

2019 Market Outlook

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- Data from MLS and public records.
- Trended with Microsoft excel.
- Unless otherwise stated, charts contain all Residential assets.

What Market Are We in Today?

**** Each cycle varies in depth, duration and intensity. No two cycles are ever alike. That is true 50 percent of 100 percent of the time. 😊**

Market conditions could be different for various niches, different locations, and different users. Therefore, you first need to identify exactly what you mean by “the market.”

- The Commercial market?
 - Retail.
 - Office.
 - Industrial.
- The Residential housing market?
 - Resale.
 - New Construction.
- The Rental market?
 - SFR.
 - Multifamily.

Year over year metrics 2017 versus 2018

	2017	2018	DIFF
Sales Volume	\$5,584,071,334	\$6,164,000,697	10.39%
Sales Counts	19,453	20,649	6.15%
Average Price	\$287,055	\$298,513	3.99%
Median Price	\$219,998	\$227,900	3.59%

Year over year metrics

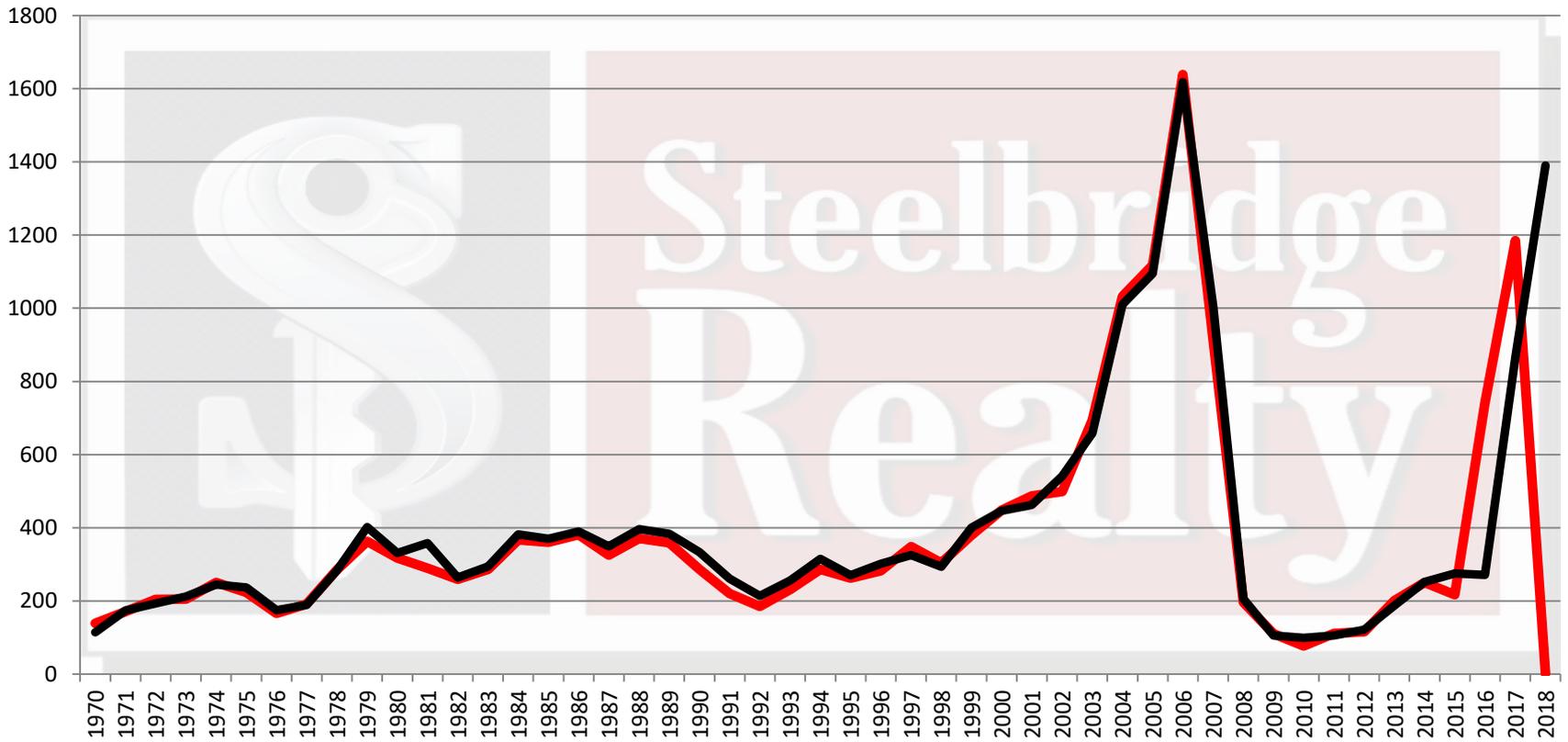
December 2017 versus December 2018

	2017	2018	DIFF
Volume	\$449,669,822	\$415,682,106	-7.56%
Counts	1,650	1,336	-19.03%
Average	\$272,527	\$311,139	14.17%
Median	\$218,000	\$230,000	5.50%

