

Positive Factors Affecting the Bonita Springs- Estero Real Estate Market

The SWFL area is seeing less frenzy and more balance

BONITA SPRINGS, Fla. (August 24, 2022) – As long-time local brokers reflect on the post-pandemic real estate market, they are positively encouraged by the gradual market increase from 2019 to 2022.

The current market continues to be strong with the July pending sales having increased slightly from June but down 19% from a year ago. However, area brokers agree making comparisons to 2020 and 2021 hold little meaning on the market since both years were largely anomalies.

“It is important to keep our perspective on the local market relative. When we compare today's market to 2019, which was our last 'normal' pre-pandemic year, we see a healthy pace of sales and steady appreciation since that time,” said Erin McDonald, Managing Broker at Premier Sotheby's International Realty.

The Southwest Florida area is a popular place to live in Florida and more and more people come to visit, fall in love, and move here every year. Many realtors believe SWFL is a great place to live and holds great desirability along with good job opportunities. Many regional companies continue to relocate to FL as well bringing more people and jobs.

One of the factors that is reassuring our local realtors about the strength of our market is what we're seeing with inventory. Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty's office in Bonita Springs said, “There were 516 active listings on the market at the end of July. Overall, inventory continues to trend upward and while it's still less than 1/3 of the homes for sale in July of 2019, it still reflects an increase of 120% from the low point in December 2021. Months of supply is now up to 1.7 and while still well below the pre-pandemic high of 8.6 months, it continues to gradually increase. We're not seeing any signs that the tight inventory will change anytime soon.” Foreclosures are almost non-existent and home builders remain constrained by supply chain and labor issues.

The current inventory situation will also have an impact on median prices. For July, the median price for the Bonita Springs-Estero market was \$530K, and appears to be leveling off. Brokers expect to see some monthly fluctuations but no major swings.

As the market begins to normalize, local realtors like Jerry Murphy, Managing Broker of *Downing-Frye Real Estate's* Bonita Springs office, have started seeing financing come into play more and more despite the continued high percentage of cash sales at 62% in July. Murphy added, "Cash sales have been affected by other areas like the stock market because buyers tend to move assets from a location to pay cash for a home."

Although we are moving towards a normal market and some might want to forget about what the pandemic did to the real estate market, it continues to affect seller expectations. 30% of properties in the Bonita Springs- Estero area had price adjustments in July.

"There is a current disconnect between buyers and sellers right now with sellers expecting to sell their homes at pandemic prices and buyers giving push back on the price. Buyers and sellers just need to find the footing," said Adam Ruud, managing broker and owner of Domain Realty.

"Sellers need to be aware that the market has changed considerably even from just a few months ago. The days of multiple, above asking price offers have waned, so pricing strategies need to be in line with the current market, reviewed frequently and adjusted if necessary," said Kolenda.

"Today's market is normalizing. It may feel like a softening when coming off the wild ride of the past 2 years yet really if we factor out the anomaly caused by the pandemic, we are in a strong, healthy market that offers no indicators of decreasing demand or decreasing home values," said McDonald.

	Month	Month		
	<u>over</u>	<u>over</u>		
	<u>Month</u>	<u>Month</u>	% Change	
	Jul-21	Jul-22		
New Listings	282	254	-9.9%	
Pending Sales Units	276	225	-18.5%	
Closed Sales Units	344	225	-34.6%	
Median Closed Price	\$423,000	\$530,000	25.3%	
Average Days on Market	22	19	-13.6%	
Months' Supply of Inventory	0.7	1.7	142.9%	
Active Inventory	314	516	64.3%	
Cash % of Total Sales	61.1%	61.9%	0.8	pts
	YTD 2021	YTD 2022	% Change	
New Listings	2,816	2,813	-0.1%	
Pending Sales Units	3,195	2,277	-28.7%	
Closed Sales Units	3,249	2,228	-31.4%	
Median Closed Price	\$378,333	\$525,000	38.8%	
Average Days on Market	48	14	-70.8%	