



# Charlotte County Housing Market

Analysis of For-Sale & For-Rent Housing Demand

*Charlotte County Economic Development Office*

October 29, 2018

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# BACKGROUND AND OBJECTIVES



## Background

- Client** Charlotte County Economic Development Office
- Objective** Analyze relevant real estate market conditions and economic and development trends in Charlotte County (Punta Gorda), FL MSA to determine the demand for for-rent multifamily and for-sale residential housing. We will provide commentary on the key housing demand drivers affecting housing demand.

## Methodology

- Market** Collect and analyze information on actively selling communities, resale transactions, future supply, and market health in Charlotte County.
- Compile and analyze macro-economic, housing market, and demographic data and trends.
- Identify primary newer Class A rental communities in Charlotte County and outline location, current rents, occupancies, renter profiles, parking, key amenities, and features. Utilize our proprietary rental housing demand model to identify rental demand by income range and rental profile for the next five years. Examine projected growth by income and age to estimate what percentage of new households will rent apartments.
- Detail the last twelve months of home sale transactions for Charlotte County. Analyze home type and size, lot size, year of construction, and price. Provide a housing demand assessment based on historical sales and the current available new and resale inventory with a focus on demand and supply of homes less than \$300,000.

Analysis Period October 2018

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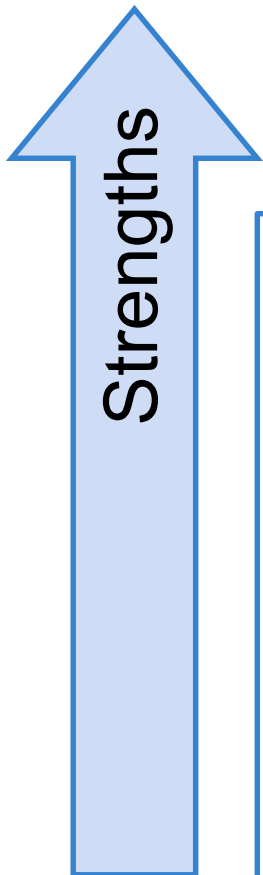
# EXECUTIVE SUMMARY



# Housing Market Conclusions

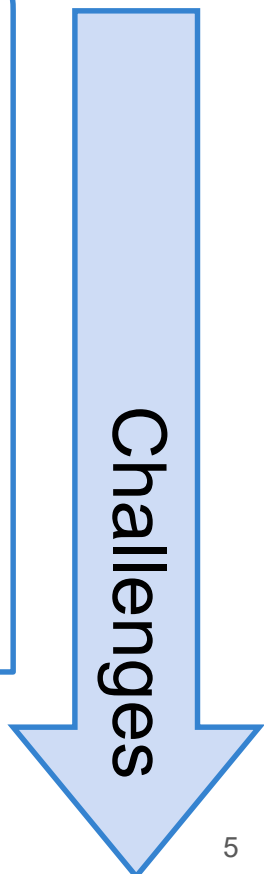


Charlotte County is experiencing “boom times” again as economic and development activity have significantly increased during the past 24 months. With this activity comes additional demand for housing, commercial development and infrastructure. Our findings indicate continued strong demand for housing in Charlotte County. Our key conclusions for Charlotte County are as follows:



- **Positive demographic trends will continue**
  - Population growth is projected at 2.1% annually
- **Economic development activity will add additional households to Charlotte County**
  - Two large tourism developments could bring approximately 900 jobs
- **Housing demand is strong**
  - Single-family permits increased 67% year over year
  - JBREC models project demand for 1,411 new for-sale housing units and 895 rental units annually

- **Low supply of housing**
  - Current months of supply has declined year over year
- **Affordability is weakening**
  - Based on the median home price in Charlotte County, for-sale housing is becoming unaffordable to locals making the median wage
  - As mortgage rates and prices continue to increase, many potential homebuyers may be forced to seek rental options, which will further increase demand for rental housing
- **Majority of job growth will be in lower paying service sector**

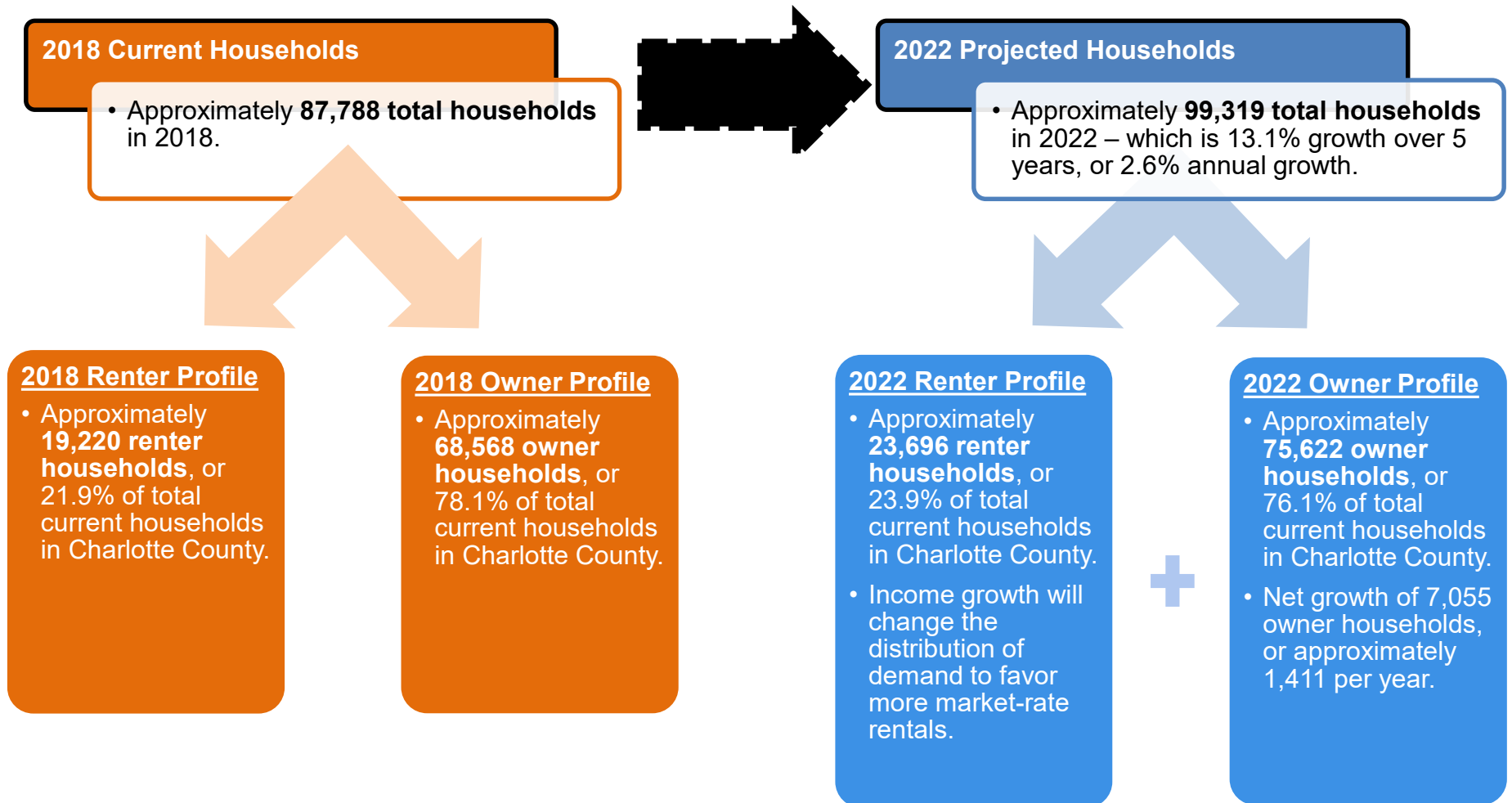


# Housing Demand



Based on our proprietary demand model and forecasted population and income growth, Charlotte County will see demand for **4,475 rental units** and **7,055 for-sale housing units** over the next five years.

## Charlotte County, FL – Housing Demand



Source: JBREC Calculations of US Census 2016 ACS and ESRI household and income forecasts

# CHARLOTTE COUNTY OVERVIEW

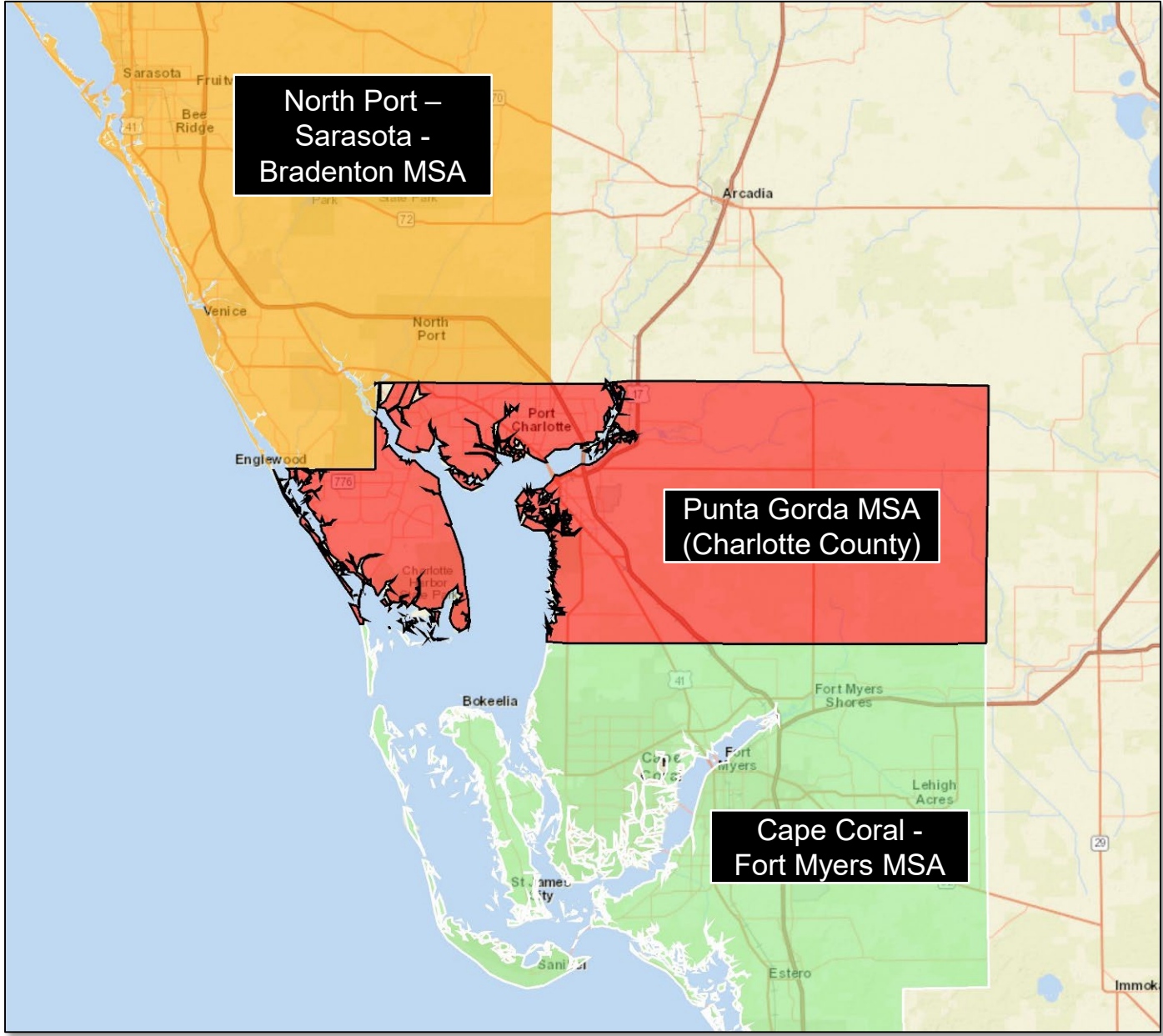


# Charlotte County (Punta Gorda MSA)



Charlotte County is synonymous with the Punta Gorda MSA. The Cape Coral-Fort Myers MSA is located directly south of Punta Gorda and the North Port-Sarasota-Bradenton MSA is north of Punta Gorda.

Population (2018)	
Charlotte County	180,525
North Port – Sarasota – Bradenton	800,171
Cape Coral – Fort Myers	719,287

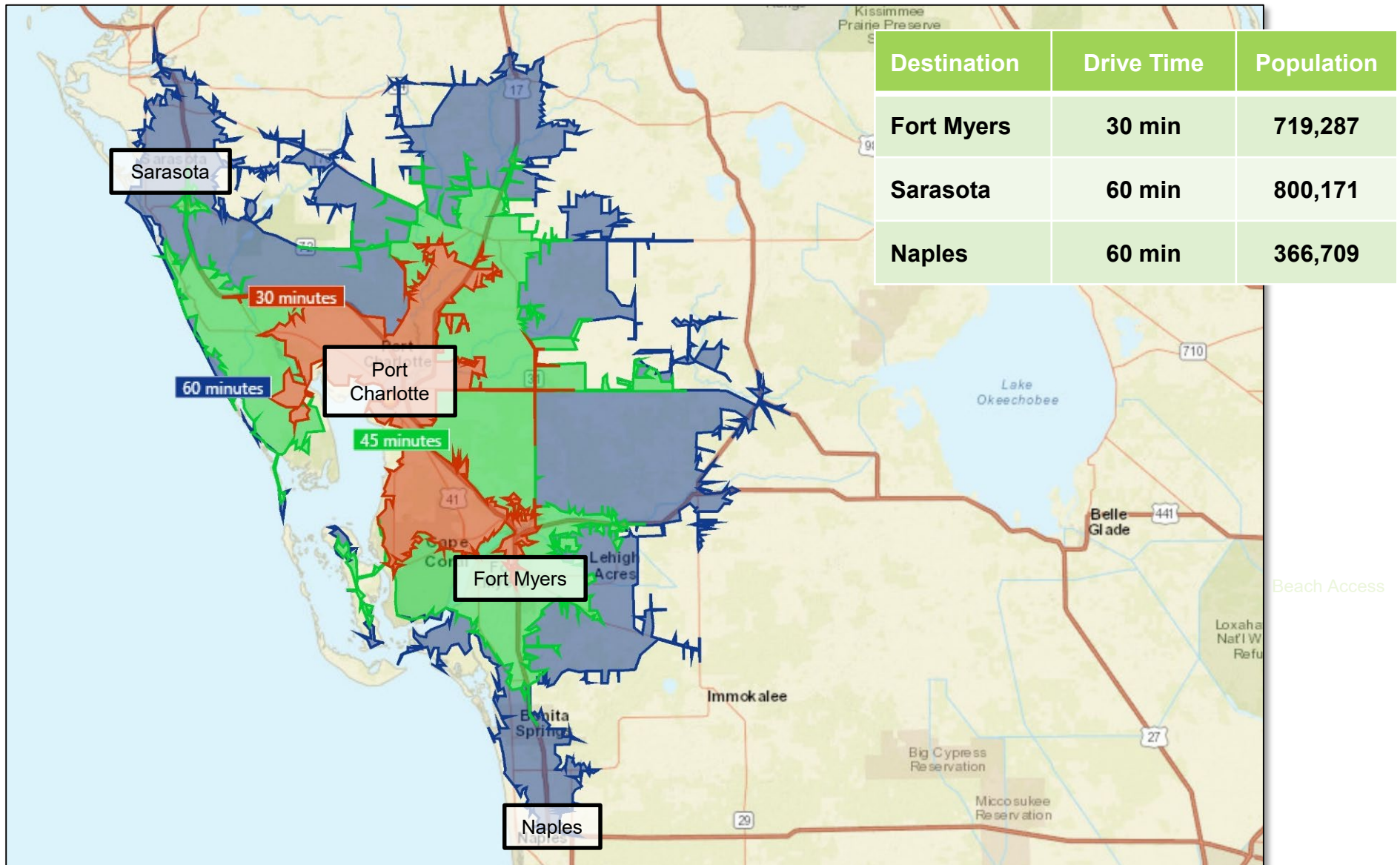




# Regional Location



The Punta Gorda MSA is located within a 30- and 60-minute commute to Fort Myers and Naples to the south, respectively and approximately 60-minute commute to Sarasota to the north. Interstate 75 affords convenient access between all four metro areas, and housing is currently the least expensive in the Punta Gorda MSA.



