 percent from the same quarter a year earlier. To allow for the absorption of the current excess supply of vacant available units, no additional market-rate rental units should be constructed during the 3-year forecast period.

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3-Year Housing Demand Forecast			
Cape Coral HMA		Sales Units	Rental Units
	Total Demand	12,500	No Units
	Under Construction	5,325	8,700

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2025. The forecast period is May 1, 2025, to May 1, 2028.

Source: Estimates by the analyst



Economic Conditions

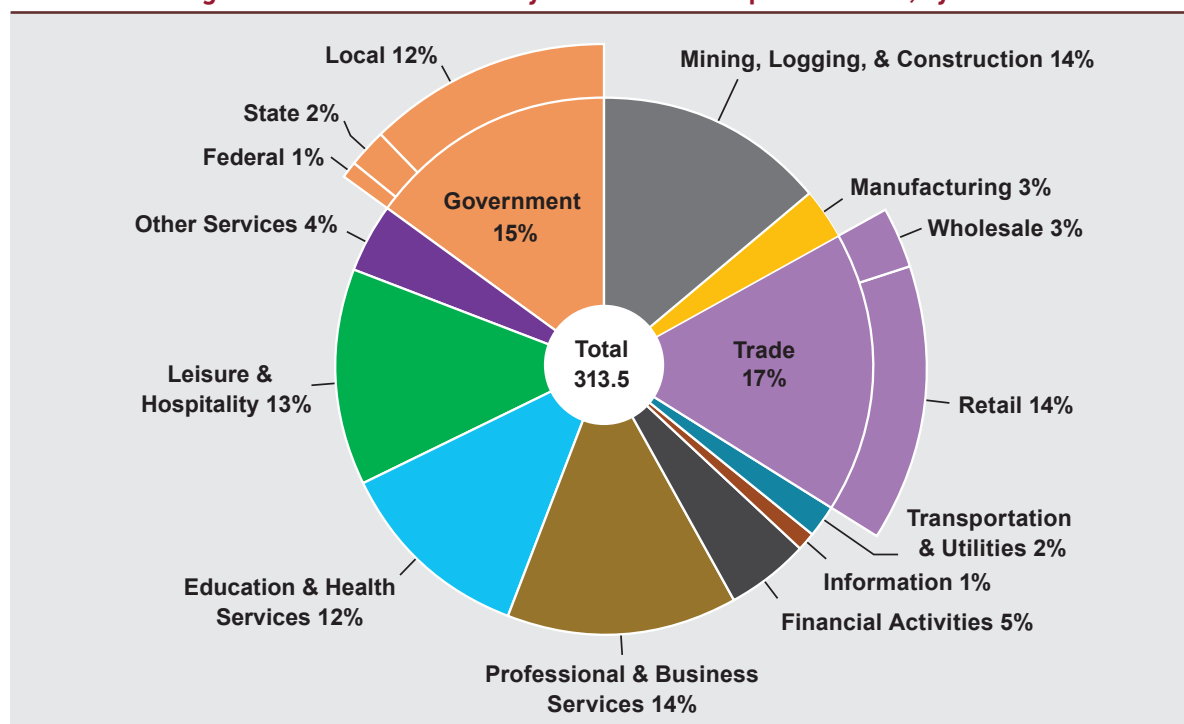
Largest Sector: Wholesale and Retail Trade

The strong impact of the tourism industry in the Cape Coral HMA has contributed to significant employment in the retail trade subsector, which accounts for 14 percent of nonfarm payrolls. By comparison, the retail trade subsector accounts for 10 percent of nonfarm payrolls nationally.

Primary Local Economic Factors

The economy of the Cape Coral HMA is heavily dependent on tourism and on spending by retirees who move to the area, supporting jobs in the leisure and hospitality sector and the retail trade subsector, which account for a combined 27 percent of nonfarm payrolls in the HMA (Figure 1). With numerous white-sand beaches and barrier islands along the Florida Gulf Coast, the HMA attracts a high number of visitors annually, particularly during the winter months. In 2024, approximately 3.20 million people visited the HMA, up from 2.98 million visitors in 2023 (Visit Fort Myers, 2023 and 2024 Visitor Tracking, Occupancy & Economic Impact Study). Tourist activities in the HMA include shopping, and with numerous retail destinations—including Bell Tower Shops and Gulf Coast Town Center in the city of Fort Myers and Miromar Outlets and Coconut Point Mall in the village of Estero—job growth in the

Figure 1. Share of Nonfarm Payroll Jobs in the Cape Coral HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through April 2025. Source: U.S. Bureau of Labor Statistics

wholesale and retail trade sector has been partly supported by visitor spending. During 2024, the tourism industry in the HMA generated an estimated \$3.11 billion in visitor spending and supported 42,150 local jobs. By comparison, in 2023, visitor spending totaled \$2.89 billion, supporting 48,200 jobs in the HMA.

The large presence and continued influx of retirees have had a notable impact on the HMA economy, particularly in the education and health services and the mining, logging, and construction sectors, which account for a combined 26 percent of nonfarm payrolls. The year-round warm climate has contributed to the net in-migration of retirees, particularly from areas with colder winter climates. As a result, the share of retirees in the HMA has increased notably since the early 2010s, contributing to a higher median age. The growing share of older residents in the area has led to increased demand for health care. The largest

employer in the HMA is Lee Memorial Health System (hereafter, Lee Health), with 14,000 employees (Table 1).

In 2024, Lee Health contributed \$4.9 billion to the HMA economy (2024 Economic Impacts and Contributions of Lee Health). Strong population growth due to net in-migration, particularly from retirees moving to the HMA, has created demand for new housing and contributed to swift job growth in the mining, logging, and construction sector, the fastest growing nonfarm payroll sector since 2021, with a total increase of nearly 31 percent (Figure 2).

Current Conditions— Nonfarm Payrolls

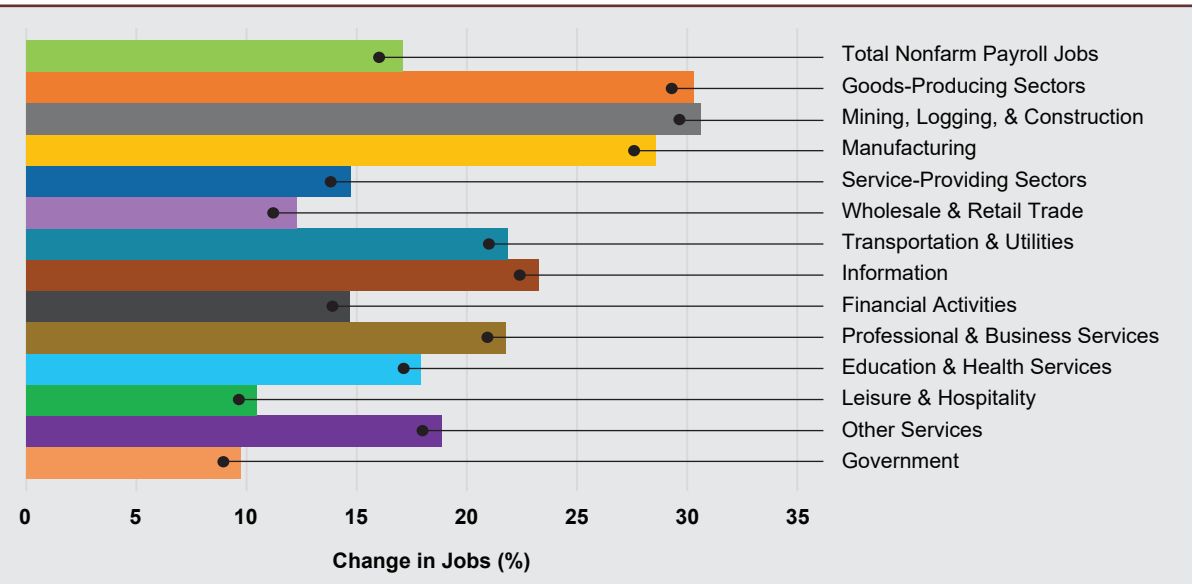
Job growth in the Cape Coral HMA has slowed during the past year, similar to national trends. During the 12 months ending April 2025, nonfarm payrolls averaged 313,500 jobs, representing an increase of 2,800 jobs, or 0.9 percent, from the 12 months ending April 2024 (Table 2), when payrolls rose by 10,800 jobs, or 3.6 percent, from a year earlier. Nationally, payrolls increased 1.3 percent during the past 12 months, compared with a 1.8-percent increase during the 12 months ending April 2024. Six of the 11 nonfarm payroll sectors in the HMA added jobs during the past 12 months. The education and health services sector had the largest year-over-year job gain, increasing by 1,200 jobs, or 3.4 percent,