Sales by Year Built

2017 Versus 2018

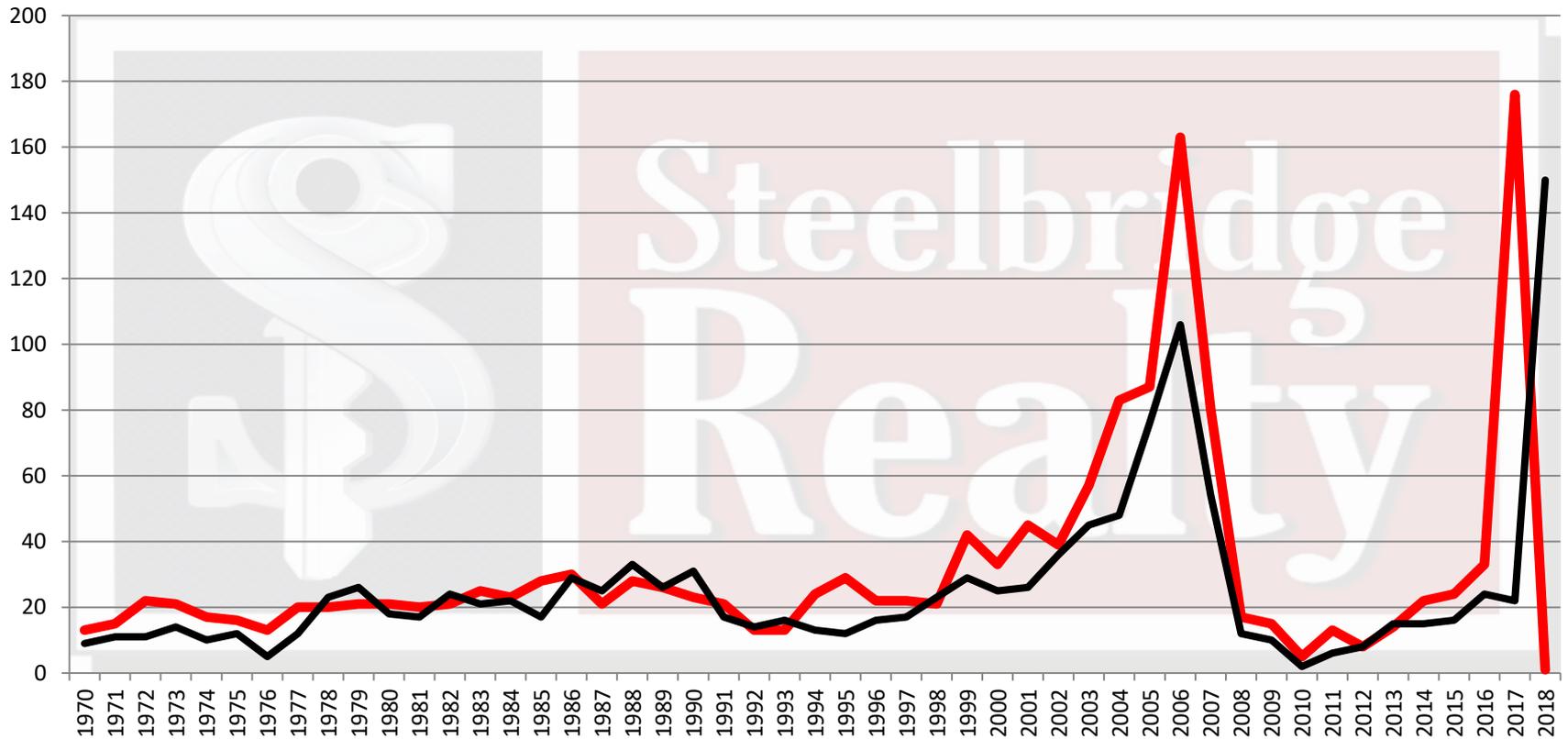
—2017 —2018



Sales by Year Built

Dec 2017 Versus Dec 2018

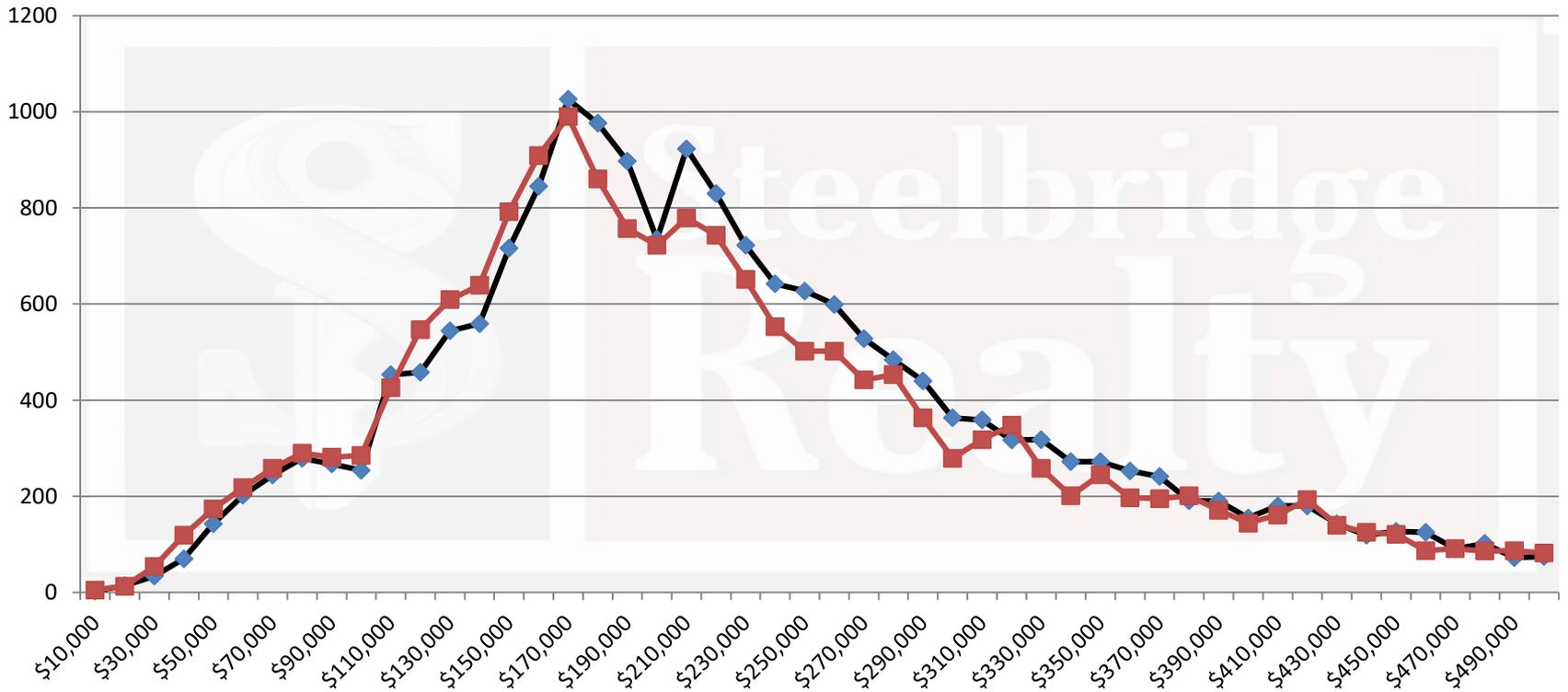
—2017 —2018



Bubbles of activity 500K and below.