# Charlotte County Tourism



According to the Charlotte Harbor Visitor & Convention Bureau, Charlotte County Tourist Development tax revenues rose 5% during the fiscal year ended September 2017.

**The Charlotte Harbor Visitor and Convention Bureau has increased marketing for the region as an affordable vacation destination with an emphasis on eco-tourism. Popular things to do in the region include the following:**

- Arts, culture and history
- Baseball
- Beaches
- Boating and watersports
- Fishing
- Golf
- Nature and parks
- Shopping



# Punta Gorda Airport



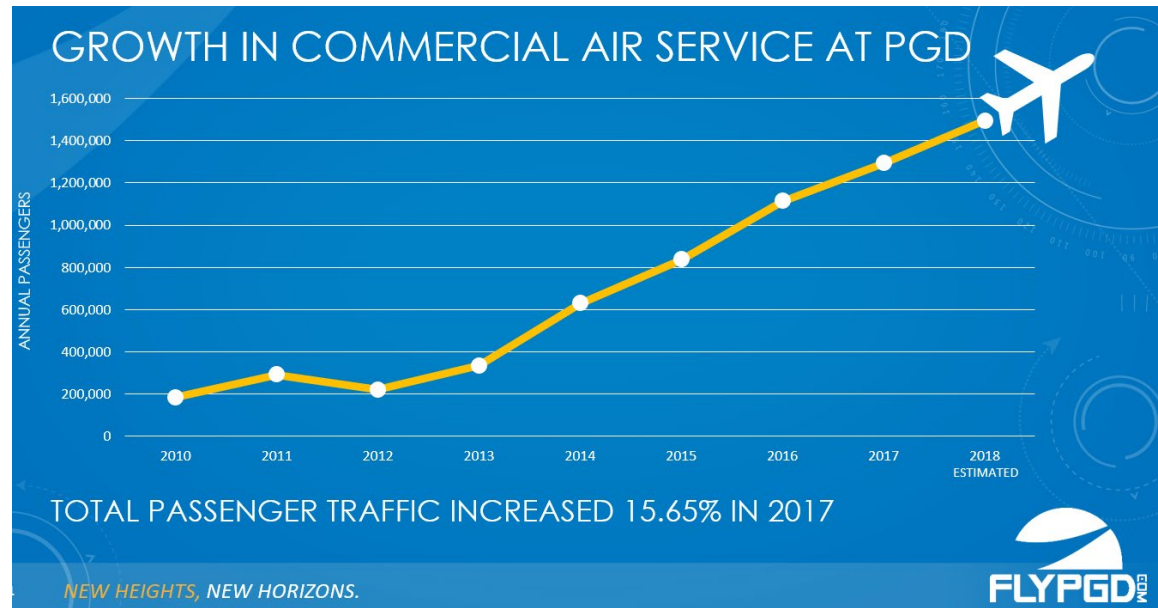
The Punta Gorda Airport traffic has grown significantly over the past few years. In 2013, Allegiant Air became the exclusive carrier for the airport and air traffic almost doubled in 2014, followed by 33% increases in 2015 and 2016, and a 15% rise in 2017. Monthly traffic this year averages approximately 30% higher than 2017 and the airport is poised to surpass previous annual passenger totals. Increased air traffic and passenger capacity leads to additional jobs in the region, which leads to demand for housing, particularly for-rent as most of these jobs are lower-paying. According to the Charlotte County Airport Authority, the Punta Gorda Airport plans to spend \$150 million in the next 20 years on expansion projects.

## Servicing Cities:

- Allentown, PA
- Albany, NY
- Appleton, WI
- Asheville, NC
- Belleville, IL
- Boston, MA
- Cedar Rapids, IA
- Cincinnati, OH
- Columbus, OH
- Cleveland, OH
- Concord, NH
- Dayton, OH
- Des Moines, IA
- Flint, MI
- Fort Wayne, IN
- Grand Rapids, MI
- Harrisburg, PA
- Huntington, WV
- Indianapolis, IN
- Kansas City, MO

## Servicing Cities:

- Knoxville, TN
- Lexington, KY
- Louisville, KY
- Milwaukee, WI
- Moline/Quad Cities, IL
- Montreal, CN
- Nashville, TN
- Newburgh, NY
- Niagara Falls, NY
- Omaha, NE
- Peoria, IL
- Pittsburgh, PA
- Portsmouth, NH
- Raleigh/Durham, NC
- Rockford, IL
- Rochester, NY
- South Bend, IN
- Springfield, IL
- St. Cloud, MN
- Syracuse, N
- Plattsburgh, NY
- Portsmouth, NH
- Toledo, OH
- Youngstown, OH



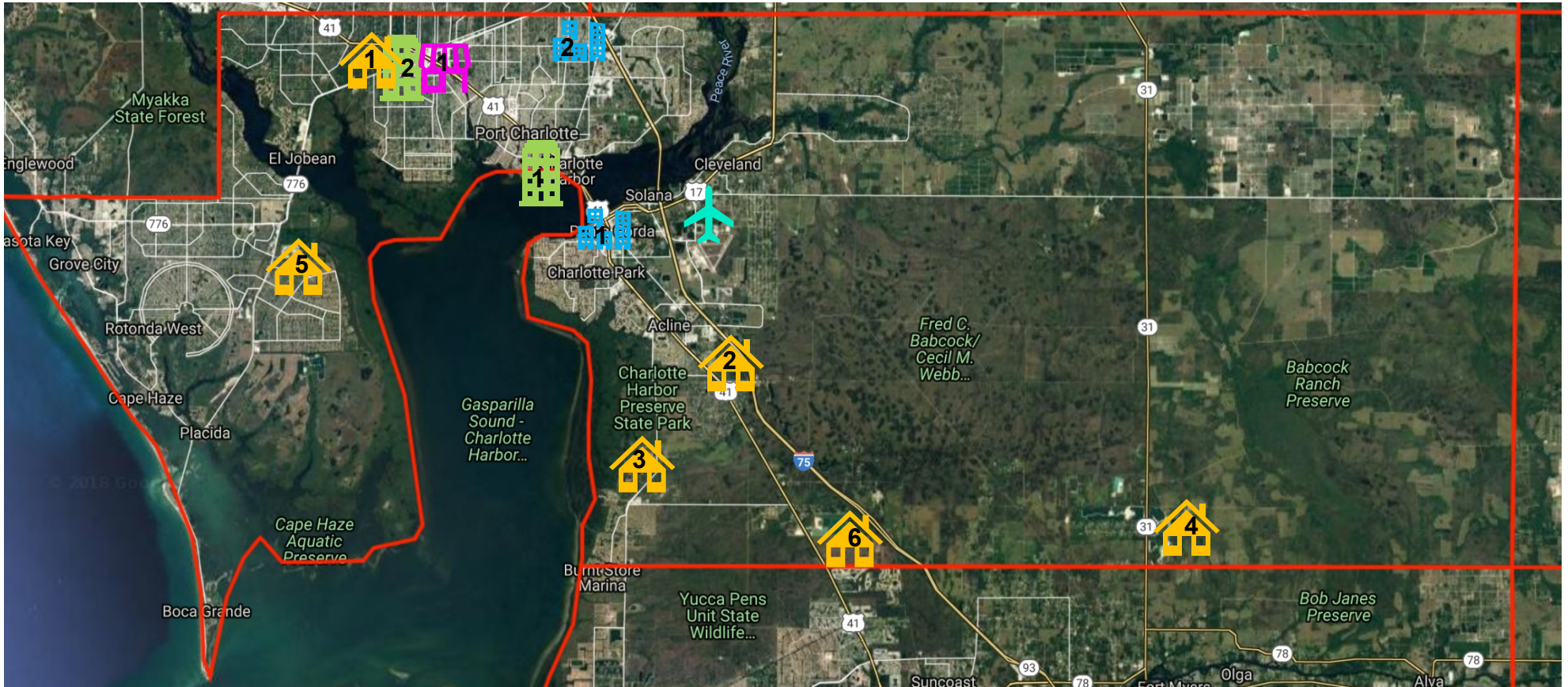
# CHARLOTTE COUNTY CURRENT DEVELOPMENTS











# Future Developments





Charlotte County has seen an influx of development activity given the population growth and business-friendly government. We highlight several of these developments that will have a significant impact on job growth, services, tourism and housing, although our list is not comprehensive. In addition to physical developments, Florida Gulf Coast University will be offering a completion program in Charlotte County and The College of Aviation at Western Michigan University is open.



-  1) Sunseeker Resort
-  2) Arredondo Pointe

-  1) Murdock Village
-  2) Tucker's Pointe
-  3) Heritage Landing
-  4) Babcock Ranch
-  5) Harbor West
-  6) Harper-McNew







-  1) Port Charlotte Marketplace

-  1) Oaks on Henry
-  2) Springs at Port Charlotte

-  1) Punta Gorda Airport Park

# Future Developments









	Industry	Project	Description	Timing	Economic Impact
	Tourism	Sunseeker Resort	\$420M waterfront resort project with 680-room hotel, restaurants, bars, golf and a marina	Demolition underway	Approx. 400 direct employees earning approximately \$25,000 annually
	Tourism	Arredondo Pointe / Lost Lagoon	Waterpark, dining, shopping, entertainment on 160 acres in Murdock Village	Plans in review, Phase 1 closing estimated Oct 2019	Approx. 500 direct employees earning approximately \$25,000 annually
	Housing	Murdock Village	Mixed-use development with approximately 1,800 residential units including multifamily rentals; 125-key hotel; commercial	Plans in review for Phase 1, ground-breaking Spring 2019	N/A
	Housing	Tucker's Pointe	Proposing 1,600 homes, condos and apartments, 500K square feet of retail and 400 hotel rooms	Due diligence underway	N/A
	Housing	Heritage Landing Golf & Country Club	Lennar has plans for a bundled golf community with a variety of condominiums and single-family homes	Opening TBD	N/A
	Housing	Babcock Ranch	First solar-powered MPC in the country with up to 20,000 residential units, commercial space, entertainment, schools, etc. Half of the property is in Charlotte County.	240 single-family permits since August 2016	N/A

Source: Charlotte County EDO

# Future Developments



	Industry	Project	Description	Timing	Economic Impact
	Housing	Harbor West	150 single-family homes by Lennar	Infrastructure underway	N/A
	Housing	Harper-McNew	1,500-acre site east of US 41 on the border of Lee County.	Planning underway	N/A
	Commercial	Port Charlotte Marketplace	Redevelopment of former Kmart center to include Burlington, Home Goods, Ross, Lucky's Market and Sketchers	Under construction	N/A
	Multifamily Rental Housing	Oaks on Henry	First phase of 52 units complete and stabilized; planning 24 additional units	Planning	N/A
	Multifamily Rental Housing	Springs at Port Charlotte	Phase 1 of 276 units in lease-up. Planning Phase 2 with townhomes, villas, commercial and an extended stay hotel	Planning	N/A
	Industrial	Punta Gorda Airport Park	4,000 acre campus with 1,000 acres for sale. Metalcraft Marina and Amigo Pallets signed on as future tenants	2019	45 jobs

Source: Charlotte County EDO

# DEMOGRAPHIC TRENDS

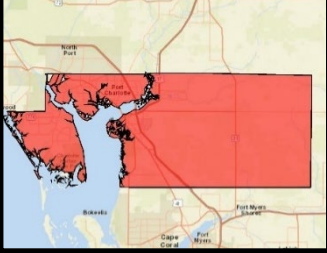

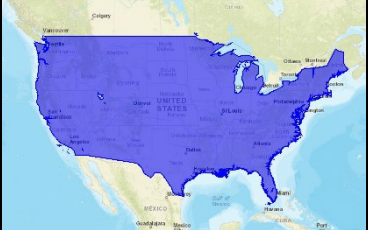




# Demographic Snapshot



With approximately 180,525 residents, Charlotte County comprises approximately 1% of the people and households in Florida. The median household income is lower than both the state and national median income, but median net worth is significantly higher due to the large number of retirees in the region. This high median net worth is primarily due to home equity, as Charlotte County has nearly an 85% homeownership rate. Renter households comprise approximately 15% of total households, which is nearly half the state and national average, yet Charlotte County does not have the housing stock to accommodate a larger percentage of renters.

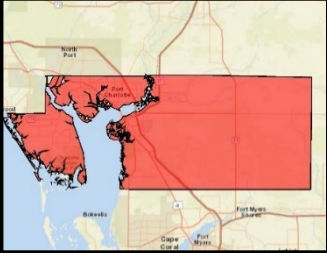

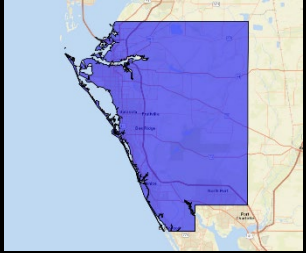
	 <b>Charlotte County</b>	 <b>Florida</b>	 <b>United States</b>
Population (2018)	182,033	20,984,400	325,719,178
Median HH Income	\$44,865	\$48,900	\$55,322
Per Capita Income	\$27,860	\$27,598	\$29,829
Renter Households	21.9%	35.2%	36.4%
Median Age	57.7	41.6	37.7
Median Home Value (2018)	\$154,400	\$166,800	\$184,700

Source: JobsEQ

# Demographic Snapshot



Charlotte County has a much smaller population than the Fort Myers MSA directly to the south (Lee County) and the Sarasota MSA to the north (Sarasota and Manatee Counties). Charlotte County also has the oldest median age and the fewest amount of renters, although those statistics will likely change in the coming years as more families choose to live in Charlotte County for relatively affordability. The upcoming hospitality projects, growing collegiate system and other economic drivers will likely attract younger residents as well.

	 <b>Charlotte County</b>	 <b>Fort Myers MSA</b>	 <b>Sarasota MSA</b>
Population (2018)	182,033	739,224	804,690
Median HH Income	\$44,865	\$50,390	\$52,235
Per Capita Income	\$27,860	\$28,949	\$32,355
Renter Households	21.9%	31.0%	28.2%
Median Age	57.7	47.3	51.1
Median Home Value (2018)	\$154,400	\$171,100	\$189,400

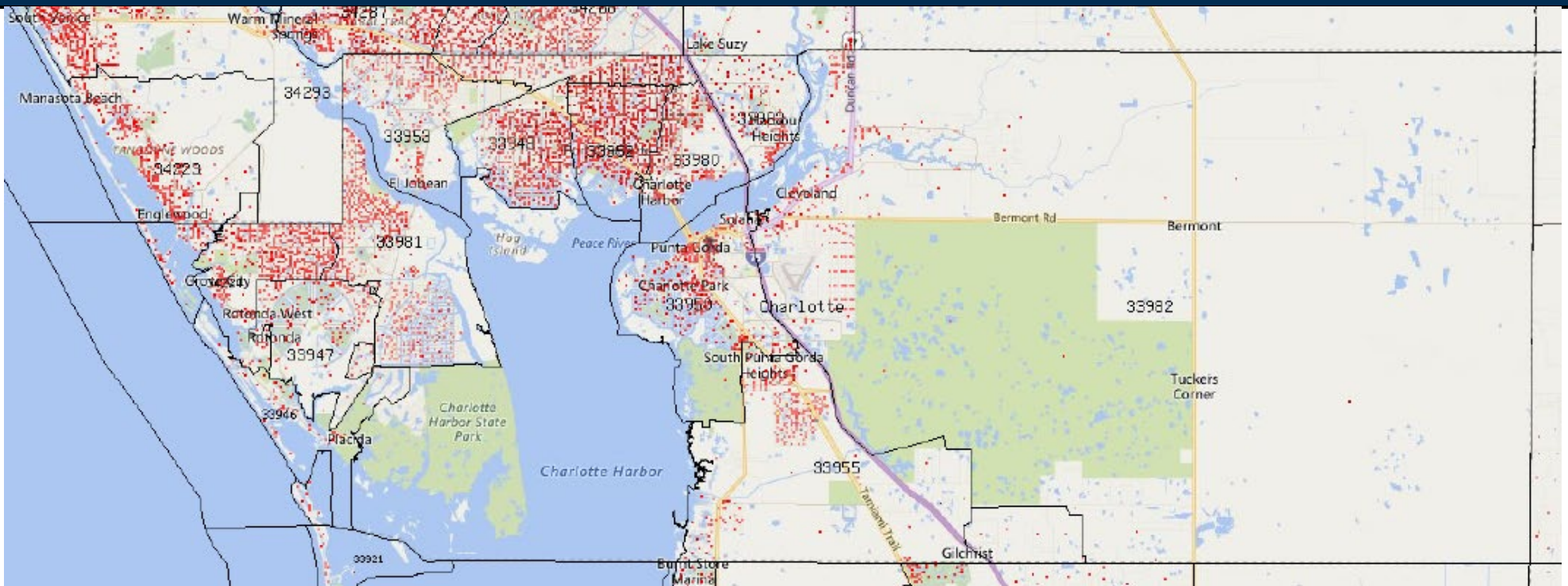
Source: JobsEQ

# Population Density



The majority of Charlotte County residents live close to the coastline with the more eastern portions of the county consisting of rural farms and homes. The heaviest concentration of residents are along I-75 and major transportation routes.

