



ESTATE REALTY
INTERNATIONAL

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SOUTHWEST FLORIDA MARKET REPORT NOV. 2019

Thinking about Florida? Most people are this time of year. That's why we see a big influx of cars on the roads and people in the grocery stores. They're already here, either settling in before the end of the year or hoping to. Buyers come to Florida early in the season. They want the best of the picks, and they're getting them. Inventory is low. Buyer demand is high. The market is humming. And beach is waiting for you! If you need help finding the best location at the best price, please call me. I'm at your service.

All the best, *Jens.*

NAPLES AREA: MORE SHOWINGS – MORE SALES

The Naples area housing market enjoyed another 7 percent increase in overall closed home sales for the third month in a row. Showings in September 2019 were up 31 percent over September 2018. This translated into a 13.7 percent increase in pending sales (written contracts) or 823 pending sales in September 2019 compared to 724 pending sales in September 2018. Strong showing activity during the summer resulted in 698 closed sales during September 2019. The median closed prices remained stable during the third quarter of 2019. The average days on the market for listings was 102 days in September 2019, a 9.7 percent increase from the previous year. As of September 2019 there are 2,567 single family homes on the market and 2,422 condominiums, with total inventory significantly lower than a year ago.

FLORIDA: HOME SALES UP

"Single family home sales were up significantly throughout much of the state in September, rising by 11.5 percent overall on a year-over-year basis," said Brad O'Connor Ph.D, Economist for Florida Realtors. "Sales of condos and townhomes were up as well, with an increase of 6.1 percent compared to September of 2019. Sale prices continued to rise in September, as well. The median sale price among Florida single family home sales was \$265,000, up 5.3 percent compared to last year. The rise in the median sale price of condos and townhomes was slightly more, at 5.8 percent, ending up at \$193,000."

"Statewide, closed sales of single family homes totaled about \$8 billion, a year-over-year increase of 17 percent. Dollar volume for sales of townhouses and condos, meanwhile, rose by 7.5 percent to about \$2.4 billion. With inventory levels continuing to dwindle, low mortgage rates remain the major reason we are continuing to see strong sales and price growth throughout much of the state."

BONITA / ESTERO: BUYER DEMAND FOR INVENTORY

There was an uptick in new listings in the residential real estate market in Bonita Springs and Estero in September 2019, but not enough to serve the increase in buyers to the market. Increased pending sales for September 2019 were likely the result of nearly 300 price adjustments for single family homes and condominiums. Area brokers also reported increased activity at open houses. In comparing September 2019's YTD performance with September 2018's YTD performance: new listings up are 8.3 percent, pending sales are up 2.1 percent, and the median closed price is \$299,000 which is up 1.7 percent. The current active inventory for September 2019 was 1,275 units (down 18.2 percent from year ago figure) and representing a 4.6 months supply.

USA: PENDING SALES RISE IN SEPTEMBER

Pending home sales grew in September, marking two consecutive months of increases. Historically low mortgage rates played a significant role in the two straight months of gains, according to Lawrence Yun, NAR's chief economist. "Even though home prices are rising faster than income, national buying power has increased by 6% because of better interest rates," he said. "Furthermore, we've seen increased foot traffic as more buyers are evidently eager searching to become homeowners." Yun says the upper end of the market is faring well. Although contract signings are on the upswing, Yun says the numbers would be even greater if more housing were available. "Going forward, interest rates will surely not decline in a sizable way, so the changes in the median price will be the key to housing affordability," he said. "But home prices are rising too fast because of insufficient inventory." In addition to boosting traditional home building, he said we should explore a greater utilization of modular factory constructed homes, convert vacant office space into condominiums, and try other supply-increasing actions to meet rising demand.

Sources:

The Bonita Springs-Estero Assoc. of REALTORS®, Naples Area Board of REALTORS®, National Assoc. of REALTORS®, Florida REALTORS®

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