Bubbles of Sales Activity Lee County Resi

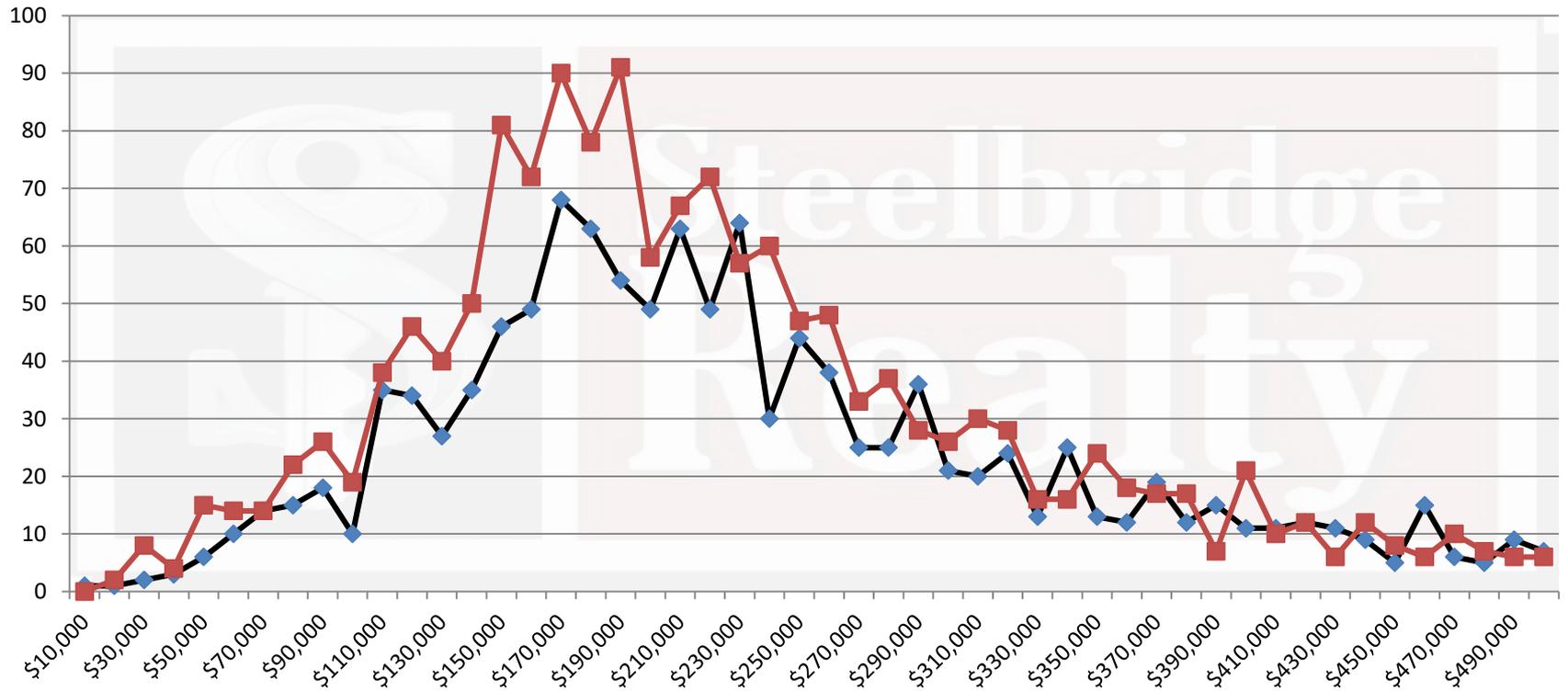
◆ 2018 Lee Cnty ■ 2017 Lee Cnty



Bubbles of activity 500K and below. December Only

Bubbles of Sales Activity Lee County Resi

◆ 2018 Lee Cnty Dec ■ 2017 Lee Cnty Dec



2019 Metrics

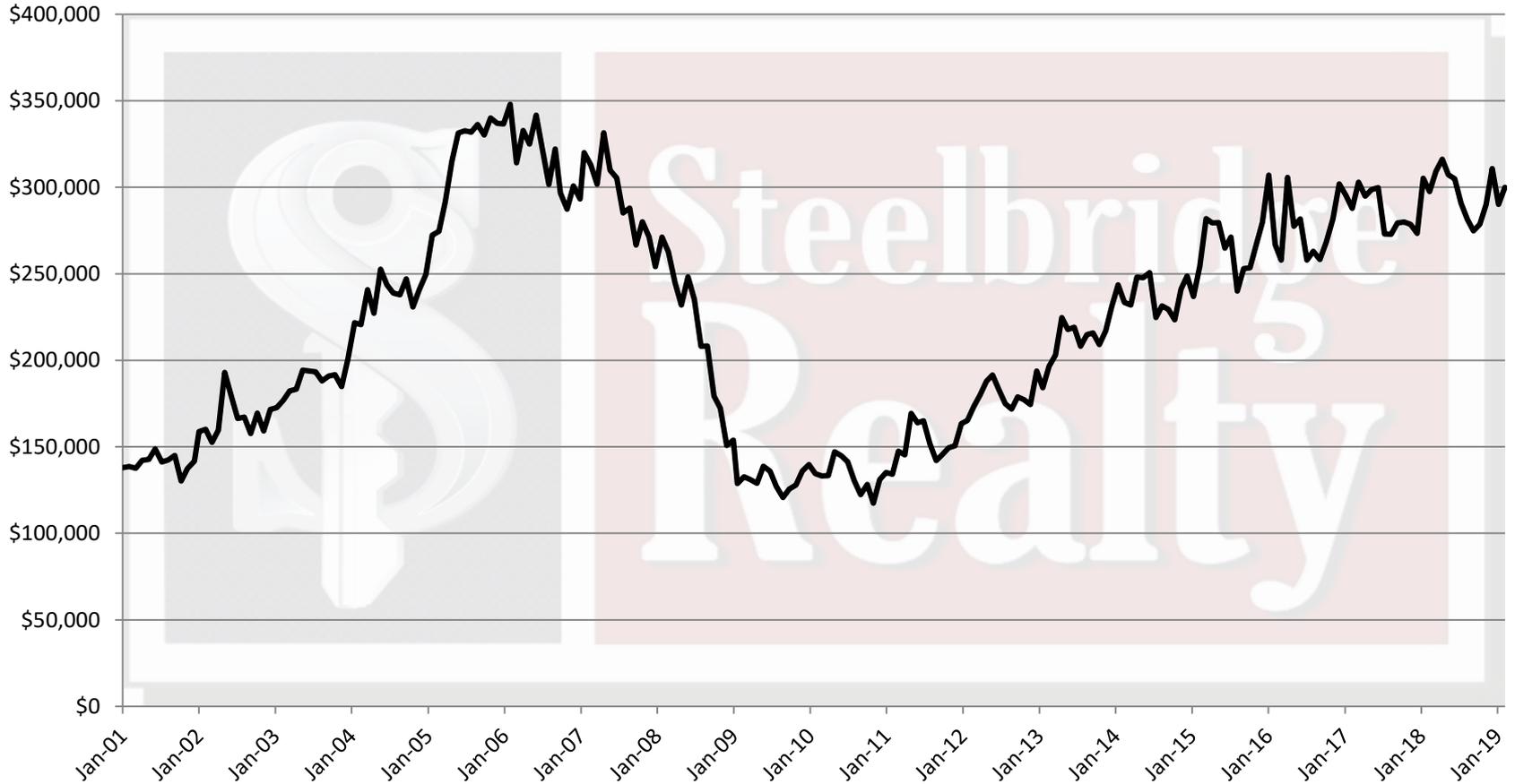
	2018	2019	DIFF
Volume	\$875,265,384	\$768,724,821	-12.17%
Counts	2,906	2,601	-10.50%
Average	\$301,192	\$295,550	-1.87%
Median	\$220,000	\$225,000	2.27%

What else is going on?



