



# Market Update

## 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 20 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: LUXURY BUYERS ARE BACK

Despite a tug on inventory that resulted in a 26 percent decrease to 5,761 properties in January 2020 compared to 7,773 properties in January 2019, overall closed sales in Collier County rallied in January, especially in the luxury market. Collier County has a 6.6- month supply of homes, which is much higher than many other hot markets in Florida. Median closed prices increased 5.5 percent in January to \$343,000 compared to \$325,000 in January 2019. But this is still much lower than the median closed price reported in January 2018, which was \$375,000. Interestingly, median closed prices for the 12-months ending January 2020 actually fell in all price categories except for the \$2 million and above, which increased 6.1 percent. Comparing January 2020 with January 2019: Closed sales are up 21.5 percent, pending sales are up 33 percent, and the active listing inventory is down 25.9 percent.

### FLORIDA: ACTIVITY ON A POSITIVE TRACK

Florida's housing market started the year with more closed sales, higher median prices, more pending sales and higher pending inventory in January 2020 compared to a year ago. Sales of single-family homes statewide totaled 18,298 in January, up 17.9 percent from January 2019, and closed sales of condo-townhomes totaled 7,714, up 14.5 percent from the level a year ago. The statewide median sales price for single-family existing homes was \$265,000, up 6 percent from the previous year, and for condo-townhomes was \$200,000, up 9.6 percent. "Coupled with the median sale price gains we saw in December, this is some of the hottest price growth we've seen in either property type category in quite a while," said Dr. Brad O'Connor, Florida Realtors Economist. "Statewide inventory levels continue to trend downward overall. Single-family inventory at the end of January was down 16.4 percent year-over-year, while condo and townhouse inventory was down 11.7 percent."

### BONITA / ESTERO: STEADY BUYER DEMAND

Area brokers anticipate continued overall stability in the market, but advise buyers to remain focused on limited inventory and the challenges it brings. "Choices are very limited," stated Jerry Murphy, Managing Broker, Downing-Frye Realty, Bonita Springs. "Right now, it's more critical for buyers to focus on getting the property they really want as opposed to waiting for a better price, which is not likely to happen in this current healthy market." Market wide inventory is down 28.5 percent versus January 2019, while the percent of list price received remains steady with just 0.6 percent increase over the same time last year. Buyers should also know that the month's supply of inventory currently sits at 5.5 months, whereas in January 2019, it was 8.5 months – a significant decrease of 35.3 percent. New listing in January were down 10.7 percent compared to the previous January, while pending sales were up 54.9 percent.

### USA: PENDING HOME SALES UP

"This month's (January's) solid activity – the second-highest monthly figure in over two years – is due to the good economic backdrop and exceptionally low mortgage rates," said Lawrence Yun, NAR's chief economist. "We are still lacking in inventory," he said, noting December's and January's combined supply was at the lowest level since 1999. "With housing starts hovering at 1.6 million in December and January, along with the favorable mortgage rates, among other factors, 2020 has so far presented a very positive sales climate. Moreover, the latest stock market correction could provide exceptional, even lower mortgage rates for a few weeks, and that would help bring about a noticeable upturn in the coming months." Yun says the year-over-year increases show a strong desire for homeownership. Markets drawing some of the most significant buyer attention include Fort Wayne and Lafayette, IN; San Francisco, Sacramento, and San Jose, CA.

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