

End of January 2026 Real Estate Market Update for January South West FL Housing

Written by

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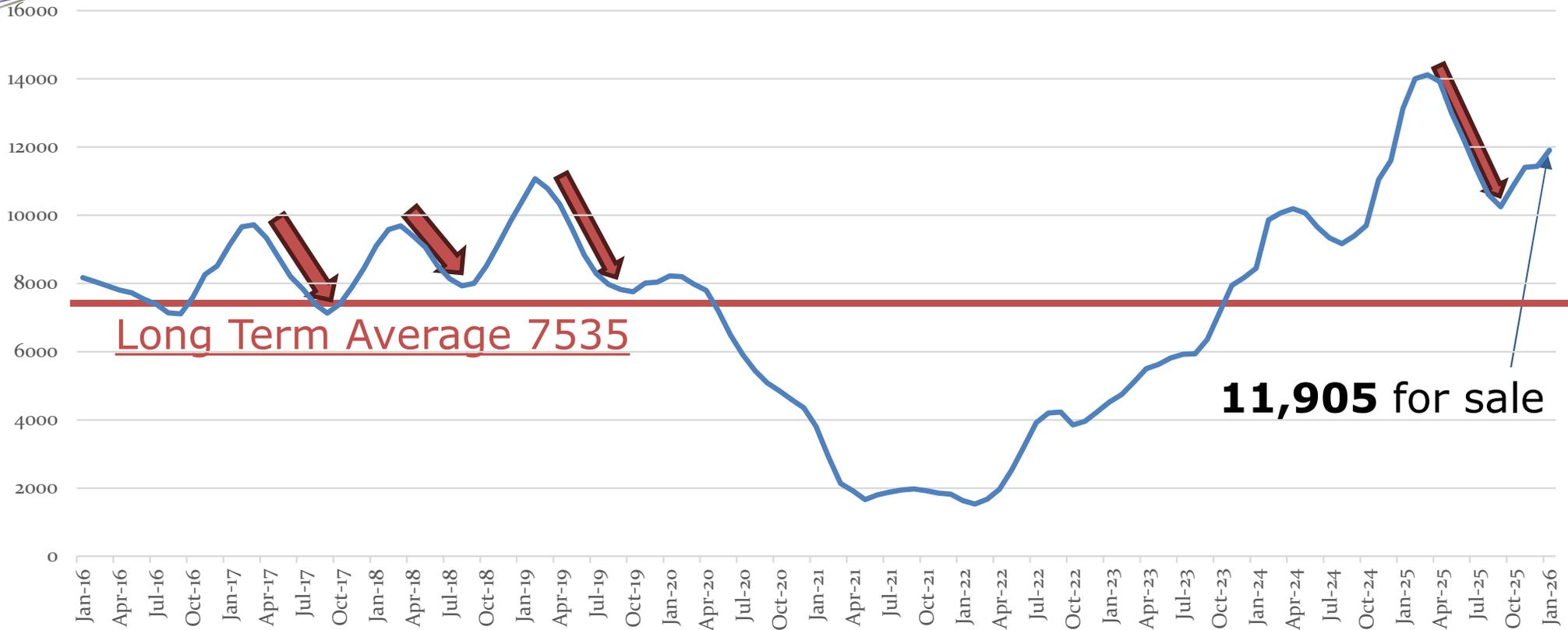
“SW Florida’s Housing Expert with over 6402
transactions and over \$348mil+ in SOLD Real Estate”