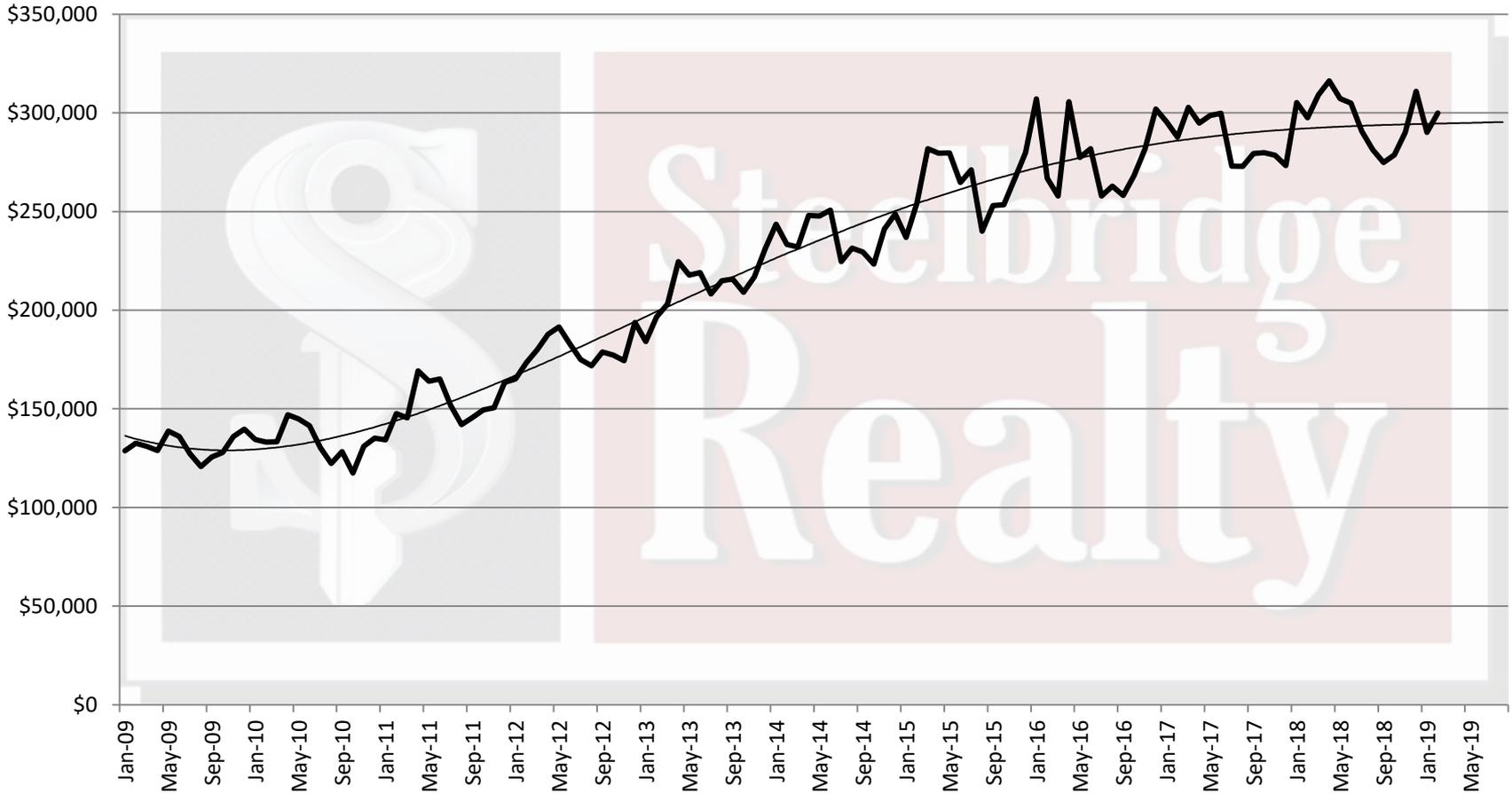
Pricing Since 2001

Lee Avg Price



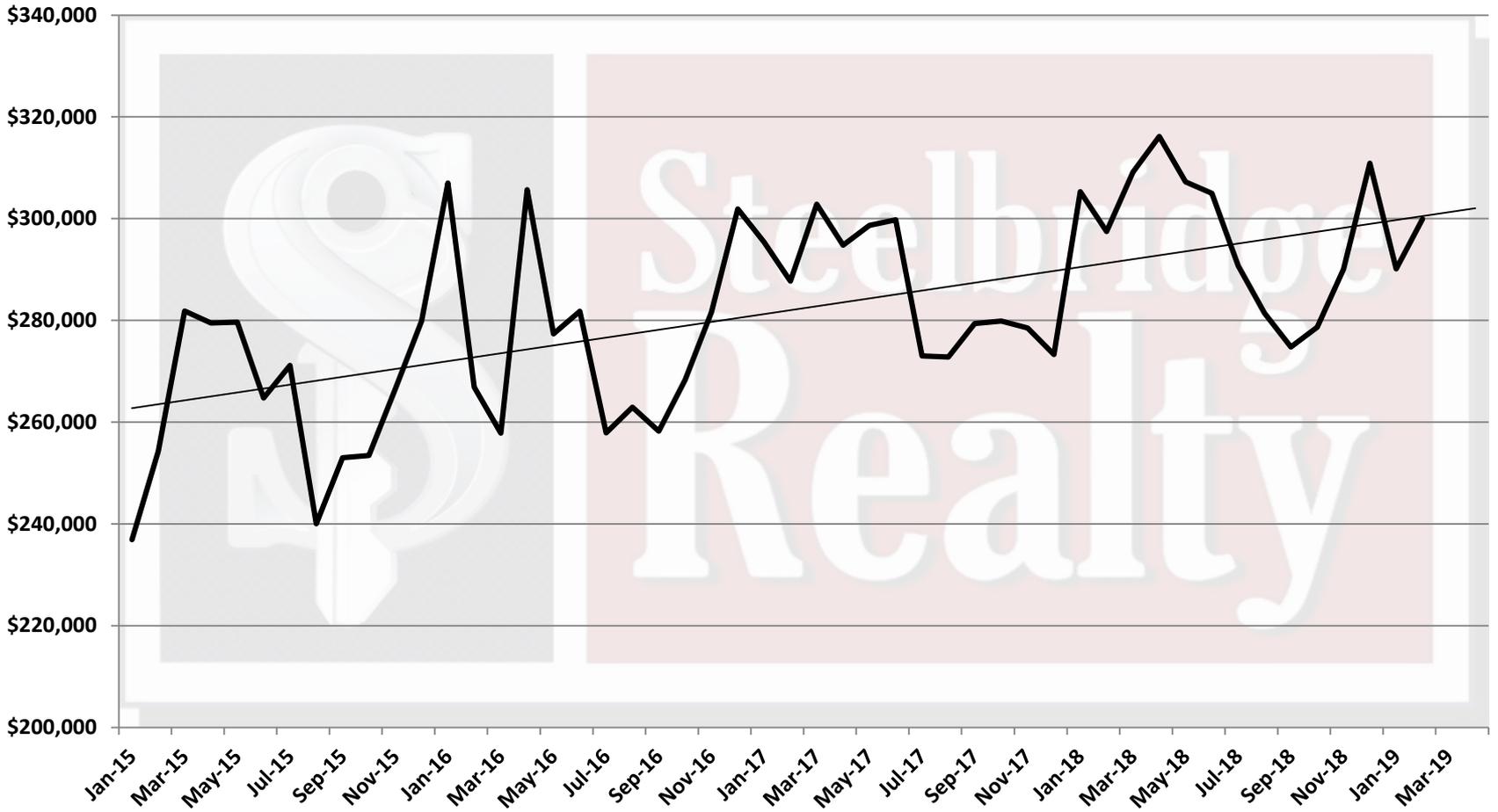
Since 2009

Lee Avg Price



Since 2015

Lee Average Price Since 2015



Cash Sales Percentage

2017

2018

DIFF

Number of cash sales	7,988	8,306	3.98%
Cash %	41.06%	40.22%	-2.04%

Distressed Sales Percentage

	2017	2018	DIFF
REO	630	454	-27.94%
REO %	3.24%	2.20%	-32.11%
SS	100	79	-21.00%
SS %	0.51%	0.38%	-25.58%
Distressed	3.75%	2.58%	-31.22%

