

Summer home sales mostly slowing

Treasure Coast buyers, sellers balk at higher interest rates

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The Treasure Coast real estate market has been slowing for the past few months and summer home sales have been lower than usual, except for a slight increase in St. Lucie County in June.

Low housing supply is keeping the median home sale price high. And higher interest and home insurance rates are discouraging buyers and sellers alike as they lead to higher monthly mortgage premiums.

That's creating a "psychological stall" that's keeping people from buying or selling, said Dan Carmody, president of Martin County Realtors of the Treasure Coast.

"The summer sale season has been slower than in the past," Carmody said, adding that summer historically is prime time for families to move because school's not in session.

The Federal Reserve has increased the interest rate 10 times since March 2022 to the current rate of 5% to 5.25%.

"The interest rate hike has slowed down a red-hot housing market," agreed Chris Krzemien, president of the Broward, Palm Beaches & St. Lucie Realtors.

In Martin and Indian River counties, closed sales were down in June compared to May, and active listings and median home sale prices were about the same. In St. Lucie County, closed sales were slightly up month-on-month. The median sale price in St. Lucie since last June has come down by 2.3%, and as of June is at \$390,000, the same as the month before.

Still, the market continues to be active, as people continue to be attracted to Florida's weather, growing economy, relatively lower cost of living and lack of state income tax. But the influx of retirees and people from other states and regions has "placed a certain disadvantage for young people who are priced out of the market," Carmody said.

Home prices in Port St. Lucie, which is witnessing soaring growth in Tradition, have grown faster than the national trend since 2020 and are predicted to grow by 4.5% in the next 12 months, according to a report by CoreLogic, a California financial services company.

"That doesn't necessarily mean that prices will decline in the area ... though they could soften over the next year because of affordability," said Molly Boesel, the chief economist at CoreLogic.

One indicator that people are hesitant to buy is how long it takes them to sign a contract, which in June was

44 days in Indian River, 29 days in St. Lucie and 22 days in Martin. That's quicker compared to May, but nearly 179% longer compared to June 2022.

This could signal the market is starting to "normalize," said Kyle Von Kohorn, president of the Realtor's Association of Indian River County. "Today's time to contract is consistent with historical trends, pre-pandemic."

The housing market boomed during CO VID-19, peaking in March 2022. Cash sales, which grew over

170%, from May 2020 to May 2021 , reduced the supply of houses.

The South has seen a decline in home sales, and the lack of housing inventory “continues to prevent housing demand from being fully realized,” said Lawrence Yan, chief economist at the National Association of Realtors.

REAL ESTATE IN JUNE COMPARED TO MAY Closed sales

i St. Lucie: 566, up from 548

i Indian River: 282, down from 313

i Martin: 193, down from 207 **Median sale price**

i Martin: \$598,000, down from \$632,000

i Indian River: \$415,000, up from \$412,000

i St. Lucie: \$390,000, same as May **Paid in cash**

i St. Lucie: 153, up from 132

i Indian River: 135, down from 136

i Martin: 84, down from 104 **Median days to contract**

i Indian River: 44, down from 46

i St. Lucie: 29, down from 34

i Martin: 22, down from 31 **Active listings**

i St. Lucie: 1,135, down from 1,171

i Indian River: 685, same as May

i Martin: 467, up from 463 **Months worth of inventory**

i Indian River: 3, same as May

i Martin: 2.9, same as May

i St. Lucie: 2.3, down from 2.4

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