2/1/2026

www.Leecountymarketupdate.com

Supply of Inventory for sale in SW Florida

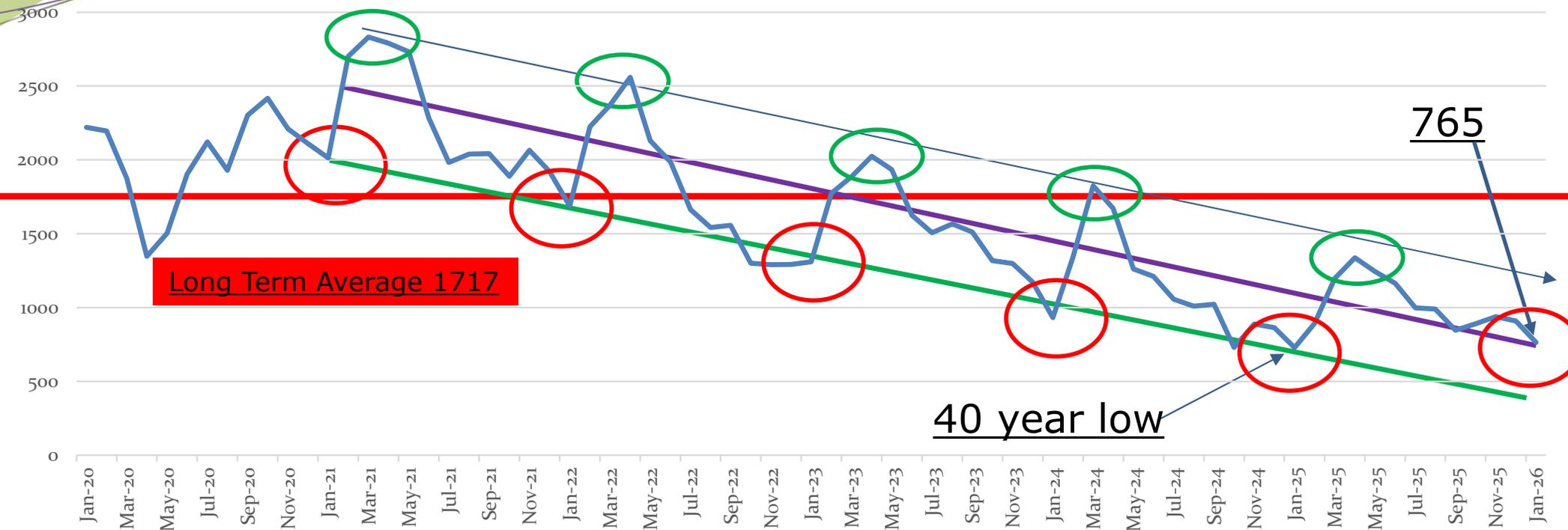
Inventory in Lee County



Inventory went up in January by 4% **showing an upward trend for the 4th consecutive month AS EXPECTED** after its deep plunge as we have seen in every August except the 2020 COVID crisis. An increase of 450+ homes compared to the 30 home increase last month! That is 4 **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 in the next 2 months for season. Using this graph, we can predict the increase of inventory for the next few months. Year over Year **our inventory is 9% Lower than last year for January.** 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, 2218 of the existing inventory are New Construction or an over 3% increase from last month showing the 2nd consecutive month reversal of a 3 month positive trend to increasing inventory which is a negative trend. Will Builders start to panic for the start of this new year?**

SW Florida Demand (Sold)