Waterfront/Gulf Access Sales Percentage

	2017	2018	DIFF
Gulf Access Sales Counts	2764	2797	1.19%
Gulf Access % of sales counts	14.21%	13.55%	-4.67%
Waterfront Sales Counts	6620	7028	6.16%
Waterfront % of sales counts	34.03%	34.04%	0.01%

Supply and Demand

**As of 3/21/2019 @9:2 PM we have 6.3
months Inventory for Lee County
Residential Assets listed in the MLS**



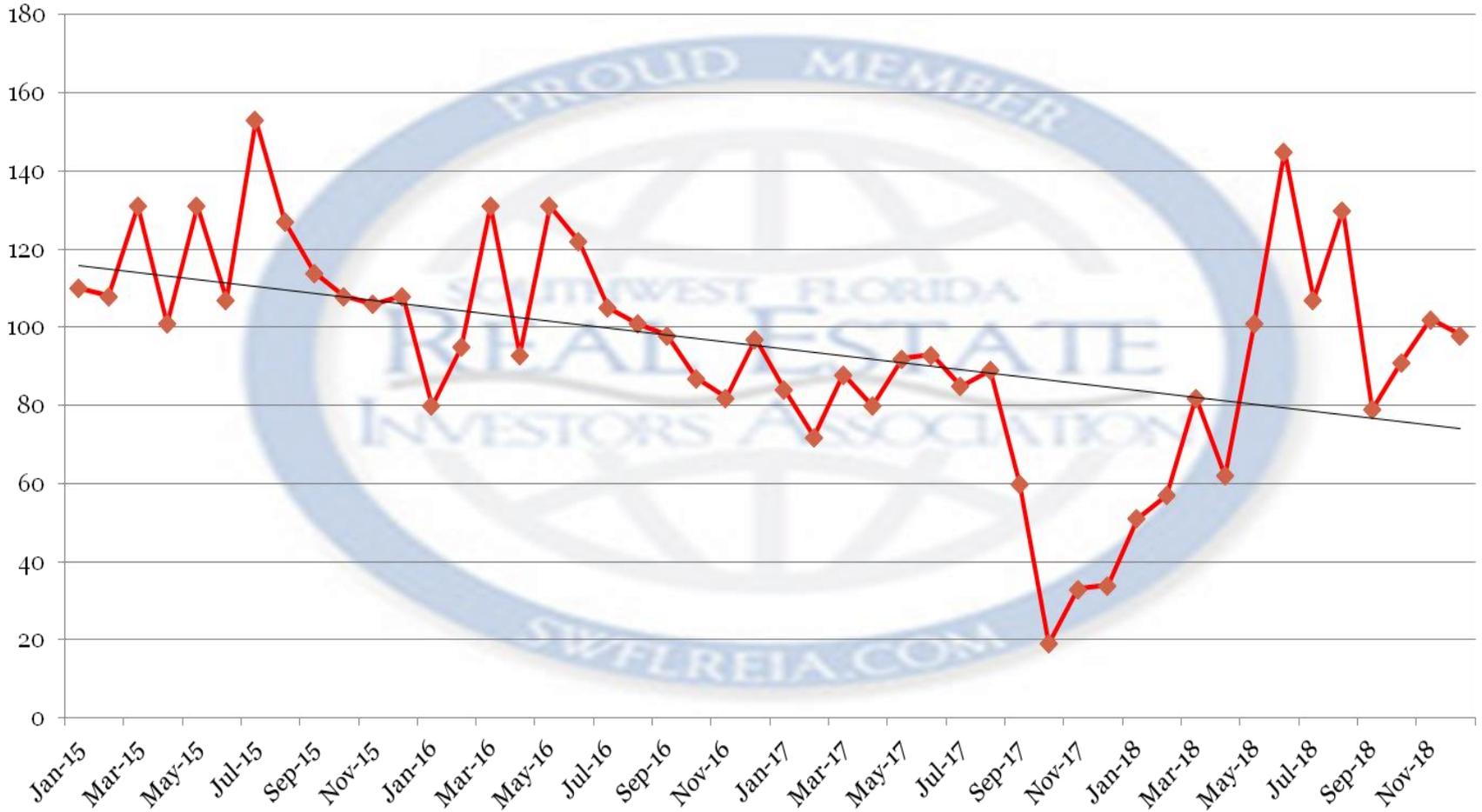
Distressed Market Update

- The negative price pressure from the last cycle was driven by distressed sales.



