

# SW FLORIDA MARKET UPDATE

MAY 2026

**!** MORTGAGE RATES  
HIT 9-MONTH  
HIGH!

**PROPERTY  
TAX RELIEF  
WHAT IT MEANS  
FOR YOU!**



**INVENTORY  
DOWN**



**SALES DROP  
BELOW 1,400**



**AFFORDABILITY  
WORSENS AGAIN**



**TAX BILL RELIEF  
EXPLAINED**

**WHAT THIS MEANS FOR BUYERS & SELLERS!**



*Ed Zoller*

**YOUR SW FLORIDA  
REAL ESTATE EXPERT**

# End of May 2026 Real Estate Market Update South West FL Housing

Written by  
Ed Zoller

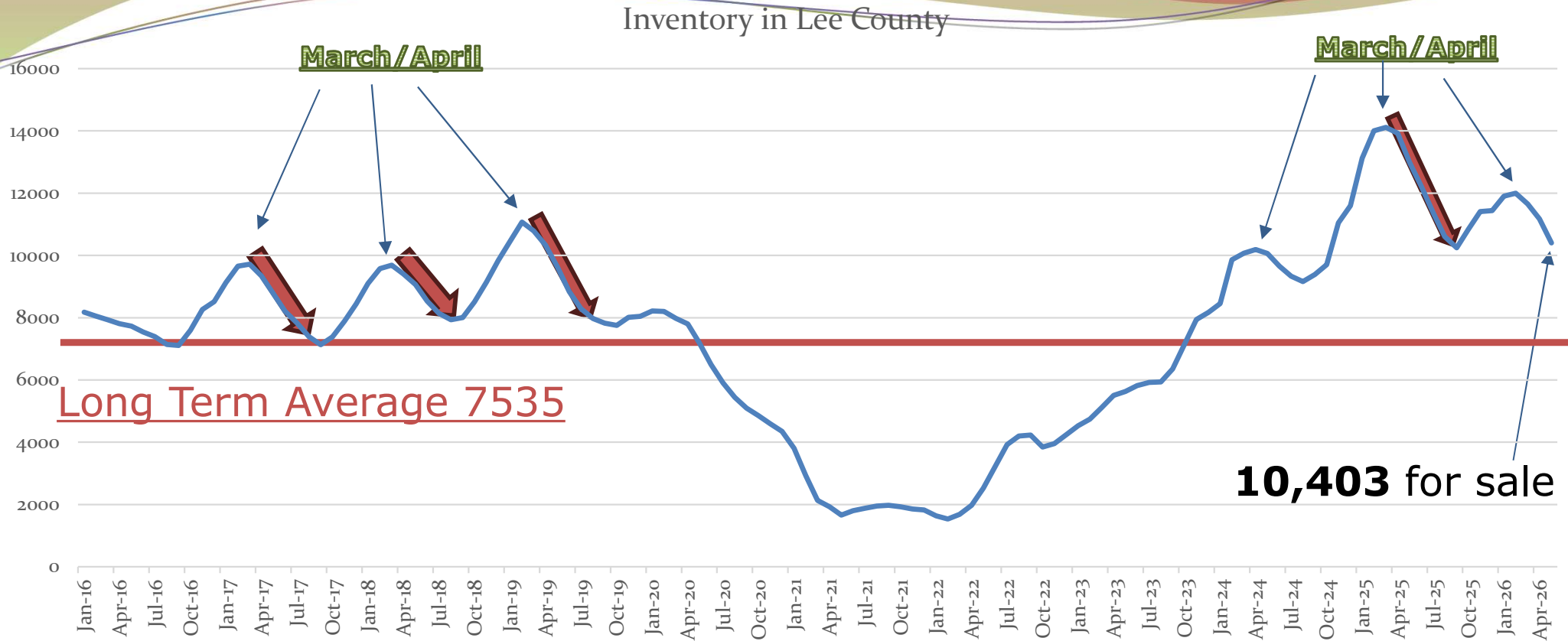
1-239-980-2792

“SW Florida’s Housing Expert with over 6415 transactions  
and over \$350mil+ in SOLD Real Estate”

6/1/2026

[www.Leecountymarketupdate.com](http://www.Leecountymarketupdate.com)