Table 1. Major Employers in the Cape Coral HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Lee Memorial Health System	Education & Health Services	14,000
Lee County Local Government	Government	9,553
Publix Super Markets, Inc.	Wholesale & Retail Trade	5,726
Chico's FAS, Inc.	Wholesale & Retail Trade	3,938
Herc Holdings Inc.	Financial Activities	2,400
Amazon.com, Inc.	Wholesale & Retail Trade	2,200
Gartner, Inc.	Professional & Business Services	2,100
Florida Gulf Coast University	Government	1,778
Shell Point Retirement Community	Education & Health Services	1,546
Walmart Inc.	Wholesale & Retail Trade	887

Note: Excludes local school districts.
Sources: Lee County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ending September 30, 2024; Cape Coral, Florida Office of Economic and Business Development

Figure 2. Sector Growth in the Cape Coral HMA, 2021 to Current



Note: Current data are based on the 12-month averages ending April 2025.
Source: U.S. Bureau of Labor Statistics

compared with the 12 months ending April 2024, when jobs in the sector rose 3.6 percent from the previous 12 months. The second phase of the Lee Health Outpatient Center at Surfside in Cape Coral, which added orthopedic, rheumatology, and rehabilitation services, was completed during the spring of 2024, contributing to job growth in the sector.

Notable job growth during the past 12 months also occurred in the government and the mining, logging, and construction sectors. The government sector increased by 1,100 jobs, or 2.4 percent, during the 12 months ending April 2025, slowing from a 3.5-percent increase during the previous 12-month period. The local government subsector accounted for 82 percent of total government sector job additions during the past 12 months, increasing by 900 jobs, or 2.4 percent, compared with a 3.6-percent increase a year earlier. The mining, logging, and construction sector rose by 800 jobs, or 1.9 percent, during the 12 months ending April 2025, decelerating from a 10.2-percent increase during the previous 12 months. Elevated residential construction and large-scale commercial developments contributed to strong sector growth. As of the first quarter of 2025, 1.70 million square feet of industrial space and 455,000 square feet of retail space were under construction in the HMA, up from 1.10

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

	12 Months Ending April 2024	12 Months Ending April 2025	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	310.7	313.5	2.8	0.9
Goods-Producing Sectors	50.3	51.2	0.9	1.8
Mining, Logging, & Construction	42.1	42.9	0.8	1.9
Manufacturing	8.2	8.4	0.2	2.4
Service-Providing Sectors	260.4	262.3	1.9	0.7
Wholesale & Retail Trade	53.1	53.3	0.2	0.4
Transportation & Utilities	7.4	7.4	0.0	0.0
Information	3.6	3.6	0.0	0.0
Financial Activities	15.7	15.6	-0.1	-0.6
Professional & Business Services	44.9	44.8	-0.1	-0.2
Education & Health Services	34.9	36.1	1.2	3.4
Leisure & Hospitality	42.0	41.1	-0.9	-2.1
Other Services	12.4	12.7	0.3	2.4
Government	46.5	47.6	1.1	2.4

Notes: Based on 12-month averages through April 2024 and April 2025. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

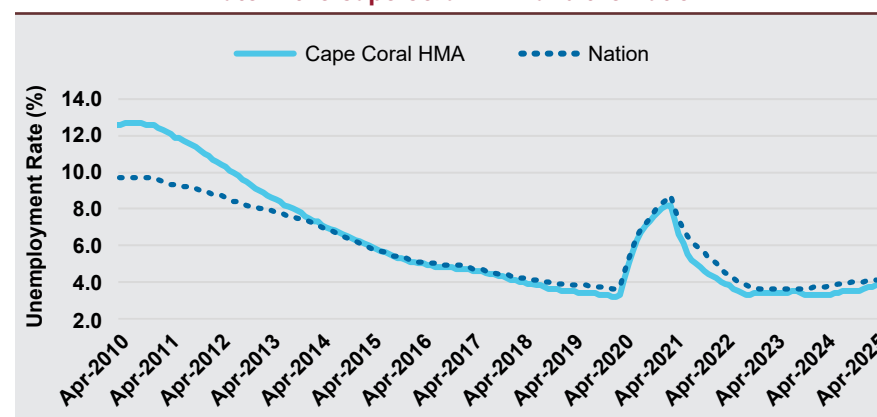
million and 220,000 square feet of space, respectively, as of the first quarter of 2024 (CoStar Group). The construction during the past 12 months of the MarineMax Fort Myers yacht sales and service center, at more than 30,000 square feet, contributed to job growth in the mining, logging, and construction sector.

During the past 12 months, the leisure and hospitality sector lost the greatest number of jobs, declining by 900 jobs, or 2.1 percent, and reversing a 1.0-percent increase during the 12 months ending April 2024. A recent decline in tourism contributed to job losses in the sector. The number of visitors to the HMA declined as of the first quarter of 2025 to 782,000 visitors, down 6 percent year over year from the 828,300 visitors during the first quarter of 2024 (Visit Fort Myers, January–March 2025 Visitor Tracking, Occupancy & Economic Impact Study). Tourism to the HMA fell partly because of the damage from Hurricanes Helene and Milton, which made landfall north of the HMA in September and October 2024, respectively. Although the impact was not as severe as the damage from Hurricane Ian in September 2022, the HMA is still recovering from the disruptions and other effects of the hurricanes.

Current Conditions—Unemployment

The unemployment rate in the Cape Coral HMA has been less than or equal to the national average since 2015. The unemployment rate in the HMA averaged 3.8 percent during the 12 months ending April 2025, up from 3.3 percent during the 12 months ending April 2024 (Figure 3), reflecting a resident employment decline of 0.1 percent and labor force growth of 0.3 percent. The average unemployment rate in the HMA during the 12 months ending April 2025 was below the national rate of 4.1 percent, up from 3.7 percent a year earlier. Despite the increase during the past year, the unemployment rate in the HMA is well below the recent peak of 8.2 percent during the 12 months ending March 2021, when the national unemployment rate peaked at 8.7 percent. Before the COVID-19 pandemic, the average unemployment rate in the HMA had generally declined from 2011 through 2019, similar to the nationwide trend.

Figure 3. 12-Month Average Unemployment Rate in the Cape Coral HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

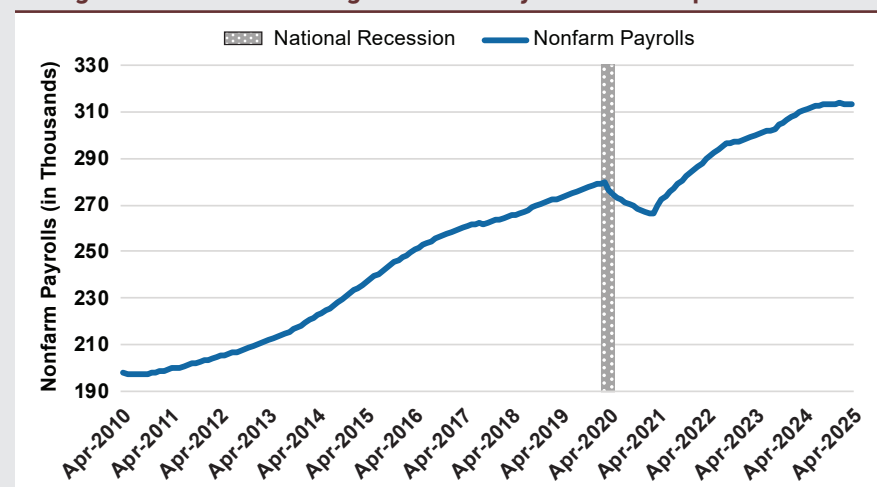
Economic Periods of Significance

2011 Through 2019

The local economy began to improve in 2011, following 4 years of job losses because of the national recession, and job growth in the Cape Coral HMA continued through 2019. The HMA recovered the number of jobs lost because of the downturn by 2015, compared with 2014 nationally.

From 2011 through 2013, nonfarm payrolls increased by an average of 6,800 jobs, or 3.3 percent, annually (Figure 4). This increase was faster than the nonfarm payroll growth nationwide of 1.5 percent annually during the same period. Payroll growth occurred in all 11 nonfarm sectors in the HMA but was greatest in the leisure and hospitality, the wholesale and retail trade, and the professional and business services sectors. Payrolls in these sectors rose by respective averages of 1,800, 1,500, and 1,200 jobs, or 5.9, 3.9, and 4.9 percent, a year and accounted for a combined 66 percent of net job gains.

