

End of February 2026 Real Estate Market Update South West FL Housing

Written by

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“SW Florida’s Housing Expert with over 6403
transactions and over \$348mil+ in SOLD Real Estate”

3/1/2026

www.Leecountymarketupdate.com

Advice for Sellers

This is going to get rough for sellers. Last month I featured Marbella on Cypress in Fort Myers FL, this month I feature Westhaven at Gateway (a new Lennar Community) where you bought brand new townhomes for \$202k in 2020 prior to COVID, then watched it go up **32%** in 2021, then **21%** in 2022, then **13%** in 2023, then dropped **6%** in 2024, then dropped another **29%** in 2025, and just 4 months later another **5%**. I call this Losing “FAKE COVID EQUITY”.

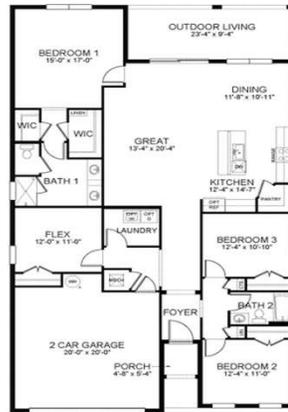
	MLS #	Sts↓	List Price	Address	City↓	Sub Condo Name	Development	Beds/Baths	Living Area	GEO Area	DOM	Sold Price	Sold Date↓		
	219082970	S	\$209,998	12532 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,879	GA01	48	\$195,000	02/26/20		
	220069599	S SDE	\$202,000	12574 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,942	GA01	--	\$202,000	03/31/20	TX	A
	221032873	S	\$249,900	12540 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,942	GA01	4	\$252,000	06/14/21	TX	A
	221039279	S	\$267,900	12529 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,934	GA01	7	\$267,900	07/14/21	TX	A
	221086030	S	\$319,950	12578 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,934	GA01	4	\$325,000	01/26/22	TX	A
	223028945	S	\$350,000	12060 VIA LIGHTHOUSE LN	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,934	GA01	57	\$335,000	07/17/23	TX	A
	223027434	S	\$373,000	12074 VIA LIGHTHOUSE LN	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,934	GA01	25	\$368,000	07/21/23	TX	A
	224003227	S	\$335,000	12543 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,934	GA01	42	\$330,000	03/29/24	TX	A
	224028476	S	\$349,900	12066 VIA LIGHTHOUSE LN	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,942	GA01	5	\$345,000	05/13/24	TX	A
	225034713	S	\$265,000	12590 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,934	GA01	49	\$242,000	06/23/25	TX	A
	224042667	S	\$250,000	12574 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,942	GA01	463	\$240,000	09/15/25	TX	A
	2025014534	S	\$238,900	12551 WESTHAVEN WAY	FORT MYERS	WESTHAVEN AT GATEWAY		3 Bed/2(1)	1,942	GA01	58	\$227,000	01/08/26	TX	A

- Real Estate Appreciates 3-4% normally, not 29-31% annually. I have been talking about for over a year about that FAKE EQUITY the homes never earned, and as you can see much of it has been lost.
- Is it over? No! There is still FAKE COVID EQUITY but it is rapidly decreasing as buyer demand hits all time lows. So what does a seller need to do in this market to sell?
- Get a pre-inspection on your home to show buyers that they will not need to do many repairs, AND offer concessions, buydowns, etc to make it more affordable. Every dollar matters now.
- Price yourselves according to the market
- Market your home differently than the competition. Rookie agents will have no idea how to set their homes apart from the horde.

Advice for Buyers (Same every month)

- Patience Patience Patience Patience Patience. Wait for your deal. Buyers need to qualify, find what they want, narrow down their search, then strike at sellers/builders at the most opportune time. It's a market of falling daggers! Don't catch blades...catch feathers. Wait for your price. Forget the rates, forget the hype, wait until the perfect home hits your target number. Get Interest rates of 4% today by waiting for it. Use this data to help you negotiate with sellers.
- Pick YOUR Payment and wait until the builders come to you. Like my recent deal, if we pulled the trigger last month, we would have wasted over \$40,000 in incentives compared to this month.
- Wait for your deal and DO NOT SETTLE!
- 12,000+ 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.

This months deal!



DR Horton had a new 2034sqft under air 4 bedroom, 2 full bathroom waterfront Home located in a gated community on their sheet for \$447,680 and it had everything John was looking for. 9'4" ceilings, 8' doors, 5" baseboards, impact glass, granite, stainless, everything. This home was asking

- \$447,680 which was a discount of only (\$5k off its original price)
- They were offering \$12,500 concessions toward closing costs, which sounds like a lot, but its not enough to cover all of the costs.
- With a 4.99% rate incentive which is good but can be better.
- Also, house did not have a screened lanai, washer/dryer, or blinds which costs a buyer post-close over 5k out of pocket.

