

Housing prices remain sky-high in region

Cape Coral-Fort Myers still most overvalued market

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Fort Myers News-Press USA TODAY NETWORK – FLORIDA

Cape Coral-Fort Myers remains the most overvalued housing market in the country.

The metro area once again ranks No. 1 in a monthly study by researchers at Florida Atlantic University.

According to the latest report, home buyers are paying 62.29% more than they should based on historical data.

In December, buyers paid an average of \$417,723 for a home. They should have paid \$257,393.

The newest housing report shows six of the nation's 10 most overvalued markets are in Florida.

Here are the other five – and how much buyers overpaid by (in December):

- No. 2 : Deltona, 55.51% ● No. 4 : Palm Bay-Melbourne, 54.55%
 - No. 6 : Tampa, 53.54% ● No. 7 : Lakeland, 51.99% ● No. 10 : North Port-Bradenton, 48.41%
- “In heading this group is not surprising,” said Ken Johnson, an economist at Florida Atlantic University,

He produces the report, along with Eli Beracha at Florida International University's school of real estate. “Our premium metric (degree to which property is overpriced),” Johnson said.

The other metros ranking in the Top 10 in the latest study are: No. 3 Atlanta (54.88%); No. 5 Charlotte.

The researchers rank the 100 largest metros using public data from Zillow and other real estate portals.

The study includes single-family homes, townhomes, condominiums and co-ops. The data used for the study is from Zillow's Zestimate.

Housing demand remains strong in Southwest Florida

Hurricane Ian has only exacerbated Southwest Florida's affordable housing crisis since it made landfall.

“Ian, like most hurricanes before it, is highly unlikely to change the demand to live and work in Southwest Florida,” Johnson said.

In other words, he said, housing affordability will remain a “significant issue” for a “prolonged period.”

On a bright note, in Cape Coral-Fort Myers, the average home price declined by nearly \$4,000 from

In November, the market was overvalued by 64.09%, 1.8 percentage points higher.

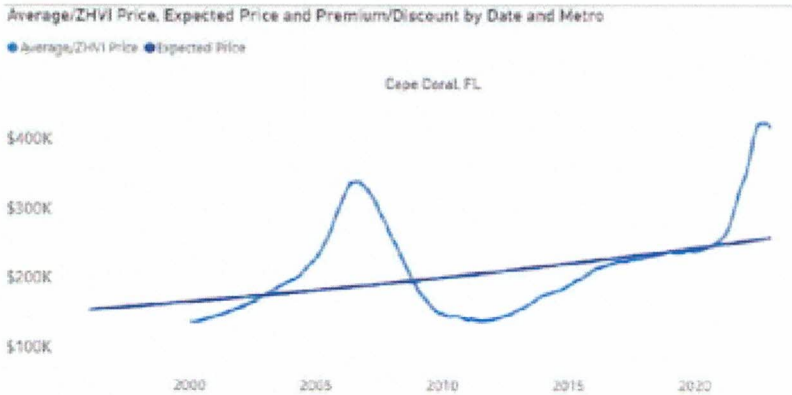
In the first market study, published in August 2021, not one Florida metro ranked in the Top 10. Much

“It used to be that you didn’t need a big salary to afford a home in the Sunshine State, but those days relatively low incomes should make housing affordability a key issue for a long time.”

Prospective buyers in Florida are unlikely to see prices plummet, with another market correction, or

“We don’t expect home prices to fall sharply because our high rents serve to support current prices,” home sale in another state.”

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Graphic of home prices in Cape Coral-Fort Myers over time. SUBMITTED



Johnson

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