

**COASTAL**  
PROPERTIES GROUP INTERNATIONAL

**CHRISTIE'S**  
INTERNATIONAL REAL ESTATE



## SECOND QUARTER 2023 MARKET REPORT

Report Written By: Elliot F. Eisenberg, Ph.D.  
Source: Stellar MLS

# NATIONAL ECONOMIC OVERVIEW

By: Elliot F. Eisenberg, Ph.D.



While many economists have been on recession watch for quite a while, the most recent upward adjustment of 23Q1 growth from 1.3% to 2% indicates that the U.S. economy, while not stellar, is most certainly very resilient. The much-anticipated onset of the recession has been slowed by a number of factors, the most important of which has been the excess savings amassed during Covid, which has allowed households to keep spending despite inflation and, for many families, declines in real income. In addition, there continues to be a virtually unending pent-up demand for services. Households that were unable to travel and enjoy other services during the pandemic have been and continue to spend freely. A great example of this phenomenon is the high costs of attending live music and other events, with tickets in the hundreds to thousands of dollars. Similarly, hotel prices remain very high, as do airline tickets, all because of continuing demand. A third reason the economy is outperforming expectations is the improving automobile sector. While new car sales plummeted in 2021 and 2022 due to a semiconductor shortage, now that supply chains have improved, auto sales are picking up quite profoundly, which is surprising given high and rising interest rates, yet another Covid-induced anomaly. There is also the incremental impact of the recent federal spending bills, including the Bipartisan Infrastructure Bill, the Inflation Reduction Act, and the Chips Bill. These already have and will continue to encourage a tremendous amount of spending and investment despite rising interest rates.

Driven by all of the above and despite some weakening in 23Q2, job creation has been well above pre-pandemic levels. Some sectors such as education and leisure/hospitality are simply struggling to get employment back to pre-Covid levels, while in other areas such as healthcare, although employment is back to pre-pandemic levels, it is still well below trend. While most labor economists believe that wage growth has peaked, an increasing number of employees seem to be convinced that the labor market will remain tight and that wage increases are still in their future, and they are spending accordingly. Finally, because hiring has been so difficult for so long, some employers are still hiring or postponing layoffs, even if they are currently overstaffed.

Regarding inflation, while it has fallen dramatically, from as high as 9.1% in mid-2022, to around 3% now, this initial decline has been the easiest part of the inflation puzzle to fix, and the remainder will be meaningfully tougher. The reduction in inflation so far has been primarily the result of declining energy prices and relatedly transportation prices, accompanied by a decline in the price of goods as supply chains recovered and demand declined, and, finally, a dramatic slowing in food inflation. Over the last few months, we've seen declining rents and falling used car prices, and those should start being reflected in inflation data in the next few months. However, just as the increase in these areas was almost entirely pandemic-induced, so too have been the declines as Covid impacts fade. Unfortunately, it is the remaining inflationary pressures that are not Covid-related that the Fed must now battle and getting inflation down to 2% will be a struggle. Most of the key measures of inflation that the Fed looks at are all in the 5% range, and while they will fall over the course of the year, the challenge of bringing them down to 2% will be difficult, and the Fed has made it very clear on several occasions that they will not increase their inflation target above 2%. As a result, it is almost guaranteed that the Fed will raise rates at the end of July and may raise rates again this fall. Other central bankers, with the exceptions of Japan and China, are similarly keeping the pressure on interest rates to quell inflation.

Historically, interest rate hikes of this magnitude have more than three-quarters of the time led to recessions, and when they didn't, it's been luck that has intervened. Moreover, the yield curve has been highly inverted for over a year and the last eight times it has inverted dating back to 1970, there has been a recession. As for the magnitude of the probable upcoming recession, it should be similar in magnitude and duration of the recessions of 1970, 1990, and 2000; a 'garden-variety' recession, not necessarily deep or painful, unlike the housing bust of 2008-2009 or the double-dip recession of 1980-1982.

## NATIONAL HOUSING OVERVIEW

The national housing market remains very constrained in terms of housing supply, and that has continued to prop up home prices despite high and rising interest rates. Depending upon how measured, year-over-year home prices are either down slightly or up slightly, but they remain relatively stable, showing that this remains a very strong market and is nothing like the Housing Bust when home prices plummeted amidst a surplus of inventory. In this cycle, despite rapid and steep interest rate increases, prices have barely budged because of the lack of inventory. While many experts predicted that home prices would decline by 5-10%, now that seasonally adjusted year-over-year prices are starting to rise, it's likely that the worst is behind us.

The other surprise in the national housing market is that new single-family home construction is picking up despite high interest rates as builders try to fill the missing inventory gap caused by interest rate "lock-in." Additionally, because so many mortgages are locked-in at record low rates, higher mortgage rates are having much less of an impact on overall consumer spending. Despite some predictions of a Fed pause or pivot toward lower rates in the near future, it is more likely that we will see one if not two additional quarter-point rate hikes this year, and that the Fed will leave rates at that terminal high unless and until we enter a recession or we see a pervasive decline in core inflation, and odds are that will happen no earlier than 2024.

# FLORIDA OVERVIEW

In Florida, the 05/23 statewide unemployment rate of 2.6% was unchanged since 01/23, the lowest number since 10/06, at the end of the housing boom, while the pandemic peak was 14.1% in 05/20. For comparison, the national May unemployment rate was 3.7%. In Hillsborough County, the 05/23 unemployment rate was 2.6%, just slightly above the 04/06 low of 2.1%. The all-time high unemployment rate in Hillsborough County was 12.9% in 05/20. In Pinellas County, the 05/23 unemployment rate was just 2.5%, compared to 2.5% last year and to the all-time high of 13.5% in 04/20. This marked the lowest unemployment rate in Pinellas County to date; the prior low had been 2.2% in 04/06. Inflation-adjusted real GDP for the state in 23Q1 was an estimated \$1.094 trillion, a new record, and meaningfully higher than the pre-Covid peak of \$976 billion in 19Q4.

