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Experts Report 2Q 2016 Real Estate Market Remains Balanced

Naples, Fla. (July 21, 2016) – As Collier County’s resale housing inventory levels continue to outpace last year’s levels, median closed sale prices for homes over \$300,000 remain fairly unchanged. Several brokers who recently analyzed the Second Quarter and June 2016 Market Reports released by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), believe the 2Q real estate market’s behavior is reminiscent of how the local housing market behaved in 2003.

“During the recession we experienced a dramatic increase in inventory, particularly in properties below \$300,000,” said Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., “This was then followed by several years of high volume sales, mostly in that \$300,000 and below segment of the market. But before all that, from 2000 to 2003, we were in a normal real estate market. This summer feels a lot like that time again.”

Hughes added that, “last year was a near record year for closings. So if you look at the decrease in closed sales for this year’s second quarter and compare it to last year’s second quarter closed sales, it’s not really a fair comparison.”

“Sellers who anticipated a continued increase in the value of their homes are getting a dose of new reality,” said Cindy Carroll, SRA, with the real estate appraisal and consultancy firm Carroll & Carroll, Inc. “The report showed virtually no increase in closed sale prices in the second quarter versus the first quarter so sellers need to reset their thinking because we have entered a new cycle that looks a lot more like where we were in 2003 and 2004.”

Kathy Zorn, broker/owner, Florida Home Realty, echoed Carroll’s sentiment and added, “There are many owners who purchased short sales or foreclosures and don’t have to sell, so they are willing to hold out for a price they want. This mindset also applies to some investors who would rather collect rent than sell at today’s prices. Property is always a great investment and this subset of sellers is perfectly in the right to hold out, but the report tells me that closed prices have barely changed in a year so the days of impressively peaking values and expecting a price over market value are in the past.”

Carroll added that she doesn’t anticipate overall median closed sale prices will go down anytime this year, but she admitted that she does foresee list prices decreasing. “It’s a matter of staying competitive, and right now the competition is more inventory and new construction. So if a seller is really motivated to sell, then their asking price has to be realistic as it will determine how quickly the sale will happen.”

Bill Poteet, owner and broker at Poteet Properties, remarked that despite tourism being down this summer and some buyers postponing a purchase until there is more economic certainty, “we are moving property because the June report showed the average days on market is about 3 months and that hasn’t changed from a year ago when we didn’t have as much inventory.”

“I’m seeing fewer shoppers and more serious buyers this summer,” said Steve Barker, Advising Broker for Equity Realty, who also made mention that he has seen an increase in the number of local British homeowners list their homes for sale to take advantage of the desirable exchange rate and make a good profit.

The NABOR® **2Q 2016 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 2016 sales statistics are presented in chart format, including these overall (single-family and condominium) findings:

CATEGORIES	2Q 2016	2Q 2015	CHANGE
Total homes under contract (pending sales)	2,541	2,843	-11%
Total closed sales	2,662	3,109	-14%
Median closed price	\$325,000	\$318,000	2%
Total active listings (inventory)	4,983	3,698	35%
Average days on market	76	75	1%
Single-family closed sales	1,263	1,388	-9%
Single-family median closed price	\$421,000	\$399,000	6%
Single-family inventory	2,674	2,133	25%
Condominium closed sales	1,399	1,721	-19%
Condominium median closed price	\$259,000	\$263,000	-2%
Condominium inventory	2,309	1,565	48%

Additional activity of interest in the NABOR® **2Q 2016 Market Report** includes:

- Overall pending sales in the East Naples geographic area (34114, 34117, 34120, 34137) increased 2 percent to 511 pending sales in 2Q 2016 from 501 pending sales in 2Q 2015.
- Closed sales for single-family homes in the \$1 million to \$2 million price category increased 10 percent to 131 single-family homes in 2Q 2016 from 119 single-family homes in 2Q 2015.
- Median closed prices for condominiums in the \$2 million and above price category increased 28 percent to \$3,875,000 in 2Q 2016 from \$3,022,000 in 2Q 2015.
- Overall inventory for homes in the \$500,000 to \$1 million price category increased 40 percent to 846 homes in 2Q 2016 from 604 homes in 2Q 2015.
- Inventory for condominiums in the \$1 million to \$2 million price category increased 69 percent to 189 condominiums in 2Q 2016 from 112 condominiums in 2Q 2015.

NABOR® also released its **June 2016 Market Report**, which included these overall month over month (single-family and condominium) findings:

CATEGORIES	June 2016	June 2015	CHANGE
Total homes under contract (pending sales)	720	882	-18%
Total closed sales	832	875	-5%
Median closed price	\$315,000	\$315,000	0%
Total active listings (inventory)	4,983	3,698	35%
Average days on market	82	73	12%
Single-family closed sales	412	431	-4%
Single-family median closed price	\$400,000	\$397,000	1%
Single-family inventory	2,674	2,133	25%
Condominium closed sales	420	444	-5%
Condominium median closed price	\$243,000	\$260,000	-7%
Condominium inventory	2,309	1,565	48%

NABOR® President Rick Fioretti, a Broker Associate with Berkshire Hathaway Home Services Florida Realty, said the report also shows “conventional sales are up 9 percent since January. In fact, I believe there are more options now for homebuyers because mortgage rates are still low and there are fewer cash investors stalking the market for distressed properties under \$300,000.”

Hughes remarked that “inventory levels have actually been decreasing in the last three months so buyers who are waiting because they think more options will become available may be disappointed. Plus, if they continue to wait, they may miss out on some great low mortgage rates as they won’t stay down for long.”

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