This is when I went to work. We offered a really low ridiculous offer, and after 3 rounds of back and forth this is the final deal

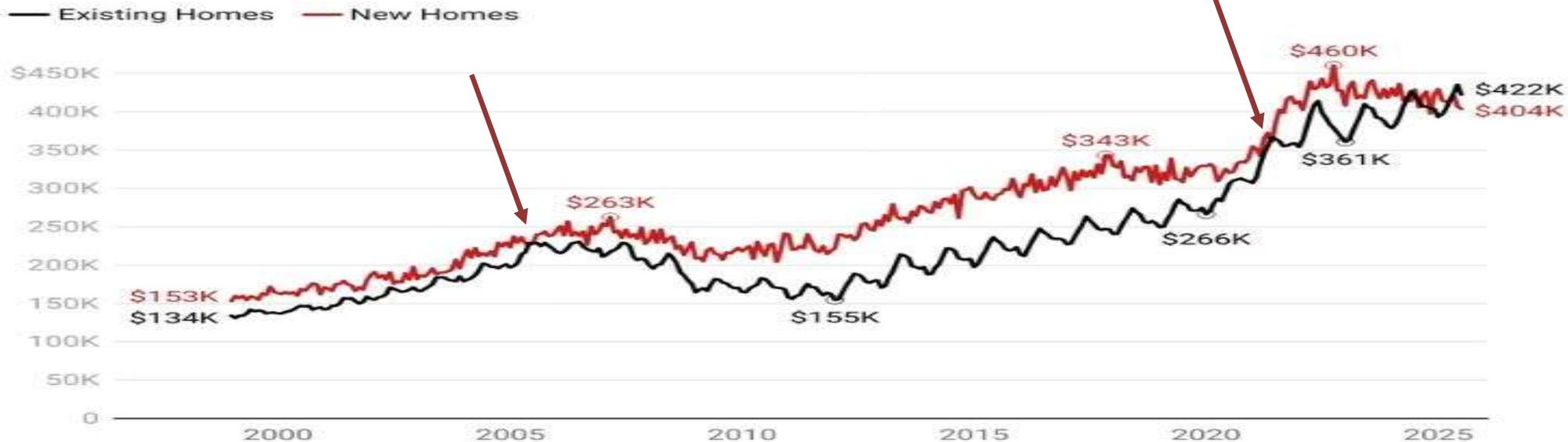
- Price \$399,999 (\$47,681k off their price)
- 6% total concessions toward buy down and closing costs. (\$24,000)
- ALL Appliances including Washer/Dryer/ Blinds, and screened lanai Move in ready (\$4200)
- 4.5% fixed interest rate which costs 2 points (2%) \$8k additional cost

Total Incentives = \$83,881 He decided to go with 10% down so all in out of pocket is \$40k down with everything paid for and a brand new big gorgeous high-end home for a fraction of the monthly payment

So are new constructions cheaper than existing?

New Homes Now Cheaper Than Previously Owned Homes

New-home prices are typically higher than those of existing homes. But the long-standing trend has reversed in recent months, with new homes now about \$20,000 cheaper than resale homes.

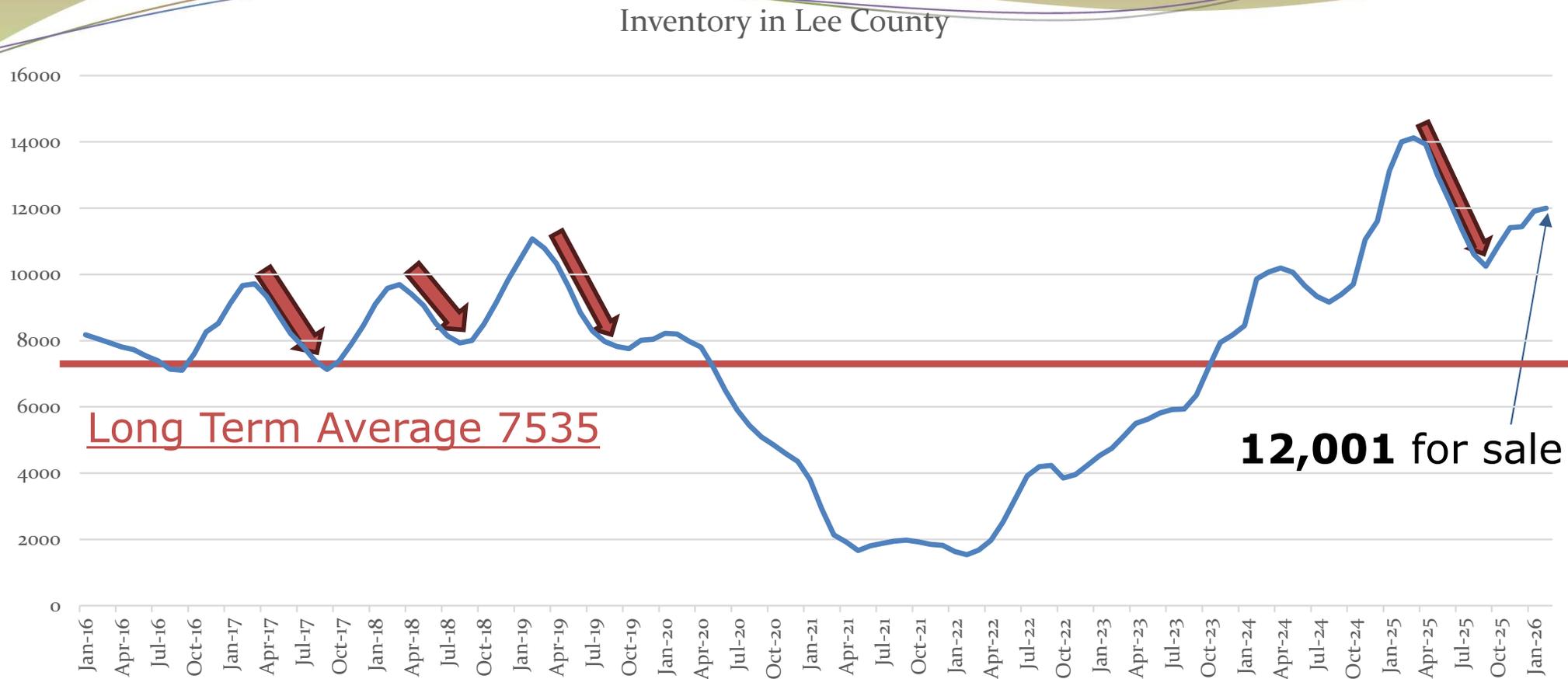


Median sales price in dollars

Chart: Realtor.com - Source: NAR/U.S. Census Bureau/HUD - Created with Datawrapper