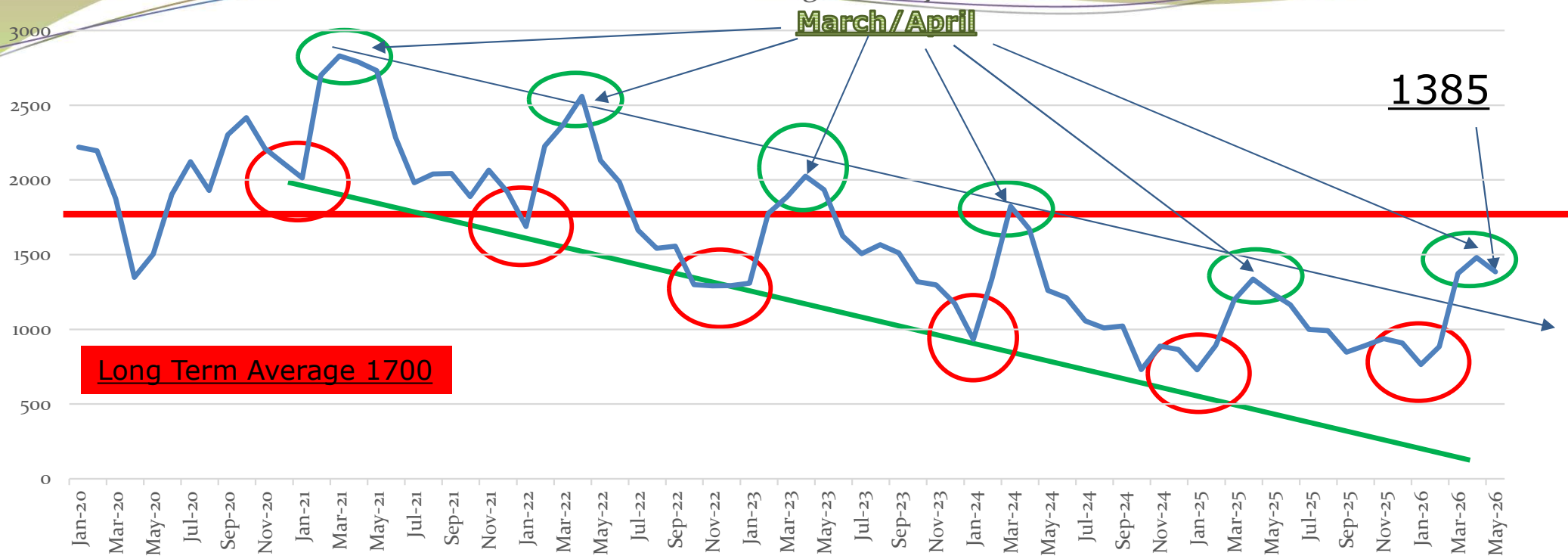
# Supply of Inventory for sale in SW Florida



Inventory went **DOWN** in May by 6.87% **showing a positive sign for inventory reducing, and is 20% less than this time last year. Of course that was a 17 year high.** As you can see each peak happened in March for every previous year dating back to 2016. This is called our season where we hit the most inventory, and should have the most buyers we will ever see. This is a positive sign that the peaks do not go back to the massive amount we had back last year. Still 10,403 places for sale is still **38% higher than it should be compared to our long term average.** 2 months ago we broke the trend of 5 **consecutive increases of inventory with our 3<sup>rd</sup> of what should be a 7 month trend to the downside.** Using this graph, we can predict this trend should continue to decrease next 5 months. If inventory continues to decline, then it will look more promising for sellers in the far future, but we need to look at demand. An abundance of INVENTORY MEANS LOWER PRICES and Price reductions, BUT also normally means lower demand. **Of this inventory, 2012 of the existing inventory are New Construction which is a drop of over 100 homes. This is better for builders, but even if they continue at this rate, it will take a few years to get that inventory down to manageable levels, and will continue to fuel more of the downside. This way too many homes for builders to get rid of, but they will continue to try. I have confirmed many builders have definitely pumped the breaks on new permits until they can get rid of their existing inventory.**