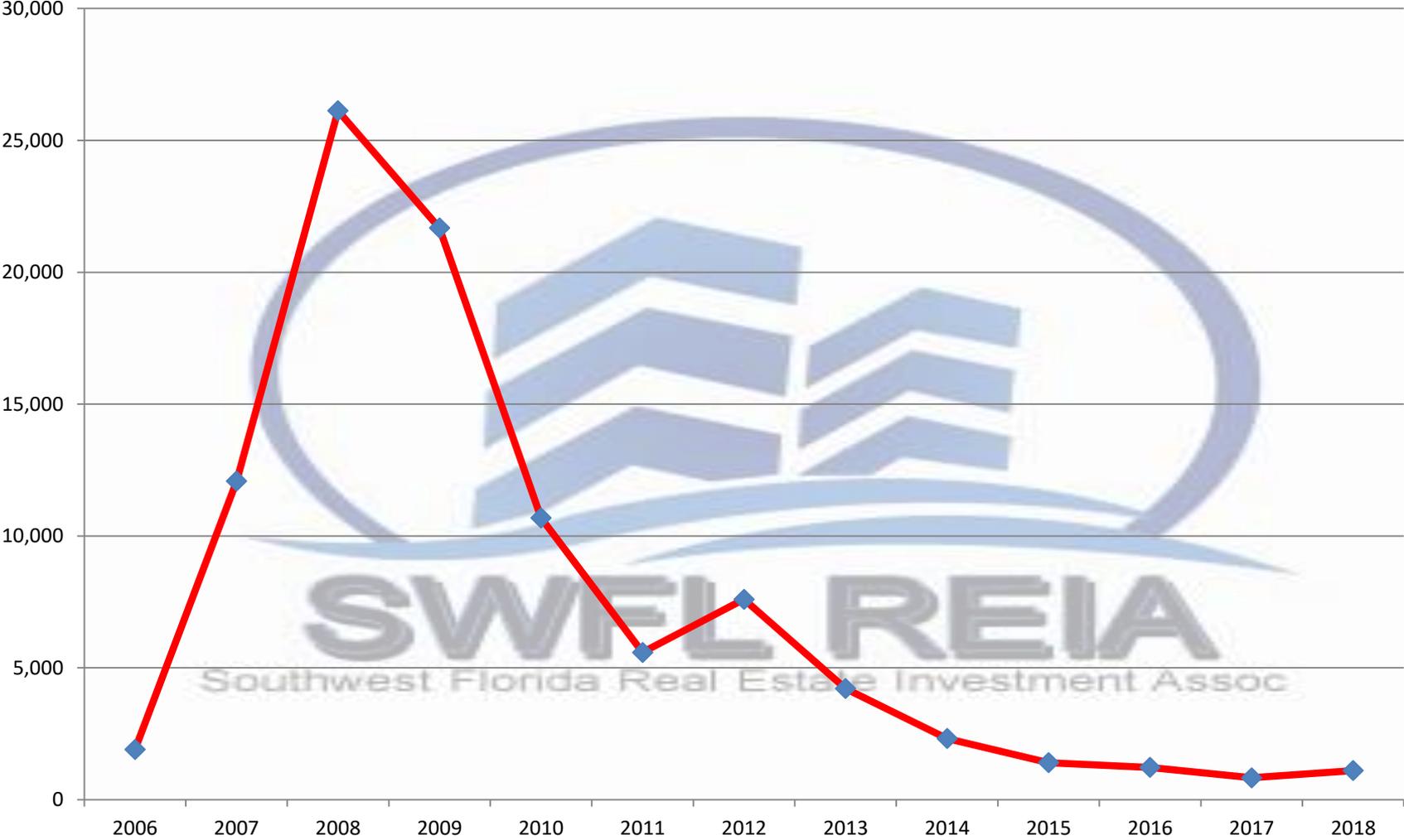
Lee County Florida

Mortgage Related Lis Pendens since 2015



Mortgage Related Lis Pendens

Mortgage Related Lis Pendens

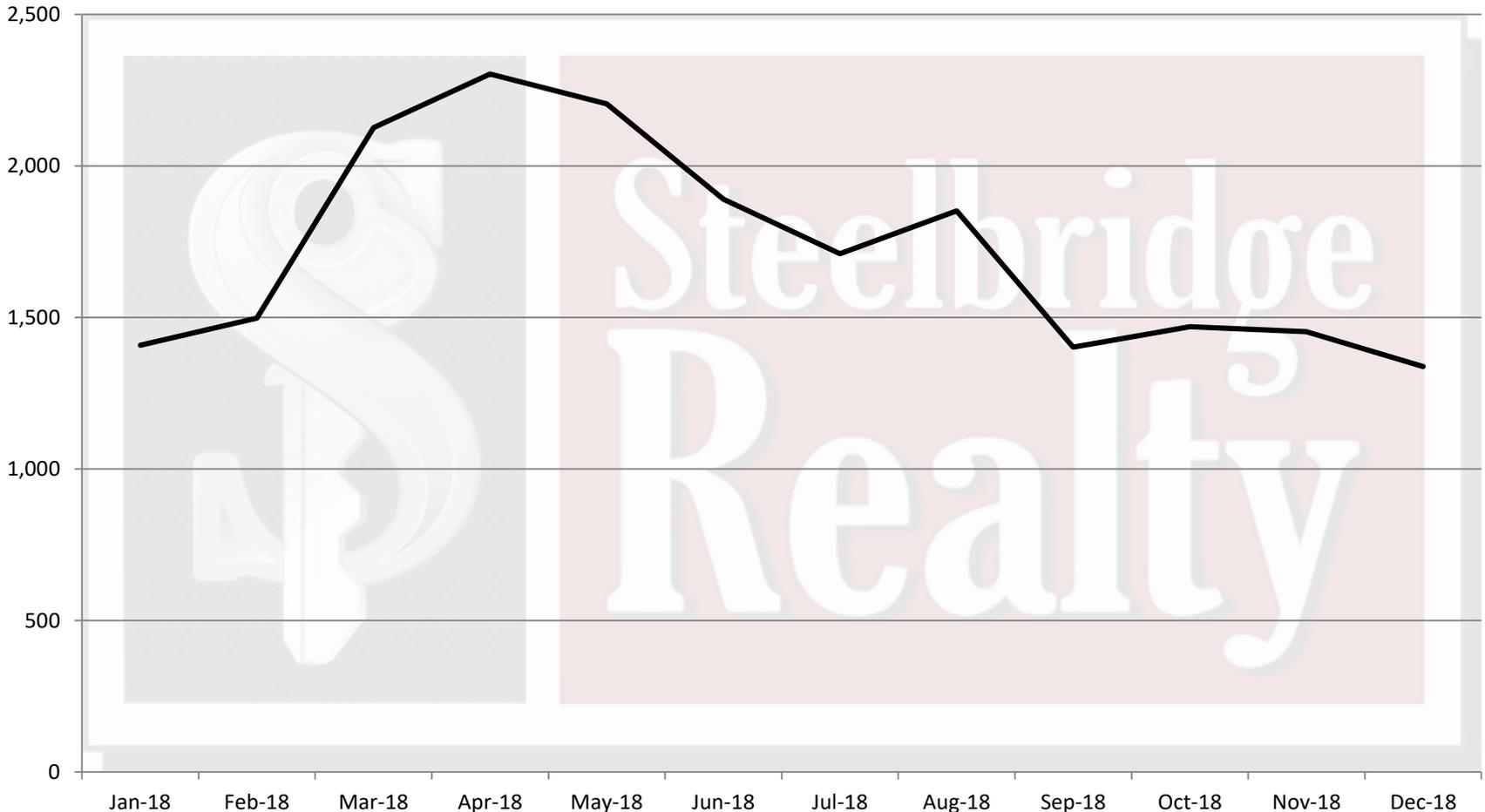


A word of caution about listening to Real Estate Agents speak of their production.