Normally since the dawn of time, NO! Never has happened. We came close in 2006 and again in 2021 but right now, in the United States, new homes for the first time have dropped below existing home owners. Above is a graph looking at the Median sales price of used and new market over the course of decades. As you can see starting left new homes normally are 12% more in price than used homes. The gap gets tighter through the early 2000's then gets really close in 2005, but then gets far apart as in 2010 we had a majority of used homes being foreclosures. Then it narrows gets really close again... SEE THE PATTERN? Know why this happens? Home owners don't get the memo that builders are falling apart, and over built homes making them offer up to \$100,000 in incentives. How can any home owner compete with that? You can't. Only thing that HAS TO HAPPEN is the existing home market prices have to go down drastically.

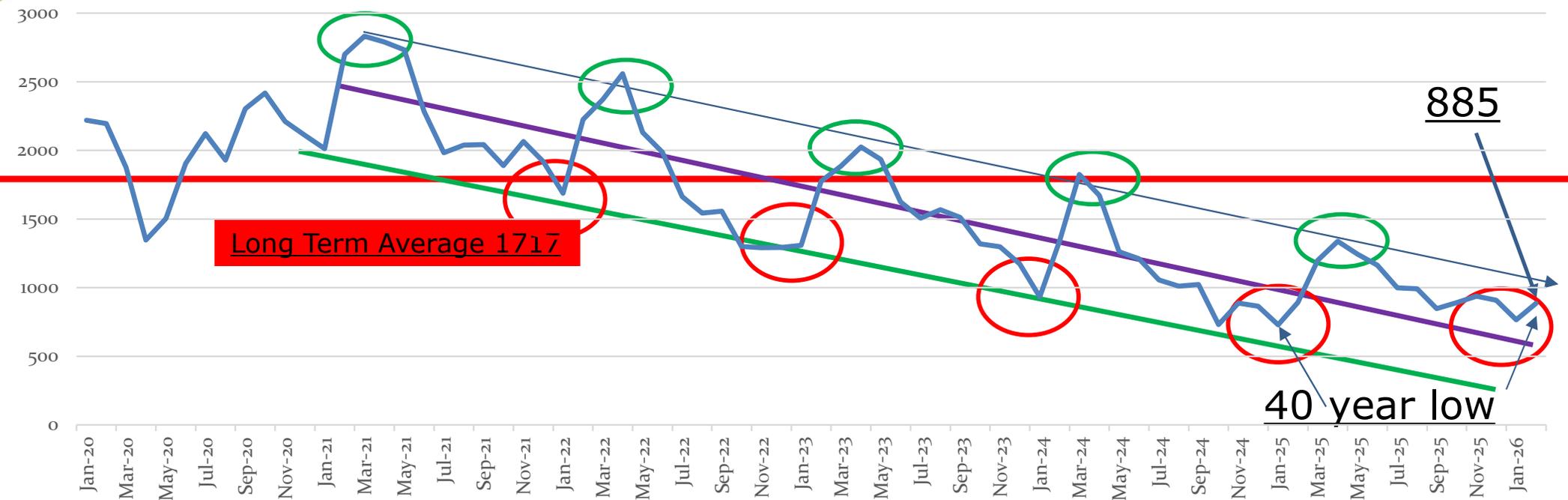
Supply of Inventory for sale in SW Florida



Inventory went up in February less than 1% **showing a slowing upward trend for the 5th consecutive month AS EXPECTED** after its deep plunge as we have seen in every August, except the 2020 COVID crisis. An increase of 77 homes compared to the 468 home increase last month! That is 5 **consecutive increases of inventory. Expect 6 of these total.** History shows that this will hit the peak in March/April, then start to make its way back down. It is NOT the most inventory in January as last year we had over 13,000 so now I do not expect to see 14,000 in March, but there could be a rush this coming month for season. Using this graph, we can predict the increase of inventory for the next few months. Year over Year **our inventory is 14% Lower than last year for February.** If inventory climbs as it should, then it will look even more promising to buyers for the near future. An abundance of INVENTORY MEANS LOWER PRICES and Price reductions, BUT also normally means lower demand. **Of this inventory, 2219 of the existing inventory are New Construction which is exactly the same as last month. It leveled out!. This is still too many homes for builders to get rid of with lowering demand. Will Builders start to panic as season stops in only 2 more months.**

SW Florida Demand (Sold)