Across the state of Florida, the median sale price of a single-family home in May (the latest data available) was flat compared to last year at \$419,900, while the townhome/condo median sale price eked out a slight 0.9% gain to \$325,000. Compared to last year, closed sales of single-family homes were down 8.5% and sales of townhomes and condos were down 14.1% and overall combined dollar volume declined by about 12%. There were 58,702 active single-family listings at the end of May, a 2.7 month's supply of inventory, about twice the level from May last year. Inventories of townhomes and condos increased to 32,291 active listings, 72% more than last May and representing a 3.6 month's supply of inventory. The median percent of list price received at sale is 97.2% for single-family homes and 96.3% for townhomes and condos, compared to 100.0% for both types of properties last May. Median time to contract for single-family homes is 27 days (up from nine days last year) and 29 days (compared to 10 days last year) for townhomes and condos.

In Hillsborough and Pinellas counties (combined data) 23Q2 median prices appear to be a redux of a year ago. The single-family median price of \$437,000 was almost identical to 22Q2 but was an appreciable gain over last quarter's \$412,000. Similarly, the year-over-year average price gained just 1% and increased to a record \$572,619, but that was meaningfully more than last quarter's \$531,299. Year-over-year price appreciation in the condo and townhome market was higher, with the median price rising 3% to a high of \$294,990 while the average price rose 7% to \$407,575. Year-over-year closed sales are down by a combined 11% for both types of properties, and pending sales continue to be down compared to the prior year. With slowing sales, the dollar volume of single-family properties declined 10%, while townhome and condo volume declined by less (3%) due to larger percentage price gains. New listings of single-family homes are down 29% from last year while new condo and townhome listings are down just 11%. Year-over-year single-family inventories have declined by 14% and represent 1.4 months' supply of inventory, while inventories of townhomes and condos increased 60% compared to last year, but still only represent a 2.0 months' supply. The ratio of sales price to original listing price appears to have stabilized over the last few quarters and is at 98% for single-family properties and 97% for townhomes and condos. Days on market for single-family homes was 42, down from 52 days at the end of March but up from 13 days last year. Condos and townhomes spent an average of 44 days on the market, up from 14 days last year but down slightly from last quarter's 46.

As the housing market continues to normalize after the frenzy of the pandemic years, and despite the headwinds of high interest rates and high prices, the Tampa area continues to be a bright spot in the national real estate market. In fact, the June 2023 S&P CoreLogic 20-city home price index shows Tampa in 7th place, with a 2.4% year-over-year increase and comfortably above the national average of -0.2%. However, on a month-over-month basis, Tampa is slightly below the national average, suggesting that the Tampa market may be cooling slightly faster than the rest of the country, not surprising given the robust growth of the last several years. The strength of the condo market is an additional positive for the Tampa area, as new units and developments come online and provide options for new buyers.

Recently, the National Association of Realtors released a Trends report that showed Baby Boomers are the generation now in the lead of homebuying, displacing Millennials, as they move near friends and family, downsize, and importantly, have the greatest wealth. Dr. Eisenberg comments: "This new dominance of homebuying by the Boomers will continue to keep Tampa among the most popular and strong housing markets for years to come. Boomers are less likely to need to finance a home purchase and are thus less interest-rate sensitive, allowing them to focus on location, amenities, and lifestyle."

About the Author: Elliot Eisenberg, Ph.D. is the Chief Economist of GraphsandLaughs, LLC, a Miami-based firm specializing in national and international macroeconomic consulting and speaking. Dr. Eisenberg earned his Ph.D. from Syracuse University and was formerly a senior economist with the National Association of Home Builders. He is a regularly featured guest on cable news programs, talk and public radio, and authors a daily 70-word commentary on the economy that is available at [www.econ70.com](http://www.econ70.com).

# PINELLAS COUNTY

## SINGLE-FAMILY HOMES



In Pinellas County, the median sale price of a single-family home rose to a record high of \$452,000, a 1.0% gain over last year. The average price increased 5% over last year and was at an all-time high of \$631,848.

Closed sales during the quarter declined 14% to 2,797, and as a result year-over-year sales volume declined 10.0% to nearly \$1.8 billion.

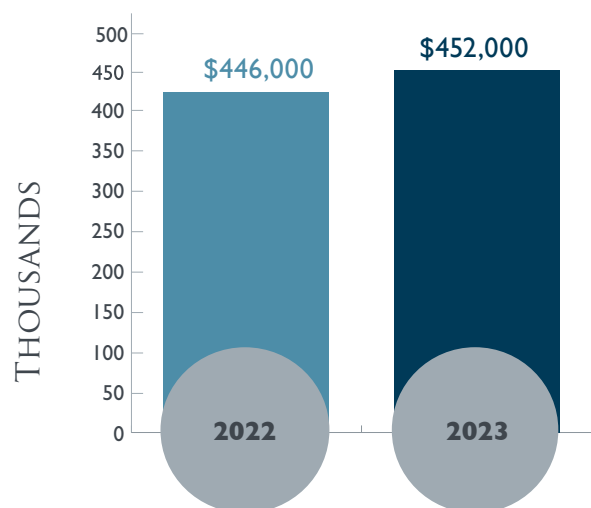
New listings of 3,150 declined 27% compared to last year. At the end of June, there was a 1.4 month's supply of inventory, about the same as last June. Active inventories of single-family homes declined again this quarter, with 1,301 active listings on the market.

The most expensive single-family home sale in Pinellas County during 23Q2 was \$10.0 million.

Days on market for single-family homes in Pinellas County was 37 days, compared to 13 days last year and 48 days last quarter. The percentage of sold price to original list price was 97% during 23Q2, the same as last quarter but well down from 101% in 22Q2.