## Population Density Heat Map

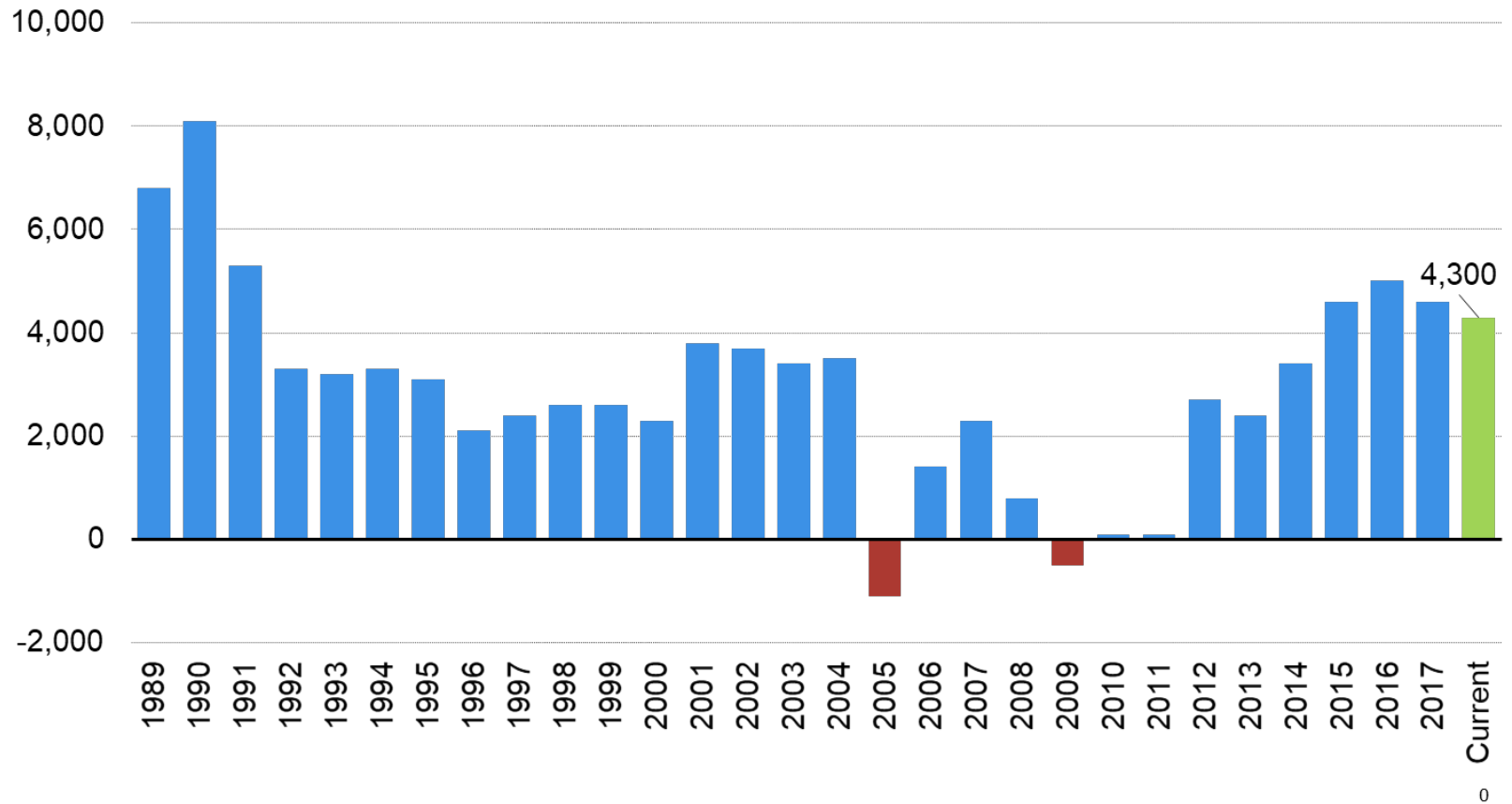


# Population Distribution and Growth



Charlotte County has approximately 187,500 residents and the population is forecast to increase by 2.1% annually through 2021.

Annual Average Population Growth: Punta Gorda, FL



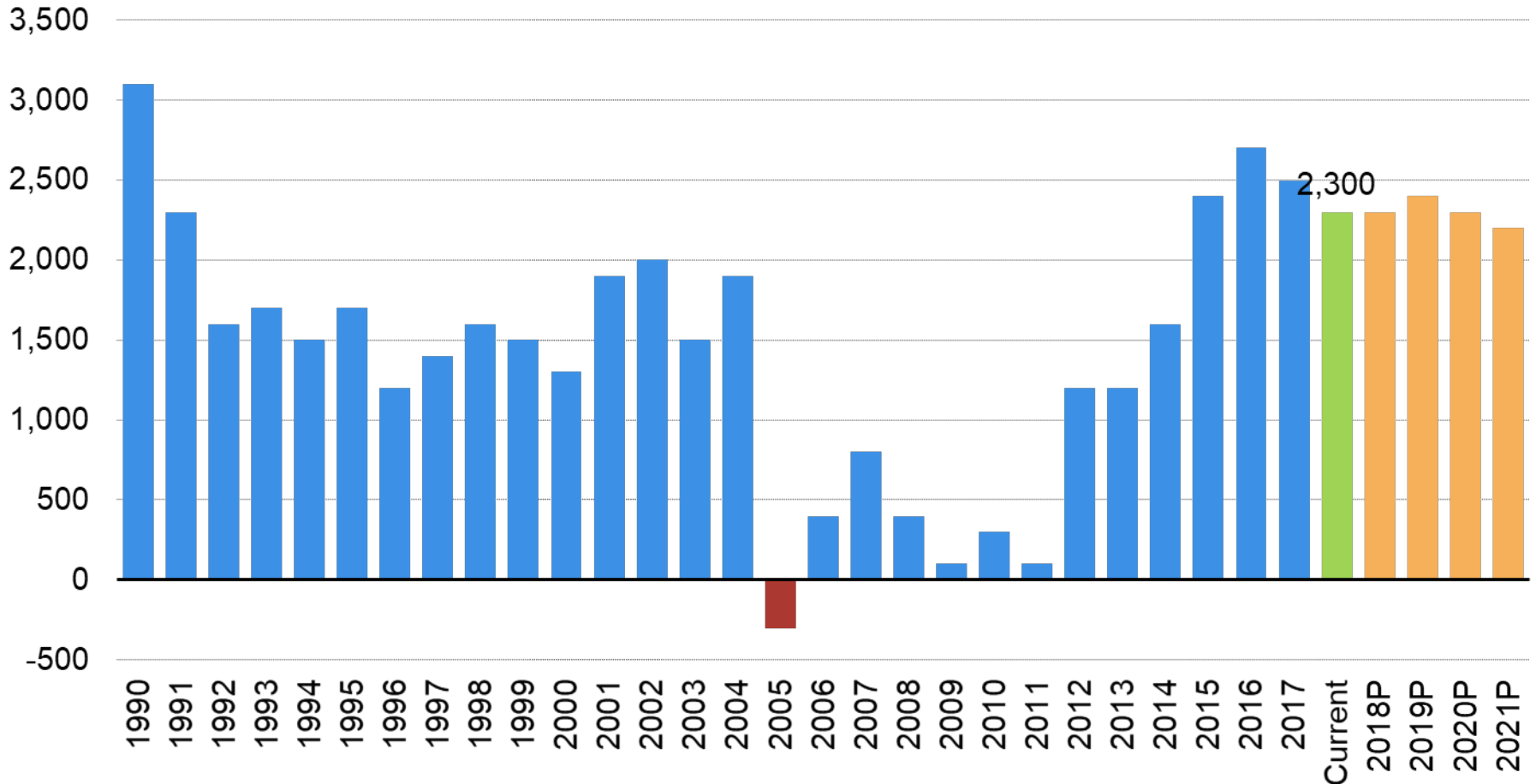
Population History & Projections	2010	2011	2012	2013	2014	2015	2016	2017	Current	2018P	2019P	2020P	2021P
Population Total	159,900	160,000	162,700	165,100	168,500	173,100	178,100	182,700	187,500	186,900	191,000	195,000	198,800
1-Year Change	100	100	2,700	2,400	3,400	4,600	5,000	4,600	4,300	4,200	4,100	4,000	3,800
1-Year Growth Rate	0.1%	0.1%	1.7%	1.5%	2.1%	2.7%	2.9%	2.6%	2.3%	2.3%	2.2%	2.1%	1.9%

# Household Growth



Charlotte County has seen extremely strong household growth over the past four years, averaging 2.9% annually from 2014 through 2017. This growth is expected to continue at an average annual rate of 2.6% through 2021.

**Annual Average Household Growth: Punta Gorda, FL**

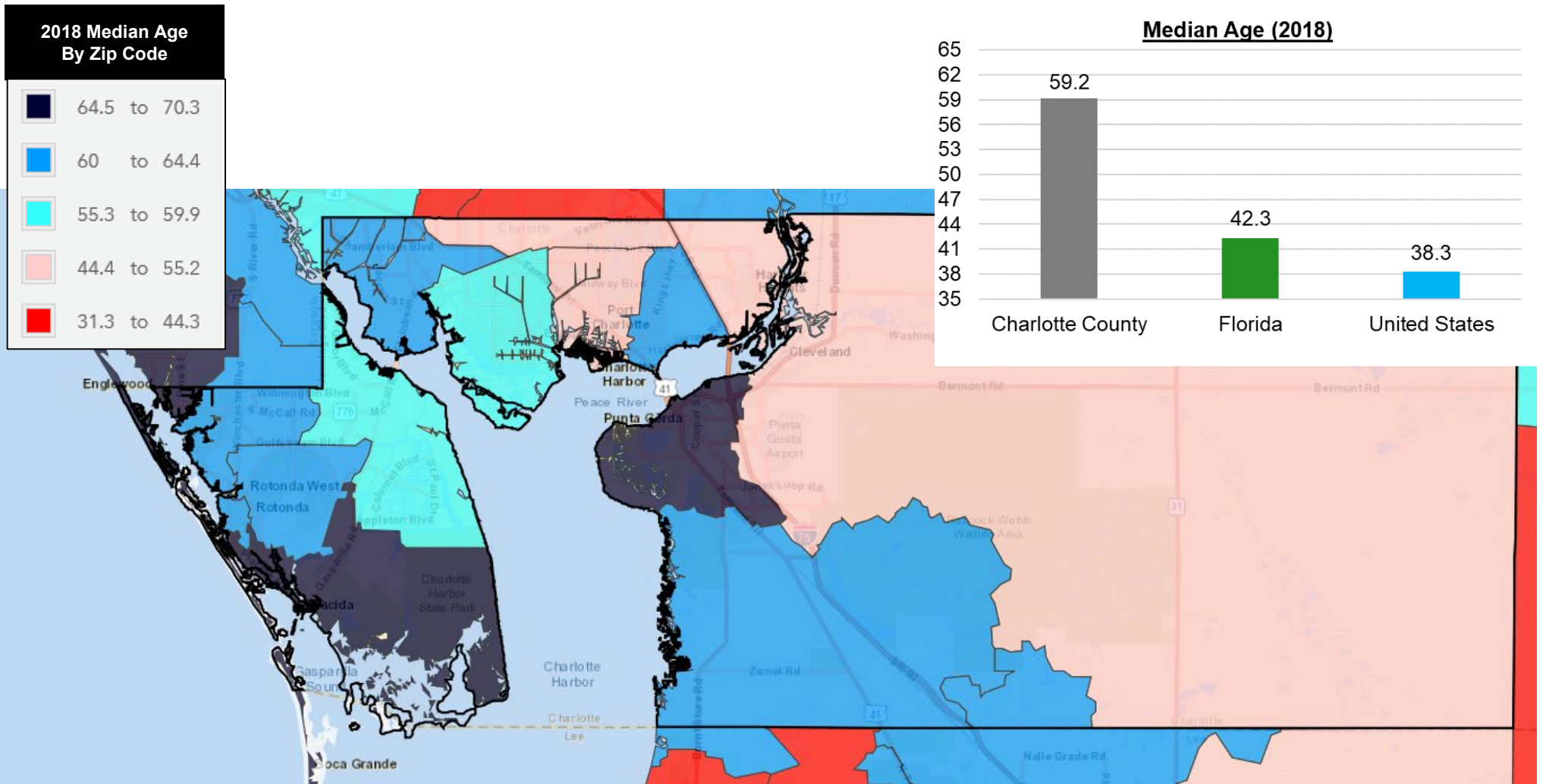


Household History & Projections	2010	2011	2012	2013	2014	2015	2016	2017	Current	2018P	2019P	2020P	2021P
Household Total	73,400	73,500	74,700	75,900	77,500	79,900	82,600	85,100	87,700	87,400	89,800	92,100	94,300
1-Year Change	300	100	1,200	1,200	1,600	2,400	2,700	2,500	2,300	2,300	2,400	2,300	2,200
1-Year Growth Rate	0.4%	0.1%	1.6%	1.6%	2.1%	3.1%	3.4%	3.0%	2.7%	2.7%	2.7%	2.6%	2.4%

# Median Age



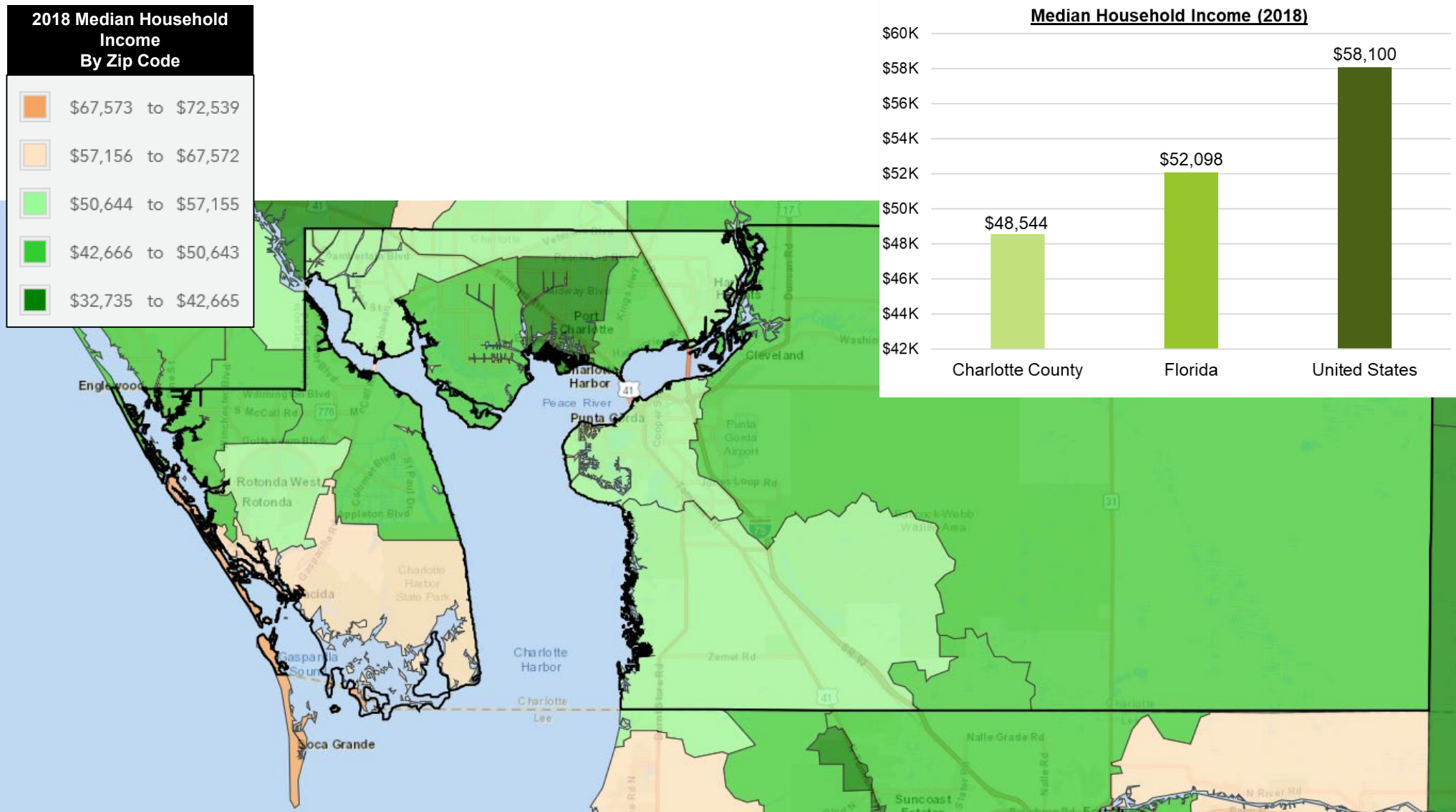
The large percentage of residents over the age of 55 reflects the popularity of Florida's west coast among retirees. The median age in Charlotte County is 59.2, 21 years above the national median age (38.3). Younger residents live in the less densely populated, more rural eastern portions of the county and downtown Punta Gorda.