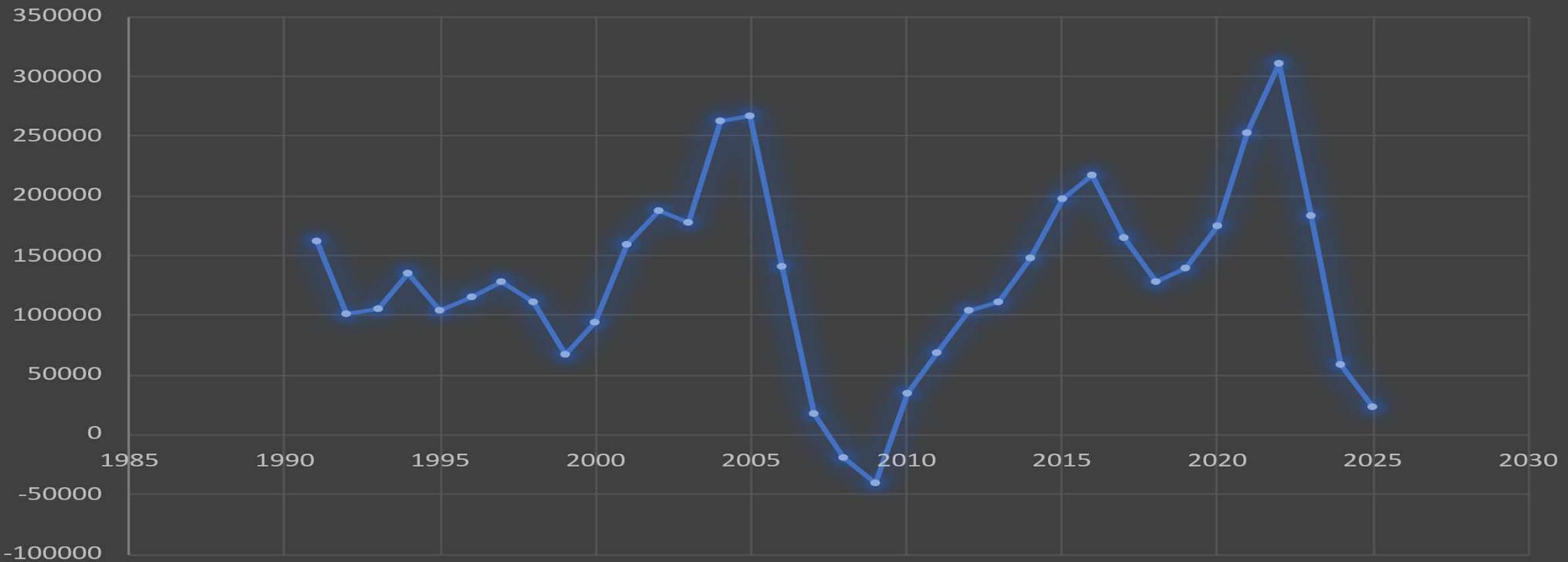
SW Florida Closed Sales Single Family Residential



Last month in February, Sales went **UP 15%**. This broke a 2month consecutive sales drop, but was expected as it always goes up after hitting each low in JANUARY. The SHOCKING part of this is, **THIS IS THE LOWEST SALES VOLUME IN OVER 40 YEARS FOR FEBRUARY!** This made me scratch my head. It seems the pattern is breaking a bit, but to record that little 1/2 way through our busy (kidding) season, and still record the worst sales in over 40 years for the month is alarming. The graph shows it still in my downward channel and know that every peak of the buyer activity happens in March then drops, we might be in for a hurting if it continues the trend it has historically down. The pattern I talk about is simple. PEAK in MARCH/APRIL, mess around in the downward trend, bottom in January, the climb back to March peak. Rinse and repeat. Compared to last year February we are down by 8 homes. This means we should expect February pending sales to spike showing the trend continues. This making new 40 year lows breaks our **3 consecutive YOY increases in a row. So much for Progress.** Compared to the long-term average, it is **48% lower** than the average. Rates are sitting at the time of writing this at **5.99, a huge drop from last month of 6.15.** This is a positive trend but know that this drop is in anticipation of the feds dropping rates. The cycle is feds talk about it, it happens regardless, then when they drop it, the rate goes up. Crazy! **Of the 885 Sales for January, 254 were new construction, UP 8.6% from last months. This represents 28% of the total sales are New construction which is slightly lower than last month. The used market fails to play catch up to grab buyers attention over new construction still.**

Where did the buyers all go?

Florida NET Domestic Migration 1991-2025



I might have an answer. Above is the graph for Florida NET migration from 1991-present. Data comes from the census bureau and as you can see twice since the 90's we have had rapid increase of population followed by sudden drops in migration. Good news is we are still gaining over 20,000 people, but compared to the pandemic highs we are down 90%! Last time in 2005 we dropped 115% over the course of 4 years. That would place us in the year 2026. Hmm Same as last bubble. 1 main reason buyers leave a state is because they cant afford it. That brings me to the next graph.