Figure 4. 12-Month Average Nonfarm Payrolls in the Cape Coral HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

The pace of job additions in the HMA accelerated from 2014 through 2016, with payrolls increasing by an average of 13,000 jobs, or 5.6 percent, a year, compared with average annual nationwide growth of 1.9 percent. The mining, logging, and construction sector led job growth in the HMA, accounting for nearly one-fourth of the total gain, adding an average of 2,900 jobs, or 14.5 percent, a year. The increasing levels of residential construction when housing demand recovered supported the strong job gains in the sector. The information sector was the only sector to decline during the period, down by an average of 100 jobs, or 2.2 percent, annually.

From 2017 through 2019, job growth in the HMA moderated to an average annual increase of 7,000 jobs, or 2.6 percent, which was nevertheless faster than the nationwide 1.5-percent annual growth rate. Job gains continued to be largest in the mining, logging, and construction sector, which accounted for 31 percent of job gains in the HMA, but slowed to an average increase of 2,200 jobs, or 7.7 percent, annually. Notable job growth also occurred in the education and health services, the professional and business services, and the leisure and hospitality sectors, which increased by 1,000 jobs each, or 3.4, 2.9, and 2.3 percent, respectively, a year. Job growth in the mining, logging, and construction sector was supported by an \$80 million air traffic control tower addition at Southwest Florida International Airport, which broke ground in August 2019, creating 135 construction jobs; a \$13.3 million expansion of the emergency department at Gulf Coast Medical Center, which broke ground in 2017; and the construction of SpringHill Suites Fort Myers Estero in the village of Estero, which broke ground in 2018 and was completed in 2019, subsequently adding jobs in the leisure and hospitality sector. The completion of the \$250 million Golisano Children's Hospital of Southwest Florida in the city of Fort Myers in 2017 and the opening of Lee Health Coconut Point in the village of Estero in 2018 supported job additions in the education and health services sector.

2020

The economy in the HMA contracted in 2020 because of countermeasures taken to slow the spread of COVID-19, but losses were less severe than nationwide job declines. On an annual basis, nonfarm payrolls in the HMA fell by 10,500 jobs, or 3.8 percent, in 2020 compared with a 5.8-percent decline nationally. Eight of the 11 sectors in the HMA lost jobs. The largest share was in the leisure and hospitality sector, which fell by 6,400 jobs, or 14.7 percent, from a year earlier and accounted for 61 percent of job losses. Payrolls in the transportation and utilities; the mining, logging, and construction; and the information sectors, however, increased by 300, 200, and 100 jobs, or 5.2, 0.6, and 3.6 percent, respectively, during 2020.

2021 Through 2023

The HMA recovered the number of jobs lost during 2020 by the end of 2021, earlier than the national recovery in 2022. Nonfarm payroll growth in the HMA in 2021 was strong, with payrolls increasing by 16,100 jobs, or 6.0 percent, from a year earlier, compared with 2.9 percent growth nationwide. All nonfarm sectors in the HMA added jobs during 2021, with the most significant gains in the leisure and hospitality, the professional and business services, and the wholesale and retail trade sectors, which rose by respective averages of 4,100, 3,700, and 2,300 jobs, or 11.0, 10.1 and 4.8 percent, annually and accounted for a combined 63 percent of the job growth in the HMA. Two hotels opened in the city of Fort Myers and one in the city of Cape Coral during 2021, and the average hotel occupancy rate in the HMA increased to 68.4 percent from the average rate of 49.4 percent during 2020 (CoStar Group).

During 2022 and 2023, the economic expansion continued, and nonfarm payrolls in the HMA rose by an average of 11,400 jobs, or 3.9 percent, a year, compared with 3.2-percent growth nationally. Job growth slowed from the

strong gains in 2021, partly because of the effects of Hurricane Ian, which made landfall on the barrier island of Cayo Costa in September 2022. The hurricane destroyed more than 5,000 homes in the HMA, and approximately 30,000 homes sustained severe damage. Sanibel Island and the town of Fort Myers Beach on Estero Island had the most damage, with almost all residential and commercial structures in Fort Myers Beach sustaining damage. Captiva and Pine Islands and the cities of Cape Coral, Fort Myers, and Bonita Springs also had significant hurricane damage. The tourism industry was seriously affected. In 2021, the HMA had 4.69 million visitors, and this number declined to 2.98 million visitors in 2023 (Visit Fort Myers, 2021 and 2023 Visitor Tracking, Occupancy & Economic Impact Study). During 2022 and 2023, the leisure and hospitality sector was the only sector to decline, falling by an average of 100 jobs, or 0.2 percent, annually. The mining, logging, and construction sector led job gains, increasing by an average of 3,300 jobs, or 9.0 percent, each year. Reconstruction efforts following the hurricane supported strong job growth in the sector.

Forecast

During the 3-year forecast period, nonfarm payroll growth in the Cape Coral HMA is expected to average 2.1 percent annually, slower than the average annual rate before the pandemic but faster than the growth during the past 12 months, following recovery from the recent hurricanes. Gains are expected to be widespread across most sectors of the economy. Lee Health is expected to create approximately 6,525 new jobs in the HMA after the \$1.5 billion expansion is complete in 2028. In November 2024, Amazon.com, Inc. purchased 143 acres of land in the city of Fort Myers with plans to build a 750,000-square-foot distribution and warehouse facility. The warehouse is expected to add at least 1,000 full- and part-time jobs when complete in 2027. Arthrex, Inc., a medical device manufacturer, has plans to build a 1-million-square-foot logistics facility as part of the Skyplex project, a new industrial park near Southwest Florida International Airport. Arthrex anticipates that the new facility will open in 2028 and create 2,000 jobs. In addition, a \$1.1 billion expansion at Southwest Florida International Airport will add a new terminal with 14 gates to accommodate 10,000 to 15,000 additional passengers daily. Upon completion in 2027, the expansion is expected to create 1,000 jobs across multiple sectors, including the wholesale and retail trade, the transportation and utilities, and the leisure and hospitality sectors.



Population and Households

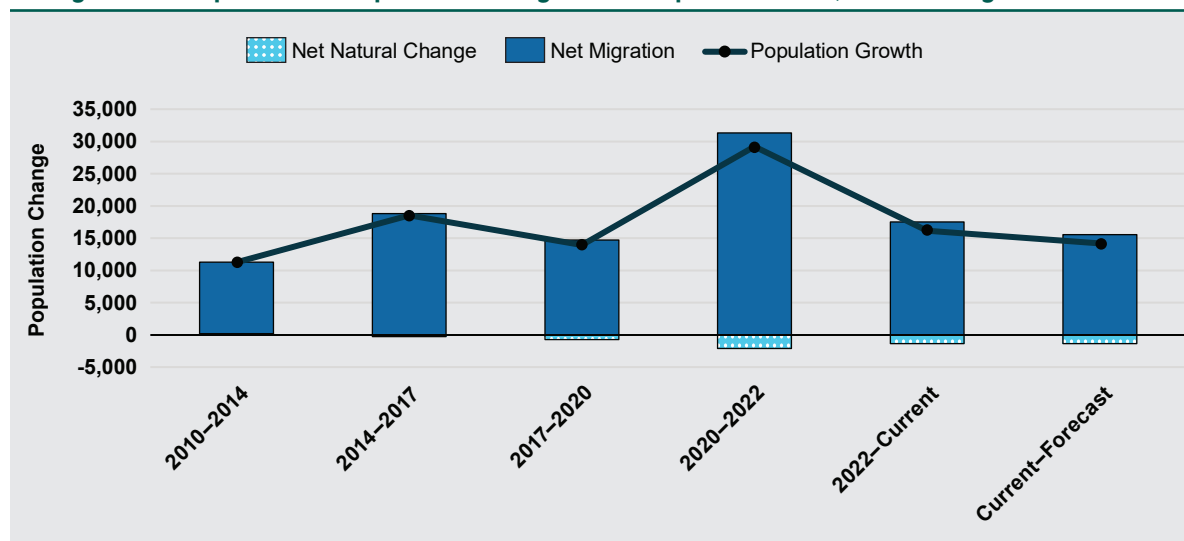
Current Population: 872,400

Population growth in the Cape Coral HMA since 2014 has been entirely due to net in-migration.