# Household Income Distribution



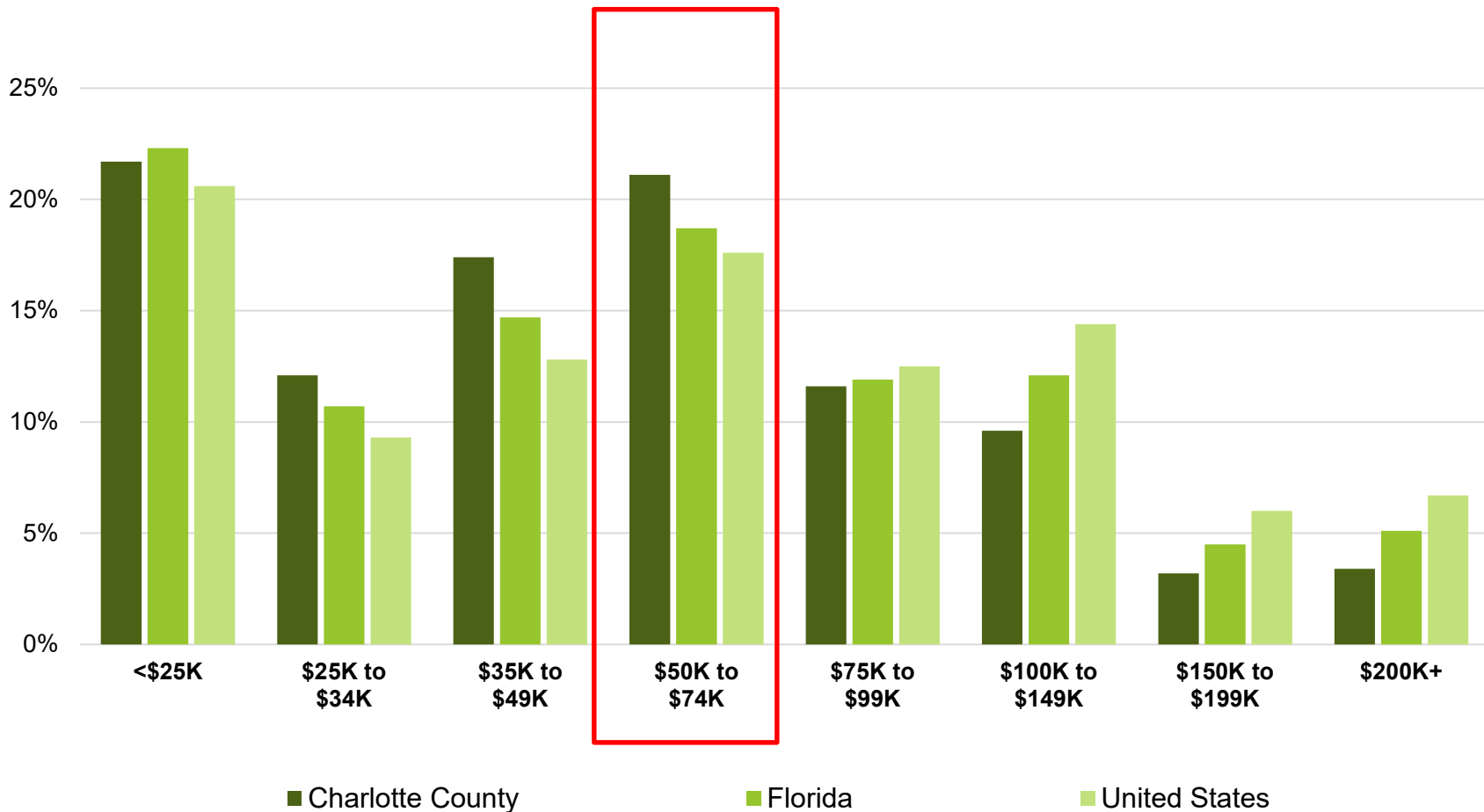
Charlotte County's median household income falls below both Florida as a whole and the national average. Income for the area's large retiree population comes primarily from Social Security, retirement, or investments rather than wages.



# Household Income



Charlotte County median household incomes fall below both Florida and the United States. Approximately 22% of the county earns less than \$25,000 annually in household wages. Lower wage employment is primarily along the inlet in Punta Gorda and Port Charlotte. Just over one-fifth of the county earns between \$50,000 and \$74,000 annually. Lower income employment typically drives rental demand, whereas mid- to upper-tier income households usually indicates the need for single-family products.

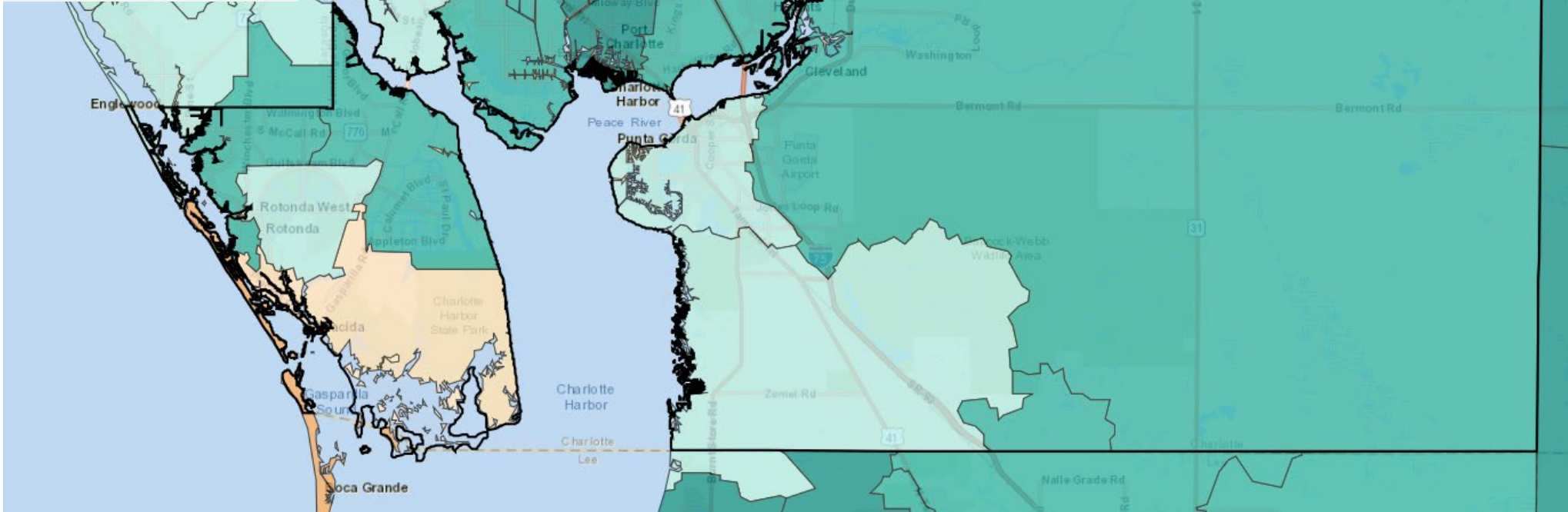
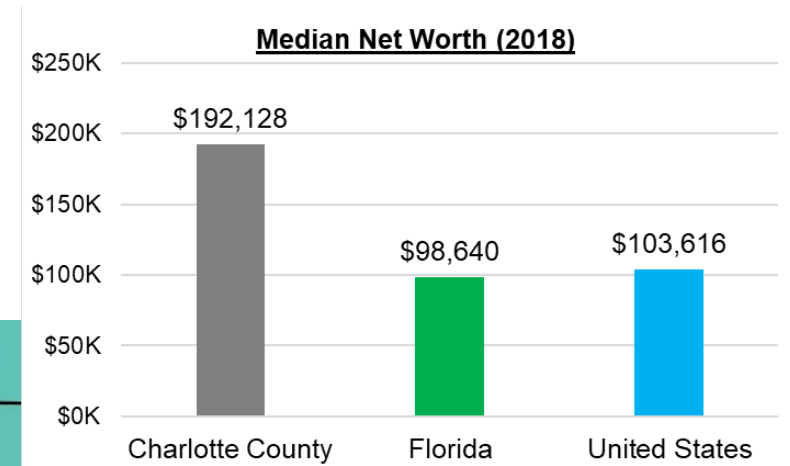
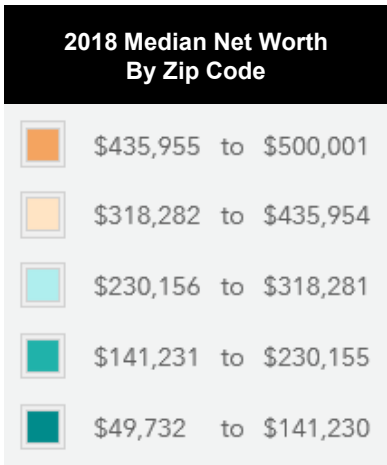




# Net Worth



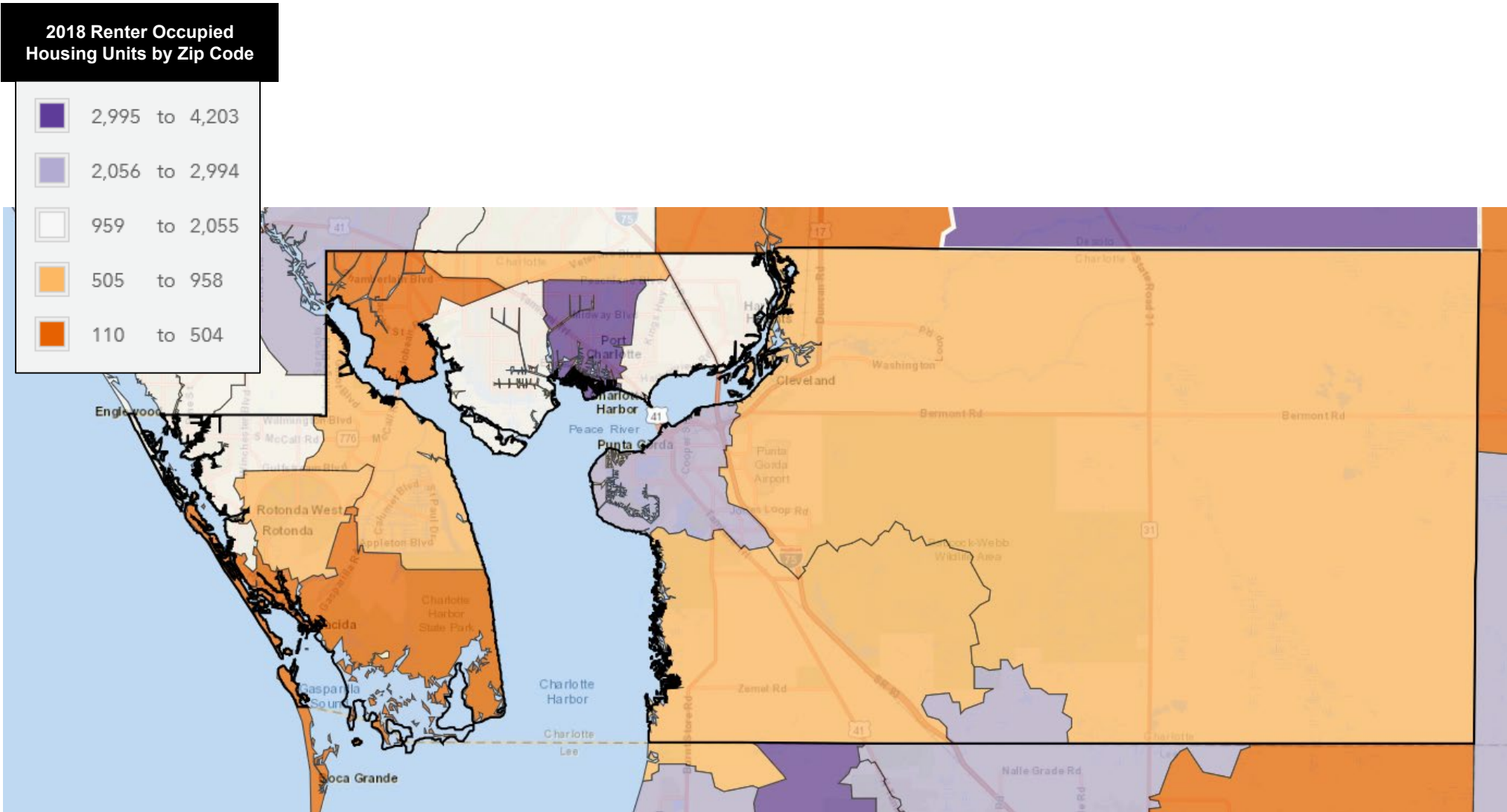
Median net worth within Charlotte County exceeds both Florida and the country by nearly double. High net worth bolsters homeownership and new home demand.



# Rental Households



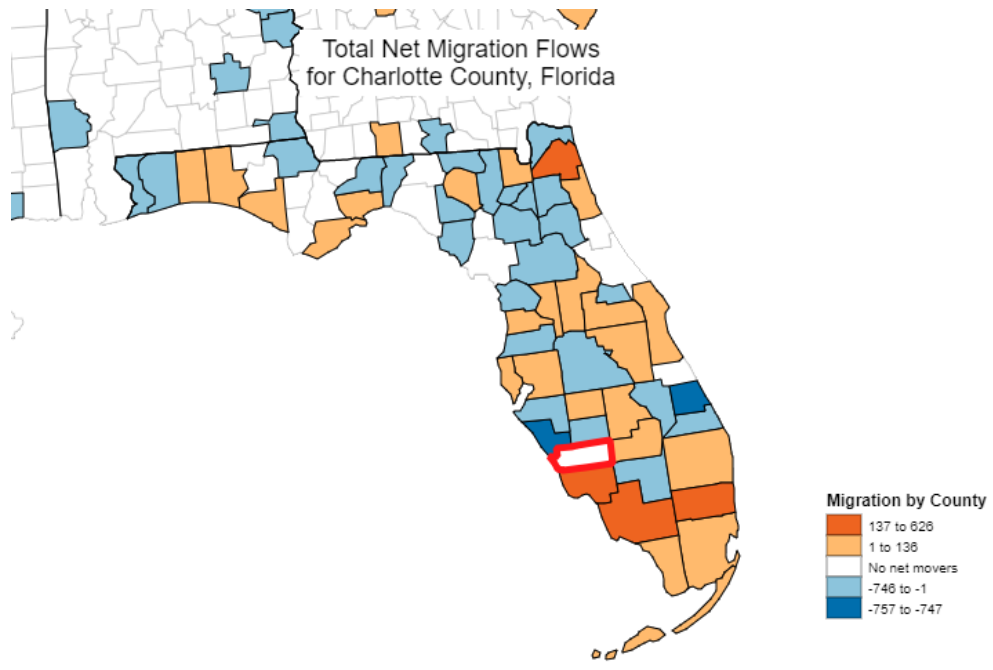
The majority of rental households are established near the cities of Port Charlotte and Punta Gorda, while the least amount of rental housing can be found in rural areas in the east and property along the water in Placida and Charlotte Harbor.



