



**BONITA SPRINGS-ESTERO**  
**REALTORS®**

## **FOR IMMEDIATE RELEASE**

### **Southwest Florida Market Is Experiencing Some Unusual Trends This Summer**

*Supply and Demand takes on a new meaning in SWFL Market*

BONITA SPRINGS, Fla. (August 31, 2023) – New listings are down 5.1% from July 2022 to 2023. Pending sales are up 5.6% from 2022 and they also jumped 8.2% from June 2023. Closed unit sales are down 17% from last year– but median prices are up .7%. Overall, prices have remained fairly consistent since April of 2022.

Days on Market is up 170% from an average of 20 days in July 2022 to an average of 53 days in July 2023. Despite that increase, we are still below historical average. Over the same time period, the month's supply of active listings has changed from 1.9 months in July 2022 to 3.1 in July 2023. We expect a 6 month supply of active listings to represent a market that is balanced between buyers and sellers.

Inventory is up 22.6% from July 2022 but continuing to trend downward from 2023's highpoint in March. Sales prices as a % of list are down 2.1 points from last July and despite high interest rates the number of financed transactions in July as a percent of total transactions have hit their highest point in 2 years.

Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty's Bonita Springs office says, "We seem to be seeing some interesting things coming into play recently. A recent

report from Florida Realtors calls it a Stalemate where both buyers and sellers seem to be holding back. It could be just that or the return of some seasonality into our market.”

Adam Ruud, managing broker and owner of Domain Realty added, “Things that should soften the market are not. Things like higher interest rates, inflation, and higher than recent inventory.”

The well known principle of supply and demand predicts that when supply or inventory is up, prices tend to decrease because there is less of a competition for homes. The recent market’s inventory has increased since last year, this month the increase was 22.6%. With inventory (supply) increasing it is expected that prices will decrease, however that is not and has not been the case for the Southwest Florida market with median prices increasing consistently, this past month having a .7% increase. Inventory has also continued to increase despite the many homes off the market that were impacted by the storm.

“The current market is behaving in ways that defy logic and do not allow us to look back on historical data to help predict what may come next,” said Erin McDonald, Managing Broker at Premier Sotheby's International Realty

Despite the small increases in the market, things have slowed down for many local realtors and brokers. Kolenda says,” For many this is the first year they have been able to travel over the summer since the pandemic. With those traveling they are not currently buying homes. This off season market is not a bad market especially when we compare it to pre-pandemic in 2019, it just has higher interest rates.”

The Southwest Florida market is a majority of people purchasing second-homes and many of those second homes are cash purchases, however there is a dip in the percentage of cash sales going down 2.5 points from last July to this July. This is despite significantly higher interest rates, this is the lowest percentage of cash transactions seen since July of 2021.

Jerry Murphy, Managing Broker of Downing-Frye Real Estate's Bonita Springs office said, “The primary buyer is still a second home buyer and they have no need to buy or

sometimes not a strong desire. They tend to sit on the fence and wait. Come this season we will get a little sense about what is going to happen.”

Many buyers and sellers are getting creative with the higher interest rates. According to Bruce Mitchell, Team Leader and Realtor at kw Elite Realty, “There are ways to work around the system by looking for “subject to financing” opportunities where the buyer takes over the seller’s mortgages and keeps that lower interest rate. Currently 89% of existing mortgages have an interest rate of 5% or less. Another option would be a wrap around mortgage.”

Kolenda adds another way to lower the interest rate would be for the seller to help buy down the rate. In cases where the buyer’s monthly payment is a concern, a rate buy-down can be much more appealing than a large price concession. It can turn it into a win-win situation for both buyer and seller”

Ruud said, “We are also seeing many do seller financing. When buying a home you marry the house and only date the interest rates as the property can be refinanced.”

Many buyers are still hesitating in this market because of the rates.

“Interest rates have something to do with some people being on hold and also people still thinking prices are going to fall. Many buyers seem to think once interest rates go below 6% they will be willing to pull the plug and get a mortgage. I believe when this happens we will have a problem with inventory and we will be in a circle again,” said Angie Parker, the Co-Founder, Broker, and CEO of LOCAL Real Estate.

In this current market many locals are now getting the chance to look for homes and purchase homes with less pressure and competition from inventors and cash buyers. They are doing this despite the higher interest rates as now is their chance at the market.

Murphy said, “Our market will continue to be strong as long as we still remain one of the most desirable areas in America. It is always a great time to buy the right piece of real estate.”

	<u>Month</u>	<u>Month</u>	
	<u>over</u>	<u>over</u>	
	<u>Month</u>	<u>Month</u>	<u>% Change</u>
	<u>Jul-22</u>	<u>Jul-23</u>	
New Listings	257	244	-5.1%
Pending Sales Units	197	208	5.6%
Closed Sales Units	229	190	-17.0%
Median Closed Price	\$530,000	\$533,750	0.7%
Average Days on Market	20	54	170.0%
Months Supply of Inventory	1.9	3.0	57.9%
Active Inventory	592	726	22.6%
Sales Price as a % of List	98.9%	96.8%	-2.1%
Cash % of Total Sales	60.7%	59.2%	-2.5%
	<b>YTD 2022</b>	<b>YTD 2023</b>	<b>% Change</b>
New Listings	2,829	2,595	-8.3%
Pending Sales Units	2,239	1,938	-13.4%
Closed Sales Units	2,235	1,910	-14.5%
Median Closed Price	\$525	\$555	5.7%
Average Days on Market	14	40	185.7%

*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](http://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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### **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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