

End of March Real Estate Market Update for 2025 South West FL Housing

Written by
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“SW Florida’s Housing Expert with over 6372 transactions
and over \$337mil+ in SOLD Real Estate”

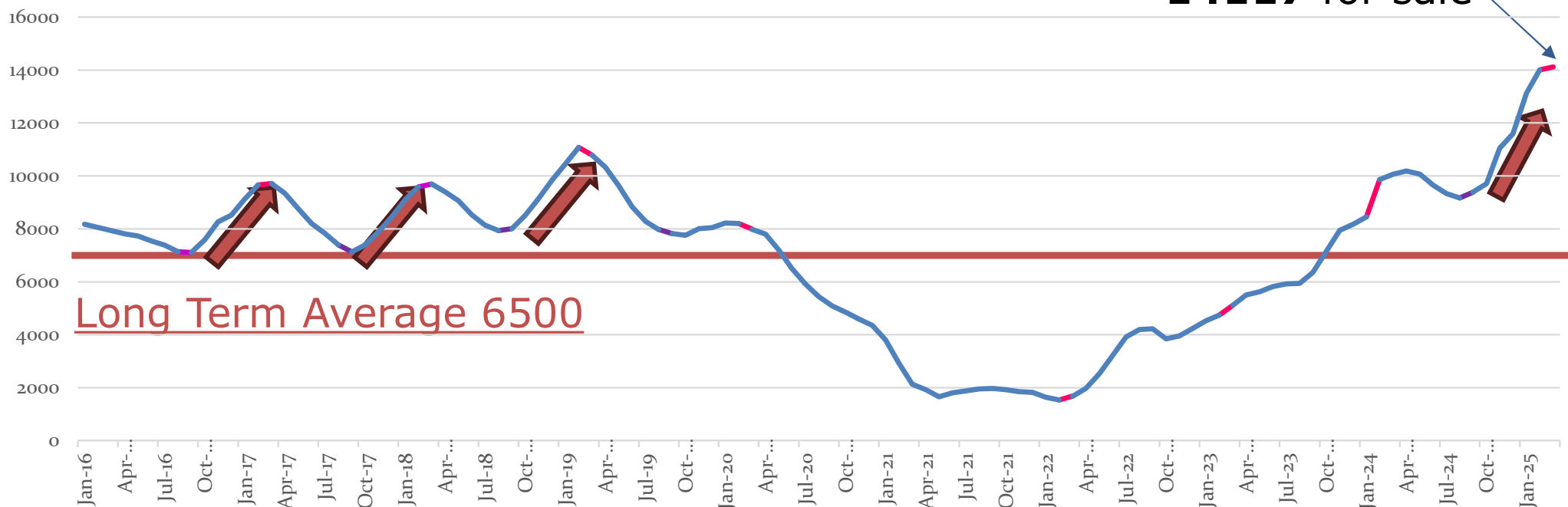
4/1/2025

www.Leecountymarketupdate.com

Supply of Inventory for sale in SW Florida

Inventory in Lee County

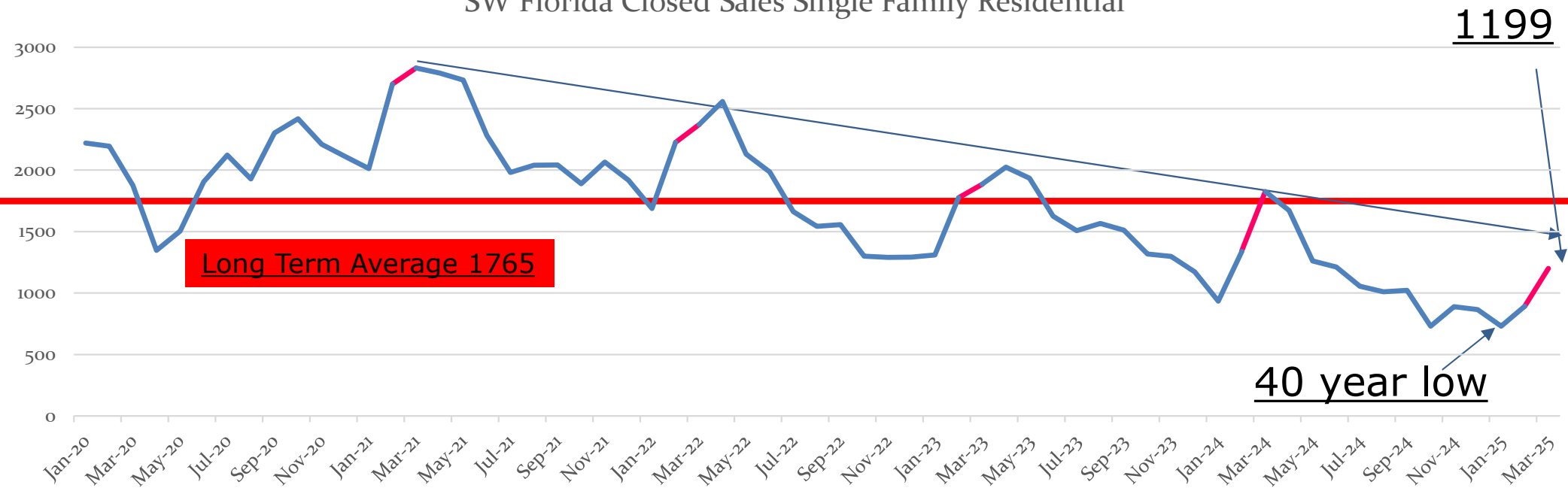
14117 for sale



Inventory went up in March by less than 1% month over month to over astronomical 14,117 units for sale. I have to go back past 2009 to see inventory that great making this month the highest inventory in over a decade beating last month. Year over Year **our inventory is 40% higher than last year for March**. Rapid increase in inventory normally means prices are likely to continue to go down. Our long term 10-year average is at 6500 housing units for sale, so comparing the current inventory to that, means we have **a Surplus of homes of over 217%** more than needed. This too pinpoints to a price decrease next month as well. **Normally our inventory Peaks in March as highlighted in Pink on the graph. March normally increases an average of .5% then continues starts to drop normally except during COVID years. This month it went up .83%**. Normally inventory drops for the next 5 months, so lets see if that hold true next month. It looks even more promising to buyers for the near future. MORE INVENTORY MEANS LOWER PRICES and Price reductions, BUT also normally means lower demand. Single Family Homes constitute 61% of total inventory, condos represent 26.0% of total inventory, and the rest are Townhomes/Villas. Of this inventory, 2149 of the existing inventory are New Construction or 15% which is down only by 20 from last month as builders try to sell off their inventory. High Inventory leads to higher days on market. Let's take a look