SW Florida Closed Sales Single Family Residential

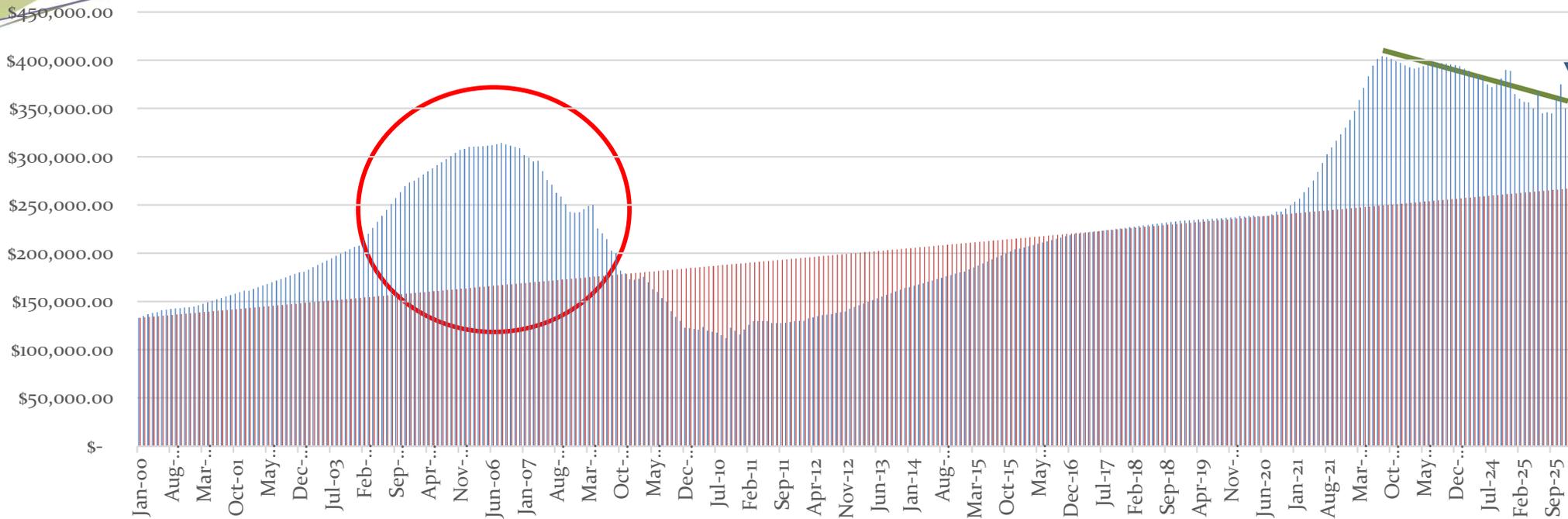


Last month in January, Sales went **DOWN 15%**. This is the 2nd consecutive drop in sales demand which was the same drop we had last Jan 2025 when demand crashed 15% in 1 month. Positive reversal though is this is the 1st time in over 1 year that we didn't hit lower lows. The 40 year low was Jan 2025 at 729 homes sold, this Jan 2026 it is 765. It still remains in my downward channel. The pattern is simple. PEAK in MARCH/APRIL, mess around in the downward trend, bottom in January. Rinse and repeat. Compared to last year Jan after our 15% drop in demand, we had increases of 22,34,and 11% until April then it started the cycle again. This means we should expect January pending sales to spike showing the trend continues. **It was not the worst January in 40 years just like it wasn't the worst Nov and Dec. That is 3 consecutive breaks of that trend!** Progress? Not counting last year, it was the worst since 2008. Compared to the long-term average, it is **44% lower** than the average. The common factor is demand goes down from May to January every year so will it be different than previous years? Doesn't look like it. Rates are sitting at the time of writing this at **6.15** which is a bit lower than the 6.19 of last month. This is a positive trend just not as much as we expected from the Feds. **Of the 765 Sales for December, 232 were new construction, DOWN 14% from last months. This represents 30% of the total sales are New construction which is the same as last month. The used market fails to play catch up to grab buyers attention over new construction still.**

Median Home price

\$365,000

Median Home Price Lee County All Types



Compared to last month, Median home value went **UP 4%**. Meaning, this graph is a horrible representation on the current market. Expect this graph to show these months of stubborn behavior with ups and downs. Taking the low sales in January, this number is not as relevant as to when we sell 2x to 3x as much normally. There were 78 Homes that sold for over \$1mil. The highest home sold was **\$4.8 Mil home in Bonita Bay** with over 4400 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. **232 home sales were new construction which is 30% 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 kept the same market share, but 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 \$266,830 or a drop of 26% further.

