



BONITA SPRINGS-ESTERO
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Bonita Springs- Estero Real Estate Market was both strong and challenging in 2023 reflecting the market returning to “normal”

Local Realtors and Brokers highlight the parallels of the 2023 market to a pre-covid market

BONITA SPRINGS, Fla. (January 31, 2024) – Bonita Springs and Estero brokers and realtors agree that every year has its challenges and that the main challenge looking at 2023 as a whole was the sense of hesitation in the market. There are many factors to consider in the market for the year of 2023. One being the 2-decade high spike in interest rates, the historically low inventory levels. Another that is hyper focused to the Southwest Florida area, would be the recent hurricane Ian in September of 2022. All factors play a major role in how things play out.

The number of homes available for sale was 75.2% higher when comparing 2023 to the prior year. Median prices seemed to hold steady but strong with only a 6.7% increase. List price received in 2023 averaged 96.6% which was 3.3% less than last year reflecting a more relaxed market than previous years. Pending sales decreased by 10.3% and closed sales decreased by 9.3% both factors pointing to a slower,

normalizing market and buyer sensitivity due to the drastic changes the previous years brought.

“I would say in 2023 we saw buyer price sensitivity and buyers not wanting projects. The buyers were there but they were not taking action. They seemed to have “FOMO” or fear of missing out and they wanted to wait to see if something better would come on the market in a few weeks,” said Erin McDonald, Managing Broker at Premier Sotheby's International Realty.

It was also agreed that there was a continued buyer and seller disconnect throughout the year. “Sellers still felt like we were at the peak of the market and they continued to price high regardless of the condition to reflect the market from 18 months ago and also trying to price homes that are outdated at a higher rate. This gives us a double whammy in terms of the buyer and seller alignment with the buyers hesitation and seller expectations, ” McDonald added.

Despite the buyer's hesitation, the days on market was still not bad sitting at 45 days average for 2023. In 2022 that number was at 19 days and 2021 it was 39 days. “Even though it has climbed a bit, it is still not bad. I can remember when 90 and up to 100 days were kind of normal. Although it is not what it was last year, it is still encouraging to a seller,” said Mike Hughes, Managing Broker at Downing-Frye Realty's Naples and Bonita Offices.

McDonald adds, “It is important that people keep a relativity around the raw numbers because we can quote crazy statistics about how the percentages of which our days on market has risen and our percentage of inventory is so much higher, yet we are still at 60ish percent of what we would call normal inventory and our days on market is

still significantly lower than what we would call market norm. So we cannot take those numbers at face value and it is important that they consult a knowledgeable realtor to explain the current market.”

“In 2023 we saw the buyer demographic shift. Previous years and through the pandemic, it seemed buyers were looking for a place to hunker down and stay here local for awhile or live here full time. Now we have seen a lot of the buyer demographics return to how it was prior to the pandemic and most of the buyers are second home buyers. An interesting thing this affects is the sale of 2 story homes being more difficult due to this shift. It is just shifting back to what our demographics used to look like as those were challenges before and they are starting to become challenges again,” said Steve Kolenda, Managing Broker for Berkshire Hathaway Florida Realty’s office in Bonita Springs.

Joe Pavich, Broker, Owner and Realtor at J.Pavich Real Estate agrees with Kolenda regarding the buyer demographic shift, “We have not seen the young family with kids, a dog and a mini van in quite some time. We are still a high percentage of cash versus mortgages with 70% of transactions cash sales in December of 2023.”

Looking at the median prices entering 2023, many realtors questioned if it would hold up. With a 6.7% increase, it not only held up but slightly increased by \$35,000. “Now there seems to be a little bit of a give on the price and sellers seem to be willing to negotiate. The pricing held up pretty well. Even though there were a lot of price decreases, this can mostly be attributed to the sellers' market expectations still thinking the market is the same as it was a few years ago,” said Hughes. December of 2022’s

median price was at \$500,000 and saw a 16% jump month over month to December of 2023 with a median price at \$580,000, an \$80,000 increase.

The hurricane played a role in our market at the beginning of 2023 and has continued to affect the lifestyle aspect of our market. Pavich reflects, "As people move away from the water to get away from potential flooding from a hurricane and start heading east, we are seeing a big demand in pool homes and golf communities now with a backlog of waiting lists." McDonald also adds, "The hurricane also skewed the numbers in terms of the value of our homes which made our market look like the prices/value was lower than it should have been because the properties were just damaged."

"We are very anxious to see what happens in 2024, as no one knows. One of the things we would love to see is interest rates go down a bit," said Hughes.

The buyer attitude and hesitation has seemed to carry into 2024. "The sense of urgency on the buyer's side was not what it was in previous years like 2021. In 2021, they had to make an offer quickly or else the property was gone. Now with more inventory coming on the market, buyers feel even more comfortable and as though they are better off looking around for a little bit," said Hughes. "The good news for buyers is that there is more of a selection but don't let that stop or make you pause when you find a home you like because chances are someone else likes it too and they may make a move before you do. Looking into 2024 it seems the market is heading in a good direction with 2 main factors, more inventory and the expectation of interest rates lowering. Those 2 factors alone are very helpful."

“We are more balanced and more of a normal market pre-covid. Contrary to the overall market, we saw an increase in our sales and overall activity which is always a positive sign. That means good things are coming, “ said Bruce Mitchell Team Leader and Realtor at kw Elite Realty.

“Overall, we have a very healthy market, it is a little more balanced, it is still slightly a sellers market but the seller has to be realistic. I see a lot more things that could positively impact the market in 2024 than things that could negatively impact the market in 2024,“ said Kolenda.

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.*

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