SW Florida Demand (Solds)

SW Florida Closed Sales Single Family Residential

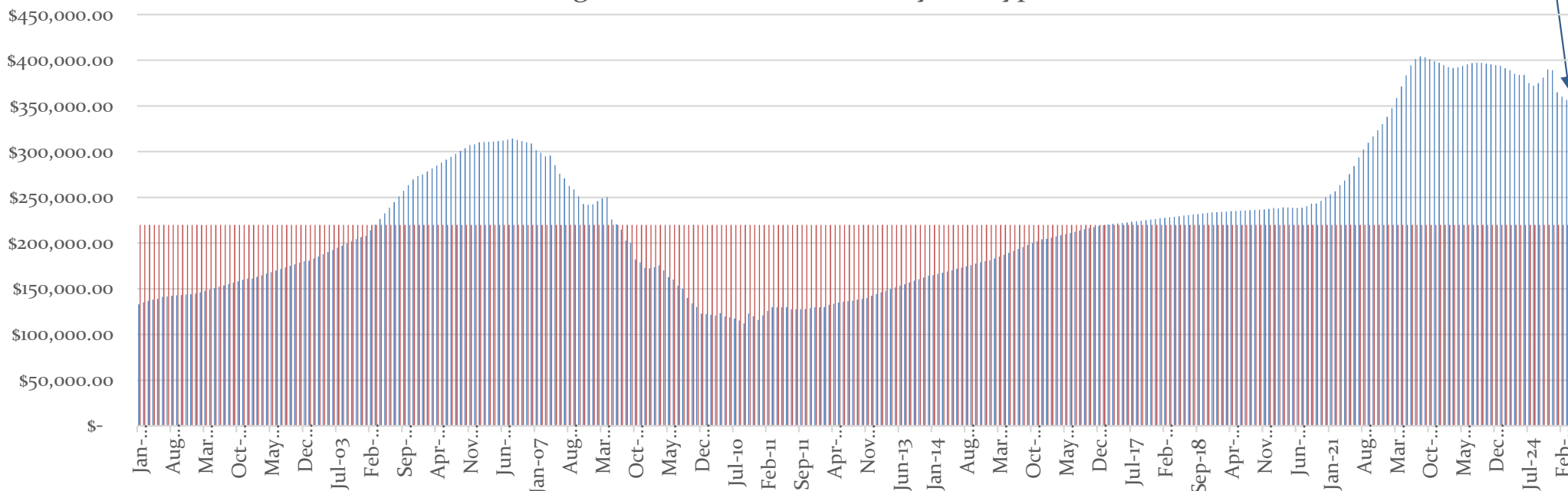


Last month in March, Sales went UP a whopping **34%** coming off a 22% increase off of the actual 40 year low in January. That is 2 consecutive double digit increases of sales! The trend a lows for the year are all January so seeing it increase in February/March is a good sign in the right direction. The negative news with this data is that we expected March to be our peak with that peak ending by next month meaning our summer will be disasterous. Hope not. The trendline shows the decrease in demand over time, and if you look at this, the demand graph continues to make lower lows and lower highs which is a downward trend. Compared to the long-term average, it is **32% lower** than the average. Some other data points are year over year demand is down 34%. Looking at past years, in 2024 Our peak demand ended in March. 2022+2023 it continued on to April then dropped, and in 2021 it peaked in March. The common factor is demand goes down from May to January every year so let us hope sales continue for 1 more month at least before that. Rates are sitting at the time of writing this at 6.82 which is slightly higher than last months 6.79%. The ongoing shock for the market is the amount of growing builder inventory we have locally. Of the 1199 Sales for March, 406 were new construction or 33% of the sales. New construction is 14% of our inventory, and 33% of our sales. It's the incentives that do it. Definitely a slow down of new constructions is going to help this market in the long run

