



CAPE CORAL  
FT MYERS FLORIDA

# PLUM LENDING MARKET SPOTLIGHT



PLUM LENDING MARKET SPOTLIGHTS ARE INTENDED TO GIVE INVESTORS AND BORROWERS A DETAILED OVERVIEW OF THE INFORMATION THAT IS ALLOWING PLUM TO BRING FINANCING CAPITAL TO GROWING MARKETS



# PLUM MARKET SPOTLIGHT - CAPE CORAL- FORT MYERS, FL

- The Cape Coral-Fort Myers MSA has a 2020 Census population of 760,822 (16th fastest growing MSA since the 2010 Census). The population continues to grow at a rapid pace due to the areas' housing affordability, low taxes, and customized incentive packages being offered to businesses.
  - Examples of incentives being offered include Industrial Development Revenue Bonds, opportunity zones, new market tax credit incentives, and revitalization incentives, to name a few.
- Fort Myers was ranked the 2nd best city to retire according to U.S. News (2020-2021).
  - Cape Coral's average single-family home price according to Redfin is \$350,000 and an affordable \$202/SF.
- Cape Coral was assigned an AA Fitch Rating in August 2021 with a Stable Outlook based on strength of Cape Coral's solid revenue growth and high revenue-raising authority.
- The median age for the MSA is 49 years. Median household income is above \$62,000 as the MSA is comprised of government, healthcare, and hospitality sectors with a July 2021 unemployment rate of 4.8%.
- Cap Rates for Multi-Family Properties in Cape Coral-Fort Myers range from 4% to 7%, depending on property characteristics. On June 18th, Cape at Savona Point (318 units) sold for \$77.8MM on a 4.0% Cap Rate.

## Cape Coral - Ft Myers CRE Updates:

- Oasis Grand sold for \$71,000,000 or approximately \$267,925/Unit.
  - Redline Athletics signed a 10-year NNN lease at El Dorado Plaza at a rental rate of \$12/SF.
- *For More Information speak with an Originator today: [www.plumlending.com](http://www.plumlending.com)*



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## MSA Overview:

Located along Florida's desirable Gulf Coast, the Cape Coral-Fort Myers MSA is one of the fastest-growing areas in the country. The Cape Coral-Fort Myers MSA saw its population increase by 27.5% from 2010 to 2020, and population growth is estimated to have accelerated further throughout the COVID pandemic.

The largest university in the market is Florida Gulf Coast University, which has a student body of over 15,000 students and offers 63 undergraduate programs, 26 master's programs, and 7 doctoral programs.

Southwest Florida International Airport (RSW) is located in Fort Myers and was built in 1983. In 2019, the airport served over 10,000,000 passengers. The airport is located just east of I-75, a 1,786-mile interstate highway that extends from Miami, FL all the way to the Canadian border in Michigan.

Cape Coral-Fort Myers MSA is popular among retirees, with a median age of approximately 49 years. Due to the area's year-round warm climate, beaches, golf courses, and fishing and boating activities, the MSA receives an influx of snowbirds from October through April, with the high season from January to March.

## Economic Overview:

The majority of employers in the Cape Coral-Fort Myers MSA are in the government, health care, and hospitality sectors. The largest employer is Lee Health, which employs over 14,000 residents in the area and caters to the market's older population. Lee Health has an A+ credit rating (S&P) and produces annual revenues in excess of \$1.7B. In 2021, all of Lee Health's adult acute care hospitals have been named among "America's Best Hospitals" for 2021 by Healthgrades, with Cape Coral Hospital landing within the top two percent of hospitals nationwide.

As of July 2021, the unemployment rate in the Cape Coral-Fort Myers MSA is 4.8%, which is below the national unemployment rate of 5.4%. Home prices in the area have increased substantially in the past year, with home values increasing by over 20% year-over-year.

Median Household Income has increased from \$51,629 in 2010 to \$62,240 in 2019, representing an increase of over 20%, or a compound annual growth rate (CAGR) of 2.10%.

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## Commercial Real Estate Trends:

When looking at our data, it is apparent that Cape Coral-Fort Myers is one of the commercial real estate markets that has benefitted from the COVID pandemic. Market Rent is at all-time highs for Industrial, Multi-Family, and Retail property types. Market Sale Price per SF is also at all-time highs for those three property types. Cap Rates for both Industrial and Multi-Family properties are at all-time lows, while Cap Rates for Retail are within approximately 10 basis points of all-time lows.

## Development Activity:

In April 2021, Margaritaville Resort began construction in Fort Myers Beach. The Resort is expected to be delivered in 2023 and will have 254 high-end rooms and suites. The Resort will feature signature Margaritaville services and amenities such as an expansive pool, Caribbean bar, and restaurant.

## Sales Activity:

On August 26th, Oasis Grand (3040 Oasis Grand Blvd) sold for \$71,000,000 or approximately \$267,925/Unit. The 32-story Multi-Family property was built in 2008 and is currently 99% occupied. Market Sale Price for Class A product ranges from \$175,000/Unit to \$290,000/Unit.

## Lease Activity:

Earlier this month, Redline Athletics (an athlete training company with locations in 16+ states) signed a 10-year NNN lease at El Dorado Plaza (4429 Cleveland Ave) at a rental rate of \$12/SF. Retail market rents in Cape Coral-Fort Myers typically range from \$9.00/SF-\$18.00/SF (NNN).

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