

Naples Area Market Report

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2Q 2017 Market Report Shows Home Sales Activity is Hotter than 2Q 2016

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Naples, Fla. (June 16, 2017) - Record-breaking rain fall in June did not dampen buyer interest in the Naples housing market as evidenced in the Second Quarter and June 2017 Market Reports released by the Naples Area Board of REALTORS® (NABOR®), which track home listings and sales within Collier County (excluding Marco Island). The 2Q report showed strong and steady sales activity leading into summer with a 7 percent increase in overall closed sales to 2,880 closed sales in 2Q 2017 from 2,704 closed sales in 2Q 2016, and a 9 percent increase in overall closed sales for the month of June to 907 closed sales from 832 closed sales in June 2016.

There were many remarkable areas of activity in the 2Q Market Report. For example, condominiums in the \$2 million and above price category saw an 86 percent increase in closed sales and a 38 percent decrease in median closed price in 2Q 2017 from 2Q 2016. Similarly, pending sales (homes under contract) in the North Naples market increased 20 percent during 2Q 2017 from 2Q 2016, and was the only geographic area that reported a decrease in median closed price (-1 percent).

"The North Naples area is making a big turnaround," said Coco Amar, a managing broker at John R. Wood

Properties, "Especially in the condominium market which had the highest pending and closed sales reported."

As reflected in the 2Q Market Report, pending sales of condominiums in North Naples increased 30 percent to 428 condominiums in 2Q 2017 from 329 condominiums in 2Q 2016. Closed sales of condominiums in North Naples increased 29 percent to 463 condominiums in 2Q 2017 from 358 condominiums in 2Q 2016. Condominium sales moving into summer look very good for North Naples too as June's Market Report showed a 30 percent increase in pending sales.

Overall inventory during the 2Q of 2017 rose a respectable 4 percent to 5,189 homes in 2Q 2017 from 4,983 homes in 2Q 2016. According to Bill Coffey, Broker Manager of Amerivest Realty Naples, inventory during the 2Q was "getting eaten up by sales." This is very evident in the Report for homes in the \$2 million and above price category, which only saw a 1 percent increase in inventory, yet a 43 percent increase in closed sales.

Despite a 12 percent increase in inventory for the \$300,000 and below price category, there was a 4 percent decline in overall closed sales in this low-end price category. Interestingly, while inventory for condominiums in the \$300,000 and below price category saw the highest increase (17 percent) in the 2Q of 2017, the number of closed sales for condominiums in this category did not change quarter over quarter.

"Buyers struggling to find homes under \$300,000 in the single family market are turning to condominiums or coach homes as an alternative," said Steve Barker, Advising Broker for Equity Realty. "Even so, as it stands today, there is only 2.4 months worth of inventory available in the under \$300,000 single-family home market, and 4.2 months worth of inventory available in the under \$300,000 condominium market." In response, many broker analysts remarked that slack sales in the low end of the market might be due to the imminent burden of additional costs beyond the sale price such as high condominium association and/or club membership fees.

The NABOR® Second Quarter 2017 Market Report provides comparisons of single-family home and condominium sales (via the Southwest Florida MLS), price ranges, and geographic segmentation and includes an overall market summary. The NABOR® 2Q 2017 sales statistics are presented in chart format, including these overall (single-family and condominium) findings:

CATEGORIES	2Q 2016	2Q 2017	CHANGE
Total homes under contract (pending sales)	2,541	2,770	9%
Total closed sales	2,704	2,880	7%
Median closed price	\$325,000	\$340,000	5%
Median closed price >\$300K	\$540,000	\$535,000	-1%
Total active listings (inventory)	4,983	5,189	4%
Average days on market	76	97	28%
Single-family closed sales	1,263	1,349	7%

Single-family median closed price	\$421,000	\$418,000	-1%
Single-family inventory	2,674	2,654	-1%
Condominium closed sales	1,399	1,531	9%
Condominium median closed price	\$259,000	\$282,000	9%
Condominium inventory	2,309	2,535	10%

Closed sales in the \$2 million and above price category are poised to remain strong through the summer as this category experienced a 30 percent increase in pending sales during the 2Q of 2017. One explanation for the burst in closed sales activity for the \$2 million and above condominium market was given by Amar, "It appears sellers in the high end of the market are coming around to the idea that a realistic price will sell a property faster. The 38 percent reduction in median closed price for this category during the second quarter shows we are not only seeing more negotiations, but also that sellers are more willing to accept real market offers."

Broker analysts reviewing the June 2017 Market Report acknowledged that the first two weeks of June started out a little slow, but the month ended strong with 907 closed sales, up 9 percent from 832 in June 2016. Sales of condominiums on the Naples Beach took center stage in June with a 50 percent increase over June 2016. June's pending sales activity may set the tempo for a promising summer, as pending sales increased 16 percent in June 2017 from June 2016.

The NABOR® June 2017 Market Report provides comparisons of single-family home and condominium sales (via the Southwest Florida MLS), price ranges, and geographic segmentation and includes an overall market summary. The NABOR® June 2017 sales statistics are presented in chart format, including these overall (single-family and condominium) findings:

CATEGORIES	JUNE 2016	JUNE 2017	CHANGE
Total homes under contract (pending sales)	720	837	16%
Total closed sales	832	907	9%
Median closed price	\$315,000	\$325,000	3%
Median closed price >\$300K	\$521,000	\$499,000	-4%
Total active listings (inventory)	4,983	5,189	4%
Average days on market	82	97	18%
Single-family closed sales	421	434	5%
Single-family median closed price	\$400,000	\$404,000	1%
Single-family inventory	2,674	2,654	-1%
Condominium closed sales	420	473	13%

Condominium median closed price	\$243,000	\$263,000	8%
Condominium inventory	2,309	2,535	10%

At the end of June 2017, the Naples market contained 7.86 months of inventory, which is considered to be normal, indicating that the June market is neither a sellers' nor a buyers' market. Inventory has not been this robust for the month of June since 2011.

Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., remarked that the Days on Market increase of 18 percent could be due to overpriced listings. Wes Kunkle, President and Managing Broker at Kunkle International Realty, agreed and said, "With median home prices flattening out in June, there would have been more sales if the homes were priced right."

If you are looking to sell your home in Naples, seek guidance from a Naples REALTOR® who can help you determine a fair market price for your home and then market your property correctly to appeal to summer buyers. A REALTOR® can also locate properties that match summer buyer needs and negotiate a purchase price that reflects the market. Discover more at www.naplesarea.com.

The Naples Area Board of REALTORS® (NABOR®) is an established organization (Chartered in 1949) whose members have a positive and progressive impact on the Naples Community. NABOR® is a local board of REALTORS® and real estate professionals with a legacy of nearly 60 years serving 6,000 plus members. NABOR® is a member of the Florida Realtors and the National Association of REALTORS®, which is the largest association in the United States with more than 1.3 million members and over 1,400 local board of REALTORS® nationwide. NABOR® is structured to provide programs and services to its membership through various committees and the NABOR® Board of Directors, all of whose members are non-paid volunteers.

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