



239.597.1666
239.597.7725 fax

www.NABOR.com
www.NaplesArea.com

1455 Pine Ridge Road
Naples, FL 34109

Real life. Real answers.®

FOR IMMEDIATE RELEASE

Contacts: Rick Fioretti, NABOR® President, (239) 597-1666

Marcia Albert, NABOR® Director of Marketing, (239) 597-1666

More Buyers Choose Conventional Mortgage Loans to Purchase Their Home

Naples, Fla. (November 18, 2016) – Over 44 percent of homes purchased in October used conventional financing methods (e.g., mortgages), according to a report released by the Naples Area Board of REALTORS® (NABOR®) that detailed activity in the greater Naples housing market during October 2016. The October 2016 Market Report, which tracks home listings and sales within Collier County (excluding Marco Island), showed a gradual – but continuous – decline in cash sales with growth in conventional sales during the last 12 months.

In October 2015, cash sales accounted for nearly 65 percent of all homes sales in Naples, whereas in October 2016, cash sales accounted for only 56 percent of all homes sales in Naples. Interestingly, homes purchased in the \$300,000 to \$500,000 price category in October reflected the highest percentage of conventional sales (60 percent) of all the price categories reported.

“Increased use of conventional mortgages in October may be an indication of increased consumer confidence coupled with a better lending environment,” said Rick Fioretti, NABOR® President and Broker Associate with Berkshire Hathaway Home Services Florida Realty. “In October 2014, only 32 percent of all home sales used conventional financing. In October 2015, conventional financing increased to 35 percent of overall sales.”

Coco Waldenmayer, a managing broker at John R. Wood Properties, added that impending interest rate increases might create more urgency for people looking to finance a future home purchase.

The October 2016 Market Report showed overall pending sales decreased 13 percent to 702 pending sales in October 2016 from 807 pending sales in October 2015. Interestingly, overall pending sales in the \$500,000 to \$1 million price category actually increased 14 percent to 125 pending sales in October 2016 from 110 pending sales in October 2015. Likewise, pending sales of condominiums in the \$500,000 to \$1 million price category increased 30 percent to 57 condominiums in October 2016 from 44 condominiums in October 2015. The increase in pending sales extended to the single-family home market as well, in which both the \$300,000 to \$500,000 price category and \$500,000 to \$1 million price category increased 3 percent.

In the closed sales category, the October 2016 Market Report showed overall closed sales decreased 7 percent to 556 closed sales in October 2016 from 601 closed sales in October 2015. However, closed sales of condominiums in the \$1 million to \$2 million price category increased 80 percent to 9 condominiums in October 2016 from 5 condominiums in October 2015. And closed sales of single-family homes in the \$300,000 to \$500,000 price category increased 21 percent from 120 single-family homes in October 2016 from 99 single-family homes in October 2015.

For October, the overall median closed price increased 6 percent to \$320,000 in the 12-months ending October 2016 from \$302,000 in the 12-months ending October 2015. Conversely, the overall median closed price for homes above \$300,000 did not reflect a recordable change. Homes in the \$300,000 and below price segment, which experienced a 10 percent increase to \$215,000 in the 12-months ending October 2016 from \$195,000 in the 12-month ending October 2015, is once again responsible for driving the overall median closed price

increase.

According to Jeff Jones, Managing Broker at the Naples-Park Shore office of Coldwell Banker®, the increase in days on market for October (15 percent) reflects a need to continue dialog about properly pricing homes in Naples. “Even though we are selling homes in a very desirable location, when days on market increase, one factor affecting this is overpriced properties. And because historically, inventory increases right before season, REALTORS® need to take a bold stance now and guide home sellers to a more realistic asking price based on today’s market.”

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

CATEGORIES	October 2016	October 2015	CHANGE
Total homes under contract (pending sales)	702	807	-13%
Total closed sales	556	601	-7%
Median closed price (month / month)	\$315,000	\$290,000	9%
Total active listings (inventory)	5,426	3,903	39%
Average days on market	85	74	15%
Single-family closed sales	295	310	-5%
Single-family median closed price (month / month)	\$375,000	\$385,000	-3%
Single-family inventory	2,849	2,210	29%
Condominium closed sales	261	291	-10%
Condominium median closed price (month / month)	\$240,000	\$230,000	4%
Condominium inventory	2,577	1,693	52%

“There is less than a three-months supply of single family homes under \$300,000,” remarked Bill Coffey, Broker Manager of Amerivest Realty Naples, who added that if home buyers are looking to stay within this price range they may be better served in the condominium market, which saw a 53 percent increase in inventory to 1,116 condominiums under \$300,000 in October 2016 from 731 condominiums under \$300,000 in October 2015.

According to Kathy Zorn, broker/owner, Florida Home Realty, “The report showed six months worth of inventory to sell. We have not seen this high a level of inventory in the month of October since 2013. So as we move into season with this healthy level of inventory, buyers will have more options, which is all the more reason sellers should seek guidance now from a REALTOR® who knows the local market and can help them price their properties right.”

Geographically, inventory in the Naples Beach (34102, 34103, 34108) and North Naples (34109, 34110, 34119) areas increased the most in October. In the Naples Beach area, single-family home inventory rose 25 percent to 567 single-family homes in October 2016 from 454 single-family homes in October 2015, and condominiums increased 71 percent to 655 condominiums in October 2016 from 384 condominiums in October 2015. For North Naples, single-family home inventory rose 35 percent to 878 single-family homes in October 2016 from 650 single-family homes in October 2015, and condominiums increased 64 percent to 734 condominiums in October 2016 from 447 condominiums in October 2015.

“There are plenty of homes to buy and sell in Naples,” said Fioretti, who ends his term as NABOR® President in December. “It’s going to take some time to see how the market will react to the election and the changes in the government, but I believe the challenge we REALTORS® face in the short-term is educating the public on market pricing. The value of a home relates to local sale prices and a realistic price means a rapid sale.”

If you are considering selling your home, ask a REALTOR® to help you do a market comparison and determine a fair and reasonable listing price. A REALTOR® can also identify properties best suited for buyers and negotiate a purchase price that fits any budget. 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.

The term REALTOR® is a registered collective membership mark which identifies a real estate professional who is a member of the National Association of REALTORS® and who subscribe to its strict Code of Ethics.