



BONITA SPRINGS-ESTERO
REALTORS®

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Steady Buyer Demand Still Present in Bonita Springs & Estero; Area Brokers Address 'Bubble' Concerns

Bonita Springs, FL September 22, 2021 -- According to the Bonita Springs-Estero REALTORS® (BER), the month of August 2021 continued along the same path as last month, specifically with reduced inventory. While August 2021 did not see the buyer 'frenzy' seen in early-to-mid 2021, the market is still showing steady buyer interest and demand. Dena Wilcoxon, 2021 BER President and REALTOR®, Berkshire Hathaway HomeServices Florida Realty, Bonita Springs stated, "Several variables attributed to the frenzied pace of sales we saw in the market earlier this year." She continued, "The pandemic sparked not only workplace and lifestyle changes for many buyers across the nation, but it also generated millions of new buyers in our market very quickly, such as Baby Boomers who took early retirement in 2020, as well as millennials who entered the market as new buyers in 2021. This helped contribute to that very busy time earlier this year." In Southwest Florida, more buyers in 2021 were seeking a permanent move to the area, as opposed to a part-time vacation home. The current time of year in Southwest Florida also contributes to the less-frenzied buyer interest, such as summer vacations for families with school-age children or just the general slower pace in the summer months; this is typical summer buyer behavior in Southwest Florida and should not be construed as overall decreased buyer interest.

Inventory Still Poses Challenges

However, with *19 million* search result page views (as reported by REALTOR.com) in Bonita Springs and Estero in August 2021, inventory is *still* not enough to satisfy current demand. In August 2021, the months' of inventory available in the market was at an all-time low of **.5**

months with new listings decreasing by 24.6 percent for single-family homes and 36.8 percent for condominiums. Area brokers are also reporting that buyers continue to look for more space and larger homes, as the luxury market for those homes priced \$2 million+ continue to see increased interest as well. Area brokers continue to advise buyers to remain diligent in their property search, financial preparation, and in working with an experienced agent to find the right property.

For sellers, accurately pricing your home to market value is still a critical element in receiving qualified offers right now. “Especially following the intense buyer competition of earlier this year, sellers still need to focus on accurate pricing,” stated Jerry Murphy, Managing Broker, Downing-Frye Realty, Bonita Springs. He added, “Buyers who are currently in the market are very savvy and know the difference between an overpriced home versus a property that is priced to market value.” Brokers also urge sellers to work with their REALTOR® on how best to price their property for maximum interest and multiple offers. The Bonita Springs and Estero markets are still seeing price reductions each month, and area appraisers also report that current pricing is correlating with current appraisals for those properties accurately priced.

Is There a Bubble Emerging?

Area brokers have been asked recently about whether or not a possible real estate bubble is developing, similar to the bubble experienced during the recession of 2008. Area brokers are confident in stating that a ‘bubble’ is not developing for several reasons. First, the recession of 2008 was fueled largely in part by less-than-prudent lending standards, which have since been further regulated. “Nowadays, you’re not seeing buyers easily securing jumbo loans that they neither need nor can afford; lending guidelines are much more stringent now to prevent this”, stated Adam Ruud, Managing Broker, Domain Realty, Bonita Springs. Ruud added, “We also did not have the historically low mortgage rates that we have today, which adds to increased buyer demand.” Erin McDonald, Managing Broker, Premier Sotheby's International Realty, Bonita Springs, Captiva and Sanibel Islands, also points out that sellers today have built equity in their homes since the 2008 recession. She stated, “During the last recession, many homeowners found themselves quickly upside down in their home’s equity and stuck with a huge mortgage with no options, resulting in many foreclosures. Today, many sellers have built equity in their properties and have viable

options.” And, of course, COVID-19 was the most significant catalyst of today’s situation that we did not have during the 2008 recession – essentially a pandemic that set off lifestyle and workplace changes leading to immense buyer interest in warmer climates supporting outdoor freedoms. Area brokers state that both situations are vastly different, and the outcomes thus far are not similar. However, for those who have concerns or questions, brokers highly recommend speaking with a local, experienced REALTOR® who can provide an accurate detailed assessment of today’s market.

The bottom line? Interested buyers are still in the market and more inventory is needed to satisfy demand through the fall selling season in Southwest Florida. Otherwise, all signs point to a healthy residential real estate market at the moment in Bonita Springs and Estero.

The Bonita Springs-Estero REALTORS® August 2021 Report shows these overall findings for **both single family homes and condominiums combined**.

	<u>Month over Month 8/2020</u>	<u>Month over Month 8/2021</u>	<u>% Change</u>
New Listings	392	280	-28.6
Pending Sales Units	378	320	-15.3
Closed Sales Units	325	341	-8.9
Median Closed Price	\$335,000	\$407,500	21.6
Average Days on Market	88	22	-75.0
Months' Supply of Inventory	4.8	.5	-88.4
Active Inventory	1,333	241	-81.9
			<u>% Change</u>
	<u>YTD2020</u>	<u>YTD2021</u>	
New Listings	3,181	3,079	-3.2
Pending Sales Units	2,537	3,514	38.5
Closed Sales Units	2,315	3,539	52.9
Median Closed Price	\$319,577	\$380,000	18.9
Average Days on Market	81	46	-43.2

To ensure your next real estate transaction in the Bonita Springs or Estero market is a success, contact a Bonita Springs – Estero REALTOR® member by visiting BonitaEsteroRealtors.com.

**Inventory calculations are based on property listings that exist within the Southwest Florida MLS. Only properties in zip codes 33928, 34134 and 34135 are included. Single family homes are tabulated with the building design of single family, villa detached, or manufactured with land conveyed. Condo units are tabulated using properties with a building design of low-rise, mid-rise, high-rise or villa attached.*

The Bonita Springs-Estero REALTORS'® Multiple Listing Service (MLS) syndicates to LISTHUB, which distributes to 2,000+ real estate search websites.

Founded in 1966, the Bonita Springs-Estero REALTORS® is a local trade organization of over 1,000 REALTORS® and more than 120 affiliated industry members. Bonita Springs-Estero REALTORS® is part of the National Association of REALTORS® and Florida REALTORS® and provides its members with a wide range of services designed to educate and empower members and consumers alike through the opportunity to sell or purchase real property. It also provides the public with up-to-the-minute real estate reports, trends and information about the Bonita Springs and Estero real estate market.

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