Average Home price

\$356,700

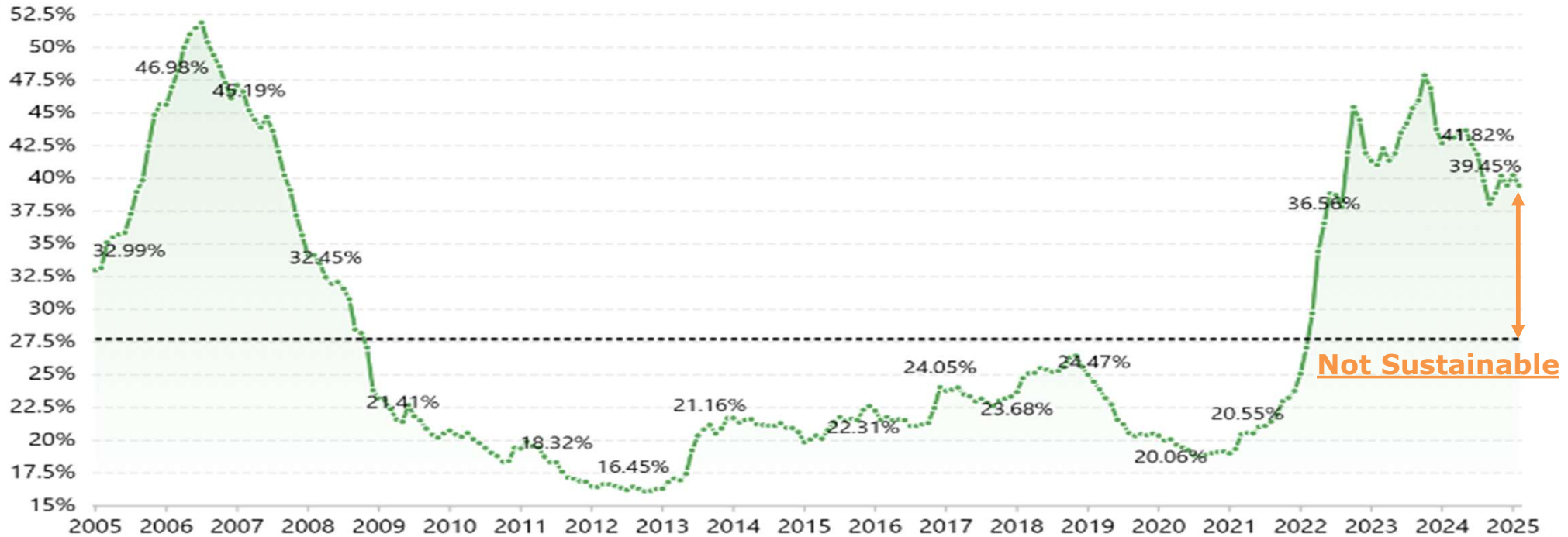
Average Home Price Lee County All Types



Compared to last month, Average home value went down **1%** to the price being \$356,700. The downward trend continues. Taking the low sales in March, this number is not as relevant as to when we sell 2x to 3x as much normally. There were quite a few (over 55) \$1mil+ homes that sold this month inflating this number a bit, even a \$5.9mil Penthouse on The Gulf of America in Bonita Bay this month. 406 home sales were new construction constituting for almost 33% of all sales an increase of 94% from last month. Told you the incentives these builders are giving are astronomical but also they are having HUGE price reductions now. Super Stubborn graph showed another consecutive month of weakness. The trend we will talk about coming up is the HUGE price drops the Builders are currently doing. This signals a weakening of the market for next month. Last month I said with all the new construction, the builders are trying like mad to keep price points higher by offering up MEGA incentives totaling over **\$50k-\$90k** to buy down rates. This month they have given up on this and are now forced to drop their prices significantly which will bring downward pressure on the used market. It wasn't going to take long before they could not offer anymore incentives and price HAD to come down! With an inflated amount of inventory, and low sales continuing, I would not be surprised to see next month average home price drop further by a lot. It really needs to anyway since Taxes, interest rates, and insurance premiums are still elevated.

Home Payment as a % of SW Florida's Average Household income

House Payment as compared to income



NOT Affordable Yet! This graph factors in the mortgage payment which includes Property Taxes, insurance, interest rate, and average home price for the month and divides the areas median household income. This is a measure of relative homebuyer affordability given the prevailing home values and current rates. Last month we were at 39.99% of a household's gross income going toward mortgage. **This month it went down to to 39.45 from 39.99% last month!** The rate stayed identical to last month, price went down and income went up \$74,501 to \$74,552. These factors made it go down, but is is not enough to call it affordable. To figure out what home mortgage prices should be is taking household income and multiplying it by long term average which for us is 26%. To reach affordability off of these new numbers, the average monthly payment that is affordable is \$1615 a month which is \$9 higher than last month. So buyers can afford more of a home but the market has to come down significantly. Right now the mortgage payments for the average home is \$2616/month or 58% overinflated. Looking at this graph, we have a lot of work to do to get this market stabilized and we need a combination of interest rate drops, insurance drops, and of course price drops to get back to this.