Population Trends

Migration trends and population growth in the Cape Coral HMA are partly influenced by national economic conditions. Population growth in the HMA was subdued from 2010 to 2014, a period of economic recovery following the national recession, and averaged 11,300 people, or 1.8 percent, annually (U.S. Census Bureau decennial census counts and population estimates as of July 1; Figure 5). Net in-migration averaged 11,100 people a year, accounting for 98 percent of the population growth during the period, whereas net natural increase averaged nearly 200 people annually. Population growth subsequently accelerated to an average of 18,550 people, or 2.7 percent, annually from 2014 to 2017. The faster pace of population growth was partly because of stronger economic growth from 2014 through 2016 and because many of the Baby Boomer cohort were reaching retirement age and migrating. Higher levels of net in-migration, averaging 18,800 people a year, accounted for all of the population growth because net natural decline averaged

Figure 5. Components of Population Change in the Cape Coral HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (May 1, 2025) to May 1, 2028.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

approximately 250 people annually. Retirees moving into the HMA accounted for a large share of the net in-migration, and the large number of retirees contributed to the net natural decline during the period. From July 2017 to April 2020, population growth slowed to an average of 14,000 people, or 1.9 percent, annually, because of lower levels of net in-migration combined with higher levels of net natural decline. Decelerating economic growth from 2017 through 2019 partly contributed to lower levels of net in-migration from July 2017 to April 2020, which averaged 14,750 people a year and accounted for all the population growth. Net natural decline averaged approximately 750 people a year.

From April 2020 to 2022, population growth accelerated to an average of 29,200, or 3.8 percent, annually because of a surge in net in-migration. The Cape Coral HMA was the sixth fastest growing MSA in the nation during this period (U.S. Census Bureau decennial census count and population estimates as of July 1). During the COVID-19 pandemic, the increased availability of remote work enabled workers to move to areas with lower housing costs, including the Cape Coral HMA. Net in-migration continued to account for all the population gain, surging to an average of 31,300 people a year, partially offset by net natural decline, which

accelerated to an average of 2,100 people a year, partly due to excess deaths related to COVID-19. Population growth in the HMA has slowed since 2022, partially because of the return-to-office mandates and the damage caused by several hurricanes, which reduced net in-migration. The population in the HMA has increased by an average of 16,150, or 1.9 percent, annually since 2022, with net in-migration averaging 17,500 people a year, partly offset by net natural decline of 1,350 people a year. As of May 1, 2025, the population of the HMA is estimated at 872,400, compared with 760,822 in April 2020 (Table 3).

Migration Trends

Net in-migration to the Cape Coral HMA consists mostly of retirees, especially from areas in the Northeastern and Midwestern United States, which typically have cold winters. From 2016 through 2020, the metropolitan areas outside of Florida that were the largest sources of net in-migration to the HMA were the New York-Newark-Jersey City, NY-NJ-PA MSA (hereafter, New York MSA) and the Chicago-Naperville-Elgin, IL-IN-WI MSA (hereafter, Chicago MSA) (Table 4). These two metropolitan areas accounted for 12 percent of total net in-migration to the HMA from 2016 through 2020. Relatively affordable housing in the HMA contributed to the strong net in-migration from the New York MSA, where the average home price was 88 percent higher than in the HMA in 2020 (Redfin, a national real estate brokerage).

Table 3. Cape Coral HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast
	Population	760,822	872,400
	Average Annual Change	14,200	21,950
	Percentage Change	2.1	2.7
Household Quick Facts	2020	Current	Forecast
	Households	318,303	365,600
	Average Annual Change	5,850	9,300
	Percentage Change	2.1	2.8

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (May 1, 2025) to May 1, 2028.

Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Table 4. Metro-to-Metro Migration Flows in the Cape Coral HMA: 2016–2020

Into the HMA	
Miami-Fort Lauderdale-Pompano Beach, FL	3,950
New York-Newark-Jersey City, NY-NJ-PA	3,125
Naples-Marco Island, FL	2,500
Tampa-St. Petersburg-Clearwater, FL	2,250
Chicago-Naperville-Elgin, IL-IN-WI	1,600
Out of the HMA	
Tallahassee, FL	2,825
Miami-Fort Lauderdale-Pompano Beach, FL	2,350
Naples-Marco Island, FL	2,175
Tampa-St. Petersburg-Clearwater, FL	1,850
Orlando-Kissimmee-Sanford, FL	1,325
Net Migration	
New York-Newark-Jersey City, NY-NJ-PA	2,525
Miami-Fort Lauderdale-Pompano Beach, FL	1,625
Chicago-Naperville-Elgin, IL-IN-WI	940
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	910
Columbus, OH	640

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-Year Data

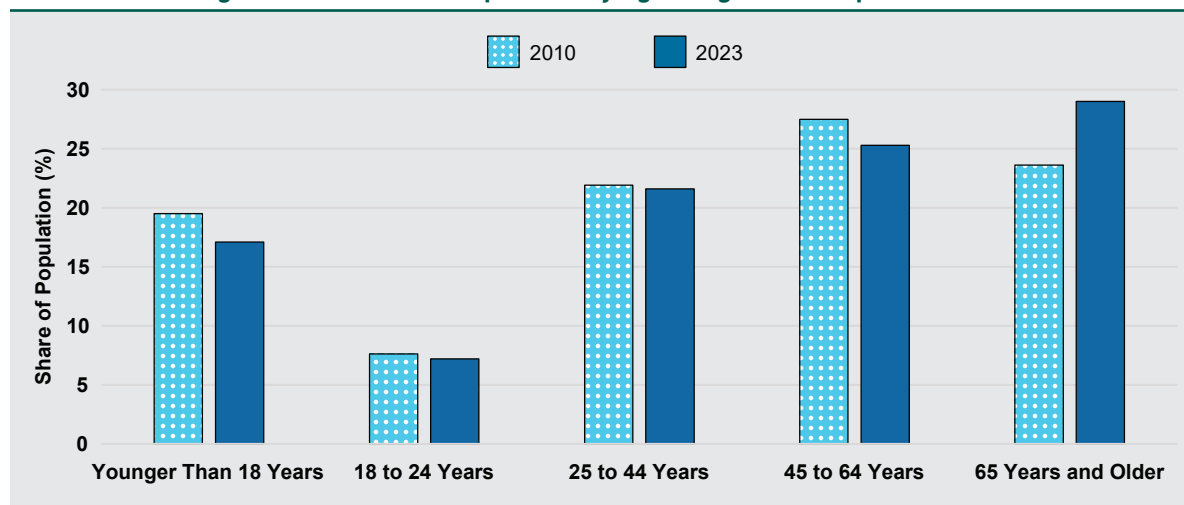
The average home price in the Chicago MSA in 2020, however, was 4 percent lower compared with the HMA.

Age Cohort Trends

An increasing share of relatively older residents, those 65 years and older, has contributed to low levels of net natural increase in the HMA during the early 2010s and net natural decline since the mid-2010s. Due to significant in-migration of retirees and residents aging in place, the cohort of residents aged 65 and older is the largest in the HMA and was the only cohort to increase from 2010 to 2023 (Figure 6). As a result, the population in the HMA is, on average, older than the average age for the nation. In 2023, 29 percent of the population in the HMA was aged 65 and older, up from 24 percent in 2010 (2010 and 2023 American Community Survey [ACS] 1-year data). By comparison, nationwide, the 65-and-older cohort represented 18 percent of the total population in 2023, up from 13 percent in 2010. The median age in the HMA was 49.1 in 2023, up from 45.7 in 2010. By comparison, the median age in 2023 was 42.8 for all of Florida and 39.2 for the nation.

The second largest age cohort in the HMA—residents aged 45 to 64—declined to 25 percent of the population in 2023 from 28 percent in 2010. The age cohort with the smallest share of the population—residents aged 18 to 24—fell

Figure 6. Share of the Population by Age Range in the Cape Coral HMA



Source: 2010 and 2023 American Community Survey 1-Year Data

from 8 percent in 2010 to 7 percent in 2023. Meanwhile, the share of the population younger than 18 years declined to 17 percent in 2023 from 20 percent in 2010, while the cohort of residents aged 25 to 44 remained steady at 22 percent during the same period.