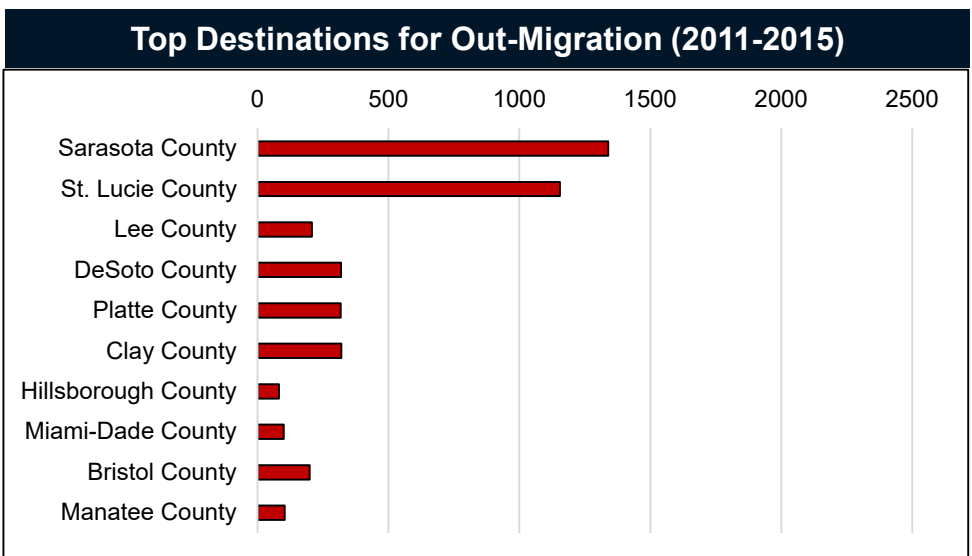
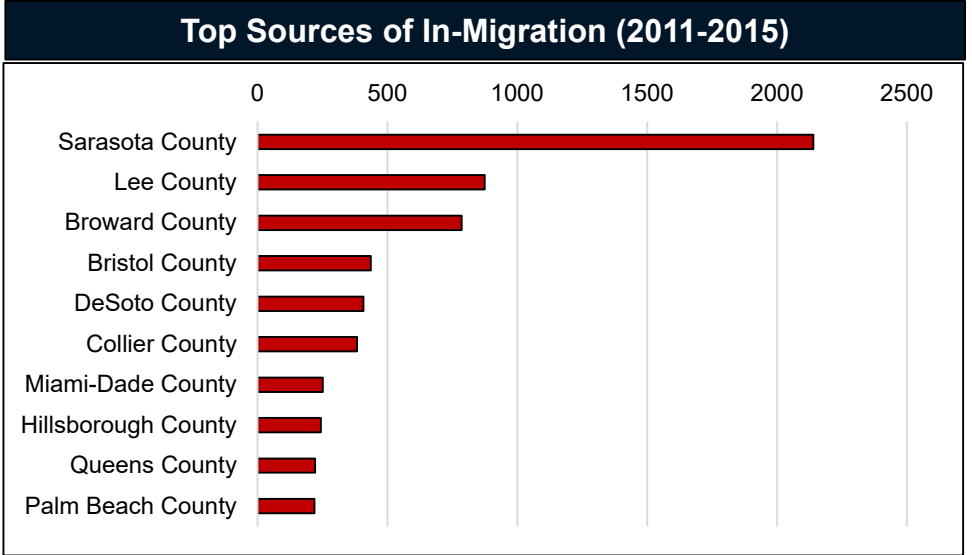
# Punta Gorda Migration



Previously, the largest share of in-migration into Punta Gorda was from Broward County in Florida, however the latest US Census Data shows the largest share of in-migration is now from Sarasota and Lee counties. Conversely, the largest share of out-migration is also to Sarasota County, closely followed by St Lucie County. Residents moving to Punta Gorda from Sarasota and Lee counties are likely seeking more attainable housing as the Cape Coral-Fort Myers MSA and Sarasota MSA have experienced significant price appreciation in the last few years.



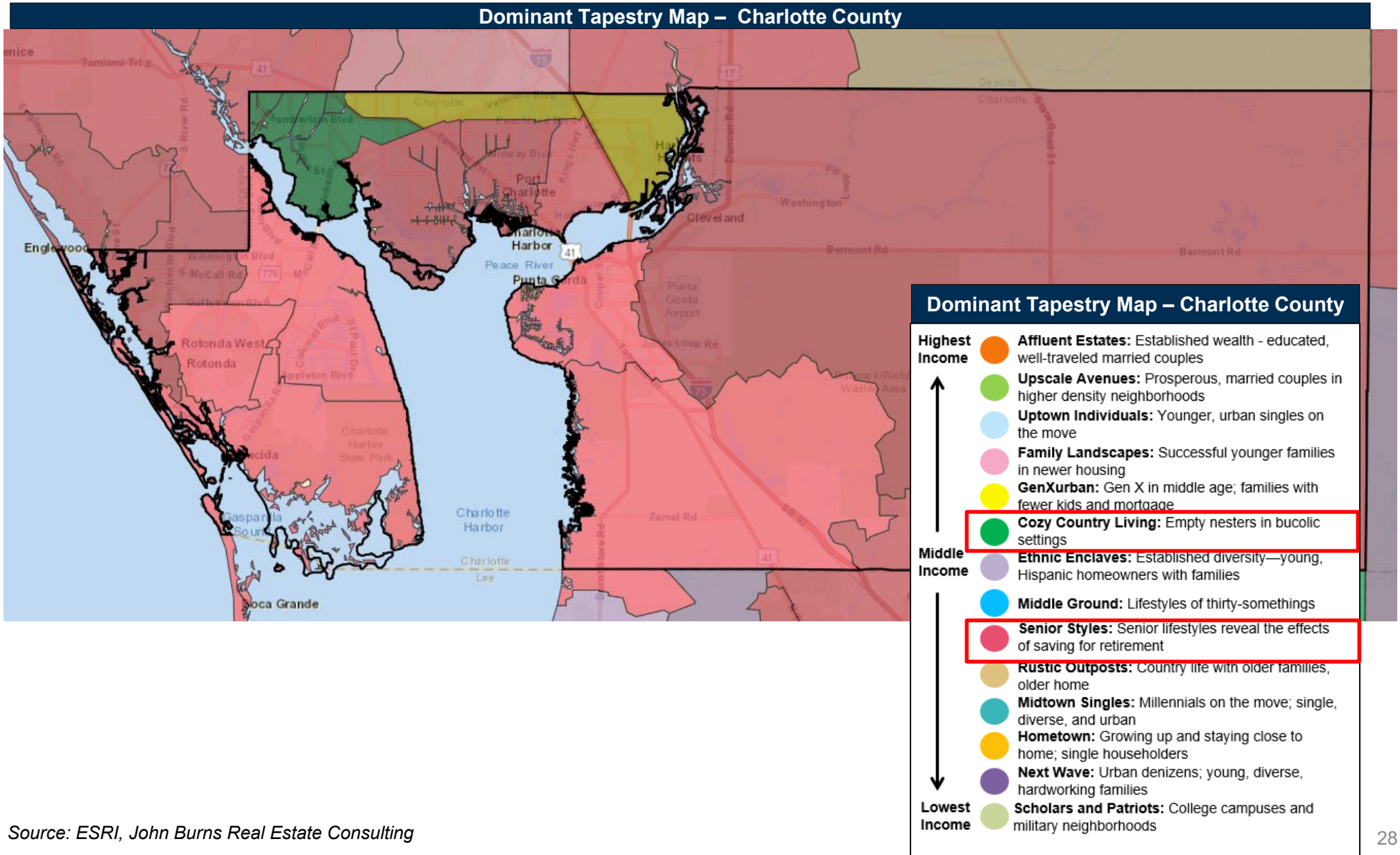
Charlotte County Migration	
In-Migration (State)	7,179
Out-Migration (State)	(3,867)
In-Migration (County)	6,902
Out-Migration (County)	(7,063)
Net Migration	3,151



# Tapestry Life Mode



We analyzed Tapestry characteristics within Charlotte County. The two dominant Tapestry Life Mode Groups in all areas analyzed are **Cozy Country Living** and **Senior Styles**. **Cozy Country Living** is comprised of empty nesters and early retirees. **Senior Styles** households are commonly married empty nesters or singles living alone.

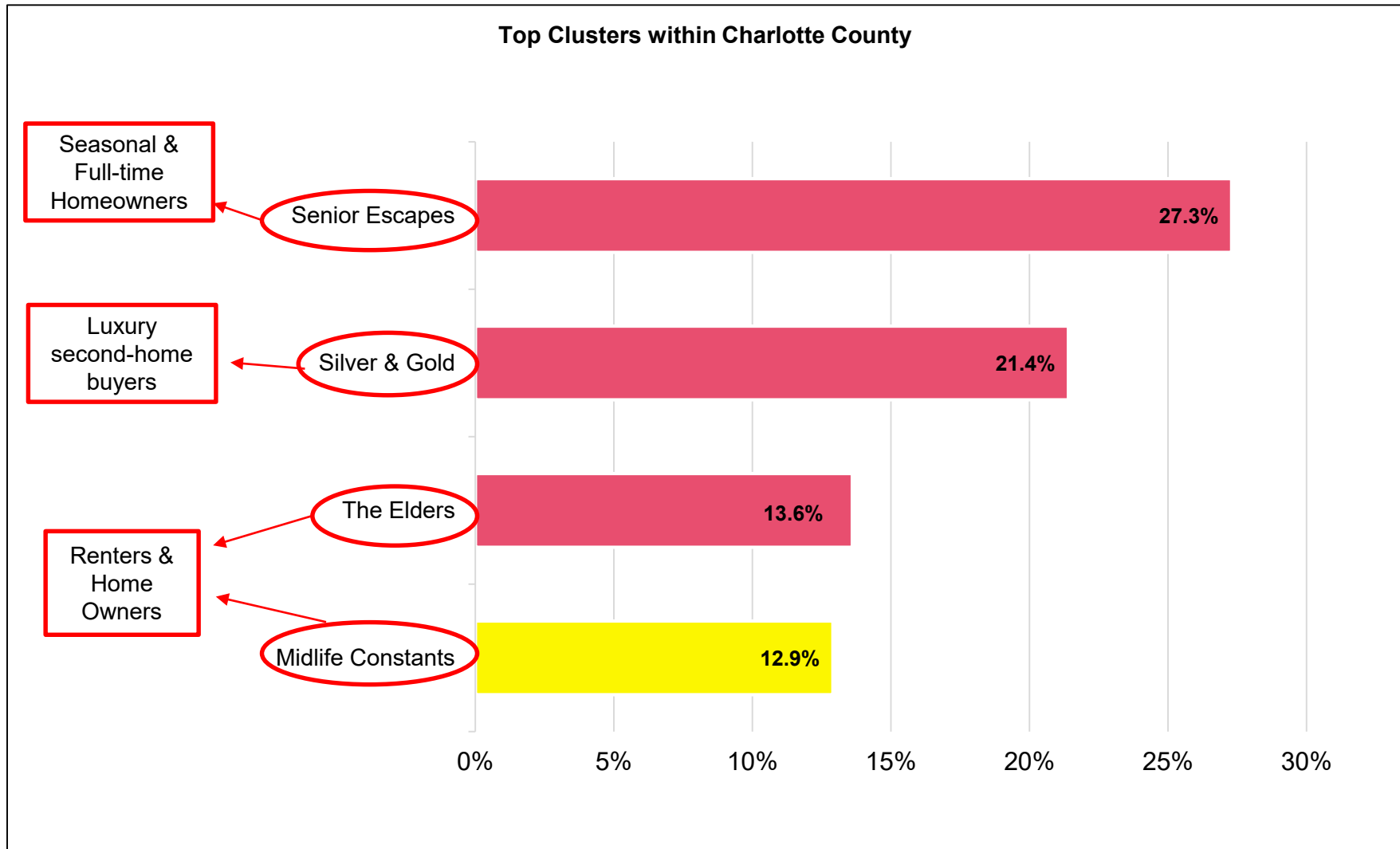


Source: ESRI, John Burns Real Estate Consulting

# Tapestry Clusters



The largest clusters within the Punta Gorda MSA include the following: Senior Escapes, Silver & Gold, The Elders (Senior Styles Lifestyle Group) and Midlife Constants (GenXurban Lifestyle Group).



# Tapestry Segmentation



**9C The Elders**

**Household:** Married Couples w/No Kids

**Housing:** S.F.; w-4br; Mob. Hm.; Seas. **77.8**

**Income:** **\$33k**

**Households:** 874,000

**4**

Retired/Svcs/Prof/Admin  
College Degree  
White

- Buy clothing, exercise equipment
- Bank in person
- Shop by phone or in person
- Watch news, movies, golf, travel, history on TV
- Drive luxury sedans aged 5+ years

The Elders, with a median age of 73, is the Tapestry Segmentation's oldest market. Elders residents prefer communities designed for senior or assisted living, located in warmer climates. Housing varies from mobile homes to single-family residences and includes high-rise apartments. Income for this segment comes primarily from Social Security, retirement, or investments. This consumer segment has strong opinions about their spending, focusing on price. They prefer to buy American and environmentally safe products.

**9A Silver & Gold**

**Household:** Married Couples w/No Kids

**Housing:** Single Fam; Seasonal **63.2**

**Income:** **\$72k**

**Households:** 942,900

**4**

Retired/Prof/Mgmt  
College Degree  
White

- Play golf; go boating
- Draw retirement income
- Exercise regularly
- Read newspapers, magazines, books
- Prefer luxury cars, SUVs, convertibles

Silver and Gold is the second oldest senior market, but is the most affluent senior market and is still growing. This affluence affords the opportunity to retire to sunnier climates that feature exclusive communities and vacation homes. These consumers have the free time, stamina and resources to enjoy the good life. This group is well-educated and primarily retired, but some are still active in the labor force with a labor force participation rate of 41%. Neighborhoods include seasonal or vacation homes, reflected in the high vacancy rate of 43%.

**9D Senior Escapes**

**Household:** Married Couples w/No Kids

**Housing:** S.F.; Mbl. Hm.; Seas. **52.6**

**Income:** **\$35k**

**Households:** 1,088,000

**5**

Retired/Svcs/Prof/Admin  
HS Diploma Only  
White

- Take guided tours in the US
- Bank in person
- Belong to veterans' clubs; member of AARP/AAA
- Watch news, sports, CMT, Golf Channel, AMC on TV
- Maintain older vehicle

Senior Escapes neighborhoods are heavily concentrated in the warmer states of Florida, California, and Arizona. These areas are highly seasonal, yet owner occupied. Nearly forty percent are mobile homes; over half are single-family dwellings. About half are in unincorporated and more rural areas. Nearly one-fifth of the population is between 65 and 74 years old. Most are white and fairly conservative in their political and religious views. Residents enjoy watching TV, going on cruises, playing trivia games, bicycling, boating, and fishing. They are very conscious of their health and buy specialty foods and dietary supplements.

