



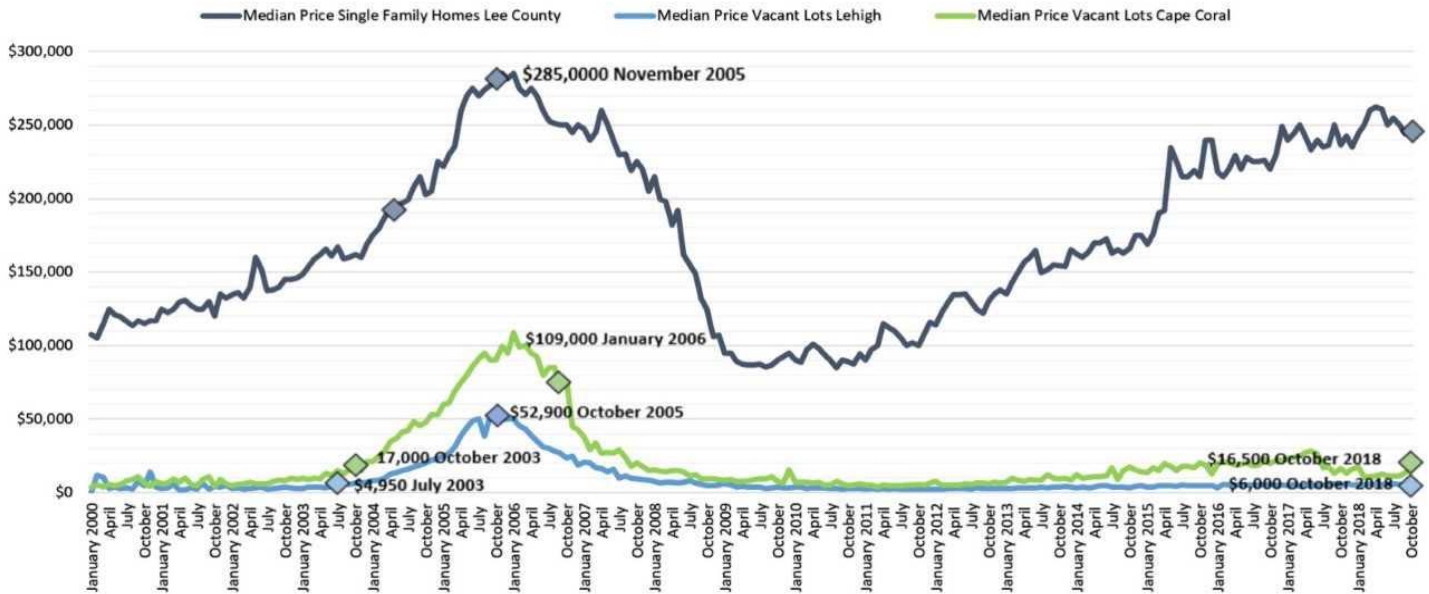
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Lee County Residential Trends

18-Year Median Price Trends



When it comes to the housing market, it is easy to run around screaming that the sky is falling at the slightest market shift, especially after the market collapse during the last decade. We've clearly experienced a bull run over the last several years. However, growing concerns over a bubble forming similar to that of the previous crash are without merit. Some have speculated that the current trends in 2018 show that a new, more lethal bubble may be forming. Like any market, the real estate market is subject to constant evolution, moving up and down depending on the current environment.

Analyzing the data shown over the last 18 years, it is increasingly evident that the current market is *not* replicating that of 2008. For a market bubble to be occurring, prices must be rapidly expanding with a period of price contraction closely following. Looking at the chart, it can be seen that we are not seeing a run up in vacant lot prices. Prior to 2008, the values of lots in Lehigh Acres and Cape Coral drastically increased without explanation. In that run, lot prices were increasing disproportionately to home values, which has not occurred over this most recent bull market run.

Furthermore, when looking at the median price for single family homes, while prices are increasing, it is not at an alarming rate. Also it is important to note that the buyers today are purchasing homes with the intention of actually residing in them, compared to the previous bull market run when investors were buying multiple properties for the speculative profit from flipping. Recent reports indicate that Fort Myers, Lehigh Acres, and Cape Coral were among the fastest growing cities in the country. With Southwest Florida rapidly expanding it brings the anticipation of a continued strong economy. Along with an expanding economy and reasonable vacant lot prices, it brings confidence there is no looming bubble to inevitably pop.



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