Household Trends

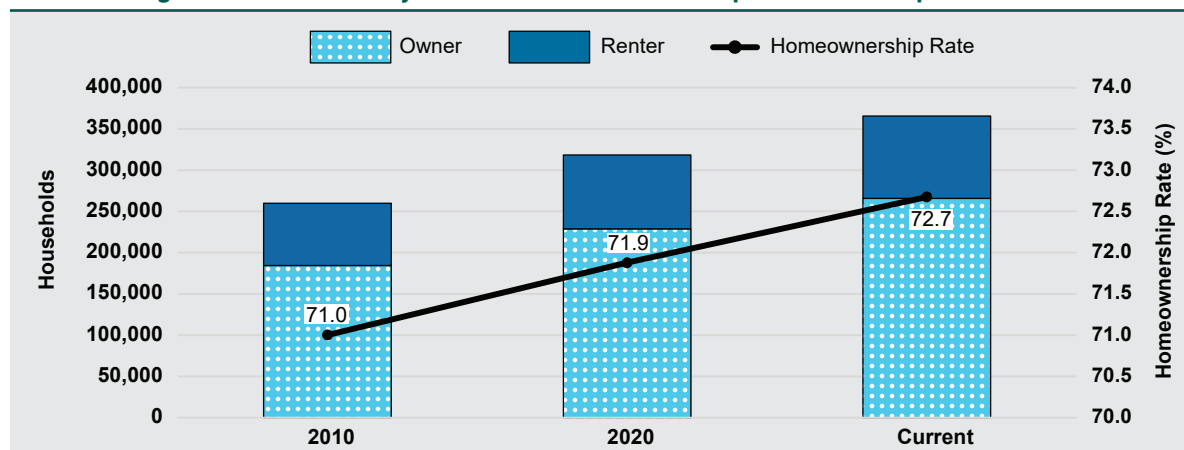
An estimated 365,600 households reside in the HMA as of May 1, 2025. Since 2020, the number of households has increased by an average of 9,300, or 2.8 percent, annually. The number of households in the HMA grew slightly faster than the population due in part to an increasing number of one-person households and fewer households with children younger than 18, contributing to a smaller average household size. From 2010 to 2020, the number of households increased by an average of 5,850 households, or 2.1 percent, annually, equal to the population growth rate during the same period.

Students account for less than 1 percent of all households in the HMA. Approximately 16,650 students were enrolled at Florida Gulf Coast University as of the fall of 2024, up nearly 3 percent from a year earlier. Approximately one-third of students live on campus, and the rest live in surrounding areas, both

within and outside the HMA, mostly as renters. The on-campus housing includes approximately 4,750 beds, primarily occupied by first-year students. Residents in dormitories are included in the group quarters population and are not counted in the household population.

An estimated 72.7 percent of households are homeowners, up from 71.9 percent in 2020 and 71.0 percent in 2010 (Figure 7). The homeownership rate in the HMA is relatively high, partly because of the large proportion of retirees. Those retirees who are able to relocate to the HMA tend to have the financial means to afford to buy a home, often with the net proceeds from a previous home sale. As of the current date, 265,700 owner households and 99,900 renter households reside in the HMA. Partly because of the influx of retirees, owner household growth has exceeded renter household growth in the HMA. The number of owner households has increased by an average of 2.4 percent each year since 2010, compared with renter household growth averaging 1.9 percent annually.

Figure 7. Households by Tenure and Homeownership Rate in the Cape Coral HMA



Note: The current date is May 1, 2025.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Forecast

The population of the Cape Coral HMA is expected to increase during the 3-year forecast period by an average of 14,250, or 1.6 percent, annually to an estimated 915,100 by May 1, 2028. Net in-migration is expected to moderate slightly from the recent trend. Household growth is anticipated to continue slightly outpacing population growth and is expected to average 6,225, or 1.7 percent, annually, reaching 384,300 households in the HMA by the end of the forecast period. Owner and renter household growth are expected to slow during the next 3 years, but owner household growth is anticipated to slow more than renter household growth due to increasing costs of homeownership.

Home Sales Market

Market Conditions: Soft

After increasing for at least 11 years, the average home sales price in the Cape Coral HMA declined during the 12 months ending April 2025.

Current Conditions

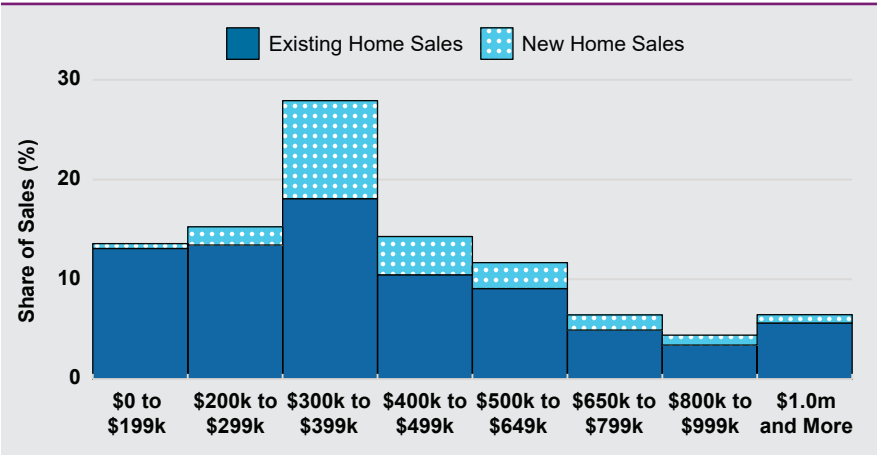
The home sales market in the Cape Coral HMA is soft, with an estimated vacancy rate of 3.5 percent (Table 5), up from 2.5 percent in April 2020, when conditions were balanced. Slowing net in-migration since 2022 caused home sales demand to moderate and contributed to an increase in the supply of for-sale housing. Despite the slowdown, housing production remained elevated. In April 2025, the inventory of homes for sale represented a 9.6-month supply, up from 6.8 months in April 2024 and significantly higher than the 4.6-month supply in April 2020 (Redfin, a national real estate brokerage, with adjustments by the analyst). High mortgage interest rates and escalating homeowner insurance premiums because of the recurrence of hurricanes in the HMA have also contributed to declining home sales demand during the past 3 years. The rate for a 30-year, fixed-rate mortgage averaged 6.7 percent in April 2025, down slightly from 7.0 percent in April 2024 (Freddie Mac). The median annual home insurance premium in the HMA rose from \$1,886 in 2020 to \$3,249 in 2023, or by 72 percent (National Bureau of Economic Research estimates). During the 12 months ending April 2025, total home sales declined 9 percent to 20,500 homes sold compared with a year earlier, when sales declined 7 percent from the 12 months ending April 2023 (Redfin, a national real estate brokerage). Home prices also declined during the past year. The average home sales price fell 3 percent to \$504,400 during the 12 months ending April 2025, compared with an increase of 3 percent during the previous 12-month period. During the 12 months ending April 2025, 28 percent of total homes—the greatest share of new and existing homes sold in the HMA—sold at prices ranging from \$300,000 to \$399,000 (Figure 8).

Table 5. Home Sales Quick Facts in the Cape Coral HMA

Home Sales Quick Facts	Cape Coral HMA		Nation
	Vacancy Rate	3.5%	NA
	Months of Inventory	9.6	3.8
	Total Home Sales	20,500	8,082,000
	1-Year Change	-9%	-1%
	Single-Family Home/ Townhome Sales Price	\$525,900	\$505,200
	1-Year Change	-3%	6%
	Condominium Sales Price	\$415,900	\$483,300
	1-Year Change	-8%	3%
	Mortgage Delinquency Rate	1.3%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending April 2025; and months of inventory and mortgage delinquency data are as of April 2025. The current date is May 1, 2025.
Sources: Vacancy rate—estimates by the analyst; home sales and prices and months of inventory—Redfin, a national real estate brokerage, with estimates by the analyst; mortgage delinquency rates—Cotality

Figure 8. Share of Overall Home Sales by Price Range During the 12 Months Ending April 2025 in the Cape Coral HMA



Notes: New and existing sales include single-family homes, townhomes, and condominium units. Existing sales include regular resales and real estate owned sales.
Source: Zonda

