



MARKET SNAPSHOT

QUICK STATS

2015 Commercial Permits
Jan - March
(New Construction) **50**

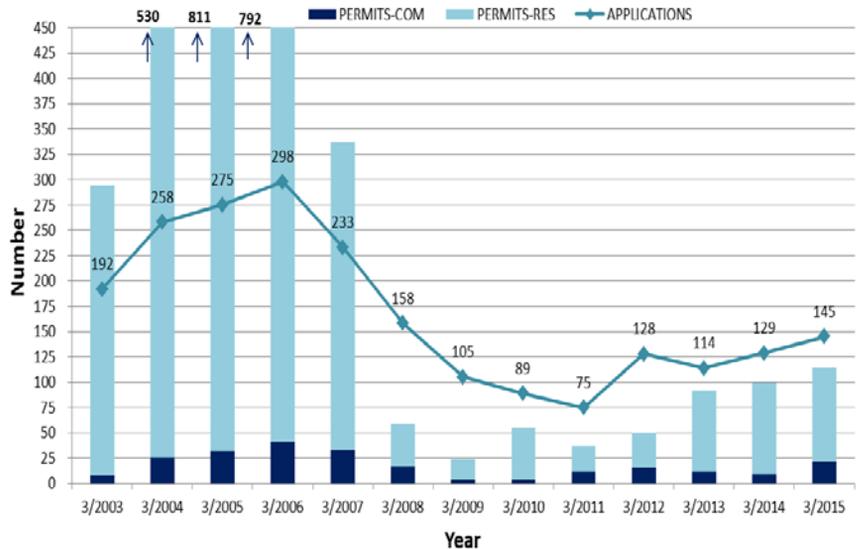
2010 Commercial Permits
Jan - March
(New Construction) **6**

Percentage change
Commercial Permits
(Jan-March 2014 to
Jan-March 2015) **+28%**

We are all feeling the positive momentum which initially began with new residential construction and now is filtering into new commercial construction. However, how fast is this market growing? Are we building too much too quick? All valid concerns for those who experienced the real estate roller coaster in the mid 2000's. In this snapshot, we examine the number of Development Review Applications and the number of new construction permits for both single family and commercial construction. We then compare with the same time period from 2003 to current.

As shown in the graph, the trends are no doubt positive. Residential activity feels like the days of 2003-2004 and maybe even approaching the frightful days of irrational behavior in 2005. In reality, we are not even close. In

Lee County Permits and Development Review Applications (March)



March of 2003, Lee County issued 8 commercial and 287 residential permits while in March of 2004 they issued 26 commercial and 530 residential permits. Moving forward to March 2015, Lee County only issued 21 commercial and 93 single family permits which pales in comparison to the pre-recession levels. Albeit, the 2015 permit levels for single family and commercial are at the highest levels since 2007. In March 2009 and March 2010, Lee County only issued a dismal 4 permits for new commercial construction in each of these months.

In addition to permits, we considered the number of Development Review applications which, as the chart shows, increased from a low of 75 in March 2011 to 145 in March 2015. The theme that we are seeing is that permits and development review applications are at their highest levels since 2008 but moving at a feasible pace keeping supply and demand in check. All in all we appear to be developing at a very healthy and sustainable pace with investors/developers moving at a rational pace after the Great Recession. As you can see, 2004-2006 new construction permit levels are literally off the chart in our illustration. Although the current pace feels a little like those days, Lee County is not even close and the development behavior, for a change in the real estate market, is rational (for now!).

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