# SW Florida Demand (Solds)

SW Florida Closed Sales Single Family Residential



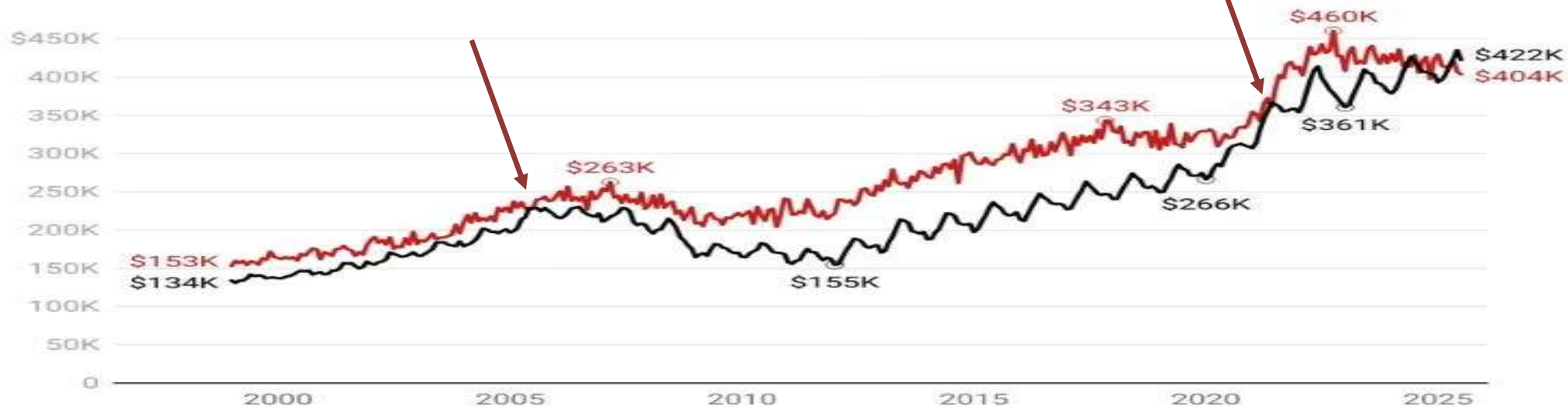
Last month in May, **Sales went DOWN 6%! Coming off last months New 21 month high, we did expect this as last months pending sales dropped.** We can also just simply look at the graph and see that every May, sales go down and continue to drop until January. This broke the **3 month trend of increased sales.** Comparing all previous months, the very predictable model goes as follows: Sales increase drastically February-April, then always starting in May it drops continuously until the following year. So 3 months up, 9 months down. The biggest drops month over month always come in September and January where for the last 6 years the drops in sales are double digits. This season sales did break a downward channel formed at the start of 2020, and remains above it so that is a positive trend, but is fall from even our long term average of 1700 homes. Expect sales to continue to fall over the next 9 months. Pending sales will determine next months sales volume to see if it maybe breaks this long term trend. **Compared to last year May we are up 11.3%.** Rates are sitting at the time of writing this at **6.53 which is 1/8 pt higher than last month.** **This is a 4 month Negative trend which we will discuss next slide.** **Of the 1385 Sales for May, 423 were new construction, the same exact number it was last month. This is 30.5% of all sales even though they only have 19% of the total inventory clearly showing that builders still control the market. When you give away \$80-\$150k in incentives you would expect that. As long as this trend continues, resale market cannot keep up. How can they? This will cause the resale market to continue to fail on playing catch up as long as new homes are less expensive than used.**