Home Value Growth Month over Month for Lee County





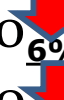




Market Stabilized

Tracking Month over Month home value growth helps pin point changes in the market and signals a crash and/or bottom. As you can see from this graph the years from 2013-2021 shows a steady line of positive growth with a rapid escalation in 2022 and part of 2023 which is almost identical to that seen in 2005-2006. The bubble popped last time in February 2006/2007, which signaled the start of the crash when this graph first hit negatives. It remained negative until January 2012 or **59 consecutive months** until it stabilized late 2012. Currently **The Zillow Home Value index** is at **-0.69%** and last month we were at **-0.65%**, and **-0.62%** the previous month so that is **20 consecutive months of negative home value** so far. **-0.69%** doesn't sound like a lot but multiplied by 12 is 8.28% drop per year. The trend is getting further away month over month, so even with the price drop and interest staying the same, we are less affordable than when we were in 2011. Buyers should pay attention when it starts showing a reversal pattern. If asked the question are we stabilized? Answer is not even bottomed yet and has a long way to go AND it is getting further away further supporting we have an affordability problem.

Statistics as compared to last month

April 1st 2025

- Total Housing for sale 14177  1%
- Total SF Homes Sold 1199  34%
- Total Sales Pending 2064  6%
- **New construction 4sale 2136**  1%
- Average Time on Market 81
- Median Asking Price \$365,000  6%
- Median Selling Price \$356,700  5%
- % of asking price sold 96.2%  .4%

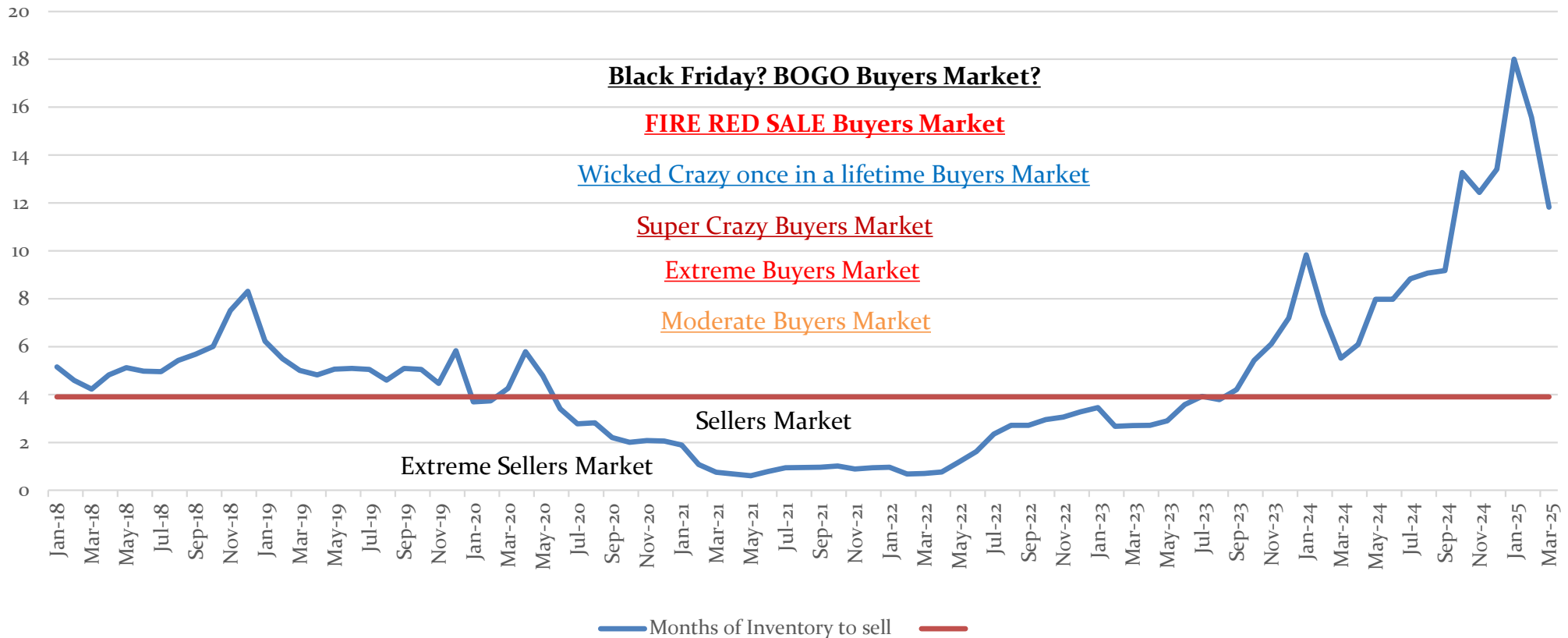
March 1st 2025

- Total Housing for sale 14001
- Total SF Homes Sold 893
- Total Sales Pending 1932
- Total New construction 2165
- Average Time on Market 81
- Median Asking Price \$389,000
- Median Selling Price \$375,000
- % of asking price/sold 96.67%

In Summary: Inventory increased 1% this months showing a leveling off of inventory from previous month, but still is a decade high number. Sold inventory came off a 22% increase last month from a 40 year low at 729 and went up to 34% signaling season is here. Pending sales increased only 6% after going up a whopping 40% the previous month, showing that buyers did come out of the wood work as expected for season. The % of new homes for sale is 33% of our total inventory which is a large increase from last month Average time on market stayed the same but it still makes us the #8 city with the longest time on market in Florida! Asking price went down as did selling price on the median AND we saw previous slide the average home price dropped. Is this a turnaround we wanted to see or is this just season?. We are not affordable and getting worse off. Something has to give. April is either the continuation of season, or April will drop off suddenly as it did in previous years. Seeing the leveling off pf pending sales, means April should not exceed March making March our peak for the entire year

Buyers or Sellers Market?