# HOUSING & ECONOMIC TRENDS

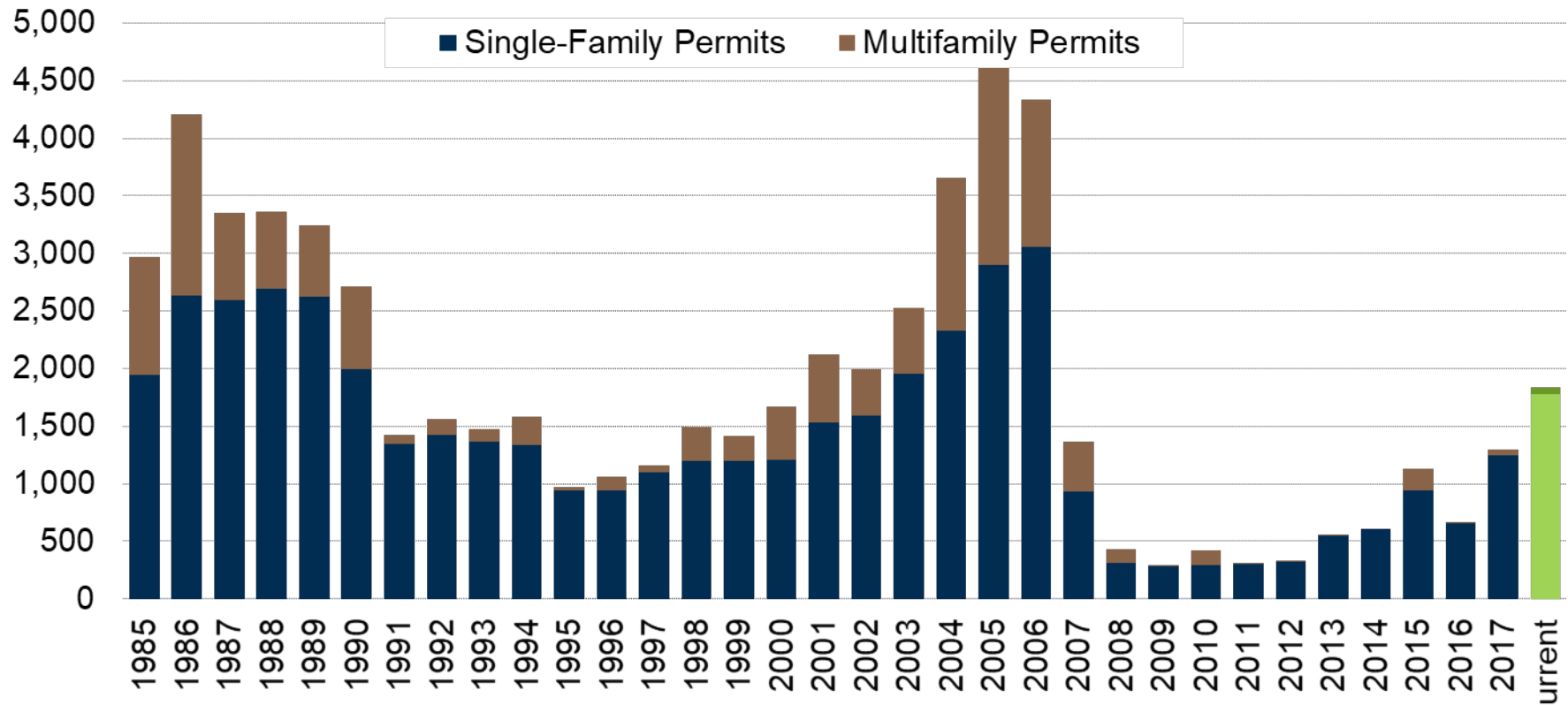


# Charlotte County Permits



Charlotte County single-family permits rose 70% year over year to 1,777 and surpassed 1,500 for the first time since 2006. We forecast total permits in Charlotte County to increase to 2,200 in 2019 and 2,400 in 2020, then slightly decline due to our expected national slowdown.

**Residential Building Permit Issuances (12-Month Rolling): Punta Gorda, FL**



Permit History & Projections	2010	2011	2012	2013	2014	2015	2016	2017	Current	2018P	2019P	2020P	2021P
Single-Family Permits	293	302	327	549	610	947	657	1,251	1,777	1,800	2,200	2,400	2,300
1-Year Growth Rate	2%	3%	8%	68%	11%	55%	-31%	90%	70%	44%	22%	9%	-4%
Multifamily Permits	132	10	2	4	0	182	8	46	61	40	40	40	20
1-Year Growth Rate	1220%	-92%	-80%	100%	-100%	0%	-96%	475%	135%	-13%	0%	0%	-50%
Total Permits	425	312	329	553	610	1,129	665	1,297	1,838	1,840	2,240	2,440	2,320
1-Year Growth Rate	44%	-27%	5%	68%	10%	85%	-41%	95%	72%	42%	22%	9%	-5%

Sources: U.S. Bureau of Labor Statistics (BLS); U.S. Census Bureau; JBREC (Data as of June 2018, projections as of August 2018)

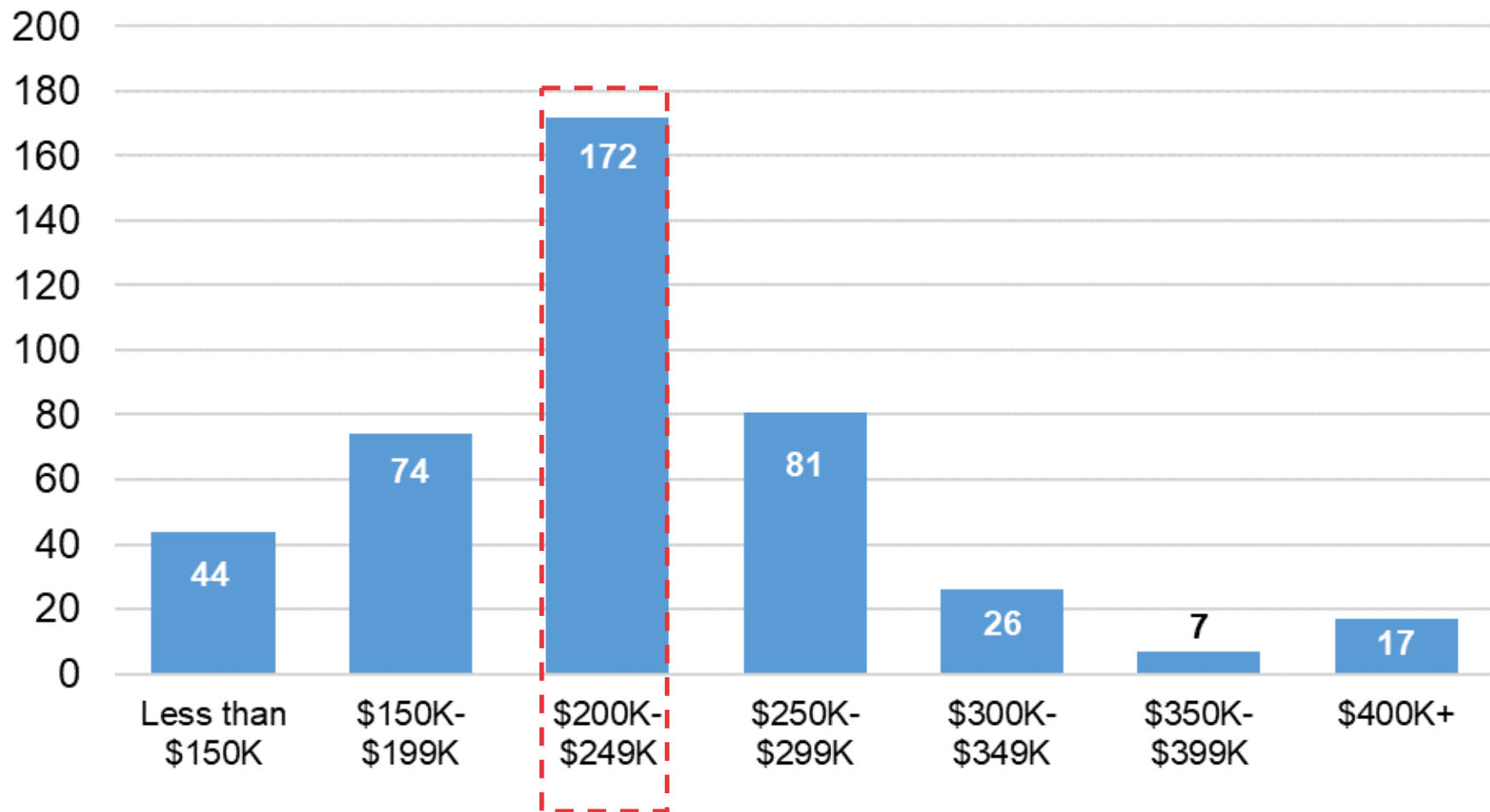


# Charlotte County New Home Sales



We analyzed the last 12 months of home sales in Charlotte County – the median price was \$227K, and the majority of homes sold between \$200K - \$249K.

### Charlotte County New Home Sales by Price Range (L12M)

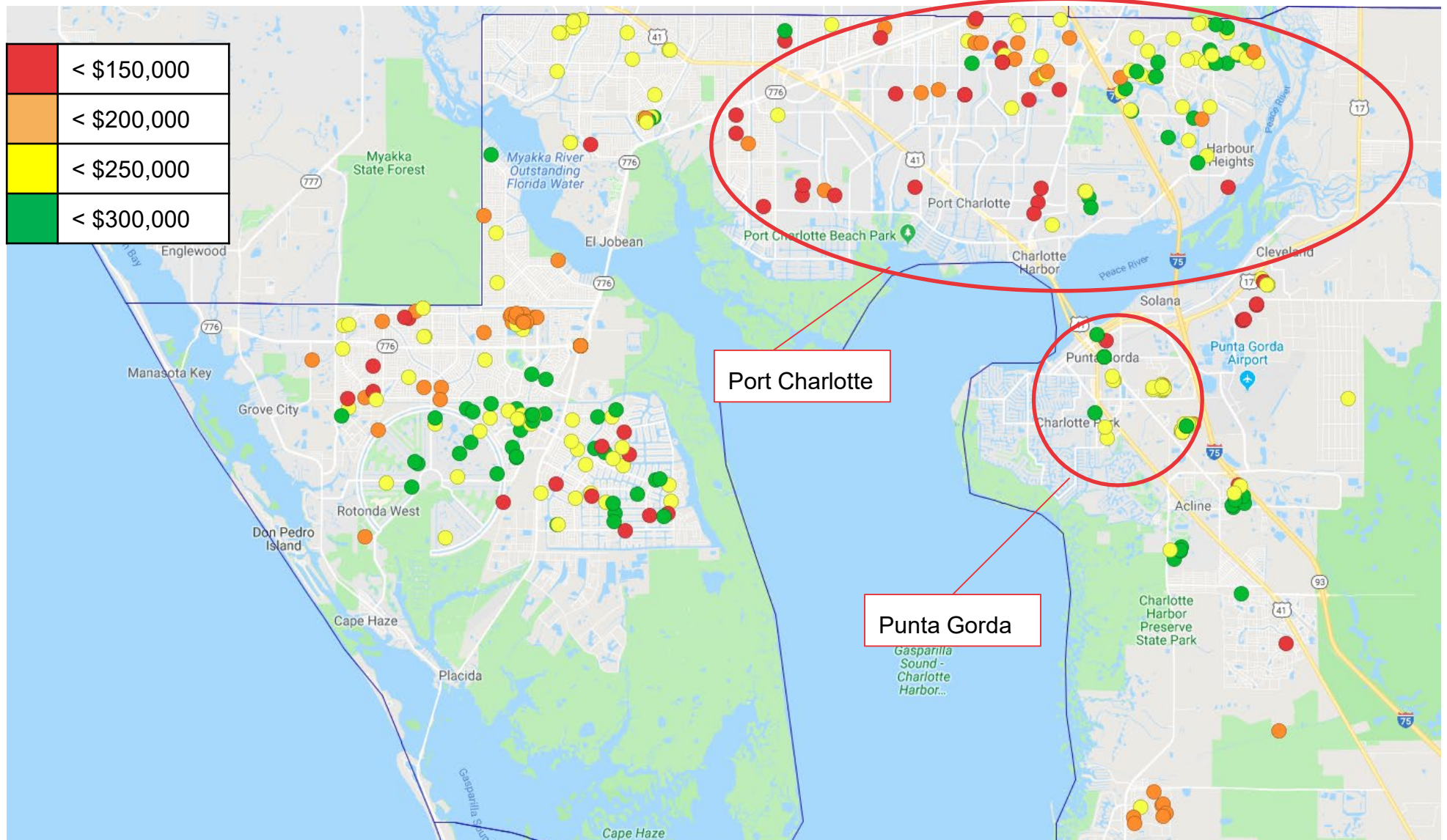


Sources: U.S. Bureau of Labor Statistics (BLS); U.S. Census Bureau; JBREC (Data as of June 2018, projections as of August 2018)

# New Home Transaction Activity by Price



We mapped the past 12 months of new transactions occurring in Charlotte County. Home prices vary throughout the MSA; the least expensive are concentrated near Port Charlotte and are primarily spot lot construction.



# New Home Builders



Adams Homes sold the most homes in Charlotte County over the last 12 months (through July 2018). Adams Homes primarily builds on spot lots. Maronda Homes sold the second largest number of new homes. Maronda Homes' sales occurred in six communities, though the largest volume transacted at their Port Charlotte spot lots and the Villa Milano community. KB Homes closed the third highest volume of sales, primarily within their Tuscany Isles community.

## Charlotte County Largest Builders

Rank	Builder	New Home Closings LTM	Median Sale Price
1		78	\$239,500
2		57	\$203,000
3		50	\$216,337
4		14	\$246,615
5		14	\$240,900

# Resale Market

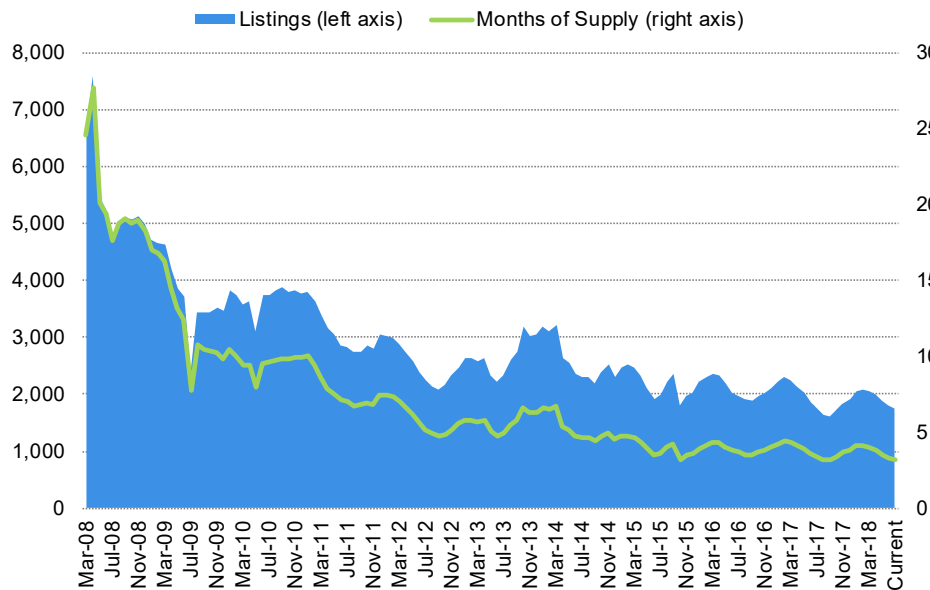


Resale activity fell 1% YOY, primarily due to reduced inventory. Months of supply sits at 3.2 months of supply, down from 3.4 one year ago. For perspective, 4 to 5 is considered equilibrium. Lack of inventory spurs demand for new homes.

Resale home prices rose rapidly, up 9.7% year over year to a median price of \$205K. We forecast price depreciation through 2021 due to rising interest rates, sluggish employment projections, and anticipated national economic slowdown.