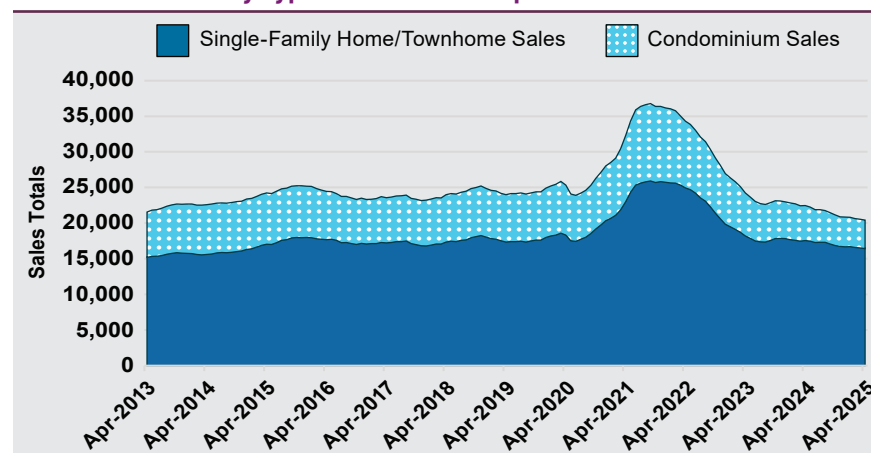


Single-Family Home and Townhome Sales and Prices

New and existing single-family home and townhome sales (hereafter, home sales) in the HMA were relatively flat from 2013 through 2019 before surging in 2020 and 2021 but have declined during the past 3 years (Figure 9). From 2013 through 2019, home sales increased by an average of 380 homes, or 2 percent, a year to 18,050 homes sold in 2019 before rising sharply during 2020 and 2021 (Redfin, a national real estate brokerage). A surge in net in-migration following the onset of the pandemic and historically low mortgage interest rates during 2020 and 2021, which averaged 3.0 percent for a 30-year, fixed-rate mortgage (Freddie Mac), led to heightened demand for homes in the HMA. Home sales increased by an average of 3,875 homes, or 20 percent, annually during 2020 and 2021, to 25,800 homes but fell sharply during 2022 and 2023, partly due to the decline in net in-migration after the destruction caused by Hurricane Ian. In addition, mortgage interest rates increased significantly beginning in 2022, and homeowner insurance premiums generally increased after the hurricane, contributing to reduced affordability and lower levels of home sales demand. Home sales fell by an average of 3,950 homes, or 17 percent, a year during 2022 and 2023 to 17,900 homes sold in 2023 (Redfin, a national real estate brokerage). During the 12 months ending April 2025, 16,500 homes were sold in the HMA, reflecting a decline of 1,125 homes, or 6 percent, from the 12 months ending April 2024.

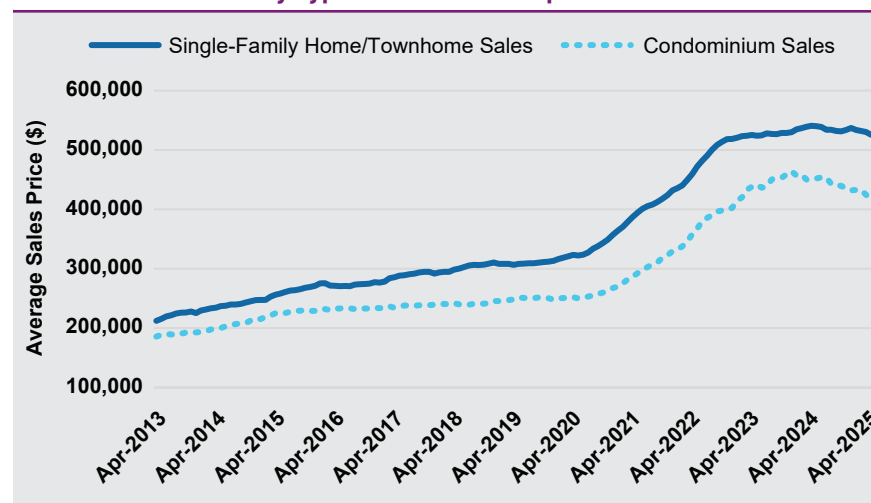
Following at least 11 years of price growth, the average sales price of new and existing single-family homes and townhomes in the HMA declined during the past year, reflecting weaker demand and soft market conditions. During the 12 months ending April 2025, the average sales price of new and existing single-family homes and townhomes fell 3 percent to \$525,900, compared with a 3-percent increase during the 12 months ending April 2024 (Figure 10). The average sales price of new and existing single-family homes and townhomes increased 7 percent annually from 2013 through 2019. From 2020 through 2022, the average sales price increased sharply, up 18 percent annually, before slowing to a 2-percent increase in 2023.

Figure 9. 12-Month Home Sales Totals by Type of Sale in the Cape Coral HMA



Source: Redfin, a national real estate brokerage

Figure 10. 12-Month Average Home Sales Price by Type of Sale in the Cape Coral HMA



Source: Redfin, a national real estate brokerage

Condominium Sales and Prices

Similar to sales of single-family homes and townhomes, condominium sales—which account for approximately 20 percent of total home sales in the Cape Coral HMA—have declined during the past 3 years but at a faster pace, partly because of rising ownership costs. During the 12 months ending April 2025, approximately 4,000 condominiums sold, down 19 percent from the 12 months ending April 2024, when sales also fell 19 percent from the previous 12-month period (Redfin, a national real estate brokerage). New building safety laws and regulations for condominium associations were enacted in Florida in 2022 and 2023, requiring structural integrity inspections and sufficient financial reserves for potential major repairs. A catalyst to these regulations was the partial collapse of the Champlain Towers South, a condominium complex in the city of Surfside, Florida, in June 2021 (hereafter, Surfside condo collapse). The new rules have significantly increased homeowners association (HOA) fees and added special assessment fees to cover the costs of inspections and repairs to meet the new standards, contributing to reduced affordability of condominiums and a substantial decline in condominium sales during 2022 and 2023. In addition, condominium insurance premiums increased significantly following the Surfside condo collapse and mortgage interest rates are higher, contributing to decreased demand for condominiums in the HMA. During 2022 and 2023, condominium sales fell an average of 30 percent each year. By comparison, during 2020 and 2021—before the Surfside condo collapse and Hurricane Ian and when net in-migration levels were higher—condominium sales increased an average of 23 percent annually. For context, from 2013 through 2019, condominium sales increased an average of 2 percent a year.

Due to decreased demand and an increase in the supply of condominiums in the HMA, the average sales price of a condominium fell sharply during the past year. In April 2025, the HMA had a 14.6-month supply of condominiums, up from 9.0 months in April 2024 (Redfin, a national real estate brokerage,

with adjustments by the analyst). During the 12 months ending April 2025, the average sales price of a condominium fell 8 percent to \$415,900 compared with a 3-percent rise a year ago. The average sales price of condominiums increased an average of 17 percent annually from 2020 through 2023, partly because the limited supply of condominiums available for sale put upward pressure on prices. The months of supply of condominiums for sale reached a December low of 0.6 months in 2021 before increasing to 2.3 months in December 2022 and 6.8 months in December 2023. From 2013 through 2019, condominium prices increased modestly, up an average of 4 percent annually.

Seriously Delinquent Mortgages and Real Estate Owned Properties

In April 2025, 1.3 percent of home loans in the HMA were seriously delinquent or had transitioned into real estate owned (REO) status, up from 0.8 percent in April 2024 and below the 22.9-percent peak in January 2010 (Cotality). By comparison, the rate for the nation was lower, at 1.0 percent as of April 2025, up slightly from 0.9 percent a year ago and down from an 8.6-percent peak in February 2010.

After generally declining from the peak in early 2010 to 0.9 percent in March 2020, the percentage of seriously delinquent mortgages and REO properties in the HMA rose to 4.5 percent in August 2020, during the early months of the COVID-19 pandemic, partly because job losses made staying current on mortgage payments more difficult for many homeowners. By comparison, the rate nationwide increased from 1.3 percent in March 2020 to 4.4 percent in August 2020.

