



BONITA SPRINGS-ESTERO
REALTORS®

FOR IMMEDIATE RELEASE

If the price isn't fit it will sit

Improperly priced properties are dragging down the market with longer selling cycles and more price adjustments

BONITA SPRINGS, Fla. (August __, 2023) – Reflected in the August real estate statistics are due to sellers stuck in the market from 18 months ago causing a misalignment between buyers and sellers. Average days on market is now up to 48 days which is a 92% increase from last year. Many expect an adjustment in median closed prices when days on market increases yet August's median closed price was \$575,000 which is an increase of over \$40,000 from July's at \$533,750. The sales price as a percentage of the list price has decreased by 2.1% which means the average property is selling for 96.2% of the original list price indicating a large amount of price reductions.

“It is puzzling seeing a lot more price adjustments going through but this hasn't really trickled down and affected our median prices. It jumped in August and yet we see price decreases going on. When priced in line with our current market, are we seeing them go quickly rather than death by 1,000 slashes with the many price adjustments. There seems to be a segment of our seller population who understands today's market but there is still a segment

that is thinking it is 18 months ago. Make sure you price it right, “ said Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty's Bonita Springs office.

“Evaluating the stats, we see inventory low then slightly higher is price reductions, this being over the last 3 months. Combined with days on market going up, price is more important than ever. I advise sellers to price for the market that is ahead of us and not for the market that we are in or is behind us. Let history show you and look at what's not working. Evaluate homes that are expiring and taking price reductions to go forward and price your property right so it will sell and the outcome will be in your favor. Be ahead of the market,” said Bruce Mitchell, Team Leader and Realtor at kw Elite Realty.

“I'm pondering a little less, the data is supporting exactly what we are seeing. Despite the many price reductions the fact that medium prices are holding as strong as they are is showing that sellers are bringing properties to the market at prices that are not being perceived by the market. The people who are pricing wisely are selling quickly at a very high list to sold percentage and those that aren't are languishing. You would think price reductions outpacing your listings everyday you would see a decrease in value and we are not,” Erin McDonald, Managing Broker at Premier Sotheby's International Realty added.

“While one month doesn't make a trend, August showed some signs of life with new listings, pending sales, closed sales and median price all increasing from the prior month. Plus, August closed sales actually increased 14.6% from a year ago. Average days on market, months of supply and active inventory all decreased from last month indicating inventory is getting tighter,” Kolenda reflects.

Both Angie Parker the Co-Founder, Broker, and CEO of LOCAL Real Estate and Mitchell agree that the month of August had been the best month for that quarter.

Parker adds, "We have felt things pick up, buyer traffic for the last two weeks has been good for people coming into town to buy. They are serious buyers coming into town specifically to buy. In comparison to the real estate market around the country that is described as an icy freeze where other markets have completely cooled off, we are not feeling it here. I feel like we do have activity and we do have people buying."

Kolenda agrees and states, "This could be a by-product of high interest rates that don't affect our area as much because we are in a majority of 2nd home cash buyers sitting at 61.3% cash sales in August. Whereas other states have a larger finance population than cash."

Speaking to the sellers and buyers, Mitchell says, "People are struggling with the idea of trading the low interest rate for a rate in the 7's. That's valid, however the equitable position a seller has could give them a larger return. It is wise to use a professional financial advisor or estate planner to help them see what the possibilities are with the growing equity. The market giveth and taketh away. It is important to remember you marry the house and date the rate. "

	<u>Month</u>	<u>Month</u>	
	<u>over</u>	<u>over</u>	
	<u>Month</u>	<u>Month</u>	<u>% Change</u>
	Aug-22	Aug-23	
New Listings	259	258	-0.4%
Pending Sales Units	223	207	-7.2%
Closed Sales Units	205	235	14.6%
Median Closed Price	\$580,000	\$575,000	-0.9%
Average Days on Market	25	48	92.0%
Months Supply of Inventory	1.9	3.1	63.2%
Active Inventory	562	738	31.3%
Sales Price as a % of List	98.3%	96.2%	-2.1%
Cash % of Total Sales	65.4%	61.3%	-6.3%
	YTD 2022	YTD 2023	% Change
New Listings	3,088	2,855	-7.5%
Pending Sales Units	2,462	2,129	-13.5%
Closed Sales Units	2,440	2,147	-12.0%
Median Closed Price	\$530,000	\$560,000	5.7%
Average Days on Market	15	40	166.7%

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 Culver

Marketing Director

TLC Marketing and Creative Services

chastity@trishleonard.com

(239) 405-8115