

Real Estate Recession? – Not the case in SWFL!

The Southwest Florida Real Estate Market does not fall in line with national trends

BONITA SPRINGS, Fla. (September 23, 2022) – The southwest Florida real estate market continues to defy national real estate trends and statistics. “This is our new normal,” stated Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty’s office in Bonita Springs, “we have come through the pandemic and market changes and are now left with a strong market in an area with low inventory and high desirability.”

The inventory of the Bonita Springs- Estero area continues to be low relative to pre-pandemic levels with 1,376 active listings in August of 2019 and only 486 in August of 2022. Local brokers agree that people continue to purchase homes in Southwest Florida and plan to use them as primary residences, second homes &/or rental properties.

The months’ supply of inventory sat at 5.1 in 2019 which was very close to the balanced market indicator of 6 months of active listings. This number has dropped to 1.6 months in 2022 in the Bonita Springs-Estero area, in contrast to the national average which is currently 3.3 months of inventory. This emphasizes just how different the southwest Florida market is compared to the rest of the nation.

“Real estate is hyperlocal. It is important for buyers and sellers to focus on local not national trends ,” said Erin McDonald, Managing Broker at Premier Sotheby's International Realty. McDonald added that the current local market can be characterized as a buyer friendly seller's market. The seller advantage is due to the short supply of active listings yet sellers have had to react to the fact that the frenzy of the past 2 years is over. Buyers are benefiting from slightly higher days on market, fewer multiple offer situations, few properties selling over list price and some sellers are having to reduce their list prices before going under contract.

Currently, the median price is \$583,000 which is a 42.9% increase from August 2021. This coupled with 65.4% of transactions being cash transactions illustrates the continued demand for this market. While days on market has risen from a low of 10 in April of this year, August 2022 saw an average 24 of compared to 107 in August 2019.

August also saw 148 properties having price adjustments and 8.6% of total transactions being canceled.

Managing Broker of Downing-Frye Real Estate's Bonita Springs office, Jerry Murphy said, "The current prices we face will simply become the prices of homes here in southwest Florida. The prices are based upon the inventory and the desirability of the area. There is a fight for good neighborhoods and there are only so many houses that are available." He added, "The good news is everybody wants to live here the bad news is they are doing their best to do so. Those riding the fence should make a purchase or else they might end up living on the fence,"

Factoring out the pandemic driven spike in sales, our current market is stable and shows healthy growth from 2018 and 2019 which were locally strong years for real estate. Local brokers are encouraging anyone who is interested on purchasing a home to not wait. Even with the end of the buying frenzy, demand remains high and values are not projected to soften much, if at all.

	<u>Month</u>	<u>Month</u>	
	<u>over</u>	<u>over</u>	
	<u>Month</u>	<u>Month</u>	<u>% Change</u>
	<u>Aug-21</u>	<u>Aug-22</u>	
New Listings	288	253	-12.2%
Pending Sales Units	298	244	-18.1%
Closed Sales Units	302	202	-33.1%
Median Closed Price	\$408,000	\$583,000	42.9%
Average Days on Market	22	24	9.1%
Months Supply of Inventory	0.7	1.6	128.6%
Active Inventory	279	487	74.6%
Cash % of Total Sales	56.6%	65.4%	15.5%
	<u>YTD 2021</u>	<u>YTD 2022</u>	<u>% Change</u>
New Listings	3,104	3,071	-1.1%
Pending Sales Units	3,493	2,497	-28.5%
Closed Sales Units	3,551	2,434	-31.5%
Median Closed Price	\$380,000	\$529,000	39.2%
Average Days on Market	46	15	-67.4%

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.

###

About Bonita Springs- Estero REALTORS®

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. For more information visit <https://www.bonitaesterorealtors.com/>.

CONTACT:

Chastity Roark

Marketing and Communications Coordinator

TLC Marketing and Creative Services

chastity@trishleonard.com

239-405-8115