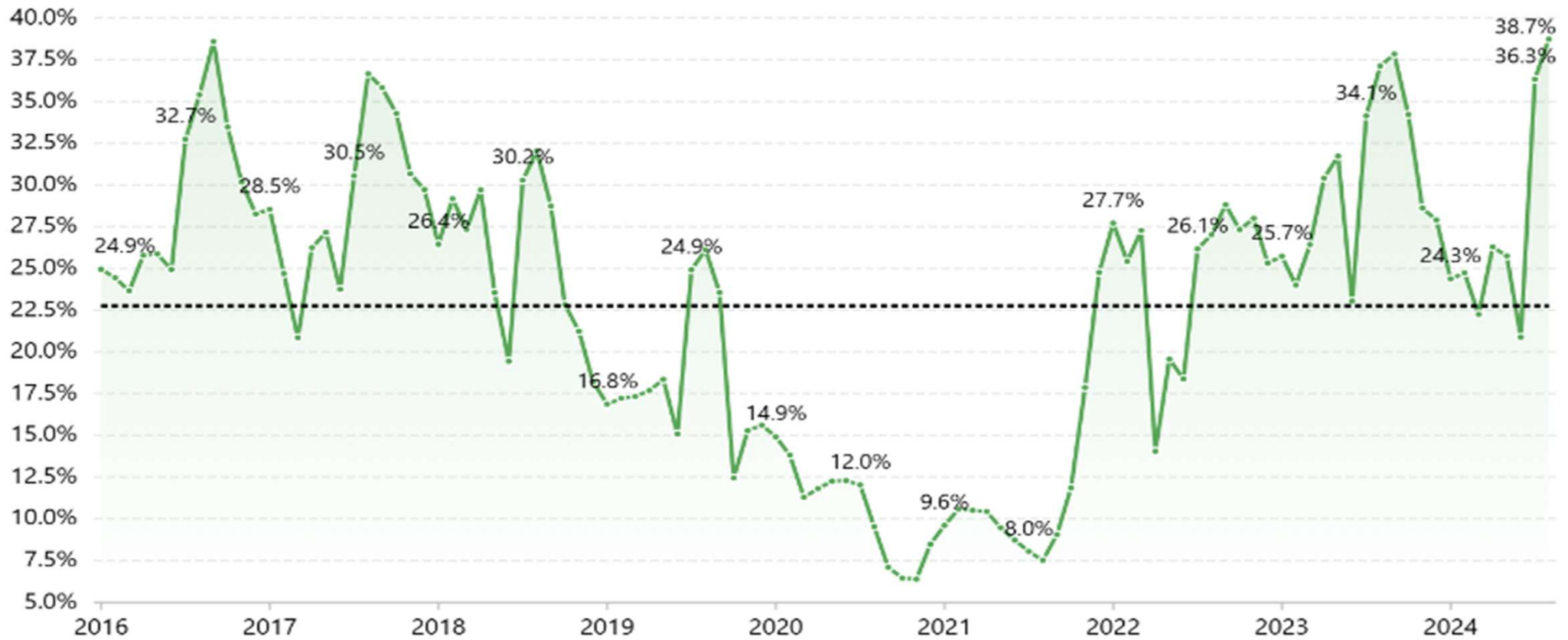
Months of Inventory to show Buyers Market vs. Sellers Market



2 months ago I had to name 2 new buyer's markets. With the increase of sales and pending sales, and leveling of inventory, the graph is going in the right direction BUT we are still in an Super Crazy Buyers Market. It's a step in the right direction with it going from 15 months of inventory to 11 months of inventory. The expectation for after season is that buyer demand will drop rapidly which would make this graph rapidly increase again. Unless the inventory goes down and demand goes up, expect a buyers market to continue this year where buyers control the market. A buyer's market occurs when supply exceeds demand. When inventory is high, and there are plenty of homes for sale, but there is a low number of interested home buyers, then we call that a buyer's market. Anytime we hit over 3.9 months of standing inventory, then I call that a buyer's market. Currently, we have over 11 months of inventory. That is a signal we have not had nationwide since 2006. The higher the severity, the more leverage buyers have over Sellers who really need to sell and price reduce.

Price Cut % Lee County

Long Term Average 22.5%



With all the choices buyers have, increasing inventory, and low sales, you can only imagine price reductions would increase. Looking for trends, I spot that the previous peaks stating in 2016 all occurred in March. Except for the COVID mess, we have gotten back to this trend including this March. Expect price reductions to possibly fall next month making March the peak again as it has historically. Last month I wondered if it will break the record set in 2016 of 38%. It did 38.7% to be exact. Back then there were a touch over 10,000 housing units for sale. With a higher amount currently, I would expect it to increase as well. This graph gets even more interesting the further past season we go. Currently the trend is lower prices next month, but how much lower?

