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October 2014

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MARKET SNAPSHOT

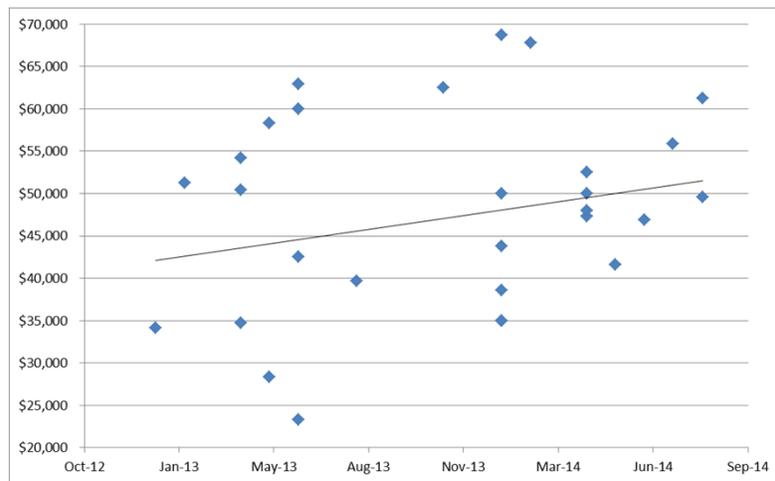
The Southwest Florida multifamily market continues to produce strong results in 2014. Rental rates resumed their climb ahead of new product projected to hit the market.

Following the Great Recession, many homeowners were forced to give up their homes. This coupled with the Echo Boomers which are not as willing or able to own a home has led to increases in rental rates and in turn the continued strong response from buyers for this sector of the market.

In the near term, the lack of available units (95.91% occupancy) will continue to spur rental increases and will create added value to the existing projects. However, as new supply hits the market, expect a settling of rental rates and values of multifamily projects.

The new projects proposed are typically focused on the luxury rental market which will primarily impact the Class A market.

MULTI-FAMILY PRICE PER UNIT



Expect the Class B/C market to be poised for continued rental growth while the Class A market will stabilize and/or potentially decline with new product.

Currently, there are several projects underway or proposed: Channelside (325 units) on McGregor and Kelly Road; Colonial Commons (350 units) proposed at Colonial Boulevard and Winkler Avenue Extension; Landings at East Pointe (126) on McGregor Boulevard; Huzinga Holdings (124 units) at Daniels Parkway and Six Mile Cypress

Parkway; Estero Oaks (280 units) at Estero Parkway and Three Oaks Parkway. Miromar Development is also in the planning phase of the University Village multi-family project near Florida Gulf Coast University.

Watch this market as potential new product and affordability issues may stall the recent increases namely in the Class A market. What will happen with the Class B/C market in light of this new product...only time will tell?



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QUICK STATS

2013 Median Price: **\$44,212**

2014 Median Price: **\$49,487**

Annual Change: **11.93%**

For more information, contact us at: info@mhsappraisal.com