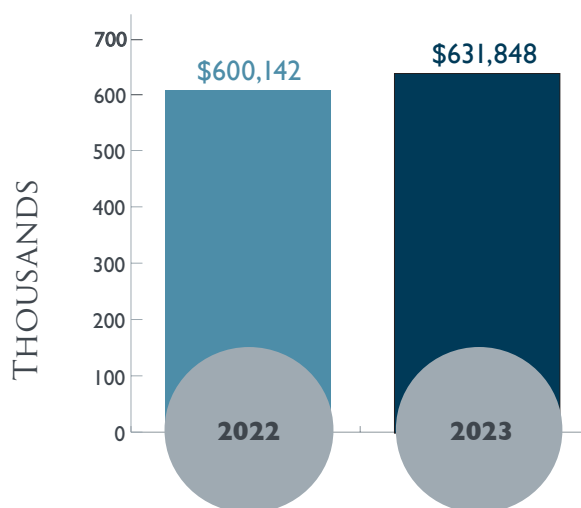
### MEDIAN SOLD PRICE



SECOND QUARTER

⌆ 1%

### AVERAGE SOLD PRICE

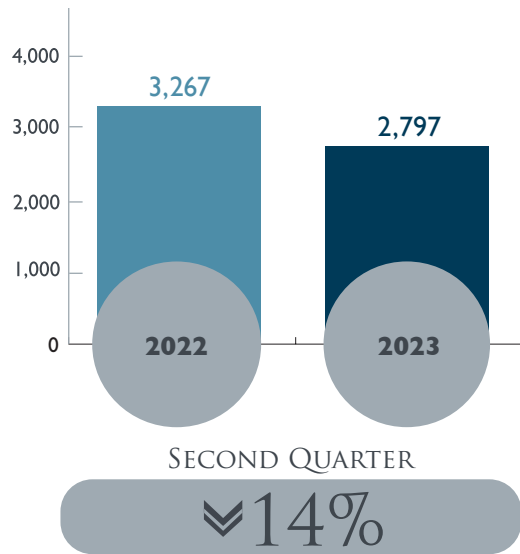


SECOND QUARTER

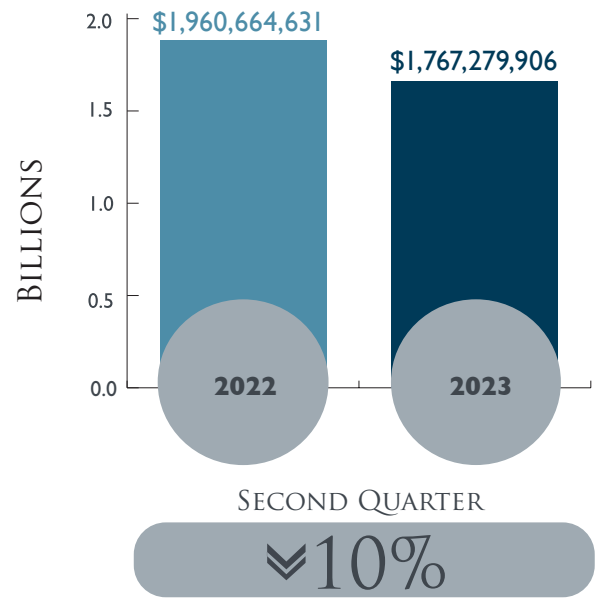
⌆ 5%



## CLOSED SALES



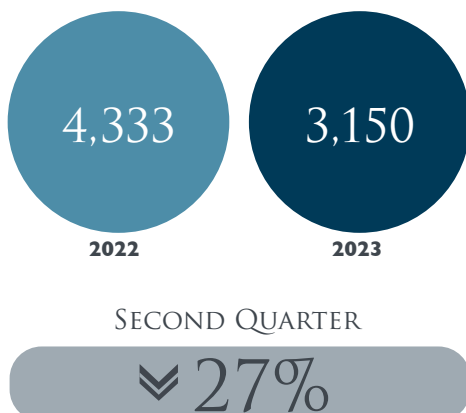
## DOLLAR VOLUME



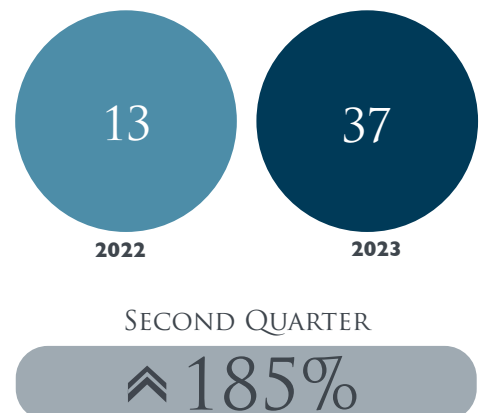
## PERCENT SOLD PRICE TO ORIGINAL LIST PRICE



## NEW LISTINGS



## AVERAGE DAYS ON MARKET



# 741 ANCLOTE ROAD TARPON SPRINGS, FLORIDA

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7 BEDROOMS | 6 FULL AND 1 HALF BATHS | 5,301 SQ FT





A photograph of a tropical waterfront property. In the foreground, a swimming pool with clear blue water is bordered by a light-colored stone patio. Several lounge chairs are arranged around the pool. To the right, a bright blue wooden chair is partially visible. In the background, a dock with two motorboats is situated on the water. The area is surrounded by lush tropical vegetation, including several tall palm trees. The sky is blue with scattered white clouds. The overall scene is bright and sunny, suggesting a warm climate.

3786 BELLE VISTA DRIVE E  
ST. PETE BEACH, FLORIDA

3 BEDROOMS | 2 FULL BATHS | 1,814 SQ FT



# PINELLAS COUNTY

## CONDOS AND TOWNHOMES



The Pinellas County median condo and townhome price rose to an all-time high of \$291,775, a gain of 3% over the 22Q2 price. The average price of \$419,683 was 7% more than last year and was also a record high.

