

Housing Recovery in a Tourism Economy: Southwest Florida after Hurricane Ian

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Intersection of Hurricanes, Tourism Economy, and Seasonal Housing

Lee County, in Southwest Florida, faces increasing vulnerability to hurricanes due to the intersection of its tourism-based economy, scarcity of affordable housing, and high cost of living. Fort Myers, Fort Myers Beach, and Sanibel Island are major tourism hubs in Lee County with large seasonal housing markets.

- The proportion of vacation housing in Lee is twice that of Florida.
- More than half of the housing stock in Fort Myers Beach and Sanibel Island is vacation housing, 65.3% and 55%, respectively.

Vacation Housing

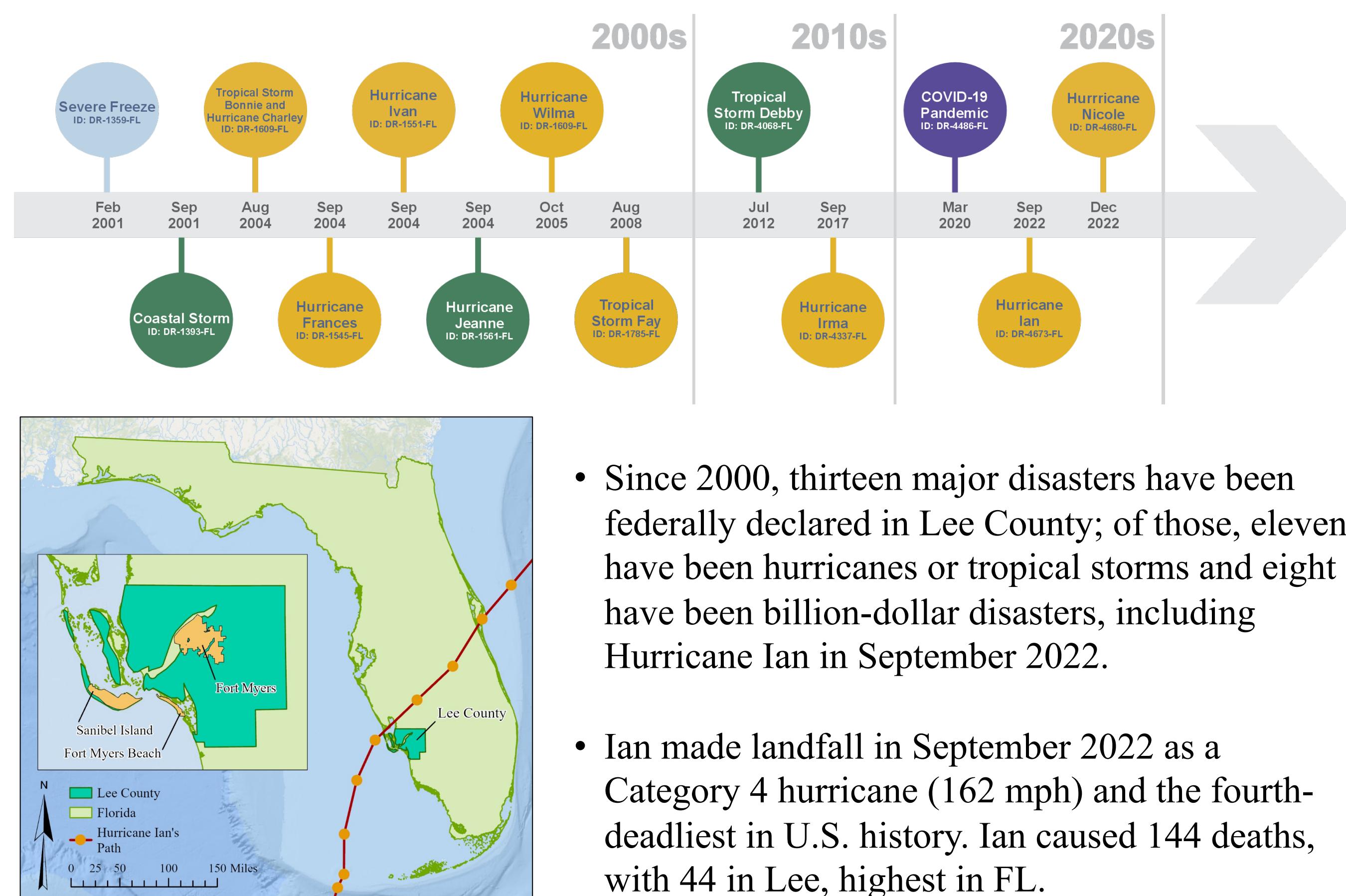
	Fort Myers	Fort Myers Beach	Sanibel Island	Lee County	Florida
# Units Vacant for Seasonal Use	84,220	6,329	4,737	5,292	861,660
% Vacant Units for Seasonal Use	75.3%	91.3%	92.2%	52.0%	53.6%
% All Units Vacant for Seasonal Use	20.5%	65.3%	55.0%	12.2%	8.8%

86% workers are in the tourism industry in Fort Myers Beach, 69% in Sanibel Island, and 38% in Lee County, all higher than the state and national economies. Location quotients also reflect this, comparing tourism industry employment in the county to Florida.