Sales Construction Trends

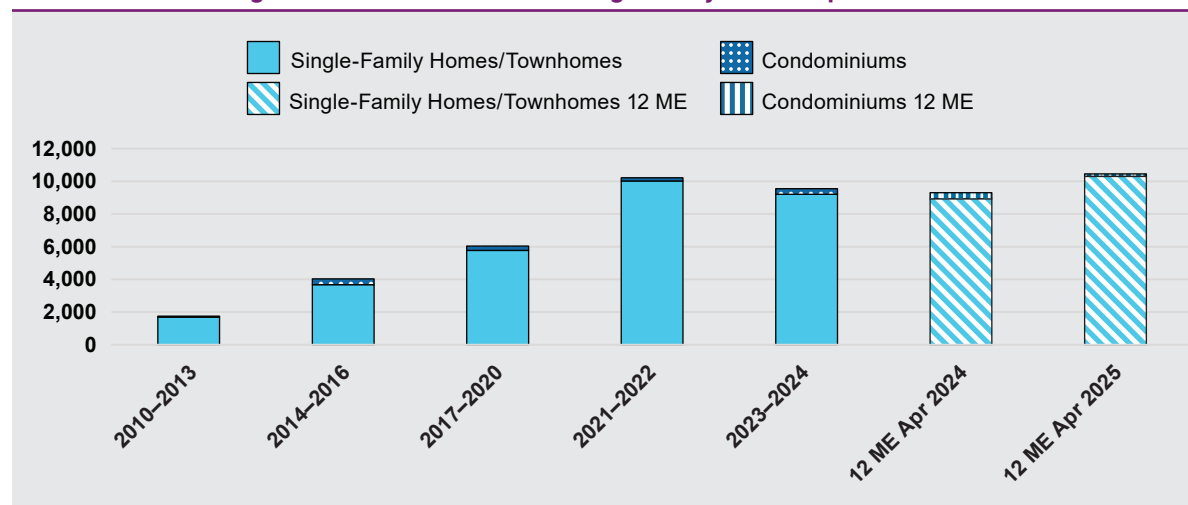
New home construction in the HMA—as measured by the number of single-family homes, townhomes, and condominiums permitted—has been elevated since 2021 (Figure 11). From 2010 through 2013—a period of economic

recovery and slow population growth—new home construction was subdued, averaging 1,750 homes annually. In response to stronger economic and population growth, permitting activity increased to an average of 4,025 homes annually from 2014 through 2016. Despite moderating economic growth from 2017 through 2019 and the subsequent contraction in 2020, an average of 6,050 homes were permitted annually from 2017 through 2020. Sales construction activity spiked in 2021 and 2022 to an average of 10,200 homes each year, mainly because of increased demand for new homes stemming from the surge in net in-migration to the HMA. Despite lower levels of net in-migration since 2022 and a growing inventory of existing homes available for sale, homebuilding activity remained high during 2023 and 2024, averaging 9,550 homes a year. During the 12 months ending April 2025, approximately 10,450 homes were permitted, up 12 percent from the 12 months ending April 2024 (preliminary data, with adjustments by the analyst). Since 2022, approximately 2 percent of all sales units permitted in the HMA have been condominiums, down from 5 percent of all sales units permitted from 2010 through 2021, before the Surfside condo collapse.

Sales Construction

New home sales construction has been primarily concentrated in unincorporated areas of the HMA and the city of Cape Coral, accounting for

Figure 11. Annual Sales Permitting Activity in the Cape Coral HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

42 and 29 percent, respectively, of all homes permitted in the HMA since 2010. Construction is underway at Del Webb Oak Creek, a gated single-family home community in North Fort Myers—an unincorporated area and census-designated place in the HMA. The community is restricted to households aged 55 or older, supporting the large and fast-growing senior population in the HMA. Construction began in 2021, and 15 homes are available for sale, with 821 homes planned at buildout. The homes in this community range from two to five bedrooms, and prices start in the low \$300,000s. Construction is also underway at Cape Coral by Terrata Homes, a single-family home community in the city of Cape Coral offering three-, four-, and five-bedroom homes ranging from 1,670 to 3,396 square feet, with prices starting at \$449,000. Ibis Landing Golf & Country Club Terrace Condominiums are underway in the unincorporated census-designated place of Lehigh Acres. The condominiums are part of a master-planned community of single-family and multifamily homes, which is expected to include miles of waterfront areas, including ponds, canals, and lakes, and a range of golf courses. The starting price for the 97 two-bedroom condominium units is \$210,999. Preconstruction condominiums are available for purchase. Two units have recently been completed and are available for sale.

Forecast

During the next 3 years, demand is expected for 12,500 new homes (Table 6). The 5,325 homes under construction in the HMA will satisfy a portion of the demand in the first and second years of the forecast. Sales housing demand is expected to continue to be primarily in the unincorporated areas of the HMA and in the city of Cape Coral.

Table 6. Demand for New Sales Units in the Cape Coral HMA During the Forecast Period

Sales Units	
Demand	12,500 Units
Under Construction	5,325 Units

Note: The forecast period is May 1, 2025, to May 1, 2028.
Source: Estimates by the analyst



Rental Market

Market Conditions: Soft

The stabilized apartment vacancy rate has increased during the past 3 years, and the average apartment rent has declined during the past 2 years.

Current Conditions and Recent Trends

The overall rental housing market in the Cape Coral HMA—including apartments, single-family homes, and other housing units available for rent—is soft. As of May 1, 2025, the overall rental vacancy rate is estimated at 16.0 percent, up from 13.0 percent in April 2020 (Table 7), when conditions were balanced, but below 17.4 percent in April 2010, when market conditions were softer. The relatively high rental vacancy rates in the HMA partly reflect a large number of seasonal, vacation, and other short-term rental properties included in the available-for-rent data. During 2023, 39 percent of renter households in the HMA lived in attached or detached single-family homes, down from 42 percent in 2010 (2010 and 2023 ACS 1-year data). In 2023, 42 percent of renter households lived in multifamily buildings with five or more units, predominantly apartments, up from 35 percent in 2010. The remaining 19 percent of renter households in 2023 resided in mobile homes or in two- to four-unit multifamily structures, down from 23 percent in 2010.

Single-Family Home Rentals

Among professionally managed, single-family rental homes in the HMA—which represent a small portion of all single-family rentals in the HMA—the vacancy rate was 3.1 percent as of April 2025, up slightly from 3.0 percent in April 2024 and 2.7 percent in April 2023 (Cotality). Average rents for single-family homes declined across homes of all bedroom counts during the past year. As of April 2025, monthly rents for one-, three-, and four-bedroom homes in the HMA declined 8, 8, and 7 percent to an average of \$1,685,

Table 7. Rental and Apartment Market Quick Facts in the Cape Coral HMA

Rental Market Quick Facts	2020 (%)		Current (%)
	Rental Vacancy Rate		13.0
			16.0
	2010 (%)		2023 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	42	39
	Multifamily (2–4 Units)	18	14
	Multifamily (5+ Units)	35	42
	Other (Including Mobile Homes)	5	5

Apartment Market Quick Facts	1Q 2025		YoY Change
	Stabilized Apartment Vacancy Rate		9.7%
	Average Rent		\$1,861
			-3%

1Q = first quarter. YoY = year-over-year.
Notes: The current date is May 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

\$2,773, and \$3,225, respectively. Monthly rents for two-bedroom homes in the HMA fell 13 percent from April 2024 to an average of \$2,319.

Apartment Market Conditions

Apartment market conditions in the HMA are soft as of the first quarter of 2025, with a 9.7-percent stabilized vacancy rate, up from 8.9 percent as of the first quarter of 2024 and 6.9 percent as of the first quarter of 2023, when the apartment market was balanced but conditions were easing (CoStar Group; Figure 12). Apartment market conditions have softened during the past 2 years, partly because rental construction activity has significantly outpaced absorption, leading to rising vacancy rates and declining rents. The absorption of approximately 2,950 units during the past 24 months has been outpaced by the 6,550 apartments completed. As of the first quarter

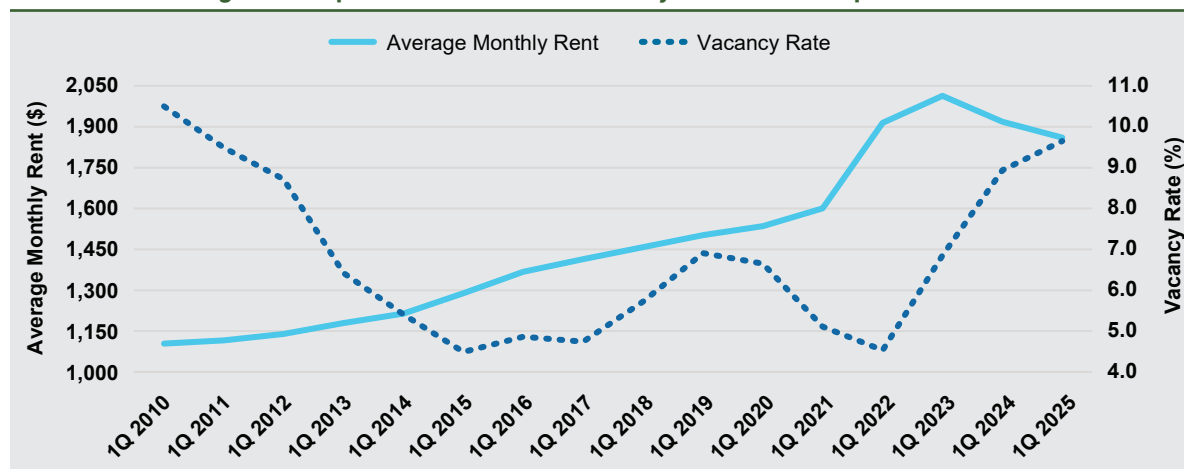


of 2025, the average apartment rent in the HMA fell 3 percent from a year earlier to \$1,861, after a 5-percent decline as of the first quarter of 2024. The decrease in the first quarter average apartment rents during the past 2 years followed 13 years of annual gains.