Buyer Demand

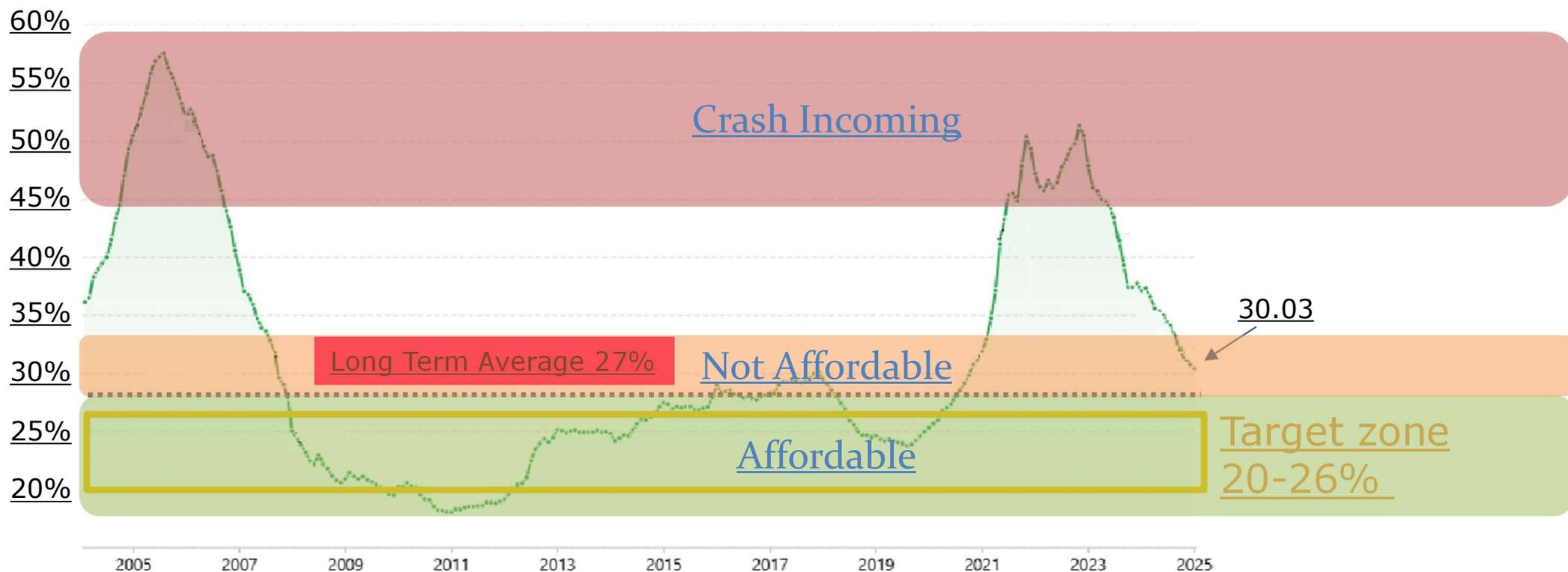
Housing Demand falls to near lowest on Record in Feb 2026

Reventure Housing Demand Index: 1-mo and 3-mo averages



The graph above I found interesting as it shows TRUE BUYER DEMAND over the years. It shows key points in time like the 2005 Real estate crash, 2008-2011 bottom, and the Pandemic COVID Bubble and following crash. It takes pending sales, Mortgage apps, internet searches for homes, and buyer sentiment which I have gone over all in my updates previously and combines it into 1 graph. Look where we are right now in 2026. Other than 2025 this is the 2nd worst buyer demand. 80% worse than the 2008 crash and a decrease from pandemic highs of 92% Didn't we see just last slide a 92% drop in migration? Things that make you go HMMMMM! (I just aged myself)

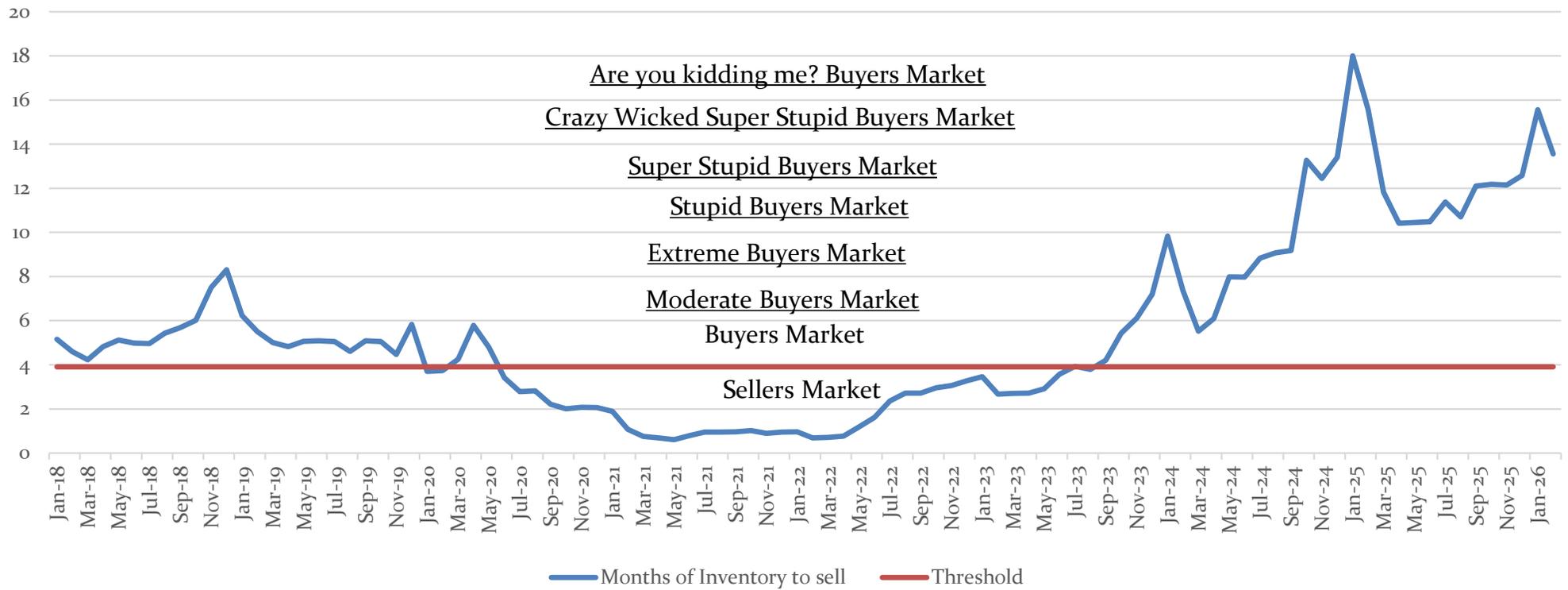
Affordability Graph Mortgage Payment as % of Income



