

Hurricane Ian's Impact on the Bonita-Springs Estero Real Estate Market

Historic studies and decreased inventory points to market appreciation

BONITA SPRINGS, Fla. (October 24, 2022) - Hurricane Ian was a huge, slow moving storm with winds just 2 miles per hour shy of being a category 5 storm. The hurricane's wide path spans the SW FL coast yet destruction was highly localized with the direct waterfront areas suffering the most damage. The Bonita Springs - Estero area made out relatively well in comparison to many neighborhoods to both the north and south. Many are left wondering how this will affect the local real estate market.

Historically, major disasters or storms such as hurricanes tend to "cause a temporary increase in home prices," according to "How Hurricanes Sweep Up Housing Markets: Evidence from Florida" by Joshua Graff Zivin, Yanjun Liao and Yann Panassie. This thinking is supported by a 2010 study, conducted by senior economic policy advisor, Anthony Murphy, of the Dallas Federal Reserve Bank and economist Eric Strobl, that showed "the typical hurricane strike raise real house prices for a number of years, with a maximum effect of between 3 to 4% three years after occurrence."

Inventory of active listings was low before the storm. With thousands of local residents experiencing severe damage or total destruction, there will be additional pressure on the already tight housing market in our area as we approach the start of the winter season.

9% of the properties that were active listings in Bonita Springs and Estero prior to the storm have been either terminated or withdrawn; that is 43 out of 476 homes. That decrease is even sharper in other parts of Lee County with 14.5% of the active listings withdrawn or terminated. That is likely because Lee County encompasses the barrier islands of Fort Myers Beach, Sanibel and Captiva which had some of the most severe storm surge. Naples and the Collier County area has seen only 6.6% of actively listed properties pulled from the market.

The Bonita Springs-Estero real estate market has strongly favored sellers since the onset of the pandemic with high demand and low inventory. Considering the pre-pandemic "stable market" having an inventory of 1,400 in September of 2019, the current inventory of 436 is already 68.8% lower than the previous market. "With this additional hit on the inventory, the historic trends of home prices appreciating are more likely considering the supply and demand issue," said Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty's office in Bonita Springs.

“The Bonita Springs-Estero real estate market now not only has historic trends to support a potential appreciation, but also its continued desirability. Aside from rebuilding, our area is not known for skyscrapers or amusement parks, we are known for our natural beaches, gorgeous sunsets, and year-round tropical weather and those are things no storm can take from us. Considering the damages our area faces, our local realtors and brokers believe our market will stay strong and appreciate because our area is still highly desirable.” said Jerry Murphy, Managing Broker of Downing-Frye Real Estate's Bonita Springs office.

“Although our coastal homes and areas suffered extreme damage, our newly constructed inland areas remain unscathed,” said Meighan Harris, CEO of BER.

According to Citizens Property Insurance corporation it was initially estimated that there would be over 225,000 insurance claims on homes; this estimate has since dropped to 100,000 claims. This decrease is a real positive for current and future homeowners in our region.

Locals have seen first hand the resilience of the Southwest Florida area. “It has been about 3 weeks since the storm and we have already managed to build/repair 2 bridges. We will rebuild in no time,” said Angie Parker, CEO, Broker at Local Real Estate.

BER's brokers and realtors expressed that their hearts go out to the many locals who lost their homes, loved ones, and sustained damages. Many are without a livable home and are in need of temporary or permanent living situations.

“In the aftermath of Ian, so many of our Realtor members came together to help our community in various ways. I have never been more proud to be the CEO of this organization when watching our members give back to the community in which we serve. Southwest Florida is resilient and we will rebuild and be more vibrant and enticing to buyers and sellers than ever before,” said Harris.

	<u>Month</u>	<u>Month</u>	
	<u>over</u>	<u>over</u>	
	<u>Month</u>	<u>Month</u>	<u>% Change</u>
	<u>Sep-21</u>	<u>Sep-22</u>	
New Listings	327	197	-39.8%
Pending Sales Units	286	175	-38.8%
Closed Sales Units	279	158	-43.4%
Median Closed Price	\$399,000	\$504,500	26.4%
Average Days on Market	17	33	94.1%
Months Supply of Inventory	0.7	1.6	128.6%
Active Inventory	294	476	61.9%
Cash % of Total Sales	59.3%	61.1%	3.0%
	Aug-21	Aug-22	
	YTD 2021	YTD 2022	% Change
New Listings	3,431	3,071	-10.5%
Pending Sales Units	3,779	2,497	-33.9%
Closed Sales Units	3,830	2,434	-36.4%
Median Closed Price	\$380,000	\$529,000	39.2%
Average Days on Market	44	15	-65.9%

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.

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