# 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.

— Existing Homes — New Homes

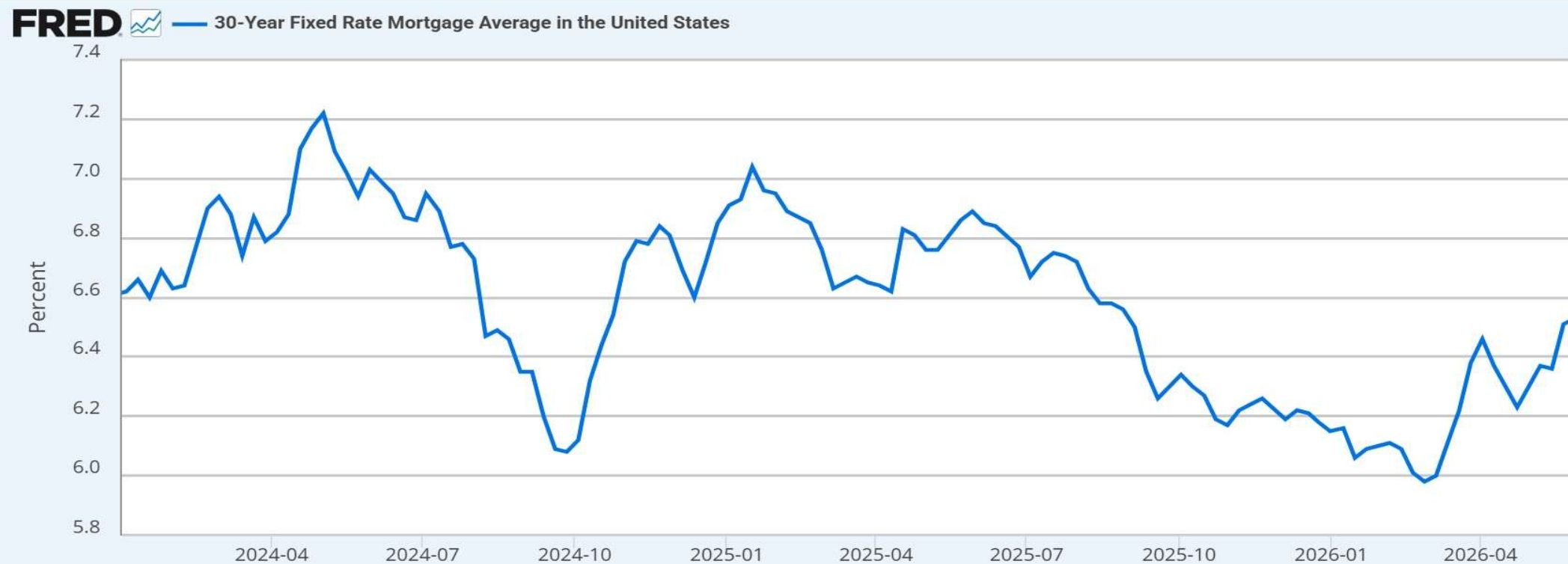


Median sales price in dollars

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

Normally since the 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 tha course of decades. As you can see starting left new homes normally are 12% more in price than used homes. The gap get tighter throught 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 exisiting home market prices have to go down drastically.

# Why Mortgage Rates Just hit a 9-month high



One of the biggest stories this month is mortgage rates. According to the latest data from FRED, the average 30-year mortgage rate has climbed to its highest level in about 9 months.

## **Why does this matter?**

Because mortgage rates are the single biggest factor affecting affordability. Even if home prices stay exactly the same, a higher interest rate means a higher monthly payment.

## **So what's causing rates to rise?**

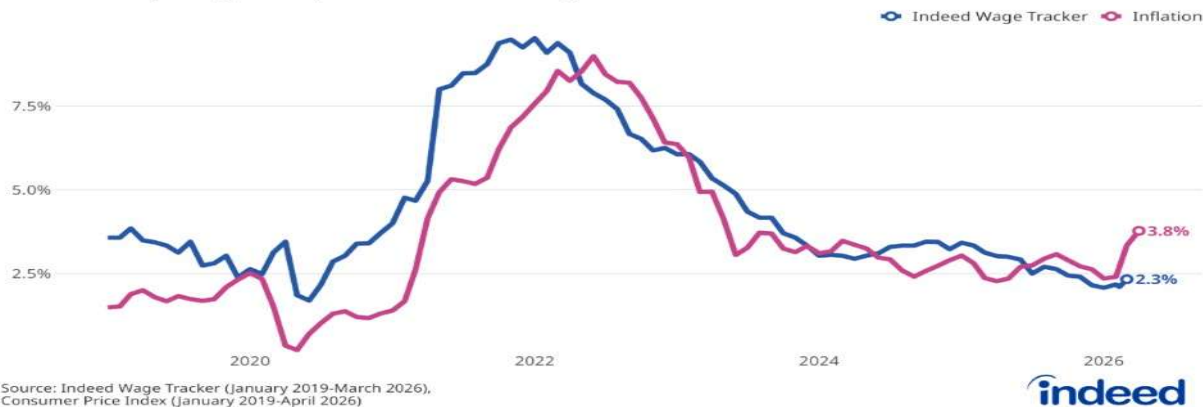
The short answer is inflation. Investors are becoming increasingly concerned that inflation isn't cooling off as quickly as expected. When that happens, they demand higher returns to lend money, which pushes Treasury yields higher. Mortgage rates tend to follow those Treasury yields. This isn't just happening in the United States. Countries around the world are seeing higher bond yields, including France, Germany, the United Kingdom, and Japan, where yields recently reached levels not seen since the 1990s.