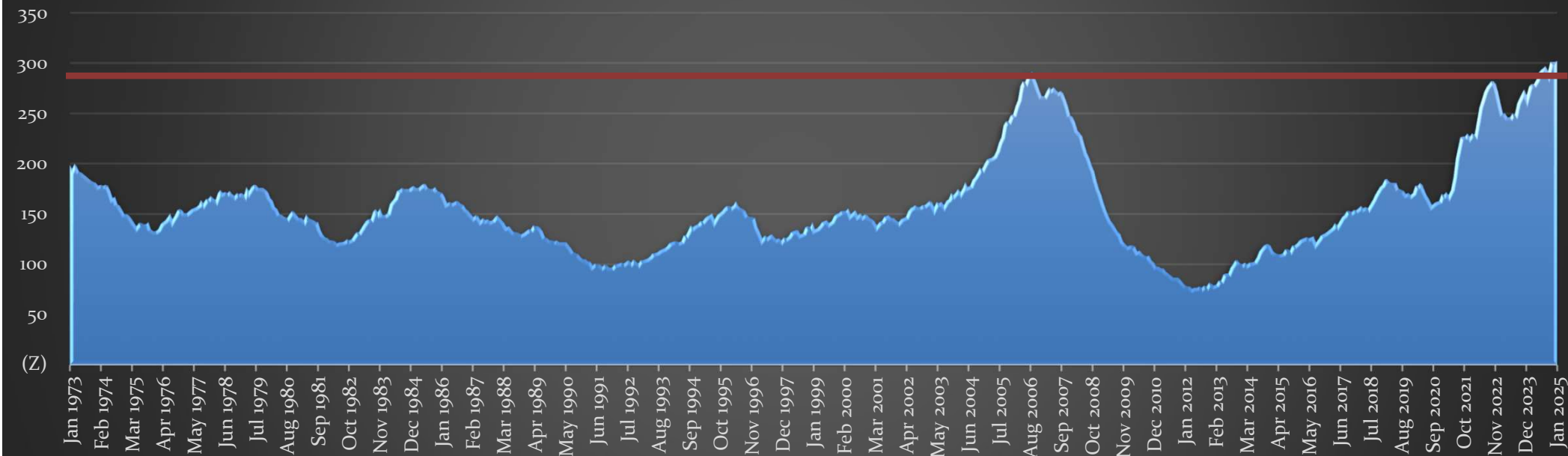
Builders are collapsing the market in Florida with massive price drops



Census Data shows completed homes on builder lots, sitting in inventory have exceeded 120,000 which has not occurred since 2009. With that, builders continue to pull permits and finish homes they set out to build and have no worries about continuing, since builders have to build homes and if they have to drop price to do it, they will. Even if it means a loss now for potential profit in the future.

New Graph showing historical data of Builder homes for sale

New Homes for Sale by Builders in South 1973-Present
New homes for sale by builders in 1000's (Source: US Census Bureau)



The graph above shows New homes for sale by Builders in Southern states dating all the way back to 1973. It shows the Builder pipeline on builder lots which shows that it has hit a level bigger than that of the 2008 Real Estate Crash. Just this month Builders reported over 302,000 homes for sale in the south, making it the highest ever recorded. This will mean Builders are going to get desperate to sell, and give even more incentives across the board like the lower interest rate buydowns and Massive price reductions. With all of these incentives given, it is starting to hit their bottom line with Lennar, the 2nd biggest builder stock dropping 35% in last 6 months. KB Homes Stock down 29% in last 6 months, Pulte down 25%, and DR Horton down 30%. With this current trend, I expect that new construction will continue to see reductions in price going well into 2025, and as buyers, you may want to start getting your ducks in a row so you are ready to strike when the time is right. The process is easy. Just go to the link at the end of this video or by [clicking here](#) or going to www.teacherscanbuyhomes.com to get started even if you are not a teacher

Impact of the Resale Market

- If a builder drops their price \$40-60k for a newer version, what does that do to the same home that was bought 1-2 years ago. Is your house better than a newer version...NO! Imagine buying a home last year for \$420,000, only to find that 1 year later, a builder sells the newer version for \$325,000. That is my example here for Cape Coral.

Address	DOM	Price	Chg Type	Sys Date	Chg Type
4226 NE 23rd AVE	117	\$365,000	Price Decrease	03/26/25	\$368,000->\$365,000
4226 NE 23rd AVE	99	\$368,000	Price Decrease	03/08/25	\$387,900->\$368,000
4226 NE 23rd AVE	87	\$387,900	Price Decrease	02/24/25	\$389,900->\$387,900
4226 NE 23rd AVE	66	\$389,900	Price Decrease	02/03/25	\$399,900->\$389,900
4226 NE 23rd AVE	0	\$399,900	New Listing	11/29/24	->A
↓					
4226 NE 23rd AVE	14	\$379,900	Sold	05/02/22	(\$379,900)
4226 NE 23rd AVE	14	\$379,900	Pending	02/18/22	A->P
4226 NE 23rd AVE	7	\$379,900	Back On Market	02/11/22	P->A
4226 NE 23rd AVE	7	\$379,900	Pending	02/02/22	A->P
4226 NE 23rd AVE	0	\$379,900	New Listing	01/26/22	->A