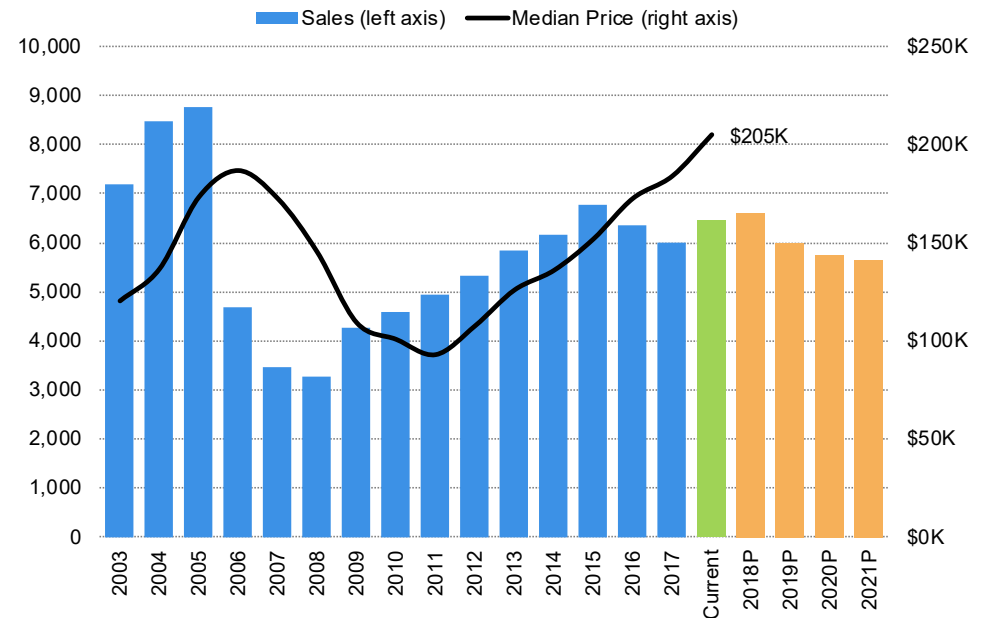
## Resale Listings      Months of Supply

Current	Year-Ago	Current	Year-Ago
1,745	1,764	3.2	3.4



## Resale Volume & Price

2018P	2019P	2020P	2021P
6,600	6,000	5,750	5,650
9.7%	-9.1%	-4.2%	-1.7%



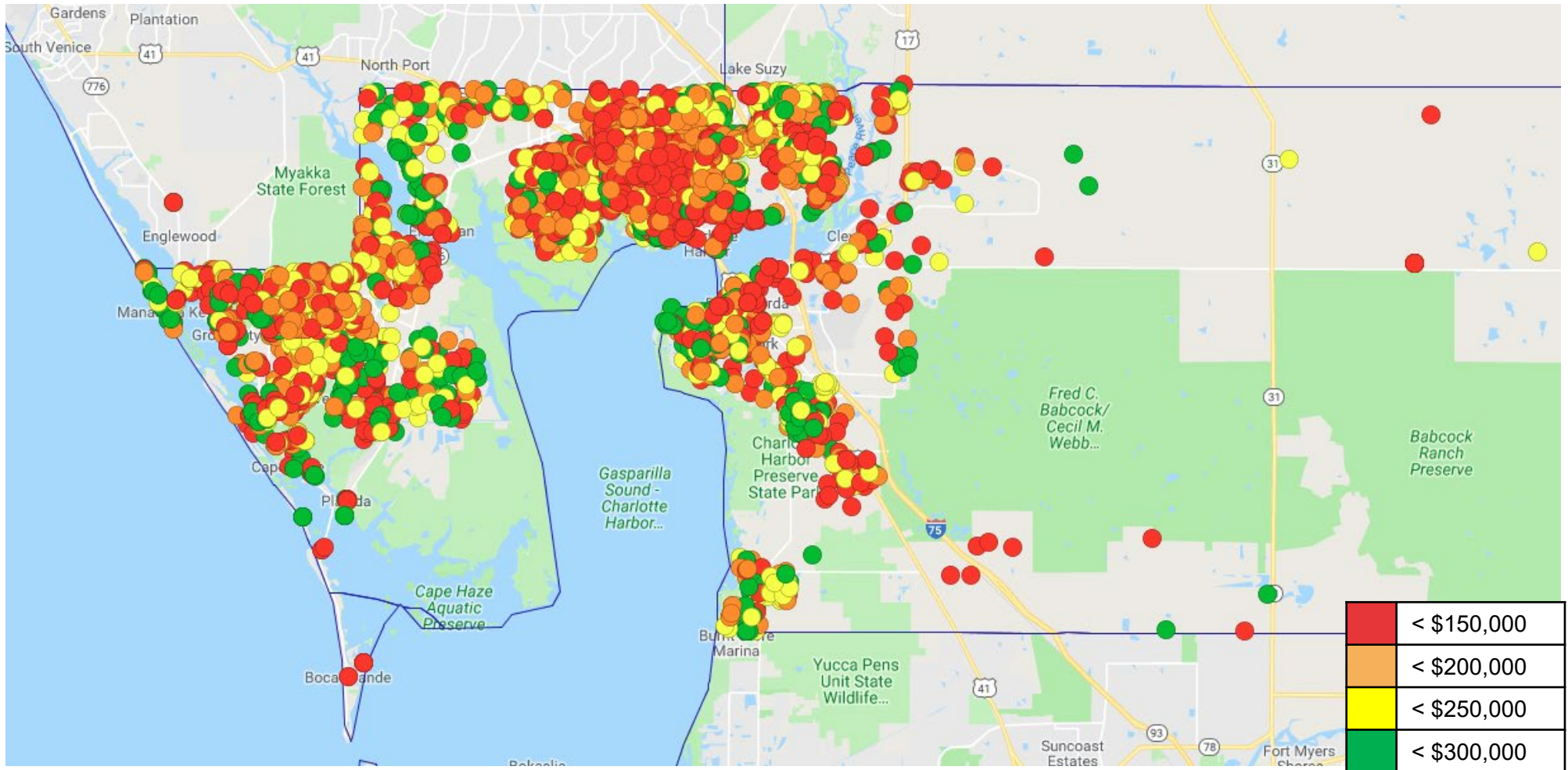
Charlotte County, FL

Sources: CoreLogic, Texas Real Estate Center, M.O.R.E, RB Intel, NAR, Various MLS's; John Burns Real Estate Consulting, LLC (Data as of June 2018, projections as of August 2018)

# Resale Transaction Activity by Price



We also mapped the past 12 months of resale transactions in Charlotte County. The median closing price of resale homes in the last 12 months was \$184,000. The majority of transaction activity is below \$200,000.



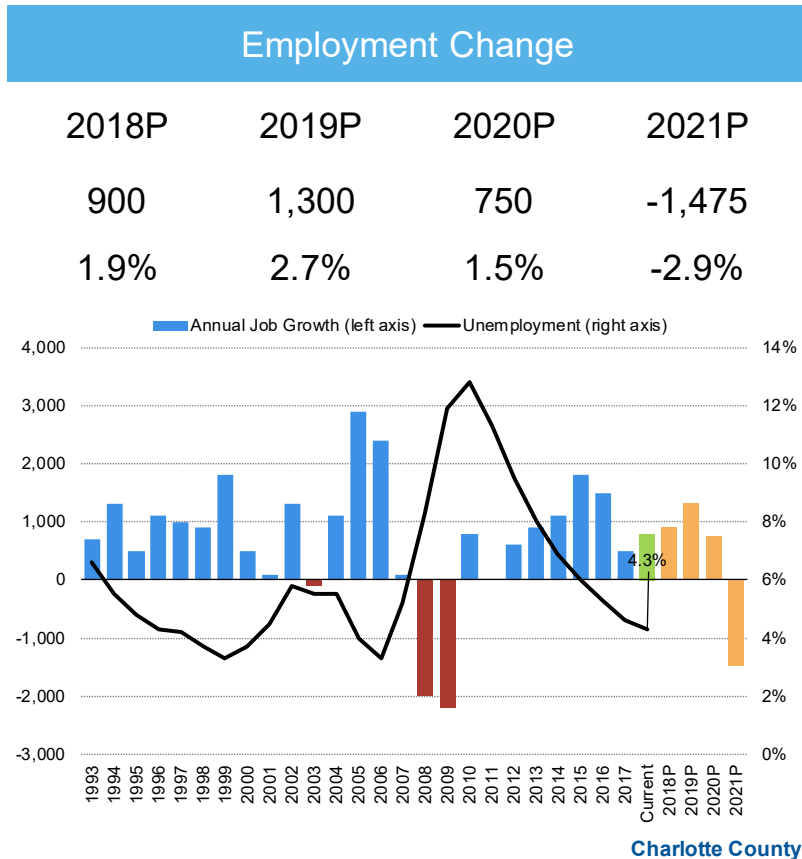
# Economic Outlook



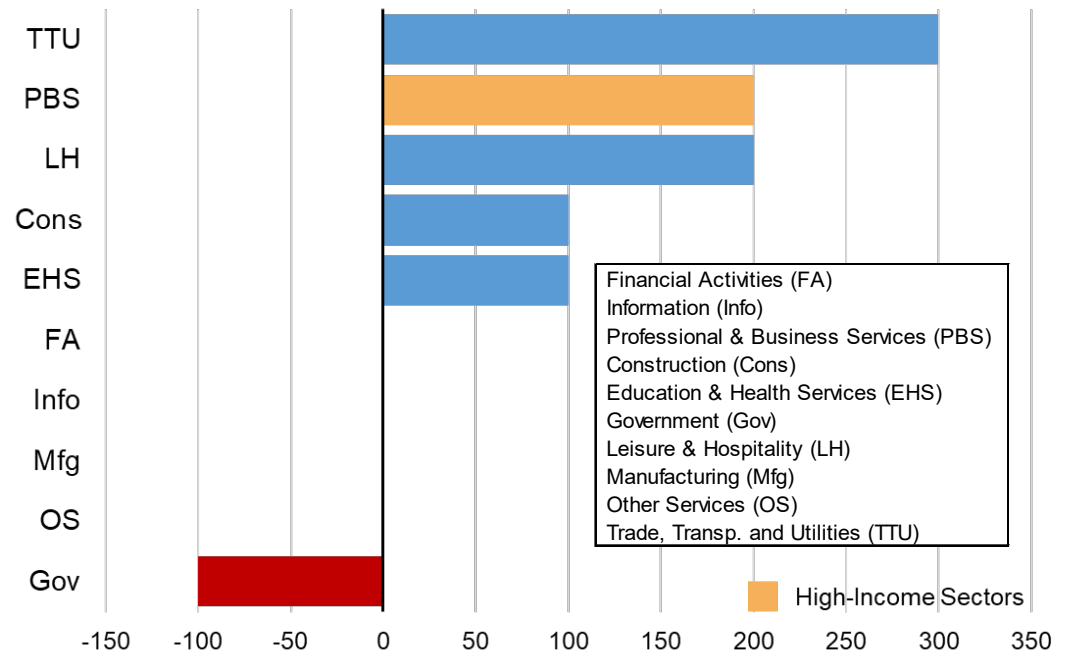
**Charlotte County faces cyclical risk, as we are forecasting a downturn in 2021. As a result, we project slowing job growth and housing market demand in 2019 and 2020. Not all products and price points will react the same and retirees on fixed incomes will likely be unphased in their housing demands.**

Employment growth reached 800 positions created (+1.7% YOY), exceeding the 1.6% national average. We forecast decelerating job growth through 2020 and job losses in 2021. This is in concert with JBREC's overall economic forecast for a cyclical downturn in 2021 and are primarily due to decreased demand for tourism.

The median income of Charlotte County is \$48,544, below the US average of \$58,100. This is due to two factors: 1) the large number of retirees in the area who do not report income and 2) the presence of low wage jobs. Of the 800 jobs added, 300 (38%) stemmed from the generally lower wage Trade, Transportation, and Utilities sector. The generally high-paying Professional and Business Services sector grew by 200 new positions.



**Current Employment Growth by Sector: Punta Gorda, FL**

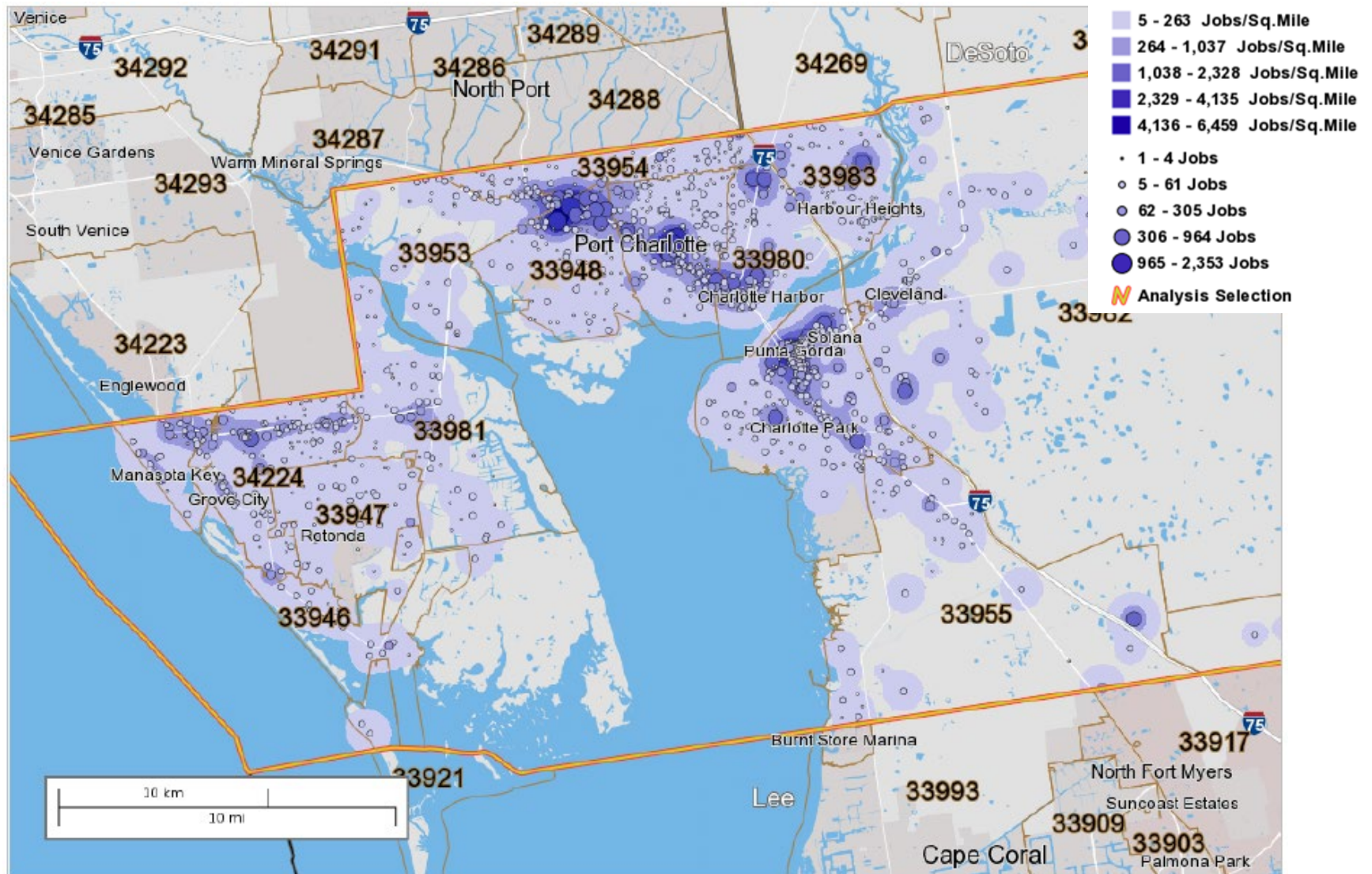


Sources: U.S. Bureau of Labor Statistics (BLS); Moody's Economics; JBREC (Data as of June 2018, projections as of August 2018)

# Employment Centers



Large employment centers within an hour's drive from Charlotte County include Sarasota and North Point to the northwest and Fort Myers/Cape Coral to the south. In Charlotte County, the majority of employment is concentrated in Port Charlotte and Punta Gorda between I-75 and US 41.



