



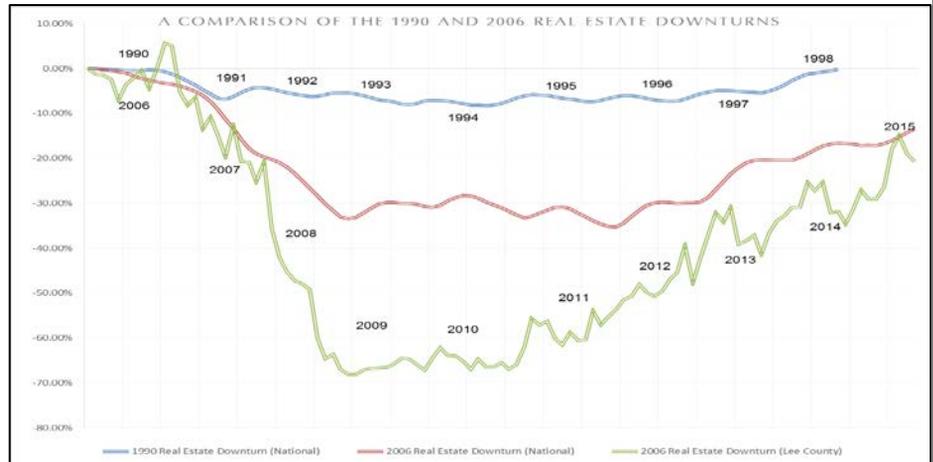
MARKET SNAPSHOT

QUICK STATS

(Lee County)

June 2005 SF Sales:	1,297
June 2015 SF Sales:	1308
June 2005 Median:	\$281,000
June 2015 Median:	\$212,250
Commercial Permits (June 2005 YTD):	214
Commercial Permits (June 2015 YTD):	94

10 Years Later: Where are we now?



It has now been approximately a decade since the beginning of the real estate downturn and great recession of the 2000's, and this seems like a good time to reflect on where we were, how it compares to prior downturns, and where we are now. The chart presented above illustrates how the 1990's real estate downturn compared to our most recent decline. The 1990's downturn is generally recognized as being caused by an oversupply of real estate product introduced in the 1980's coupled with the S&L crisis and a brief 8 month recession. This is somewhat of an oversimplification, but this shallow downturn was not accompanied by job losses and global economic upheaval to the same degree as our most recent downturn.

Once consumer confidence and economic growth returned to the market in 1991-1992, recovery in the real estate market was generally just a question of absorbing excess inventory, which took place very slowly. Conversely, the downturn of the 2000's was more of a "perfect storm"; i.e. overbuilding coupled with severe job losses, unemployment, mortgage foreclosures, credit crises, banking collapses and a laundry list of other problems of which we are all too aware. Many people considered Lee County as "ground Zero"; hit much harder than the national average, because of our dependence on the construction industry for employment as well as the severe overbuilding and foreclosure rates.

All of this begs the question "where are we now?" While there is no definitive answer, Lee County has been experiencing healthy growth rates for more than half of the last decade, and the pace of growth appears much more consistent with national averages, alleviating some fears of another bubble locally. Permitting is up, unemployment is down, and consumer confidence is at the highest rate since bottoming out in 2008. Locally, we may never forget the effects of the downturn, but 10 years on, we are continuing to grow our way out of it.

WORTHY OF NOTE:

- The decline in the local market was more than double the national decline over the same four year period.
- Recovery and growth rates on a local level have occurred at a much more measured pace, mirroring to some degree the national growth rate.
- While residential median prices have regained 80% of value losses since '05, Commercial permits are at a rate only 44% of what they were 10 years ago in 2005.



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