

MARKET UPDATE – JULY 2020

NAPLES, BONITA SPRINGS & ESTERO REAL ESTATE



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NAPLES AREA: HEIGHTENED BUYER DEMAND

With the quarantine recommendations in place, fewer sellers listed homes during May. Despite an inventory drop, pent-up demand unleashed a new set of buyers in May, which changed history. May's pending sales activity, a measure of signed contracts and not closings, increased 90 percent compared to April 2020, despite tight supply. Overall inventory during May decreased 27.2 percent to 5,116 homes from 7,023 homes in May 2019. However, while there was a 4 percent decrease in new listings of single-family homes in May, there was a 6.5 percent increase in new listings of condominiums. May's median closed price for single-family homes was \$425,000 and for condos was \$260,000.

MARCO ISLAND AREA: SALES, INVENTORY DOWN

The Marco Island Area Assoc. of Realtors® reported that May 2020 compared to May 2019 showed the following: Total inventory (807 properties) was down by 24 percent and closed sales (59 properties) were down by 50 percent with a dollar volume (\$50.7 million) that was 36 percent lower. The median single family sales price for May 2020 (\$871,250) was 12 percent higher than the year ago figure, and for condos (\$349,500) was 19 percent lower than last May.

BONITA / ESTERO: SWIFT REBOUND

Buyers have been quicker to return to the Bonita-Estero housing market than sellers, as many buyers from the Northeast are now considering this area as an option for a permanent move. Also, many buyers have been re-allocating investment dollars into real estate, long considered to be the best long-term investment. In comparing May 2020 with May 2019, new listings are down by 5.3 percent and new pending sales are up 7.9 percent. The median closed sales price in May 2020 was \$322,920, an increase of 2.5 percent over the year ago figure. May's available inventory stood at 1,334 units.

FLORIDA: SIGNS OF RECOVERY

While there are lower levels of closed sales and new listings compared to a year ago, the median sales price increased and new pending sales for single-family existing homes rose 2.3 percent compared to a year ago – a positive sign for the housing sector, according to Florida Realtors Chief Economist Dr. Brad O'Connor. In contrast, new pending sales of condos and townhouses fell in May by 16.8 percent compared to May 2019. May's closed sales of single-family homes statewide dropped 36.2 percent year-over-year, totaling 19,622, while condo-townhouse sales declined 50.3 percent, for a total of 6,069. "A large second wave of this pandemic is the greatest threat to the housing market and greater economy right now, so it's important that we all continue to do our part to limit the spread – especially as we continue to try to reopen the economy," said O'Connor.

USA: RECORD NUMBER OF PENDING SALES

Pending home sales mounted a record comeback in May, seeing encouraging contract activity after two previous months of declines brought on by the coronavirus pandemic. Every major region recorded an increase in month-over-month pending home sales transactions, while the South also experienced a year-over-year increase in pending transactions. "This has been a spectacular recovery for contract signings, and goes to show the resiliency of American consumers and their evergreen desire for homeownership," said Lawrence Yun, NAR's chief economist. "This bounce back also speaks to how the housing sector could lead the way for a broader economic recovery. More listings are continuously appearing as the economy reopens, helping with inventory choices," Yun said. NAR now expects existing-home sales to reach 4.93 million units in 2020 and new home sales to hit 690,000. Yun noted that in 2021, sales are forecast to rise to 5.35 million units for existing homes and 800,000 for new homes.