\$20k down FHA 6.5% \$2884/month



\$260,000

MLS #	Parcel #	Address	DOM	Price	Chg Type
225021649		1616 NE 37th ST	13	\$314,499	Price Decrease
225021649		1616 NE 37th ST	0	\$329,999	New Listing

\$11k down 4.99%FHA \$2243/month



General Information
 List Price: \$300,000
 MLS#: 224096651
 Address: 2300 NW 26TH TER
 CAPE CORAL, FL 33993
 GEO Area: CC42 - Cape Coral Unit 50,54,51,52,53,55-57,80,98
 County: Lee
 Status Type: Resale Property
 Sold Price/Sqft: \$163.57
 Property ID: [28-43-23-C4-05129.0130](#)
 Furnished: Unfurnished
 Approx. Living Area: 1828 - Property Appraiser Office
 Approx. Total Area: 2258 - Property Appraiser Office
 Building Design: Single Family

ML# 224096651
 Sold Price: \$299,000
 Status: Sold (03/27/25)
 Property Class: Residential
 Subdivision: CAPE CORAL
 Development: CAPE CORAL
 DOM: 78
 CDOM: 119
 Bedrooms: 4 Bed
 Baths: 2 (2 0)
 Den/Flex: No
 Year Built: 2020

\$18,300 down 6.125% FHA \$2380/month

\$269,800

↓ One Step further

DOM	Price	Chg Type	Sys Date	Chg Type
184	\$850,000	Extended	01/24/25	
175	\$850,000	Price Decrease	01/15/25	\$899,000->\$850,000
118	\$899,000	Price Decrease	11/19/24	\$950,000->\$899,000
0	\$950,000	New Listing	07/24/24	->A
184	\$950,000	Expired	06/07/24	A->X
48	\$950,000	Price Decrease	01/23/24	\$1,000,000->\$950,000
0	\$1,000,000	New Listing	12/06/23	->A
146	\$1,000,000	Terminated	10/30/23	A->T
133	\$1,000,000	Price Decrease	10/17/23	\$1,050,000->\$1,000,000
119	\$1,050,000	Price Decrease	10/03/23	\$1,100,000->\$1,050,000
58	\$1,100,000	Price Decrease	08/03/23	\$1,150,000->\$1,100,000
0	\$1,150,000	New Listing	06/06/23	->A
--	\$890,000	Sold SDE	06/27/23	(\$890,000)



MLS#: 225012721
Address: 15660 NORTHRIDGE RD
 PUNTA GORDA, FL 33982
GEO Area: BR01 - Babcock Ranch
County: Charlotte
Status Type: New Construction
List Price/Sqft: \$184.19
Property ID: [422619302305](https://my.matterport.com/show/home/422619302305)
Furnished: Unfurnished
Approx. Living Area: 3415 - Architectural Plans, Developer Brochure
Approx. Total Area: 4431 - Architectural Plans, Developer Brochure
Building Design: Single Family
Virtual Tour URL: <https://my.matterport.com/show/home/422619302305>
Virtual Tour URL 2: <https://my.matterport.com/show/home/422619302305>
Listing Broker: Pulte Realty Inc

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TX A N C M

[Submit Offer](#)

Recent: 03/21/2025 : DECR : \$691,755->\$629,000

It gets Even Better



44754 KELSA ANNE LOOP, BABCOCK RANCH 33982

MLS#: [224059896](#)
County: Charlotte
Bldg Design: Single Family
Ownership Desc: Single Family
Community Type: Gated
Bldg Desc: 2 Story
GEO Area: BR01 - Babcock Ranch Preserve
View: [Non-listing Non-listing agent MLS](#)
Agent: [Non-MLS Office](#)
Office: [Non-MLS Office](#)

Status: S SDE
Beds: 4 Bed
Baths: 4 (4 0)
DOM: --
Zoning Cd:
Short Sale: No

Stat Dt: 09/09/24
Apx Liv Area: 3,439
Year Built: 2024
Waterfront: No
Carport: 0
Garage: 2
Floors: 2
Furnished: Unfurnished
Phone:
Phone:

S Price: \$685,065
L Price: \$685,065
O Price: \$685,065
Taxes: \$0.00
Tax Year: 0
HOA: \$0
Land Area:
Lot Front: 75



16023 MULRION BLVD, PUNTA GORDA 33982

MLS#: [224102752](#)
County: Charlotte
Bldg Design: Single Family
Ownership Desc: Single Family
Community Type: Gated
Bldg Desc: 2 Story
GEO Area: BR01 - Babcock Ranch Lake
View: [Non-listing Non-listing agent MLS](#)
Agent: [Non-MLS Office](#)
Office: [Non-MLS Office](#)

Status: S SDE
Beds: 4 Bed
Baths: 4 (3 1)
DOM: --
Zoning Cd:
Short Sale: No

Stat Dt: 01/15/25
Apx Liv Area: 1,771
Year Built: 2024
Waterfront: Yes
Carport: 0
Garage: 2
Floors: 1
Furnished: Unfurnished
Phone:
Phone:

S Price: \$714,358
L Price: \$714,358
O Price: \$714,358
Taxes: \$0.00
Tax Year: 0
HOA: \$0
Land Area:
Lot Front: 53