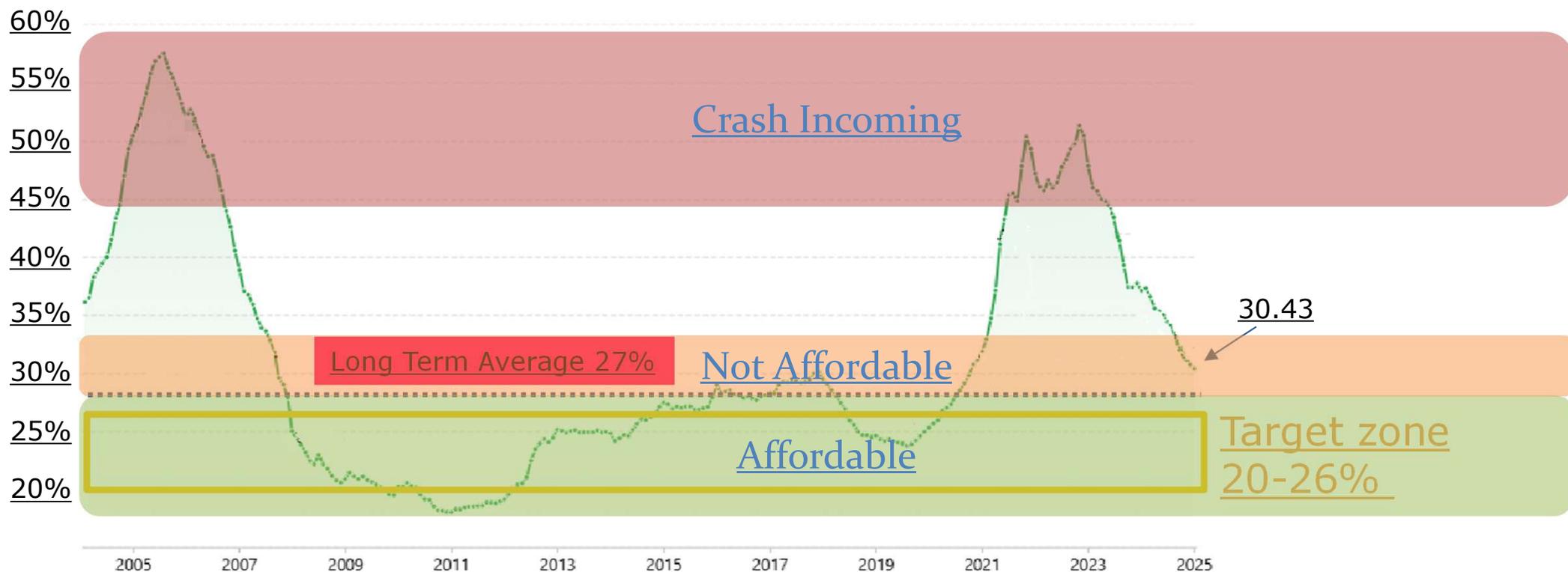
Home Value Growth Month over Month for Lee County



Market Stabilized

Tracking Month over Month home Value Growth helps pin point changes in the market and signals a crash and/or bottom 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 **-0.38** and last months we were at **-0.51**. **0.72, -0.93, -1.17, -1.28, -1.27, -1.22, -1.04, -0.085, -0.69%, -0.65%, and -0.62%** so that is **30 consecutive months of negative home value** so far, **BUT** This is the 5th 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 1/3% a month which is not stable, and an optimist would say, Hey...This is the highest its been in over 12 months! It still lost .38% of value this month and that's 4.5% 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!**

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 res 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.

Statistics as compared to last month

February 1st 2025

- Total Housing for sale 11,905  4%
- Total SF Homes Sold 765  15%
- Total Sales Pending 1448  25%
- **New construction 4sale 2218**  3%
- Average Time on Market 95  4%
- Median Asking Price \$375,000  1%
- Median Selling Price \$365,000  4%
- % of asking price sold 97.3%  4%

January 1st 2026

- Total Housing for sale 11,437
- Total SF Homes Sold 909
- Total Sales Pending 1152
- Total New construction 2142
- Average Time on Market 91
- Median Asking Price \$369,900
- Median Selling Price \$350,000
- % of asking price/sold 93.00%