Year-over-year closed sales declined 12% to 2,218 but rising prices helped dollar volume of townhome and condo sales to decline only 6% compared to last year and registered just over \$930 million.

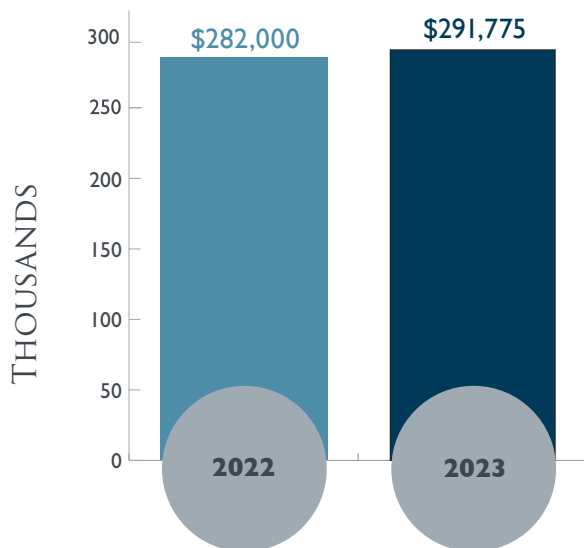
New listings compared to last year declined 8.0% to 2,610. Active listings rose to 1,725, a 78% gain over the same point last year and are at the highest level in recent memory. There is a 2.3 months' supply of inventory, nearly double what was available at this point last year and up from 2.2 months at the end of March.

The most expensive condo/townhome sale in Pinellas County in 23Q2 was \$9.5 million.

Days on market for condos and townhomes in Pinellas County was 46 days during 23Q2, compared to 16 days during 22Q2 and 46 days in 23Q1. The percent of sold price to original listing price ratio has been at 97% for the last three quarters, compared to 100% in 22Q2.

THE PINELLAS COUNTY  
MEDIAN CONDO AND  
TOWNHOME PRICE ROSE  
TO AN ALL-TIME HIGH OF  
\$291,775, A GAIN OF 3%  
OVER THE 22Q2 PRICE.