44784 KELSA ANNE LOOP, PUNTA GORDA 33982

MLS#: [224035560](#)
County: Charlotte
Bldg Design: Single Family
Ownership Desc: Single Family
Community Type: Gated
Bldg Desc: 2 Story
GEO Area: BR01 - Babcock Ranch Preserve
View: [Kelly Thorson](#)
Agent: [Kelsa Properties, P.A.](#)
Office: [Kelsa Properties, P.A.](#)

Status: S
Beds: 5 Bed
Baths: 4 (4 0)
DOM: 5
Zoning Cd:
Short Sale: No

Stat Dt: 08/03/24
Apx Liv Area: 3,445
Year Built: 2024
Waterfront: No
Carport: 0
Garage: 3
Floors: 2
Furnished: Unfurnished
Phone: 813-839-1000
Phone: 813-839-1000

S Price: \$726,900
L Price: \$731,900
O Price: \$731,900
Taxes: \$0.00
Tax Year: 2023
HOA: \$242
Land Area:
Lot Front: 67



44856 KELSA ANNE LOOP, PUNTA GORDA 33982

MLS#: [224103271](#)
County: Charlotte
Bldg Design: Single Family
Ownership Desc: Single Family
Community Type: Gated
Bldg Desc:
GEO Area: BR01 - Babcock Ranch City
View: [Non-listing Non-listing agent MLS](#)
Agent: [Non-MLS Office](#)
Office: [Non-MLS Office](#)

Status: S SDE
Beds: 5 Bed
Baths: 4 (4 0)
DOM: --
Zoning Cd:
Short Sale: No

Stat Dt: 12/20/24
Apx Liv Area: 3,440
Year Built: 2024
Waterfront: No
Carport: 0
Garage: 3
Floors: 2
Furnished: Unfurnished
Phone:
Phone:

S Price: \$730,951
L Price: \$730,951
O Price: \$730,951
Taxes: \$1,050.00
Tax Year: 2024
HOA: \$0
Land Area:
Lot Front: 80

Patience worked well on this one, as we got the same size and brand new for under \$580,000 AND \$25k in closing costs AND 4.99% interest rate FIXED 30 year which costs over 5 Basis Points to get (an extra \$50k+ incentives) As much as \$150,000 off the last sale!

Overview of these data points

- End of March was supposed to be the biggest month for sales, which came up short as inventory still continues to climb. Sold homes did go up 34% with a majority of those new construction, BUT . Builders are starting to feel the panic and starting to drop their prices dramatically, which should continue until their inventory gets gobbled up. Price has gone down again, as well as asking price. Putting this all together, we are not stable, not affordable, too much inventory, and low sales. This is the lowest sales for a March in over a decade and a half. Last month I noticed new construction inventory plummet. Upon further investigation, come to find many builders just pulled homes off the market rather than have too many up for sale. We have **over 11 months of inventory still**. Prices are dropping consistently. Builders are continuing to run the show with their 3-4% interest rate buy downs and price reductions but even that isn't enough to make our homes affordable. Many of my buyers are taking these discounts and incentives from these new homes, meaning not much demand for used homes which is putting downward pressure on the used market. **Inventory went up 1%** in the month of March. In perspective, normally during this time of year, our inventory normally goes down 1% from the end of February to end of March.
- **Demand increased 34% in March.**
- **Pending sales went up 6% off of last months huge gain of 40% from all time lows indicating that season had started. Wonder if it is now over, or will we get another month?**
- Home Value growth year over year is still **under the stabilization line** showing 20 consecutive months of negative home value growth.
- Big discounts by builders who have the most inventory ever are drawing some eyeballs, BUT at a cost of the builder's profit.

Data acquired comes from the following sources

- US Census Bureau
- Zillow.com
- FRED (Federal Reserve Economic Data)
- Realtor.com
- SWFLMLS (Our local board of realtors)
- Mortgage Brokers Association or MBA
- Bureau of Labor Statistics BLS.GOV
- Zillow
- Reventure APP
- Umich.edu

Advice for Sellers

- Season for SWFL is here almost over. If you ever thought of selling your home, this next month is your time to cash out of the fake equity you gained because of COVID for now the builders are crashing the price.
- Price yourselves according to the market
- Market your home differently than the competition because 14k homes is a big pile
- Open Houses are currently working thanks to the NAR lawsuit
- If you feel you are upside down on your home there is a way to get out from under it without costing you any money. I did 3 of them last year and 2 this year alone

Advice for Buyers

- Patience
- Patience
- Patience to infinity. Wait your time. It's a market of falling daggers!
- Builders still have an astronomical amount of inventory and the biggest pockets for incentives. If season ends in April, then you will really see patience pay, and builders know its over, that is why they offer even more now!
- 14k homes is a huge pile of inventory to sell. Sellers are going to be motivated and never be afraid IF you love the home or product to make an offer, but remember how you structure it is more important than the price 5x fold. HINT Ask for my opinion on how to do it

Call me anytime to discuss anything!!!

To get prepared to be a buyer in this market, you need to get qualified first. I can help. Go to www.teacherscanbuyhomes.com and fill in a 3 minute survey to get started.

Ed Zoller

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