



BONITA SPRINGS-ESTERO
REALTORS®

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The SWFL Real Estate Market; Are we Back to Normal yet?

The Real Estate Market is Better than you think

BONITA SPRINGS, Fla. (December __, 2022) –The Bonita Springs and Estero real estate market isn't the same as the one we had pre-pandemic nor is it the fast-paced one we saw in 2020 and 2021 but it does have some of the favorable characteristics of both.

December showed signs of the typical seasonal slowdown with new, pending and closed unit sales declining from November and the prior year. Median prices, while down from the previous month, were up almost 12% from a year ago.

As Southwest Florida continues to hold its desirability despite pandemics and hurricanes, defining a normal market is impossible. Brokers and realtors refer to what feels like a normal market as a "balanced market" with favorable aspects for both buyers and sellers. As factors constantly change, defining metrics to call a "normal market" is impossible. Local realtors agree the pandemic's and hurricane's effect on the real estate market resulted in an abnormal or unbalanced market but moving forward, agree the market is beginning to balance.

"I think that we are going back to a pre-covid spike, healthy market, which isn't a terrible thing," said Meighan Harris, CEO of Bonita Springs-Estero Realtors.

According to Florida's Real Estate 2023 Economic Forecast, "Florida Realtors Chief Economist expects Florida housing to reach a more 'traditional' market like 2018 and 2019 'as supply and demand gets more balanced'."

As many buyers ask if there will be a price correction on the way, local realtors agree with Florida Realtors Chief economist, Dr. Brad O'Connor when he said, "Prices are determined by both demand and supply. Falling demand is only one ingredient needed for a large correction; we also need a flood of supply. In the last housing cycle, this came from overbuilding and foreclosures. And it's unlikely that we're going to see a flood of newly built homes on the market for several reasons. First, fewer homebuilders currently exist than in years past; builders are more conservative when it comes to taking on new builds; and home builds are taking longer to complete. Supply is also being affected by homeowners who don't want to list their house and buy a different one because they're likely to have to pay more on the next home due to higher mortgage interest rates."

Coming out of the events starting in 2020 that put the local market into a heavily favorable sellers market, has caused any minor positive adjustment for buyers to feel large.

It's still a seller's market with strong price points, but buyers seem to be more selective and taking additional time to find the right property, this has reduced bidding wars and increased days on market from 19 days in December of 2021 to 35 days in December of 2022, this is an 84.2% increase.

"Buyers have gone from a frenzy market to looking for something worth the value," said Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty's office in Bonita Springs.

Brokers and realtors continue to be busy in a slightly different way than the past couple of years. Angie Parker, Co-Founder, Broker and CEO of LOCAL Real Estate said, "The last couple of weeks have been on fire, it is incredible the amount of buyers. The buyer activity has gone up but now instead of only showing 1-3 homes, realtors are showing buyers upward of 30 homes before they hone in and get a contract."

Erin McDonald, Managing Broker at Premier Sotheby's International Realty agrees with Parker and adds, "We are showing more properties and having some multiple offer situations, yet buyers are lacking a sense of urgency and anticipating a price drop that is not predicted to come as Southwest Florida's demand has not decreased. Over-priced properties are seeing price decreases due to sellers' misconception of the current market value of their home and nothing to do with a change in the market."

Local brokers agree with McDonald when she says, "We encourage buyers that when you find the property, go for it and buy it now as the well priced properties are going fast and receiving multiple offers. If you find yourself in a multiple offer situation, put your best foot forward and do not wait. Sellers must understand this is not the same market as before and properties coming out overpriced are sitting."

Overall, December of 2022 saw a common season slowdown and local realtors agree things have picked back up in the new year. Moving forward, experts predict the continuation of a market balance coming out of the pandemic years and hurricane. The market currently remains a sellers market with strong price points averaging 11.6% higher than December of 2021 with many factors heading in the direction of favoring the buyers including the increase of days on market, the rising inventory levels and the decrease in sold properties.

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.

	<u>Month</u>	<u>Month</u>	
	<u>over</u>	<u>over</u>	
	<u>Month</u>	<u>Month</u>	<u>% Change</u>
	Dec-21	Dec-22	
New Listings	237	234	-1.3%
Pending Sales Units	256	177	-30.9%
Closed Sales Units	297	204	-31.3%
Median Closed Price	\$448,000	\$500,000	11.6%
Average Days on Market	19	35	84.2%
Months Supply of Inventory	0.6	2.1	250.0%
Active Inventory	242	568	134.7%
Sales Price as a % of List	100.0%	97.1%	-2.9%
Cash % of Total Sales	57.0%	67.0%	17.5%
	<i>Aug-21</i>	<i>Aug-22</i>	
	YTD 2021	YTD 2022	% Change
New Listings	4,274	4,073	-4.7%
Pending Sales Units	4,605	3,197	-30.6%
Closed Sales Units	4,684	3,206	-31.6%
Median Closed Price	\$395,000	\$525,000	32.9%
Average Days on Market	39	19	-51.3%

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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/>.

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