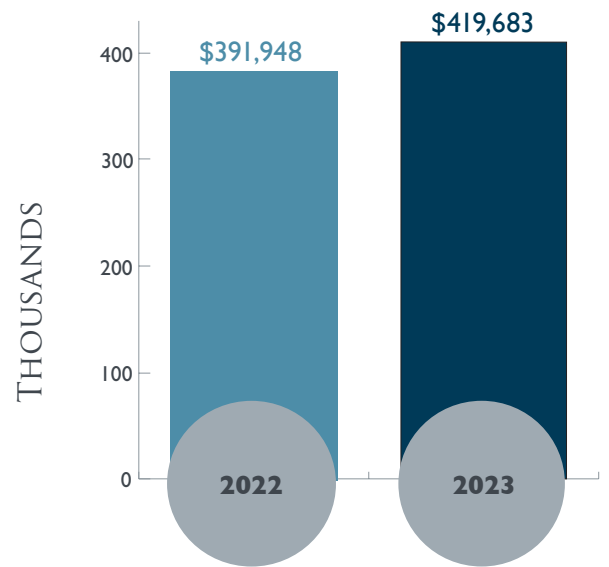
### MEDIAN SOLD PRICE



SECOND QUARTER

⌆ 3%

### AVERAGE SOLD PRICE

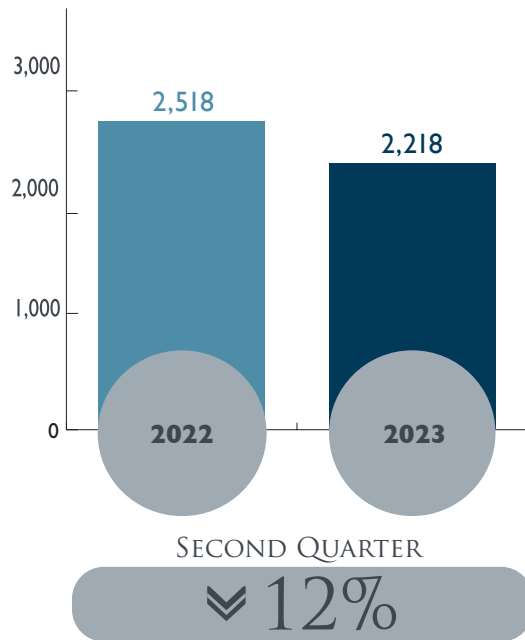


SECOND QUARTER

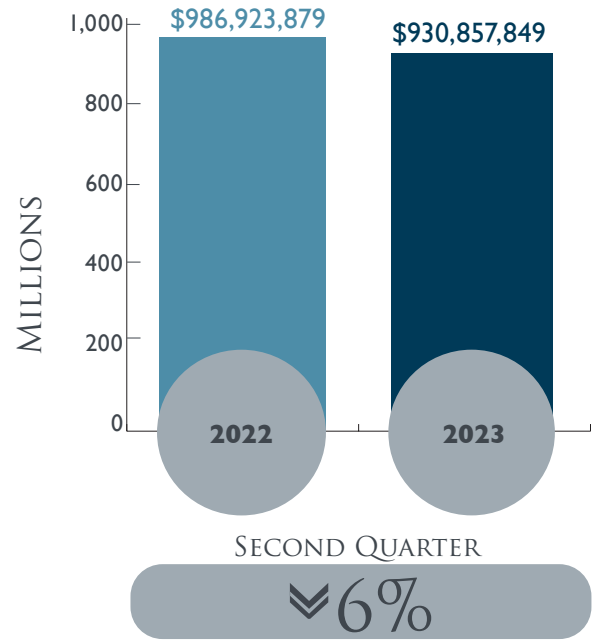
⌆ 7%



## CLOSED SALES



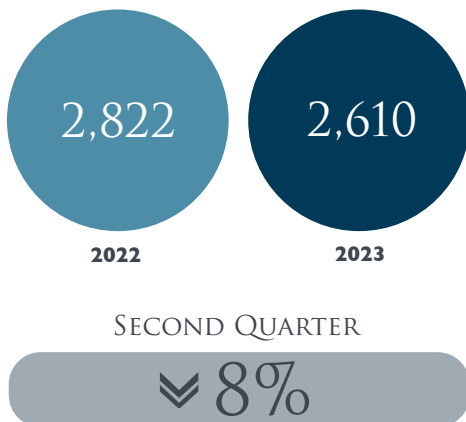
## DOLLAR VOLUME



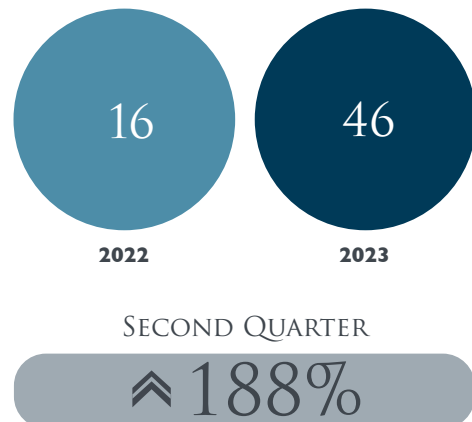
## PERCENT SOLD PRICE TO ORIGINAL LIST PRICE



## NEW LISTINGS



## AVERAGE DAYS ON MARKET



# 1660 GULF BOULEVARD PH2

## CLEARWATER BEACH, FLORIDA

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4 BEDROOMS | 3 FULL AND 1 HALF BATHS | 3,617 SQ FT







7922 BAYOU CLUB BOULEVARD  
LARGO, FLORIDA

5 BEDROOMS | 3 FULL AND 1 HALF BATHS | 4,922 SQ FT



# HILLSBOROUGH COUNTY

## SINGLE-FAMILY HOMES



Single-family year-over-year prices dipped a slight 1.0%, with a median price of \$425,000 and an average sale price of \$536,877.

Closed sales of 4,635 were down 10% compared to last year and 23Q2 overall sales volume of nearly \$2.5 billion was also down 10% over last year.

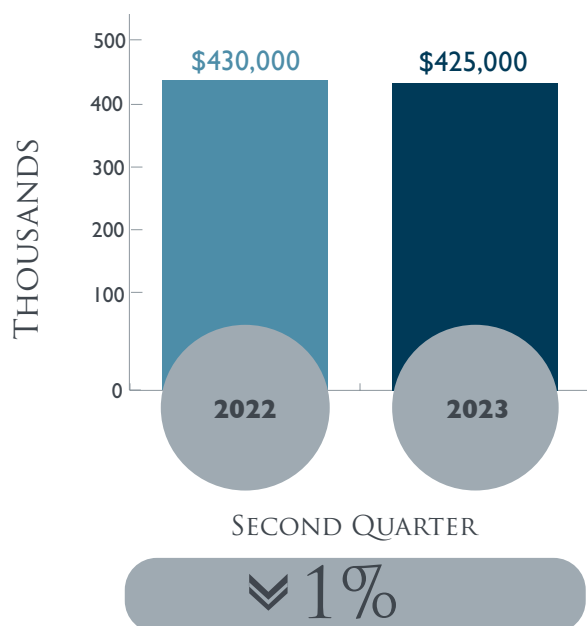
New listings declined 31% compared to last year to 5,023. There were 2,276 single-family homes available for sale at the end of June, down about 12.0% from last year and down slightly from the end of last quarter. This represents a 1.4 month's supply of inventory, the same as at this point last year but below quarterly levels from the past year.

The most expensive single-family home sale in Hillsborough County during the quarter was \$10.0 million.

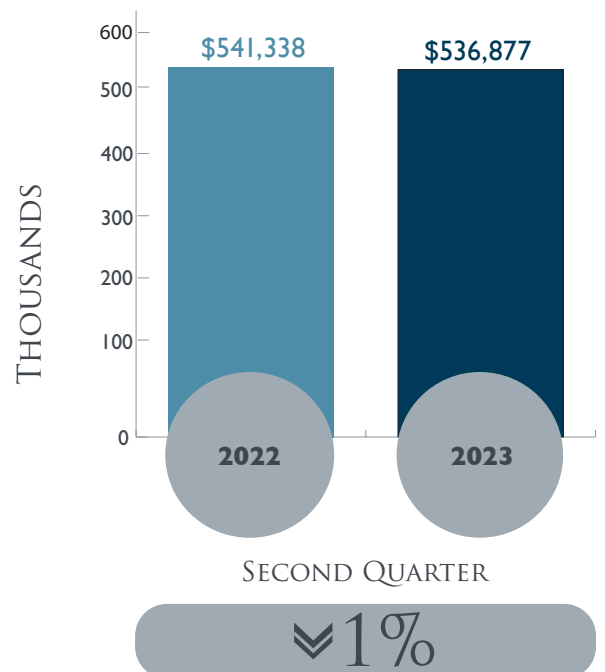
Single-family median days on market of 46 days is more than triple the 13 days from 22Q2 but declined slightly from 54 days at the end of March. Homes generally sold for 98% of their original listing price, up slightly from last quarter but well below last year's 101%.

