



FEBRUARY 2023

BROKER BRINK'S

MONTHLY REAL ESTATE REPORT

John Brink

OWNER-BROKER

LOOKING FORWARD...

SUMMER 2023

Real Estate is VERY LOCALIZED...down to the street in any given neighborhood. The real estate market in Arizona isn't the same as it is in Tennessee or Connecticut. The real estate market in Tallahassee, Florida is different than it is in Sarasota, Florida. The real estate market in Sarasota is different that it is on Longboat Key Florida and the Longboat Key sales statistics vary from neighborhood to neighborhood and street to street. Real estate prices may be declining in your region of the U.S., your home state, city and neighborhood. However, that doesn't mean that more popular cities like Sarasota have the same real estate trends.

Basic Economics is founded upon "*Supply & Demand*". Real Estate Statistics are helpful and factual, but latent by an average of 6 weeks. Active real estate professionals can feel market shifts way before economic reports and statistics come out. Our team is reporting an enormous amount of home buyer activity in Sarasota, but with a twist. Today's home buyers are far more stubborn than last year at this time and they expect to be able to negotiate lower prices than most current home sellers will allow. We believe there is justification for lower home prices, but the inventory of local area homes for sale is still critically low. The "local" absorption rates are below a 4 month supply. Therefore, local home prices will continue to be stabile and not decline in any significant manor until more homes are listed for sale.

PEAK SEASON ROLLING INTO SUMMER 2023...

However, we are in the middle of “peak” season and there is traditionally higher real estate activity in season (February through April) than our “low” season (mid-summer through October). This means that IF a great number of home sellers decide to list their home for sale and price their homes competitively, we would have downward pressure on local home prices. If the trend remains the same and very few homeowners decide to put their home on the market for sale, we will continue to have stable (if not increasing) home prices in most Sarasota area neighborhoods. This is the basic economics of supply and demand.



Most economists point to an economic recession by the end of 2023. However, the Chief Economist for the National Association of Realtors, Lawrence Yun, just reported that today's wage gain of 4.4% is more restrained, and points toward signs of lower future inflation numbers as more Americans find work and more goods and services are produced. Americans faced falling living standards earlier when wages were rising by 6% while consumer inflation was running at 9%. It's possible that by the year's end, wage growth will be 4% while consumer price inflation runs at 3%, thereby boosting living standards. More importantly for real estate, mortgage rates can now steadily trend downward. When mortgage rates move lower the average buyer's purchasing power rises and they can afford to purchase a home at a higher price. This trend will also stabilize prices and could even create price "appreciation" in our local Sarasota Real Estate neighborhoods.

In summary, this is one of the most unusual real estate markets we have ever seen. If you are a serious buyer, this is a great time to make an offer. If you are a serious seller, you'll need the best marketing to find the right buyer as time on market will continue to rise as we move back to a Buyer's Market. Feel free to call me if you have questions or would just like to know more about the Sarasota Real Estate Market.

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