This affordability graph is all you need to see to get a forecast of what is to come. I have color coded the shaded areas. This graph takes the average income of Lee County, takes the average 1690 sq ft 3 bedroom 2 bathroom 2 car garage average location home and calculates the mortgage payment including Principal, Interest, Taxes, and Insurance on that home and divides it by GROSS monthly household income. As you can see when the graph is in the red area, A crash has happened every time. Noone can afford over 45% of their GROSS income to a mortgage. From 2008, once it hit the affordable shaded area of under 27% it stayed there for 10 years. Popped up in 2018 when feds tried increasing rates, then dropped them drastically and back down into the green graph it went for another 3 years. Then COVID happened and back off to the top of the mountain it went again topping off at just over 50%. Now its going down again. My educated guess based on facts is...we got a long way to go to get back to affordable zone but once we get there. It should stay there for another decade. Until next 17 year cycle.

Buyers or Sellers Market?

Months of Inventory to show Buyers Market vs. Sellers Market

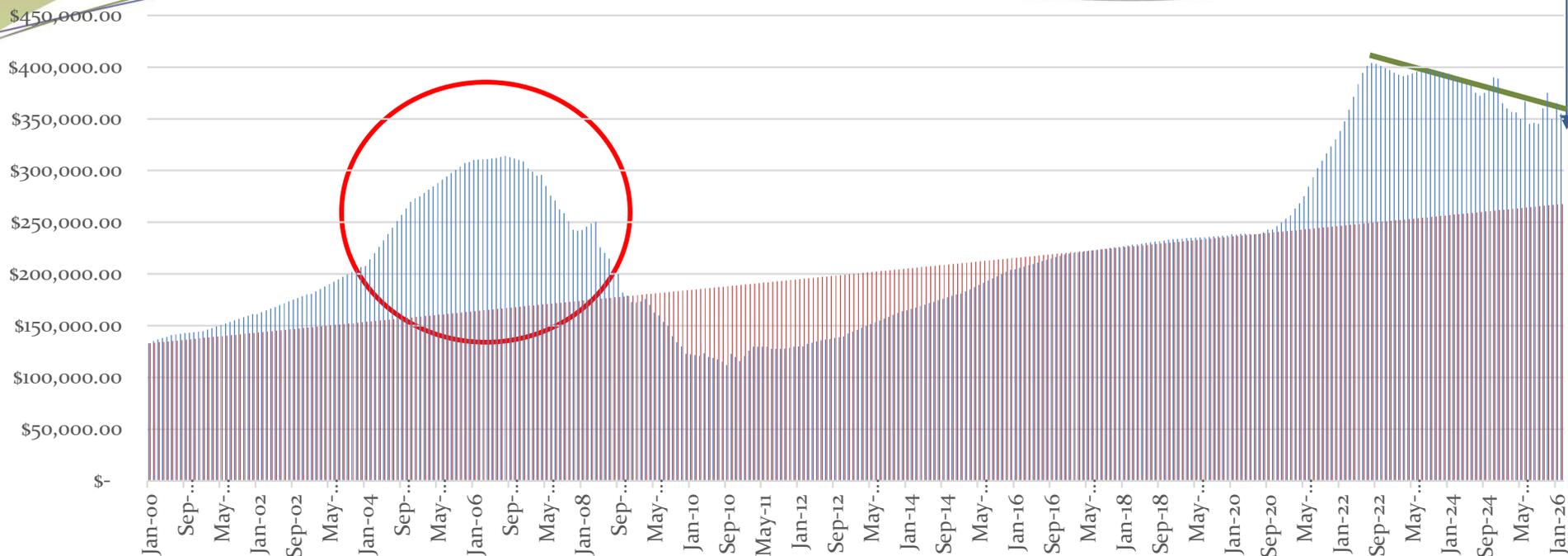


Over 13 months of inventory at this rate of buyer demand. I call that Super Stupid Buyers Market. At least its not Crazy Wicked Super Stupid Buyer Market. I want you to notice something year by year. Forget COVID years 2020-2023. Look at the peak when the standing inventory hits the highest and it takes the longest to sell a home. Jan 2024, Jan 2025, then is goes down, then plateaus in May (end of season) then creeps up again. Uh Oh, Season was a bust so far. The reason we say as agents that last years "season" wasn't that great is because even at our hottest time, we still had over 10 months of standing inventory. Past season we dropped down under 6 months showing how fast inventory was flying off the shelf. With all of this info on buyers, drop a comment on what you think this season will be for SW Florida?