SINGLE-FAMILY MEDIAN  
DAYS ON MARKET OF  
46 DAYS IS MORE THAN  
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### MEDIAN SOLD PRICE

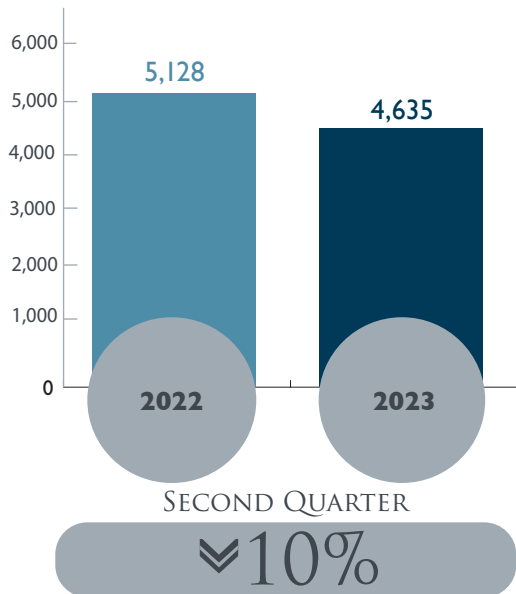


### AVERAGE SOLD PRICE

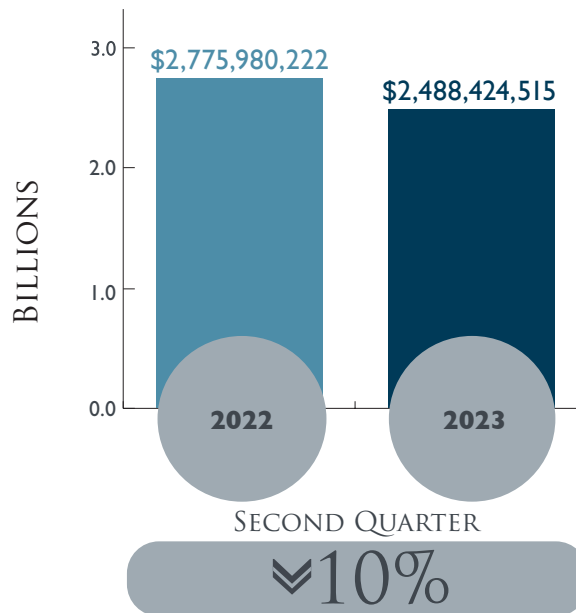




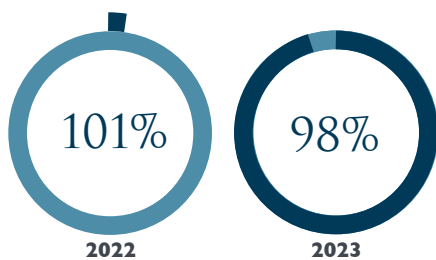
## CLOSED SALES



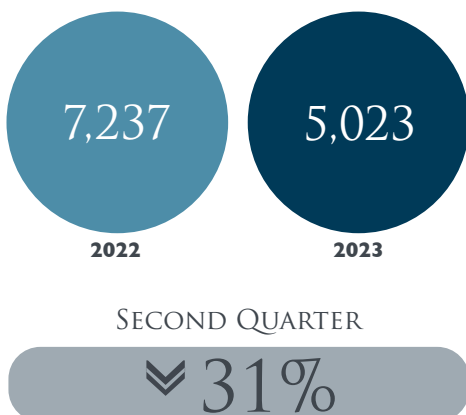
## DOLLAR VOLUME



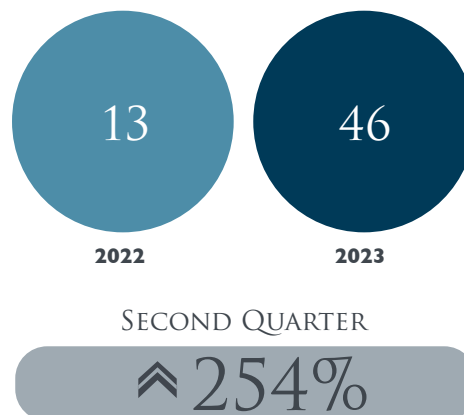
## PERCENT SOLD PRICE TO ORIGINAL LIST PRICE



## NEW LISTINGS



## AVERAGE DAYS ON MARKET





# 4118 CAUSEWAY VISTA DRIVE TAMPA, FLORIDA

5 BEDROOMS | 4 FULL AND 2 HALF BATHS | 5,720 SQ FT





# 7616 HADDINGTON COVE

## LAKEWOOD RANCH, FLORIDA

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4 BEDROOMS | 4 FULL BATHS | 3,829 SQ FT



# HILLSBOROUGH COUNTY

## CONDOS AND TOWNHOMES



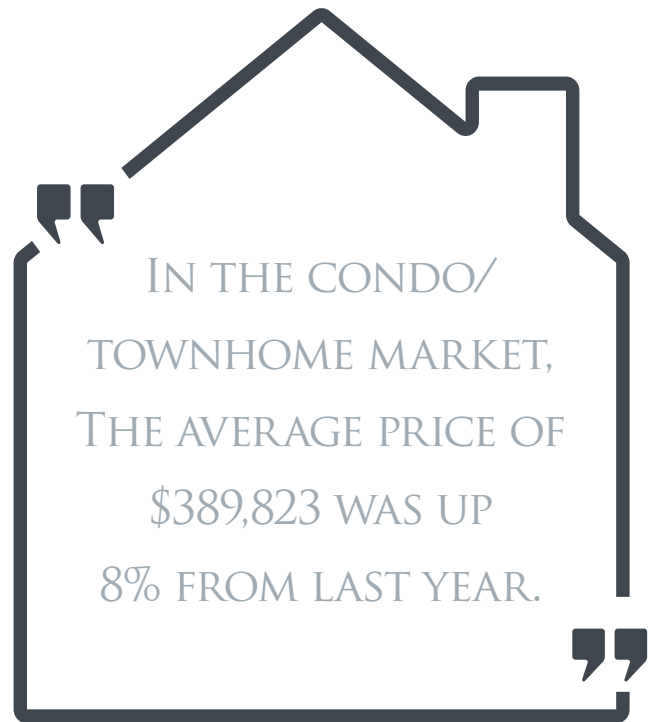
The median price of \$295,000 for townhomes and condos in Hillsborough County matched the 22Q4 record and gained about 1% over last June. The average price of \$389,823 was up 8% from last year.