For consumers, the takeaway is simple: when yields rise, borrowing money becomes more expensive. Whether it's a mortgage, car loan, credit card, or business loan, higher rates generally mean higher monthly payments.

# Could Rates Go Even Higher?

## Inflation is once again growing faster than posted wages

Year-over-year growth, CPI vs Indeed Wage Tracker

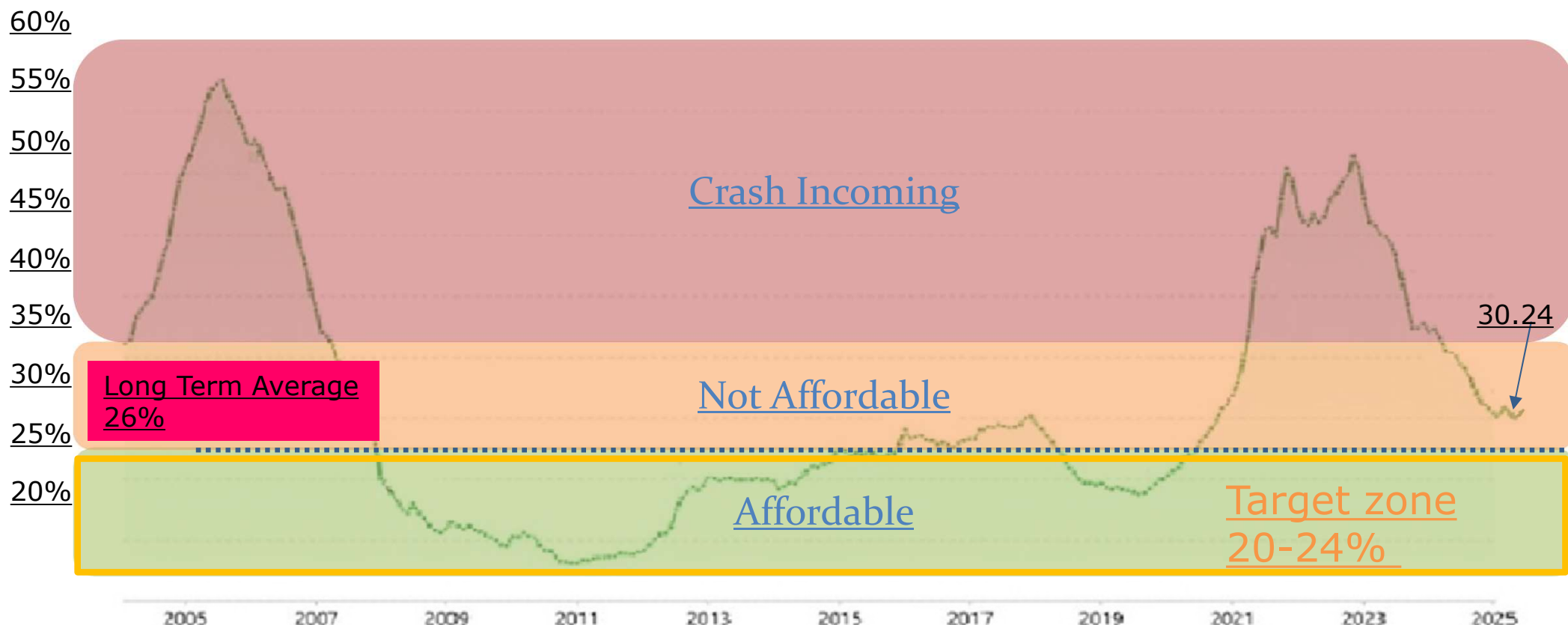


Line graph titled "Inflation is once again growing faster than posted wages" showing year-over-year growth in the Indeed Wage Tracker compared with Consumer Price Index inflation from January 2019. Both measures spiked during the post-pandemic period, with wage growth peaking ahead of inflation in 2022 before the two converged and gradually cooled. Inflation has reaccelerated to 3.8% as of April 2026, while posted wage growth has slowed to 2.3% as of March 2026, continuing the recent trend of price growth being ahead of wage growth.