Median Home price

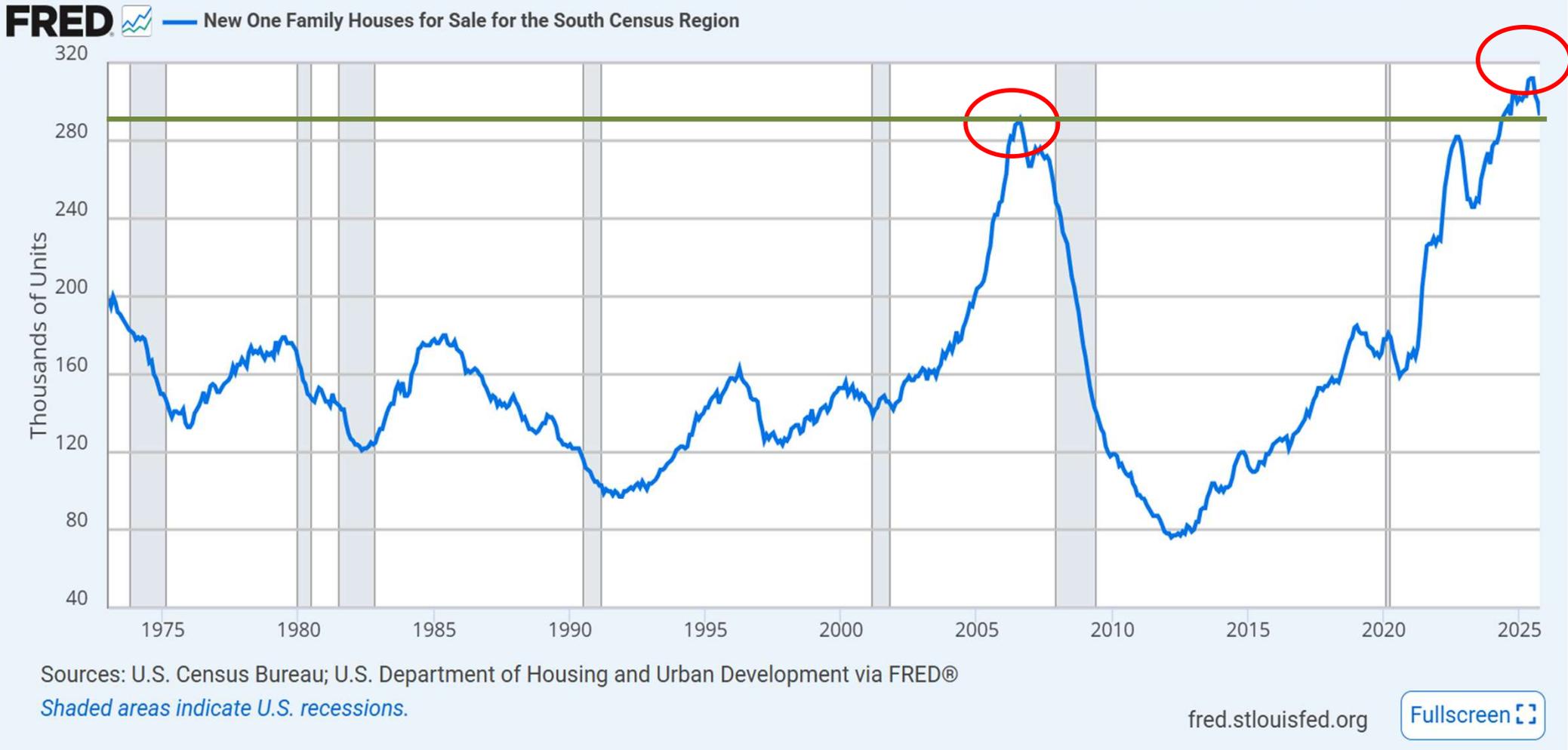
\$355,000

Median Home Price Lee County All Types



Compared to last month, Median home value went DOWN 2%. Well it went up 2% last month so just being a super stubborn jerk. See how fast we crashed last time? Noce and smooth and steady like a mountain top. This one is taking forever. In 2023 after we peaked, I was begging it to crash already. I prayed for fast so we can get back to normalcy. My prayers went unanswered. This is going to draw itself out until it breaks. Expect this graph to show these months of stubborn behavior with ups and downs. Taking the RECORD LOW sales in February, this number is not as relevant as to when we sell 2x to 3x as much normally. There were 87 Homes that sold for over \$1mil. The highest home sold was **\$5.75 Mil home on Fort Myers Beach** with over 3900 sq ft under air this month. The more \$1mil homes that sell, the higher this median home price is overinflated. I look at this graph to show trends, and the trend being stubborn. **254 home sales were new construction which is 28% of all sales.** This is the month I saw some builders reconfigure their incentives while others still complained of margins and profit just like last month. Even with most builders increasing their incentives, it did not gain them much momentum and saw them lose some market share, even though they did increase their traffic a bit with the state of our season. Price remains in its downward channel. **Orange line is what the home prices should be based on household income and current rates.** The secret for buyers is waiting and having patience to get a monthly payment like you were buying at the orange trend line in price. That Orange line depicts what the homes prices should be if we didn't have the COVID/05 BOOM since 2000. Prices have to do with affordability, people, and income. Based on those factors, the median selling home price should be \$266,900 or a drop of 26% further.

Remember they Still have a record number of homes for sale!