In Summary: Inventory went up 4% to almost hit 12k homes. Sold inventory (Demand) went down a huge 15% to make the 2nd worst January in over 40 years. Pending went up a huge amount of 25% after crashing down 20% last month showing expectations for February should show an increase of sales. New construction homes for sale increased 3% exceeding 2200 homes for sale. The % of new homes for sale is 18% of our total inventory which shows more buyers heading toward new homes over used homes and constitutes 30% of our sales. Average time on market went up 4% after going down 4% last month, but 95 is still really high. Median asking went up 1% and selling price went up 4% as numerous \$1mil homes sold in January. With this data, it still seems buyers will have the advantage for the next few months and possible through most of 2026. With this data we predicted January to be slow and also now we expect a rise in sales for February. The huge increase in pending sales means we expect sales to go over 900 next month. Will this make February the 2nd worst feb on record? The data here though spells a bad month for builders unless they start making killer deals beyond the deals they are currently making.

Buyers or Sellers Market?

Months of Inventory to show Buyers Market vs. Sellers Market



Almost 16 months of inventory at this rate of buyer demand. I call that 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, and will this season be Jan 2026? 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. It does show a lower high so that's something. Still would take at this rate 15 months for all standing inventory to leave the market.

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.

This months deal!

127 SW 31st TER, Cape Coral, FL 33993

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[Listing](#) [Tax](#) [Photos](#) [History](#) [Parcel Map](#) [Flood Map](#) [Foreclosure](#)

Residential REALTOR Report

| | |
|--|--------------------------------------|
| General Information | ML# 225082370 |
| List Price: \$428,990 | |
| MLS#: 225082370 | Status: Pending (01/15/26) |
| Address: 127 SW 31ST TER CAPE CORAL, FL 33993 | |
| GEO Area: CC23 - Cape Coral Unit 28,29,45,62,63,66,68 | |
| County: Lee | Property Class: Residential |
| Status Type: Under Construction | Subdivision: CAPE CORAL |
| List Price/Sqft: \$183.64 | Development: CAPE CORAL |
| Property ID: 35-44-23-C3-01832.0270 | DOM: 42 |
| Furnished: Unfurnished | CDOM: 59 |
| Approx. Living Area: 2336 - Architectural Plans | Bedrooms: 4 Bed |
| Approx. Total Area: 3188 - Architectural Plans | Baths: 3 (3 0) |
| Building Design: Single Family | Den/Flex: No |
| Listing Broker: DR Horton Realty SW FL LLC | Year Built: 2025 |
| | County Permit #: BRC25-001765 |



1 / 2 Model Home - Ranch-



DR Horton had a new 2336sqft under air 4 bedroom, 3 full bathroom spec home with a 3 car garage in the SW Cape with City Utilites in and paid in full. My client Liberty loved the location, loved the home floor plan, but the initial incentives were not great as the house is far from being complete. This home was asking

- \$428,990 which was a discount of only (\$5k)
- They were offering \$12,500 concessions toward closing costs, which sounds like a lot, but its not enough to cover all of the costs.
- And since it was far out, no interest rate incentives.
- At that lower price, they were not offering a move in package which includes, blinds, ALL appliances washer and dryer, Garage opener.

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 \$420,000 (\$9k off their price)
- 6% total concessions toward buy down and closing costs. (\$25,200)
- ALL Appliances including Washer/Dryer/ Blinds, etc Move in ready (\$2200)
- Pay off all utility assessments (\$15,000)
- 4.5% fixed interest rate. (8% or 8 Pts) \$30,240 cost

Total Incentives = \$81,640 As an FHA buyer she will have only \$14,700 down payment and monthly costs including Principal, Interest, Taxes, Insurance of under \$2600/month all in for a brand new 2026 built home. Their end of year sale was only \$27,500 total incentives. We got \$45,423 more by just asking and playing the game.