Now the question everyone wants answered: **Where do rates go from here?**

The challenge facing the economy right now is that wages aren't keeping up with the rising cost of living. According to the latest data from Indeed, wages are growing around 2.3% per year, while inflation is running closer to 3.8%. In plain English, the average person's paycheck isn't growing as fast as their expenses. When that happens, consumers often rely on savings or debt to maintain their lifestyle. That's not something that can continue forever. Because inflation remains stubbornly high, some Federal Reserve officials have even begun discussing the possibility of future rate hikes instead of rate cuts. While nothing is guaranteed, it shows just how concerned policymakers are about inflation remaining elevated. The good news is that higher rates are designed to slow spending and bring inflation back under control. The bad news is that the process can be painful in the short term because it puts pressure on affordability, housing, and consumer spending. For homebuyers and sellers, this means the market could remain volatile for a while longer. Until inflation comes under control, mortgage rates are likely to remain one of the biggest challenges facing the housing market.

# 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 26% 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%. With interest rates hitting 9 month higher, prices remaining higher, and insurance also remaining high, We are going in the wrong direction for affordability. Homes are now less affordable than they were last month by far. Target Monthly payment should be under \$1750/month. Currently it is \$2185/month. Needs to drop another \$435/month or another 19%**

# Save our Homes from Excessive property tax bill

Florida's Governor Ron Desantis just called for a special session starting this week to get the Florida house and senate together to ratify this bill so Floridians can vote in the November election. Back in February a bunch of bills were passed through the house, a few got approved, but the senate tabled and squashed everyone of them due to a factor none of them addressed. This new bill proposed actually has that concern addressed and solved. Let me go through the 5 bullet points of the new bill and where it is far better than previous bills.

- **Exempt Homestead Properties From Taxation.**  
Exempts the first \$250,000 of a homestead's value from taxation and requiring, through law, a schedule for full elimination. This includes schools.
- **Ensure Funding For Core Services.**  
Requires local governments to use remaining property taxes solely for core public needs including public safety, education and schools, infrastructure, and natural resources. Law enforcement, Schools, Fire fighters, parks will be protected and those funds collected cannot be redistributed elsewhere like it does currently.
- **Protect Small Businesses/Landlords.**  
Limits future property tax assessments on businesses and creates a more stable tax environment for local businesses. This means the current cap on taxes rising for non-homesteaded properties of 10% will be dropped to 5% cap giving relief to commercial, landlords, multifamily which should trickle down to renters of those buildings.
- **Ensure Fairness For Florida Residents.**  
Requires any person who establishes Florida residency after January 1, 2027, to maintain Florida residency for up to five years prior to receiving the increased homestead exemption. This keeps it fair so people just don't move here to dodge property taxes. New buyers will still receive the \$50,000 exemption.

This final point is what solved the messes of previous bills.

- **Create A State Trust Fund To Assist With Core Local Services.**  
Establishes a trust fund to provide grants to local governments to assist with the continuation of core local services. This is important because if the previous failed bills would have gone into play, many counties in Florida depend on State property taxes to fully function. The State will provide grants to many of the fiscally constricted counties like Dixie, Baker, Calhoun, Glades, Highlands, and Hendry county will get funds from Florida's surplus from this trust fund so they can fully operate without feeling any pain or cutting jobs/services.

60% of Primary Resident home owners in Florida own a home worth less than \$250,000 meaning those people will have no state property taxes. I want to address the scare numbers you will see in the news that I have read. Orlando came out and said that Orlando's revenue will drop 20-36% if this bill passes and that is not true. A county gets its revenue from sales tax, sales tax revenue sharing, impact fees, gas tax, federal dollars, and utility revenue, not just from property tax. Florida-wide, property taxes only generate 7% of a county's total revenue. Remember, 40% of all homes are worth over \$250,000 and those counties will still receive property taxes. The Trust fund will cover the shortage. Also Florida is currently busting the scams that have been prevalent throughout the state.