There were 1,513 sales of townhomes and condos this quarter, down 6% from last year but higher sales prices pushed volume up a slight 1.0% to about \$590 million.

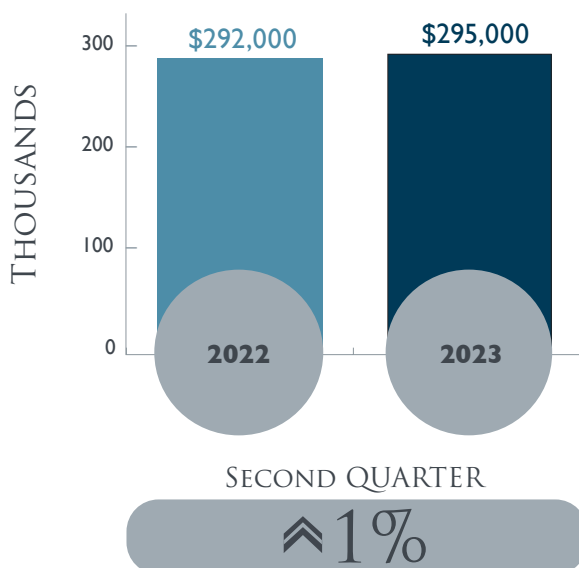
There were 1,655 new listings in 23Q2, down 16% compared to last year. Active inventories of 786 units rose 31.0% from last year and gained about 50 units from the end of last quarter. There is a 1.7 month's supply of inventory, up from 1.2 months at the end of 22Q2 and almost flat compared to earlier this year.

In the condo/townhome market, the most expensive sale during 23Q2 in Hillsborough County was \$8.5 million.

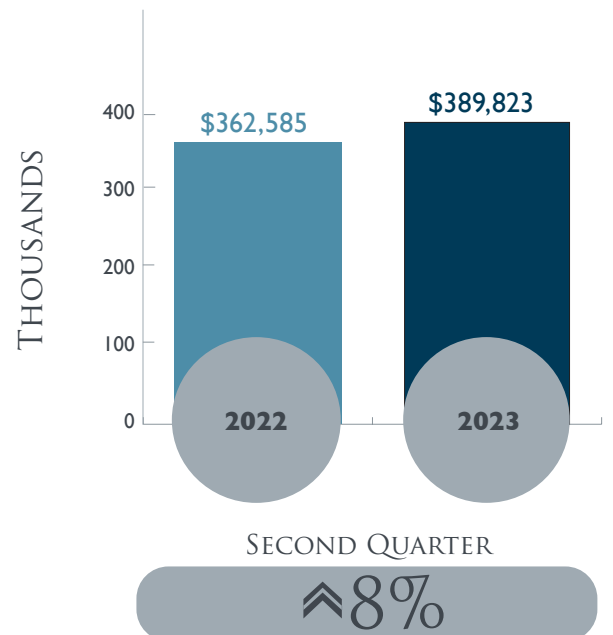
Days on market for condos/townhomes of 41 days was up significantly from last year's 11 days but declined just slightly from 45 days at the end of last quarter. Units generally sold for 98% of their original listing price, which was down from 102.0% at this point last year but increased from 97.0% last quarter.



