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Local brokers point realtors and buyers to signs of the market normalizing

Buyers and sellers must find a healthy equilibrium

BONITA SPRINGS, Fla. (June, 2022) – Local brokers agree the red-hot seller’s market is changing as they begin to see signs of it normalizing in May with low chances of current prices falling significantly according to professionals.

“We are seeing more inventory coming on the market combined with the decrease in multiple offer situations and properties staying on the market longer possibly indicating a normalizing market,” said Angie Parker the Co-Founder, Broker and CEO of LOCAL Real Estate.

May had a total of 436 active inventory listings which was a 30.1% increase from 2021 along with a 2.9% increase in new listings.

According to Adam Ruud, managing broker and owner of Domain Realty, “We have hit a resistance point in the market. Sellers don't want to come to terms with the shift and buyers want to wait for better pricing.” Ruud advises in this transition buyers and sellers must find an equilibrium as sellers are continuing to price homes high and buyers are giving push-back.

This has caused about 30% of the inventory to adjust prices. Ruud recalls sellers rejecting offers 20k below asking price then later returning and accepting it. “After decreasing the price by just 5% many sellers have found it easy to get contracts,” said Jeff Weiss with the Bonita Estero Realtors. This is reflected in the average days on market continuing to be generally low averaging only 12 days.

“There are a number of factors now favoring buyers, but our median price continues to grow. That’s a great indication of the strength of our market. Even with inventory levels and financed transactions beginning to rise as well as fewer multiple offer situations, our median

price increased from April by 3.2%,” said Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty’s office in Bonita Springs.”

Even though the Bonita Springs and Estero market continues to be dominated by cash buyers at 66% cash buys, realtors are starting to see more and more loans being pushed through.

Meighan Harris, CEO of BER wants to encourage buyers to not be afraid of the current market, ”Look at the market as an opportunity. Interest rates might be higher but that means there is less competition. For buyers interested in the southwest Florida area, Bonita Springs-Estero to me, is the sweet spot of Lee county, centrally located between Fort Myers and Naples, combining the best attributes from both areas with a competitive median home price.”

As local realtors quickly forgot what it was like having an off-season, buyers are being encouraged to step back into the market. According to Corelogic Market Risk Indicator, SWFL has a 20% or less probability of price decline over the next 12 months with current rising mortgage rates, lower consumer confidence and market overvaluation. Homebuyers in Florida have gained an average \$76k annual equity gain per mortgaged home in 2021. That is great news for homeowners.

According to Market Watch and Dr. Lawrence Yun, Chief Economist for the National Association of Realtors, combined with low inventory, inflation also plays a part in rising home prices as the Fed continues to raise interest rates causing mortgage rates to climb. But unlike the housing bubble of 2008, lenders are vetting borrowers more rigorously and according to Bankrate, mortgage borrowers’ credit scores remain near record highs at 776 in the first quarter of 2022. “Home prices are high and unlikely to fall. Mortgage underwriting has been stringent with no funny, risky stuff,” says Yun.