New data from FRED shows that number slightly dwindling again, BUT it is still past the record number previous set in 2006 at 291,000. Currently it sits at 293,000 meaning even with losing 22% margins on their homes, builders still have record number of inventory. Call me when this hits lower than last record and we can determine when builders will actually sell their NEW homes for more than a used home. In the future, I expect to see this amount dwindle as they slow up new starts, and renegotiate terms with trades to keep prices down. Others will lower their standard features for lesser cabinets, lesser home features like lower ceilings, going back to normal windows from impact glass, and crappier floors from the premium ones they included in the past. This has already started here locally. Others will increase their features and lessen others making it seem like they are giving better product.

Home Value Growth Month over Month for Lee County



Tracking Month over Month home Value Growth helps pin point changes in the market and signals a crash and/or bottom and WHEN STABILIZATION OCCURS! 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 **-0.24** and last months we were at **-.038, -.51, -0.72, -0.93, -1.17, -1.28, -1.27, -1.22, -1.04, -.085, -0.69%, -0.65%, and -.62%** so that is **31 consecutive months of negative home value** so far, **BUT** This is the 6th month the market shows slight signs of getting back to stabilization. it didn't get further away! Now it is still really low and negative. A pessimist would say, it is still losing a 1/4% a month which is not stable, and an optimist would say, Hey..This is the highest its been in over a year! It still lost .24% of value this month and that's 3% a year, if it continues at this rate for the whole year. As this graph makes it way to 0, and shows support, then we can say the market finally stabilized. Do look left on the graph to see this happened in 2007 as well, where it increased a few times then dropped further. So even with the household income going up, interest rates slightly lower we are still not affordable. **NOT STABILIZED YET!**

Since we are talking builders let us talk about the nations #1

Our land and lot position and homes in inventory at December 31, 2025 and September 30, 2025 are summarized as follows:

	December 31, 2025			
	Land/Lots Owned (1)	Lots Controlled Through Land and Lot Purchase Contracts (2)(3)	Total Land/Lots Owned and Controlled	Homes in Inventory (4)
Northwest	11,900	17,700	29,600	1,700
Southwest	19,200	29,600	48,800	3,300
South Central	35,400	113,400	148,800	7,600
Southeast	30,900	110,400	141,300	6,500
East	31,600	112,900	144,500	6,600
North	16,500	61,000	77,500	4,700
	<u>145,500</u>	<u>445,000</u>	<u>590,500</u>	<u>30,400</u>
	<u>25 %</u>	<u>75 %</u>	<u>100 %</u>	
	September 30, 2025			
	Land/Lots Owned (1)	Lots Controlled Through Land and Lot Purchase Contracts (2)(3)	Total Land/Lots Owned and Controlled	Homes in Inventory (4)
Northwest	12,200	17,100	29,300	1,700
Southwest	19,600	31,200	50,800	3,200
South Central	35,900	111,900	147,800	7,700
Southeast	31,500	113,600	145,100	6,300
East	31,500	111,100	142,600	6,300
North	16,300	60,000	76,300	4,400
	<u>147,000</u>	<u>444,900</u>	<u>591,900</u>	<u>29,600</u>
	<u>25 %</u>	<u>75 %</u>	<u>100 %</u>	

Since we are talking builders driving prices down, I looked into DR Hortons latest earnings report to see nationwide a few details. With all of this inventory homes to sell, I wanted to know what the #1 builder in the country sells in a year, and more importantly, how many lots they own to build the next round of homes. This might shed light on how long this could take. According to their latest sales, they sell around 80,000 homes a year. Future builds has to do with how many lots they have control over. Look above. They have 590,500 lots controlled. At the rate of their current sales, it would take them over 7 years to sell these. Last time we crashed, from peak from 2006 to 2013 until we stabilized. That is 7 years. More HMMMM moments. If this follows that trend, then 2023-2030? Maybe....HOPE NOT

Statistics as compared to last month

February 1st 2025

- Total Housing for sale 11,905
- Total SF Homes Sold 765
- Total Sales Pending 1448
- **New construction 4sale 2218**
- Average Time on Market 95
- Median Asking Price \$375,000
- Median Selling Price \$365,000
- % of asking price sold 97.3%

March 1st 2026

- Total Housing for sale 12,001  <1%
- Total SF Homes Sold 885  15%
- Total Sales Pending 2074  43%
- Total New construction 2219  <1%
- Average Time on Market 93  2%
- Median Asking Price \$365,500  2%
- Median Selling Price \$355,000  3%
- % of asking price/sold 97.12%

In Summary: Inventory went up less than 1%, but hit 12k homes. Sold inventory (Demand) went down up a huge 15% which is what it went down last month, BUT made a 40 year low!. Pending went up a huge amount of 43% to well over 2000 pending sales. Funny how 1400 pending sales only equated to 61% closure rate. If it stays the same expect the top demand month of March to be 1200 home sales. New construction homes went up 1 home! Whoppie! The % of new homes for sale is 18% of our total inventory which shows more buyers heading toward new homes over used homes as new builds are 30% of our sales. Average time on market went down and anything over 60 days is too long! Median asking went down 2% (take your time) and selling price also went down 2%. With this data, it still seems buyers will have the advantage for the next few months (years) and possible through most of 2026-2027. With this data we predicted February to be slow, but not 40 year slow! We also predict march to be around 1200 homes sold which would peak out demand just at my imaginary line I drew on the demand graph. I said last month, The huge increase in pending sales means we expect sales to go over 900 next month. Wrong! Will March be over 1200? The data here though spells a bad month for builders unless they start making killer deals beyond the deals they are currently making.

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**
- **National Association of Realtors**
- **NAHB**

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.

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Look forward to hearing from you soon