### MEDIAN SOLD PRICE

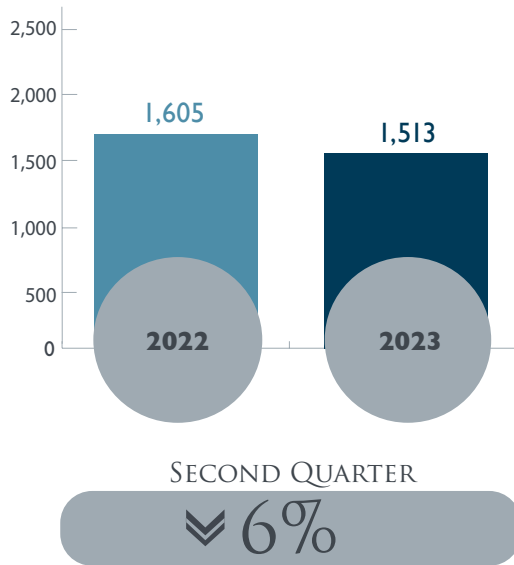


### AVERAGE SOLD PRICE

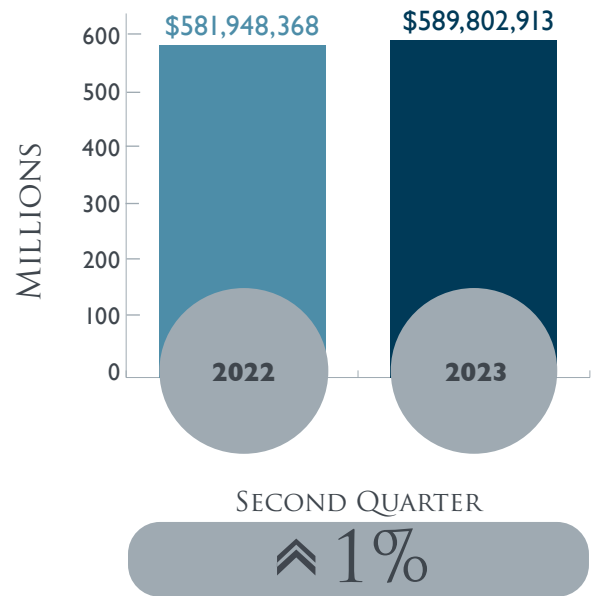




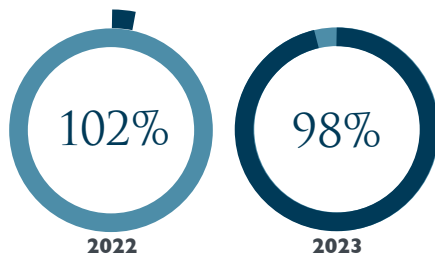
## CLOSED SALES



## DOLLAR VOLUME

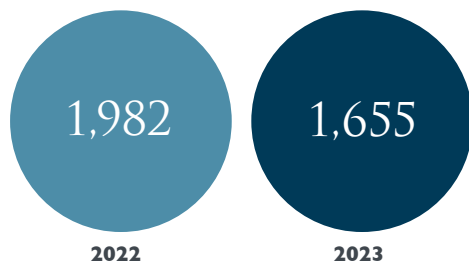


## PERCENT SOLD PRICE TO ORIGINAL LIST PRICE



≡ 4%  
SECOND QUARTER

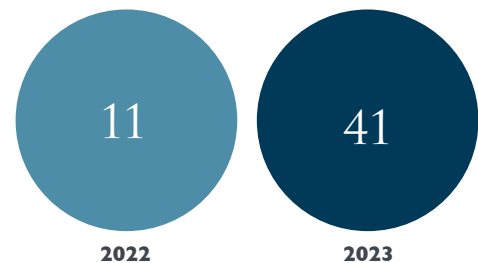
## NEW LISTINGS



SECOND QUARTER

≡ 16%

## AVERAGE DAYS ON MARKET



SECOND QUARTER

⧵ 273%

# 5715 YEATS MANOR DRIVE UNIT 201

## TAMPA, FLORIDA

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3 BEDROOMS | 3 FULL AND 1 HALF BATHS | 2,982 SQ FT





# 366 145TH AVENUE E MADEIRA BEACH, FLORIDA

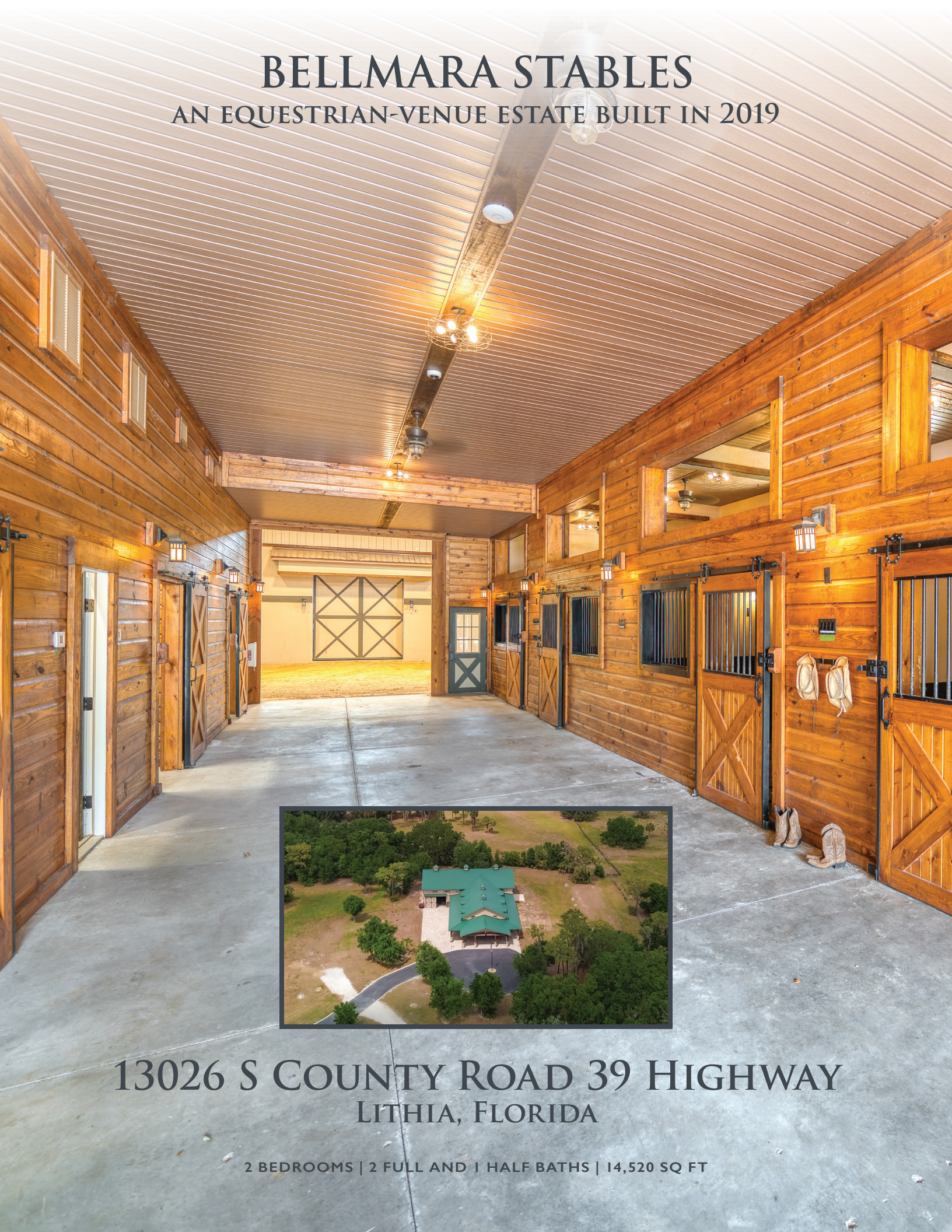
4 BEDROOMS | 2 FULL AND 1 HALF | 2,921 SQ FT





# BELLMARA STABLES

AN EQUESTRIAN-VENUE ESTATE BUILT IN 2019



13026 S COUNTY ROAD 39 HIGHWAY  
LITHIA, FLORIDA

2 BEDROOMS | 2 FULL AND 1 HALF BATHS | 14,520 SQ FT