Tourism Sector Employment

NAICS Sector	Fort Myers	Fort Myers Beach	Sanibel	Lee County	FL Economy LQ
	% Employed	% Employed	% Employed	% Employed	
Retail trade	10.4%	9.6%	16.8%	17.6%	2.53
Real estate and rental and leasing	1.1%	9.9%	12.6%	3.0%	2.43
Arts, entertainment, and recreation	1.5%	2.0%	4.0%	3.3%	2.55
Accommodation and food services	5.6%	64.9%	35.1%	14.2%	2.44
Total Employment	66,732	3,074	3,564	245,483	-

Federally Declared Major Disasters from 2000-Present, Lee County



- Since 2000, thirteen major disasters have been federally declared in Lee County; of those, eleven have been hurricanes or tropical storms and eight have been billion-dollar disasters, including Hurricane Ian in September 2022.
- Ian made landfall in September 2022 as a Category 4 hurricane (162 mph) and the fourth-deadliest in U.S. history. Ian caused 144 deaths, with 44 in Lee, highest in FL.

Questions

To understand housing impact and recovery in the context of a tourism economy and pre-disaster vulnerabilities we asked two questions after Hurricane Ian:

- What are the patterns of impact for seasonal and affordable housing?
- What are the available resources for addressing different housing needs?

Data and Methods

- To study affordable and vacation housing, we used data from the U.S. Census Bureau American Community Survey, Zillow, the Structural Extreme Events Reconnaissance Network (StEER), the Shimberg Center for Housing Studies, and the U.S. Department of Housing and Urban Development (HUD).
- We used data from the Bureau of Labor Statistics and the U.S. Census Bureau Longitudinal Employer-Household Dynamics datasets to portray Lee's tourism economy.
- In our discussion of hazards, we used the OpenFEMA Dataset: Disaster Declarations Summaries - v2 and data from NOAA.



Shortage of Affordable Housing Before Hurricane Ian

Lee's economy is driven by tourism industries that employ low-income residents. Despite being integral to the county's workforce, it is nearly impossible for them to afford to live there. Median rents in tourism cities like Fort Myers, Fort Myers Beach, and Sanibel Island are much higher than that of the County as a whole, despite having lower incomes.

Fort Myers, Fort Myers Beach, and Sanibel Island have significantly higher GINI indexes than Florida (0.4869) and the nation (0.4848), 0.5363, 0.5437, and 0.5838, respectively.

In Fort Myers Beach and Sanibel, many single-family homes are used as luxury vacation rentals. In Fort Myers Beach, 53.1% of homes are multifamily with 20 or more units.

Types of Housing

	Fort Myers	Fort Myers Beach	Sanibel	Lee County
Total Housing Units	43,296	9,692	8,611	410,239
Single-family				
1 unit detached single-family	37.5%	31.2%	50.9%	55.0%
1 unit attached single-family	7.5%	1.3%	3.5%	6.1%
Duplex > 2 units	3.0%	3.6%	1.5%	3.0%
Multifamily				
3 or 4 units	6.5%	3.2%	1.9%	4.5%
5 to 9 units	9.1%	1.5%	5.6%	5.2%
10 to 19 units	11.0%	4.7%	12.1%	5.9%
20 or more units	23.3%	53.1%	21.5%	10.7%
Mobile home	2.1%	1.3%	3.1%	9.4%
Boat, RV, van, etc.	0.1%	0.1%	0.0%	0.2%



In each city, cost-burdened owners make up between 23.7-31.5% of all owner households. The percent of cost-burdened renters is higher than cost-burdened owners across all cities, and in Fort Myers and Lee County, more than double.

Cost Burden and Percent of Income Spent on Housing

Tenure Type	Income	Fort Myers		Fort Myers Beach		Sanibel		Lee County	
		30% or Less of Monthly Income	More than 30% of Monthly Income	30% ≤	>30%	30% ≤	>30%	30% ≤	>30%
Owner Households	AMI or Below	20.3%	19.4%	11.5%	20.4%	4.6%	20.1%	25.2%	19.8%
	Above AMI	55.6%	4.8%	62.3%	5.8%	63.9%	11.4%	51.1%	3.9%
	Total	75.8%	24.2%	73.7%	26.3%	68.5%	31.5%	76.3%	23.7%
Renter Households	AMI or Below	21.5%	47.6%	8.1%	50.7%	8.3%	37.3%	23.2%	47.5%
	Above AMI	27.9%	3.1%	41.2%	0.0%	51.6%	2.9%	29.0%	0.4%
	Total	49.4%	50.6%	49.3%	50.7%	59.9%	40.1%	52.2%	47.8%

Tourism workers face significant financial challenges finding affordable housing. All tourism workers except those in the "Performing arts, spectator sports, and related industries" sector are cost-burdened in the rental housing market. On average, the 32,986 workers in Accommodation and food services spend 52.8% of their wages on rent.