Overview of these data points

- End of January showed a 4% increase of inventory as expected from previous years. This should continue into Feb-March.
- **Pending Sales increased 25% after dropping 20% last month** which means Buyers here and “season” has started. **Sales dropped 15%** last month which was expected but not to that level. Every month this year was the worst for that month in a 40 year timespan. Last 3 months they were not the worst in 40 years.
- Median home price went back up due to the increased amount of \$1mil homes that sold. Builders inventory increased 3%, but they just came off one of their worst sales months so expect incentives to get even better. They only constitute 18% of our inventory, yet are 1/3 of our sales. This shows and even more disconnect with the used market which should cause them to crash further.
- Stability has increased slightly again reversing the downward trend for the 5th consecutive month, but Homes are still losing value every month.
- New construction still runs the show with their incentives that far exceed anything the used market can offer. Putting this all together, we are getting slightly more stable, not affordable, too much and increasing inventory, and low sales BUT better future sales for next month.
- Standing Builder inventory is still at Record breaking highs especially in the south, at the same time Builder sentiment is at its all time low. Until they are done selling off their enormous inventory, the gap between new and used will continue. Now when builders slow up, then the fun begins as the used market plays catch up.

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!
- Almost 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.

Advice for Sellers

- This is going to get rough for sellers. If you bought prior to COVID, you still have fake equity to cash in on but that is dwindling every day. Let me show you an example of a 3 bedroom/ 2 bathroom townhome in Fort Myers called Marbella

| | | | | MLS # | Sts↓ | List Price | Address | City↓ | Sub Condo Name | Development | Beds/Baths | Living Area | GEO Area | DOM | Sold Price | Sold Date↓ |
|--|--|--|--|---------------------------|------|------------|-----------------------|------------|----------------|--------------------|------------|-------------|----------|-----|------------|------------|
| | | | | 220002941 | S | \$214,900 | 10283 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM22 | 4 | \$202,000 | 02/10/20 |
| | | | | 219083844 | S | \$219,000 | 10183 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 39 | \$200,000 | 02/28/20 |
| | | | | 220077004 | S | \$229,900 | 10172 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 48 | \$228,000 | 03/05/21 |
| | | | | 221012306 | S | \$215,000 | 10116 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM07 | 5 | \$213,000 | 04/14/21 |
| | | | | 221069710 | S | \$299,000 | 8909 VIA ISOLA CT | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM08 | 4 | \$296,777 | 11/02/21 |
| | | | | 221069491 | S | \$295,000 | 10150 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 2 | \$305,000 | 11/03/21 |
| | | | | 222003030 | S | \$299,000 | 10102 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM22 | 4 | \$321,000 | 02/17/22 |
| | | | | 222000070 | S | \$325,000 | 10090 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 6 | \$327,500 | 02/24/22 |
| | | | | 222033687 | S | \$380,000 | 10127 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM22 | 23 | \$380,000 | 07/08/22 |
| | | | | 222042560 | S | \$378,500 | 10168 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 39 | \$375,000 | 08/25/22 |
| | | | | 223022744 | S | \$345,000 | 10175 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM22 | 15 | \$345,000 | 07/07/23 |
| | | | | 223054988 | S | \$369,900 | 10168 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 43 | \$360,000 | 10/02/23 |
| | | | | 223090687 | S | \$319,900 | 10195 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM22 | 126 | \$320,000 | 05/30/24 |
| | | | | 224084280 | S | \$325,000 | 10186 VIA COLOMBA CIR | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 141 | \$294,000 | 04/03/25 |
| | | | | 224043242 | S | \$299,000 | 8894 VIA ISOLA CT | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,934 | FM22 | 471 | \$299,000 | 10/14/25 |
| | | | | 225050720 | S | \$299,000 | 8874 VIA ISOLA CT | FORT MYERS | MARBELLA ON CY | MARBELLA ON CYPRE: | 3 Bed/2(1) | 1,942 | FM22 | 116 | \$275,000 | 12/02/25 |

- Sellers get a pre-inspection 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

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