- Most agents can not see past their own financial status.
- There are a lot of agents right now. These are only Residential sales in the MLS.
 - 7,088 Agents had at least a closing in Lee County for 2018.
 - 4,932 Agents had at least 2 closings in Lee County for 2018.
 - 1,143 Agents had at least 10 closings in Lee County for 2018.
 - 345 Agents had at least 20 closings in Lee County for 2018.

Trend to Watch
2018 was pretty awesome across the mean.
3 months had more than 2,000 sales!
That may be hard to beat.

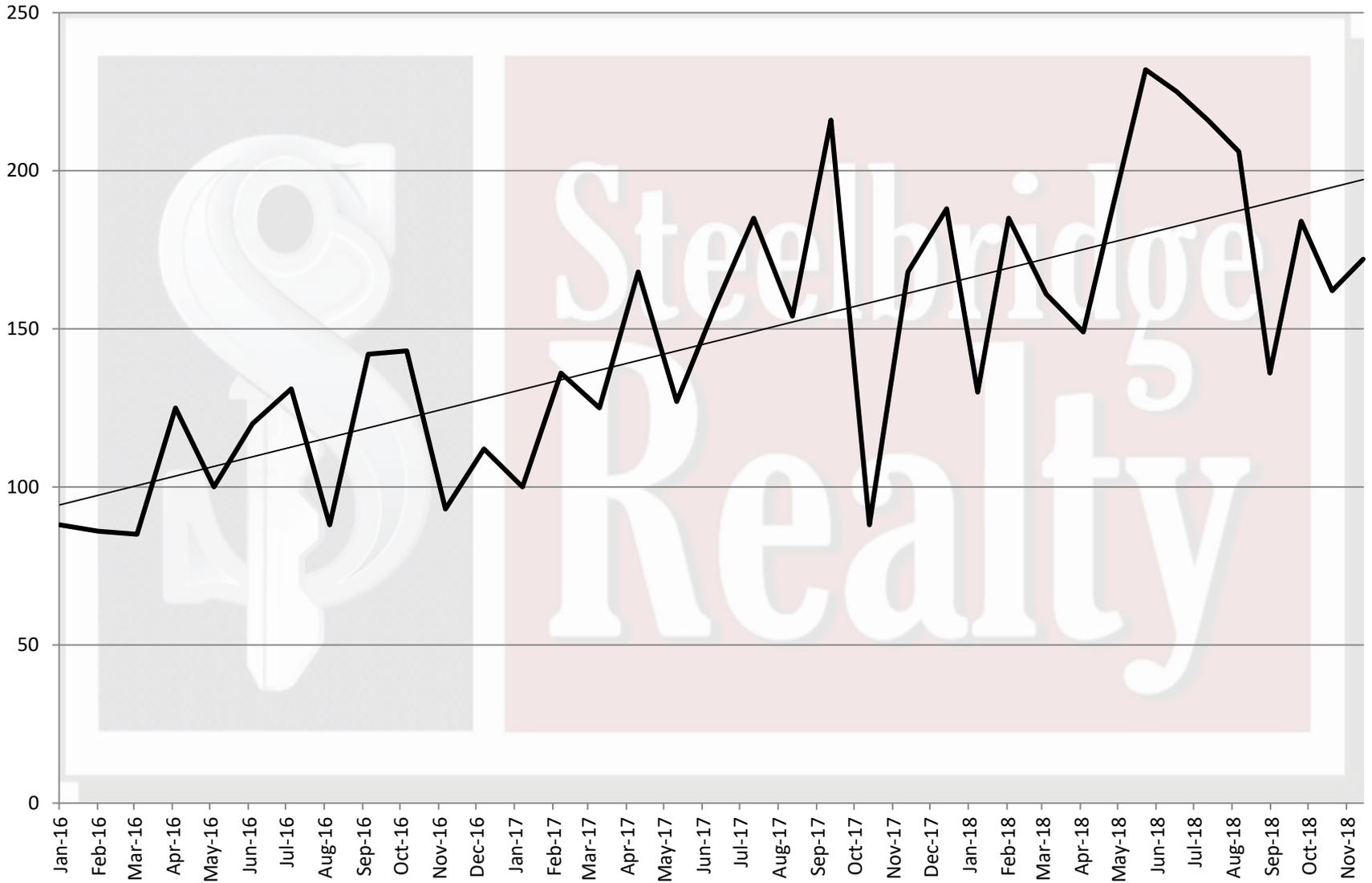
Sales Counts 2018



New Construction outside of MLS or do we lack inventory?

- There are 153 homes with a year built 2017 and newer, that are active as of 1/16/2019.
- 843 have sold in the last 365 days.
- That is 2.17 months inventory.

SFR Permits Cape Coral



Closing Thoughts.

- 2018 was a great year from a statistical perspective.
- It may be tough just by the sheer numbers to beat that year.
- We have 2 different economic trends happening in real estate. The Baby Boomer generation retirement. The Millennial/Gen Z coming of age. Each will have different and specific impacts on the market.
- This market does not share the same modalities of the 2006 crash. If and when a correction happens, it will be different in intensity and duration. Using the last correction as a playbook can be problematic.

Questions?
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