Percent of Wages Spent on HUD Fair Market Rent, Lee County

NAICS Sector	Number of Workers in Industry	Average Monthly Wages	Percent of Wages Spent on Two Bedroom Unit
Retail trade	40835	\$3,183.83	37.6%
Clothing and clothing accessories stores	3059	\$2,088.50	57.3%
Transportation and warehousing	5281	\$3,906.75	30.6%
Scenic and sightseeing transportation	141	\$2,376.17	50.4%
Arts, entertainment, and recreation	7716	\$3,173.92	37.7%
Performing arts, spectator sports, and related industries	1238	\$4,724.00	25.3%
Museums, historical sites, and similar institutions	151	\$3,085.00	38.8%
Amusement, gambling, and recreation industries	6327	\$2,872.75	41.7%
Accommodation and food services	32986	\$2,269.00	52.8%
Accommodation	4662	\$2,854.08	41.9%
Food services and drinking places	28325	\$2,172.75	55.1%



Housing Impacts from Hurricane Ian

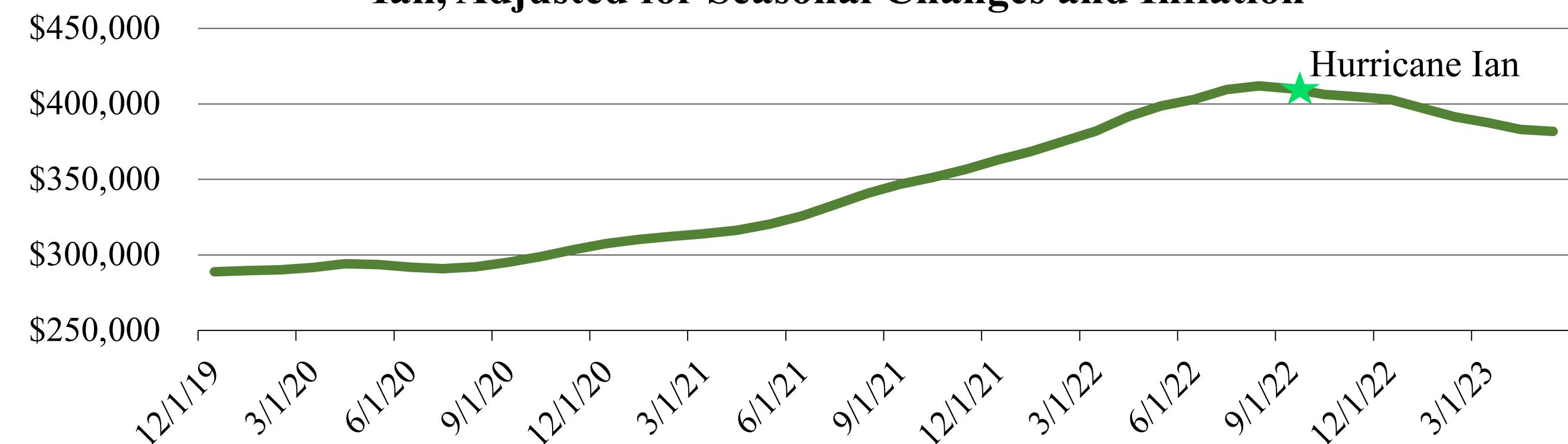
In Lee County, 50,314 residential structures were damaged, and 5,076 were destroyed. An early damage assessment by StEER found that:

- Most single-housing structural failures occurred on barrier islands (Sanibel and Fort Myers Beach). **Manufactured and mobile homes were the most vulnerable.**
- Wood-frame multi-family residential structures** along the Causeways to the barrier islands sustained severe structural damages in the form of complete roof failures and wall breakdowns. These structures often house low-moderate income households.
- Coastal homes saw more interior flooding. Many were seasonal and vacation homes.
- CoreLogic predicts economic losses from Ian fall between \$41-\$70 billion.
 - Insured wind losses \$23-\$35 billion; insured flood losses \$8-\$18 billion
 - Uninsured flood losses **\$10-\$17 billion**

Zillow's Home Value Index, shows a decline in home values after Ian which, beyond damages, may indicate:

- Homeowners rushing to sell damaged homes or due to concerns over insurance cost, increasing the market supply.
- Potential opportunity for developers purchasing these properties at a lower cost to rebuild and sell for profit. This has been observed in other post-disaster communities and contributes to changes in local demographic fabric, culture, and affordability.

Zillow Typical Home Value for Lee County Before & After Hurricane Ian, Adjusted for Seasonal Changes and Inflation



Housing Recovery Resources