Low levels of rental construction activity during the early 2010s, after the national recession, allowed for the absorption of the excess supply of vacant units, contributing to declining apartment vacancy rates and improving apartment market conditions. The stabilized vacancy rate declined from 10.5 percent as of the first quarter of 2010 to 4.5 percent as of the first quarter of 2015. Due to increased demand for rental units because of higher levels of net in-migration, the stabilized vacancy rate remained below 5.0 percent through the first quarter of 2017. From the first quarter of 2018 to the first quarter of 2020, the stabilized vacancy rate increased overall, to 6.7 percent, partly because slowing net in-migration contributed to lower levels of absorption, which did not keep pace with the number of units completed. Approximately 2,625 apartment units were absorbed from 2018 through 2020, whereas approximately 4,500 units were completed.

The stabilized vacancy rate fell in 2021 and 2022, when net in-migration to the HMA surged following the onset of the COVID-19 pandemic. As of the first quarter of 2022, the stabilized apartment vacancy rate fell to 4.5 percent, and

Figure 12. Apartment Rents and Vacancy Rates in the Cape Coral HMA



1Q = first quarter.
Source: CoStar Group

rent growth surged to 20 percent year over year. For context, from the first quarter of 2010 to the first quarter of 2021, year-over-year rent growth averaged 3 percent. The impacts of Hurricane Ian, including moderating levels of net in-migration, contributed to decreased rental demand during 2023, and apartment market conditions subsequently eased. As of the first quarter of 2023, the stabilized vacancy rate increased to 6.9 percent, and growth in the average asking rent slowed to 5 percent year over year.

Apartment Market Conditions by Geography

Among the six CoStar Group-defined market areas in the HMA, apartment market conditions ranged from balanced in the Lehigh Acres market area, where the stabilized vacancy rate as of the first quarter of 2025 was 4.3 percent, to soft in the Cape Coral market area, where the stabilized vacancy rate was 13.9 percent. All six market areas had increases in the stabilized vacancy rates from a year earlier, with the largest percentage-point increase in the Central Lee County market area, where the 9.3-percent vacancy rate was up by 1.8 percentage points compared with the first quarter of 2024.

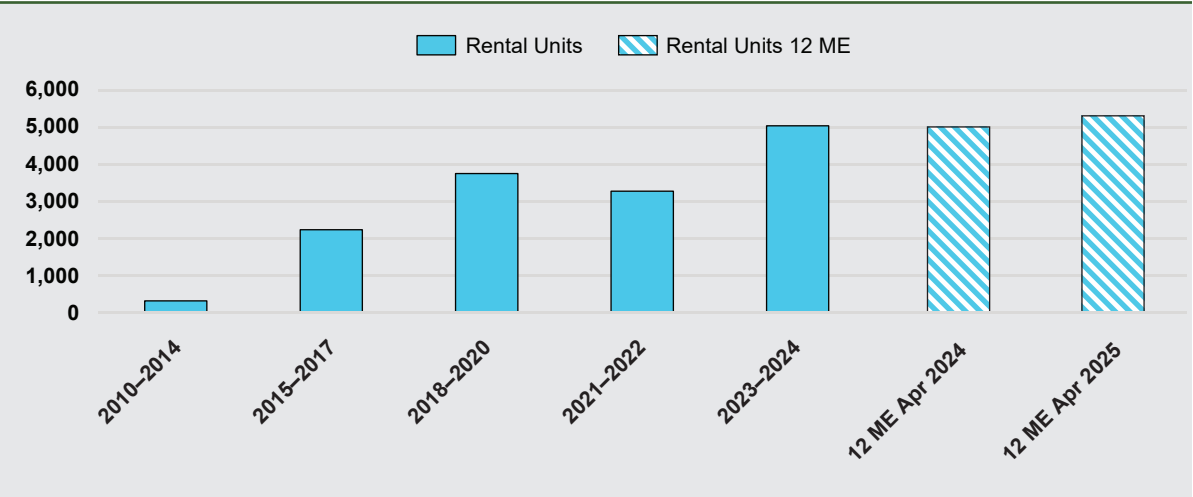
As of the first quarter of 2025, average apartment rents declined year over year in five of the six market areas, ranging from a 6-percent decrease in the Cape Coral market area to a less-than-1-percent decline

in the Southern Lee County market area, the market area with the highest apartment rents, averaging \$2,096. The lowest average rent was in the Lehigh Acres market area, with an average rent of \$842, up 2 percent from the first quarter of 2024.

Rental Construction Activity

Rental construction activity in the HMA, as measured by the number of rental units permitted, has been elevated since 2023, despite softening apartment market conditions (Figure 13). During the early 2010s, soft rental market conditions—marked by an excess supply of vacant units—and low levels of net in-migration limited demand for additional rental units, and an average of only 320 units were permitted annually from 2010 through 2014. Building activity then increased, and from 2015 through 2017 averaged 2,250 units each year, reflecting stronger rental demand stemming from an increase in net in-migration. The number of rental units permitted increased further to an average of 3,775 units a year from 2018 through 2020, despite slowing net in-migration, before permitting moderated to an average of 3,300 units annually during 2021 and 2022, partly because supply-chain disruptions temporarily slowed construction activity. Tightening apartment market conditions and a surge of net in-migration during 2021 and 2022, combined with easing supply-chain disruptions, led to elevated levels of building during the following 2 years, averaging

Figure 13. Annual Rental Permitting Activity in the Cape Coral HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

5,050 units annually in 2023 and 2024. Approximately 5,325 rental units were permitted during the 12 months ending April 2025, representing a 6-percent increase from the 12 months ending April 2024 (preliminary data, with adjustments by the analyst).

New Developments

Slightly more than one-half of the new multifamily units in the HMA have been in the cities of Fort Myers and Cape Coral. Since 2010, multifamily permitting in the city of Fort Myers has accounted for 33 percent of the HMA total, while multifamily permitting in the city of Cape Coral has accounted for 21 percent. Reva, a 255-unit apartment community in the city of Fort Myers, is in lease up. The apartment community includes one-, two-, and three-bedroom units with monthly rents starting at \$1,741, \$2,206, and \$2,856, respectively. The Cove at 47th, a 327-unit apartment community in the city of Cape Coral, is also in lease up. The property has studios, one-bedroom, and two-bedroom apartments with monthly rents starting at \$1,340, \$1,625, and \$2,205, respectively. Units in the property range from 536 square feet to 1,530 square feet.



Forecast

The current excess supply of vacant rental units is sufficient to meet the demand from forecast rental household growth during the next 3 years without overshooting a balanced market. That is, there is no net demand for new rental units (Table 8). In addition, the 8,700 units under construction are expected to add to the excess supply and contribute to continued soft market conditions. To prevent further softening, developers should not plan for additional units to enter the market during the forecast period.

Table 8. Demand for New Rental Units in the Cape Coral HMA During the Forecast Period

Rental Units	
Demand	No Units
Under Construction	8,700 Units

Note: The forecast period is May 1, 2025, to May 1, 2028.
Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Average Monthly Apartment Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Baby Boomers	People born between 1946 and 1964.
Building Permits/ Permitting/ Permitted	Building permits do not necessarily reflect all residential building activity. 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.
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.
Existing Home Sales	Includes regular resales and real estate owned (REO) sales.
Forecast Period	5/1/2025–5/1/2028—Estimates by the analyst.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

Stabilized Apartment Vacancy Rate	Data are for stabilized market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units. A property is stabilized once the occupancy rate has reached 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
B. Notes on Geography	
1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
C. Additional Notes	
1.	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.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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.
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