# FAFO

This stands for Florida's Agency for Fiscal Oversight (FAFO) and this year they are actively auditing local government checkbooks. CFO Blaise Ingoglia has identified nearly **\$2 billion in excessive and wasteful spending** across Florida's local governments so far with only auditing 17 Florida counties. The audits compare actual budgets against what they would be if they grew organically only with inflation and population. To date they have found some of the following:

- **Orange County:** FAFO identified over \$300 million in excessive general fund spending in its most recent budget, and \$747 million in waste over the last 6 years.
- **Flagler County:** Exposed for over \$59 million in excessive spending.
- **Citrus County:** Identified over \$39 million in excessive General Fund spending.
- **St. Petersburg:** Flagged for more than \$49 million in wasted expenditures.
- **Other Heavily Audited Counties:** FAFO reviews have also uncovered \$344 million in Palm Beach County, \$302 million in Miami-Dade, and \$189 million in Broward.

So maybe home owners can get relief and it wont harm anyone except remove the wasteful spending our local governments do.

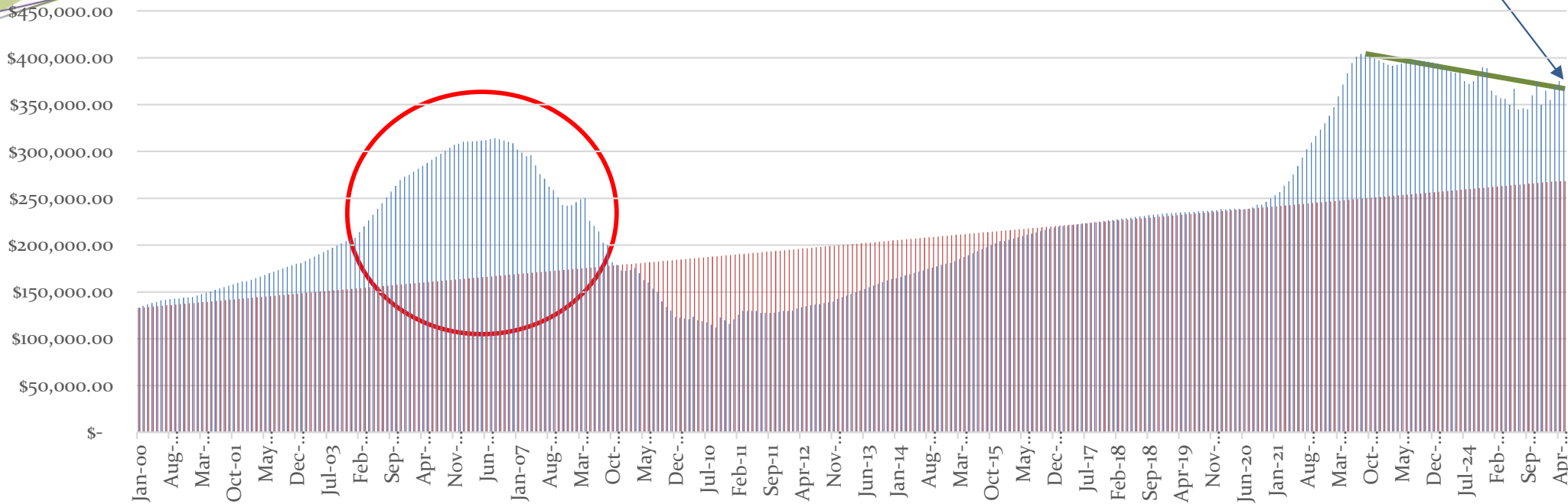
# What this means for you

- I just ran my home through the county website they just released <https://www.saveourhomesfl.com/>
- My Tax bill currently is \$4,080 and that is with me being homesteaded since 2008 in the same home. Under this new bill my annual savings would be \$3201/year giving me only an \$800 Tax bill.
- If you want me to run what this means to you, give me a call 239-980-2792. This will help with affordability as a \$3201 savings or \$266/month is the equivalent on mortgage buying power of \$53,000+. In short, buyers will have the same monthly payment immediately as if they bought a home for \$53,000 less in price. This will bring us closer to stability in the future.

# Median Home price

\$368,000

Median Home Price Lee County All Types



Compared to last month, Median home value went **DOWN 1.87%**. **Hate how slow this time around it is taking for Price to play catch up!** See how fast we crashed last time? Nice 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 Lower than average sales in May, this number is not as relevant as to when we sell 2x to 3x as much normally. There were 128 Homes that sold for over \$1mil in May which shows that the \$1mil market is doing just fine. The highest home sold was **\$4.4 Mil home on Bonita Beach** with over 5200 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. **425 home sales were new construction which is over 30% of all sales.** This is the month I saw all builders reconfigure their incentives and actually sell homes under margin. Many taking losses. How do I know? I was told. **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 \$259,900 or a drop of 29% 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 **-0.26**, and last months we were at **-0.17, -0.24, 0.38, -.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 **33 consecutive months of negative home value** so far, AND this breaks the 7th month trend of increasing stability. It got 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 .26% 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 higher, we are still not affordable. NOT STABILIZED YET!