Source: US Census

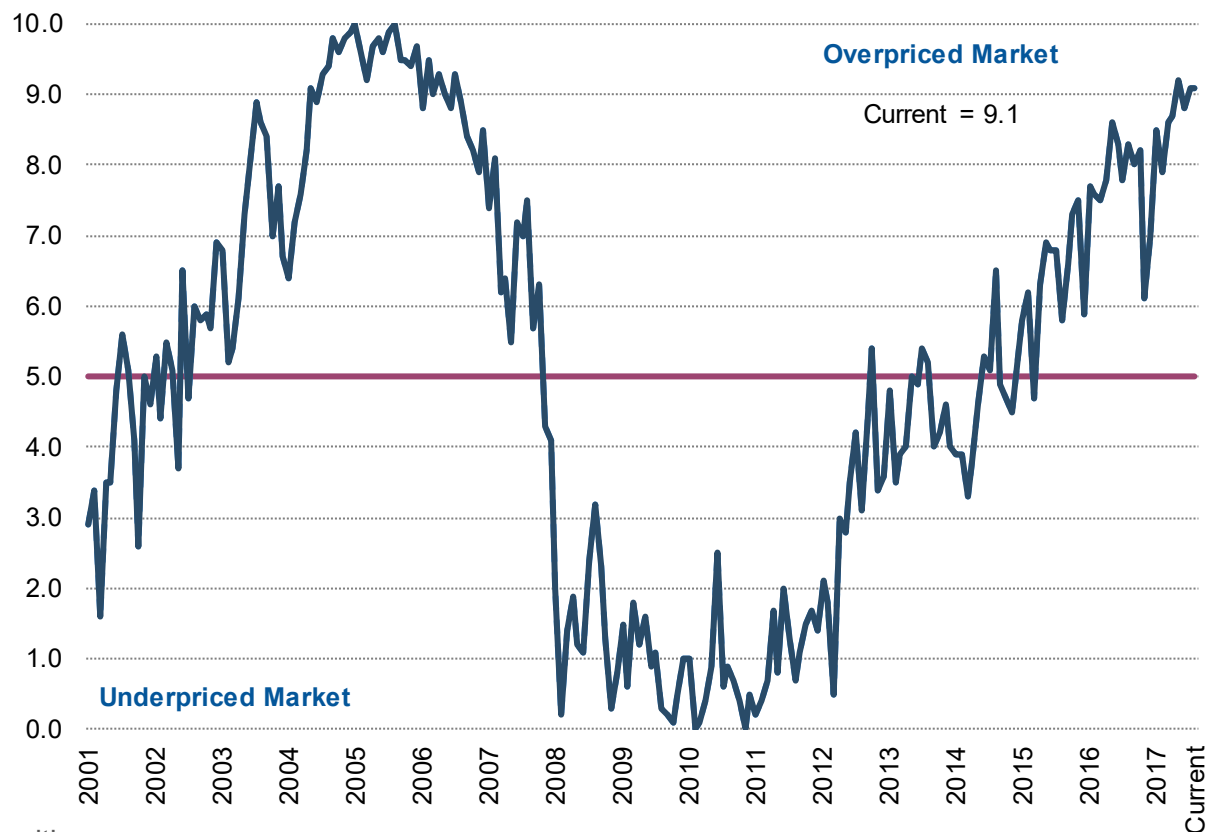
# Affordability



The JBREC Affordability Index™, which measures the relationship between the monthly costs of owning the median-priced home and median household income, currently rates Charlotte County a 9.1 on a scale from 0 to 10 (best to worst affordability), where a 5 represents the historical median dating back to 1985.

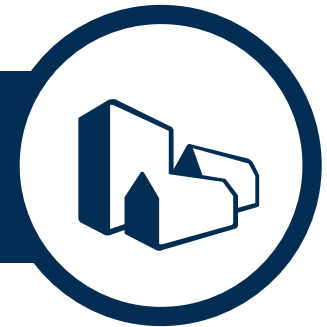
Our Burns Affordability Index indicates that Charlotte County is unaffordable to a homebuyer with a median income. We expect affordability will worsen over the next few years as a result of higher home prices and rising interest rates. The BAI does not take into account residents with a fixed income or high levels of home equity in their current homes looking to “move down”.

## Burns Affordability Index™





# DEMAND ANALYSIS – METHODOLOGY AND CONCLUSIONS



# Demand Model – Methodology and Conclusions



## Charlotte County, FL – Housing Demand in 2018

### 2018 Current Households

- We determined the current number of total households by age and income in Charlotte County utilizing ESRI, the U.S. Census Bureau and JBREC internal forecasts. Currently there are approximately **87,788 total households** in Charlotte County.
- We then determined the renter versus owner profiles in Charlotte County in 2018.



### 2018 Renter Profile

- We determined the current renter profile in Charlotte County in 2018.
- Approximately **19,220 renter households**, or 21.9% of total current households in Charlotte County.

### 2018 Owner Profile

- We determined the current owner profile in Charlotte County in 2018.
- Approximately **68,568 owner households**, or 78.1% of total current households in Charlotte County.

Source: JBREC Calculations of US Census 2016 ACS

# Demand Model – Methodology and Conclusions



## Charlotte County – Housing Demand Projected for 2022

### 2022 Projected Households

- Using proprietary population and income forecasts, we projected total households in Charlotte County in 2022.
- We estimate approximately **99,319 total households in 2022, which is 13.4% growth over 5 years or 2.7% annual growth**. Total households are profiled by age and income on the following slide.
- We then determined the renter versus owner profiles in Charlotte County in 2022.



### 2022 Renter Profile

#### 2.7% Annual Household Growth:

- Approximately 23,696 renter households in 2022, or 23.9% of total households in Charlotte County.
- JBREC forecasts a 2% increase in rentership rate in Charlotte County due to additional supply, demographic headwinds and employment growth, primarily in lower-wage sectors
- Annual demand for 895 rental units

### 2022 Owner Profile

#### 2.7% Annual Household Growth:

- Approximately 75,622 owner households in 2022, or 76.1% of total households in Charlotte County.
- Net growth of 7,055 owner households, or approximately 1,411 per year.

Source: JBREC Calculations of US Census 2016 ACS and ESRI household and income forecasts

# CHARLOTTE COUNTY HOUSING DEMAND



# 2018-2022 Charlotte County - Owner Household Profile by Income



We expect a net gain of 7,055 owner households in Charlotte County between 2018 and 2022, or an average of 1,411 per year. Growth will be positive for owner households with incomes of \$35,000 or higher. Income levels below \$35,000 will see a net loss in owner households, although the approximate home value that these households can afford is significantly below the median resale value of a home in Charlotte County (\$184,000).

DEMAND FROM HH GROWTH		TOTAL HOUSEHOLDS		RENTAL HOUSEHOLDS			Annual New Owner HH (A)	
Annual Household Income	Approximate Home Value Range Estimate 1/	Total Households - 2018 2/	Total Households - 2022 (P) 2/	% Owner Households 2018 3/	2018 Calculated Owner HH	% Owner Households 2020 3/		2022 Calculated Owner HH (P)
\$0 to \$25,000	Under \$73K	19,031	17,100	68%	12,269	59%	10,085	-437
\$25,000 to \$35,000	\$73K - \$125K	10,612	10,240	79%	8,170	73%	7,519	-130
\$35,000 to \$50,000	\$125K - \$185K	15,260	16,205	78%	11,570	72%	11,681	22
\$50,000 to \$75,000	\$185K - \$300K	18,505	21,673	88%	16,010	84%	18,300	458
\$75,000 to \$100,000	\$300K - \$420K	10,173	13,223	80%	7,918	74%	9,838	384
\$100,000 to \$150,000	\$420K - \$625K	8,419	12,129	91%	7,550	88%	10,684	627
\$150,000+	\$625K+	5,788	8,749	89%	5,081	86%	7,515	487
<b>Total</b>	<b>Total</b>	<b>87,788</b>	<b>99,319</b>	<b>78.1%</b>	<b>68,568</b>	<b>76.1%</b>	<b>75,622</b>	<b>1,411</b>

1/ The approximate home value range estimates are based on data from the U.S. Census Bureau – American Community Survey. These are rough estimates based on the relationship between annual household income and reported home value. While percentage paid by income may vary, the calculation is intended to establish home value range estimates as perspective. Some households will spend more and some will spend less. Rising interest rates, significant debt obligations and additional monthly ownership costs will also affect affordability.

2/ Estimated total existing households and annual household growth between 2018 and 2022. Total HH for 2018 and 2022 per JBREC.

3/ Percentage of area households that are owner occupied by income level per US Census American Community Survey 2017. Calculated gain in owner households 2018 to 2022.

# 2018-2022 Charlotte County - Renter Household Profile by Income



We expect a net gain of 4,475 renter households in Charlotte County between 2018 and 2022, or an average of 895 per year. The US Census reports that only 30% of households who rent in the MSA, rent apartments with 5+ units. This is primarily due to the lack of apartment supply in the market, rather than a lack of demand. The ratio will likely increase when additional multifamily rental supply is added to the market.

DEMAND FROM HH GROWTH		TOTAL HOUSEHOLDS		RENTAL HOUSEHOLDS						
Annual Household Income	Monthly Rental Rate 1/	Total Households - 2018 2/	Total Households - 2022 (P) 2/	% Rental Households 2018 3/	2018 Calculated Renter HH	% Rental Households 2020 3/	2022 Calculated Renter HH (P)	Annual New Rental HH (A) 4/	% that Rent Apartment Homes	# that Rent Apartment Homes 5/
\$0 to \$25,000	\$0 - \$700	19,031	17,100	32%	6,762	41%	7,015	51	60%	30
\$25,000 to \$35,000	\$700 - \$1000	10,612	10,240	21%	2,442	27%	2,721	56	55%	31
\$35,000 to \$50,000	\$1000 - \$1400	15,260	16,205	22%	3,690	28%	4,524	167	45%	75
\$50,000 to \$75,000	\$1400 - \$2100	18,505	21,673	12%	2,494	16%	3,373	176	35%	62
\$75,000 to \$100,000	\$2100 - \$2800	10,173	13,223	20%	2,255	26%	3,384	226	20%	45
\$100,000 to \$150,000	\$2800 - \$4200	8,419	12,129	9%	869	12%	1,445	115	15%	17
\$150,000+	\$4200+	5,788	8,749	11%	707	14%	1,233	105	10%	11
<b>Total</b>	<b>Total</b>	<b>87,788</b>	<b>99,319</b>	<b>21.9%</b>	<b>19,220</b>	<b>23.9%</b>	<b>23,696</b>	<b>895</b>	<b>30%</b>	<b>271</b>

Household Growth for the Punta Gorda MSA  
**13.0%** for 5-years or **2.6%** per year  
 (Forecast per JBREC)

JBREC increased the overall renter rate +/-3.0% and adjusted rate by income category to account for growth

**30%** of the households who rent in the MSA, rent apartments with 5+ units (opposed to SFD). JBREC assumes lower income groups are more likely to rent apartments. The difference is attributed to future growth concentrated in the higher income groups that have a lower likelihood to rent apartments.

Monthly Rental Rate	Total Demand
\$0 - \$700	30
\$700 - \$1000	31
\$1000 - \$1400	75
\$1400 - \$2100	62
\$2100 - \$2800	45
\$2800 - \$4200	17
\$4200+	11
<b>Total</b>	<b>271</b>
Market Rate - Relevant:	240

1/ Assumes that in the county, households pay 33.7% of the annual income toward rent per American Community Survey 2016. While percentage paid by income may vary, the calculation is intended to establish reasonable rent ranges as perspective. Some households will spend more and some will spend less.

2/ Estimated total existing households and annual household growth between 2018 and 2023. Total HH for 2018 per ESRI. Data is adjusted based on ACS distribution. 2023 growth per ESRI.

3/ Percentage of area households that are renter occupied by income level per US Census American Community Survey 2015. Calculated gain in renter households 2018 to 2023.

# APPENDIX



# LIMITING CONDITIONS



This report's conclusions and recommendations are based on our analysis of the information available to us from our research and from the client as of the date of this report. We assume that the information is correct and reliable and that we have been informed about any issues that would affect project marketability or success potential.

Our conclusions and recommendations are based on current and expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real-estate market continuously and to revisit key project assumptions periodically to ensure that they are still justified.

Due to changes in market conditions, as well as changes in consumer psychology, projected and actual results will likely differ. Events and circumstances frequently do not occur as expected, and the differences may be material. We do not express any form of assurance on the achievability of any pricing or absorption estimates or reasonableness of the underlying assumptions.

In general, for projects out in the future, we are assuming "normal" real estate market conditions and not a condition of either prolonged "boom" or "bust" market conditions. We do assume that economic, employment, and household growth will occur more or less in accordance with current expectations. We are not taking into account major shifts in the level of consumer confidence; in the ability of developers to secure needed project entitlements; in the cost of development or construction; in tax laws that favor or disfavor real estate markets; or in the availability and/or cost of capital and mortgage financing for real estate developers, owners and buyers. Should there be such major shifts affecting real estate markets, this analysis should be updated, with the conclusions and recommendations summarized herein reviewed and reevaluated under a potential range of build-out scenarios reflecting changed market conditions.

We have no responsibility to update our analysis for events and circumstances occurring after the date of our report.



# JOHN BURNS REAL ESTATE CONSULTING



*JBREC is a national consulting and research firm designed to help real estate professionals make informed investment decisions.*

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- Metro Analysis & Forecast
- Regional Analysis & Forecast
- Home Builder Analysis & Forecast
- Apartment Analysis & Forecast
- Exclusive Client Events
- Public-Builder Call Summaries
- Weekly Insight
- Presentations & Webinars
- Consumer Research
- Proprietary Surveys

### Consumer & Product Insights

- Consumer & Product Insights National Report
- Product Segmentation
- Mapping Studies
- Consumer Segmentation
- Site & Product Validation
- Custom Survey Analysis
- Focus Groups



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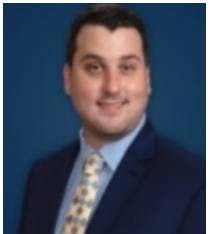


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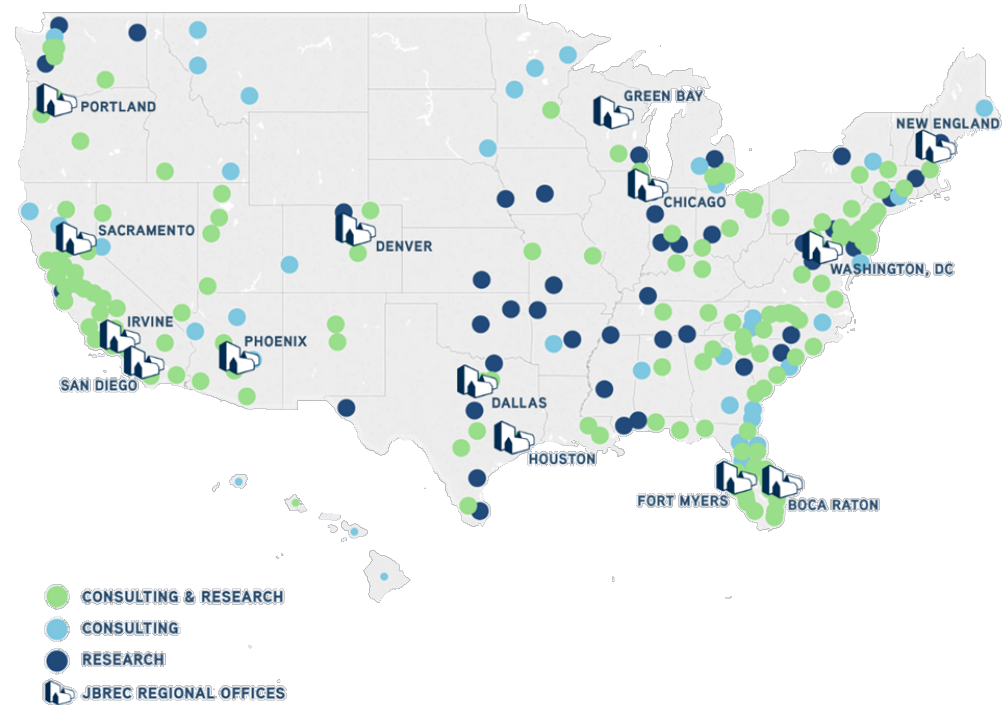
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