



Market Update

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GREETINGS FROM STEVE!

I'm sending a HUGE THANKS to my past, current and future clients for your business! A large part of my business comes from referrals from happy customers. I work with Buyers and Sellers, and have been licensed in real estate since 1978. As a Downing-Frye "Top Performer" for 16 consecutive years, I will put my knowledge, hard work and client dedication to work for you! Please contact me with any and all questions.

NAPLES AREA: **GROWING INVENTORY**

"Summer buyers are going to be very happy this year because there will be plenty of choices," said Downing-Frye's Broker Mike Hughes. "Inventory growth has been good across all price ranges and geographic territories." Even though April's inventory fell 2 percent to 5,793 from 5,920 in April 2017, it's actually rebuilding from an annual low of 4,608 properties in inventory at the end of September 2017. Overall closed sales increased 8 percent (month over month) in April to 978 properties from 902 properties in April 2017. The number of closed sales of homes between \$1 and \$2 million increased 34 percent, while closed sales of homes over \$2 million increased 15 percent in April. Geographically, real estate activity was strong across the entire county, but closed sales of single-family homes in South Naples were especially strong with a 51 percent increase to 62 closed sales in April 2018 from 41 in April 2017.

FLORIDA: **AFFORDABLE LISTINGS SCARCE**

A shortfall of for-sale inventory continued to impact sales even as the number of owners listing their properties for sale inched up over the first quarter. In 1Q 2018 the statewide median sales price for single-family existing homes was \$248,000, up 9.7 percent from the same time a year ago, and the median sales price for condo-townhouse properties was \$180,000, up 7.8 percent. Florida Realtors Chief Economist Dr. Brad O'Connor said, "At the more affordable end of the pricing spectrum...it's the lack of both existing and new inventory that is really limiting this segment's potential and keeping sales growth down. Buyers in the market for mid- to upper-tier single-family homes are having a much easier time of it, as they're facing less competition, and there's a relative abundance of both new construction and resale inventory available." Closed sales of single-family homes statewide totaled 60,204 in 1Q 2018.

BONITA / ESTERO: **INCREASED PENDING SALES**

For April 2018, the market saw increased pending and sold units versus April 2017 with only those properties priced at \$2 million and above experiencing a downtick in pending and closed units. "Homeowners in the market continue to realize that a price reposition is necessary if there is no activity and the property's interior and exterior style is more than three years old," stated Jerry Murphy, Managing Broker, Downing-Frye Realty, Bonita Springs. "Sales of new construction homes are also affecting the days on market figure." Pending sales in the Bonita Springs and Estero markets increased by 15 percent comparing this April with last. During that same time period, active inventory decreased by 3 percent to 1,759 properties and the median closed sales price was \$295,000, a decrease of 1 percent compared to the previous year. The average Days on Market was 96 days at the end of April 2018.

USA: **NEED MORE NEW HOMES**

An increase in housing supply is crucial to the health and sustainability of the real estate market and the economy. If supply and demand continues to become more and more out of balance, it could trigger a fast price growth said NAR Chief Economist Lawrence Yun. Ken Simonson, chief economist for Associated General Contractors of America said, "Construction saw a 30 percent drop in employment in the previous decade, the largest drop of any industry. They also began laying people off a year before the recession began and did not start hiring again until much later than other industries." This has led to difficulty in bringing skilled laborers back to the industry. Material costs have also gone up: diesel fuel cost has risen 42 percent since 2017, lumber and plywood cost increased by 11 percent, copper and brass mill shapes have risen 10 percent and ready-mix concrete has risen 7 percent.

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

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