# Statistics as compared to last month

April 1st 2025

- Total Housing for sale 10,403  6%
- Total SF Homes Sold 1385  6%
- Total Sales Pending 1305  5%
- **New construction 4sale 2012**  5%
- Average Time on Market 95
- Median Asking Price \$375,000  2%
- Median Selling Price \$368,000  2%
- % of asking price sold 98.7% 

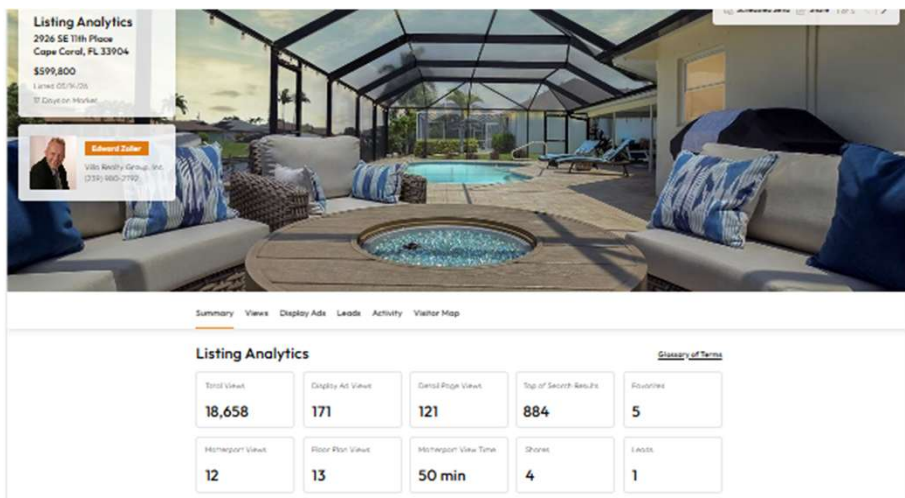
May 1st 2026

- Total Housing for sale 11,170
- Total SF Homes Sold 1480
- Total Sales Pending 1374
- Total New construction 2120
- Average Time on Market 95
- Median Asking Price \$385,000
- Median Selling Price \$375,000
- % of asking price/sold 97.5%

**In Summary: Inventory went down 6%, going under 11k homes. Sold inventory (Demand) went down 6% signaling season is over and we start our slow 9 months. Pending sales dropped 5%, but BIG NEWS Builders sold another 100 more homes than they started. It's a step in the right direction. Median asking price and selling prices dropped 2%, and % of asking price is near 100%, but remember buyers are picky now. They will wait for a seller to drop their price to even go out and see the home. The % of new homes for sale is 19% of our total inventory which shows more buyers heading toward new homes over used homes as new builds are over 30% of our sales. With this data, it still seems buyers will have the advantage for the many months of 2026. With this data we predicted almost all of it. The lowering from May-September of inventory, the crash of buyers starting the summer months, etc. This is why I trust data over feelings. Now with this data we can predict sales getting weaker as the pending sales drop, builders will still run the show this whole year, and with rising interest rates potentially, this may compound the desire for new construction over resales. As long as they keep with their negative profits, and 100k incentives, they will eventually get through their inventory. Bad news for resales.**

# Advice for Sellers

- Your Fake COVID equity I showcased every month this whole year is not fully gone. 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.
- Go take a look at any of my listings on Zillow by typing in my name. All photos are SEO optimized, I have 24/7 virtual openhouses on all listings, and have 100x more views than my latest competitor. Here is a snap shot of my latest listing in 2 weeks.



- 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 PatienceX3. 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 as they currently control the market that is out of control.
- Wait for your deal and DO NOT SETTLE!
- 10,000+ 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.

# 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**
- **Indeed**

# 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](http://www.teacherscanbuyhomes.com) and fill in a 3 minute survey to get started.

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Look forward to hearing from you soon