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NABOR® Market Report Posts Solid First Quarter

Naples, Fla. (April 14, 2017) – It was a busy season for REALTORS® working in Naples as evidenced in the First Quarter 2017 Market Report released by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island). As predicted by broker analysts at the beginning of the year, once sellers began to heed the advice of their agents and reset to reasonable list prices, buyers would react in stride with more solid offers. The statistics reflected this prognosis precisely, and resulted in an increase in overall pending and closed sales, making the first quarter of 2017 as solid as expected.

Noted by Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., and the 2016 REALTOR® of the Year, “The first quarter was a bit of a bumpy ride but the trend line for sales moved upward throughout the quarter with March coming in as a pretty strong month for sales activity. Overall, we ended the first quarter better than last year and I think the local brokers are cautiously optimistic that we might have a decent summer for sales.”

Quite a few broker analysts who reviewed the report agreed with Hughes and said the word on the street is that many buyers who didn’t make a purchase during the first quarter have plans to return to the area during the summer as they anticipate home prices may decrease.

Quarter over quarter, the report showed overall median closed prices increased only 2 percent, driven by a narrow 3 percent increase in the \$300,000 and below price category. Yet all other price categories tracked by NABOR® showed decreases or no change at all. One exception were single family homes in the \$300,000 to \$500,000 price category, which jumped 14 percent in median closed price to \$387,000 in the 1st quarter of 2017 from \$339,000 in the 1st quarter of 2016.

Collectively, broker analysts agreed that activity in the condominium market during the first quarter of 2017 was impressive. In fact, condominium inventory increased 19 percent, while the single-family home inventory saw an 8 percent increase. The report also showed five times the number of condominiums under \$300,000 were available in the first quarter of 2017 than single-family homes in the same price category.

“Inventory is up and prices have come down,” said Budge Huskey, President of Premier Sotheby’s International Realty. “This is an indication that some fundamental economic principles are taking effect in the Naples housing market.”

But according to Cindy Carroll, SRA, with the real estate appraisal and consultancy firm Carroll and Carroll, Inc., monthly inventory levels have increased through March, but at a progressively lower rate each month of the quarter. For example, Carroll said, “In a year to year comparison, single family inventory was up 24 percent in December, 19 percent in January 2017, 9 percent in February, and 8 percent in March. The same trend is mirrored in the condominium market. In the long view, overall inventory increased 35 percent between March

2015 and March 2016, and 23 percent between March 2016 and March 2017.”

However, Bill Coffey, Broker Manager of Amerivest Realty Naples, was quick to point out that a tempering of inventory levels does not mean fewer options for buyers in the coming months. “The condominium market was hot in the first quarter. Both inventory and closed sales increased 19 percent. And overall sales only lagged last quarter because properties were not priced properly, but now we are seeing price adjustments and the statistics are reflecting the correction. We currently have 8.89 months worth of inventory. In February we had over 9 months. This progressive reduction in inventory Cindy is talking about will not curb market activity greatly.”

The NABOR® **First 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® First Quarter 2017 sales statistics are presented in chart format, including these overall (single-family and condominium) findings:

CATEGORIES	1Q 2016	1Q 2017	CHANGE (percentage)
Total homes under contract (pending sales)	2,786	3,097	11
Total closed sales	1,929	2,205	14
Median closed price (quarter/quarter)	\$325,000	\$330,000	2
Median closed price >\$300K (quarter/quarter)	\$545,000	\$510,000	-6
Total active listings (inventory)	5,651	6,389	13
Average days on market	77	95	23
Single-family closed sales	982	1,059	8
Single-family median closed price (quarter/quarter)	\$415,000	\$410,000	-1
Single-family inventory	2,996	3,236	8
Condominium closed sales	967	1,146	19
Condominium median closed price (quarter/quarter)	\$262,000	\$270,000	3
Condominium inventory	2,655	3,154	19

The Market Report also indicated a trend in how buyers are purchasing homes in Southwest Florida. “In March 2014, cash sales encompassed 74 percent of all sales for the month. In March 2015 it was 73 percent, then 67 percent for March 2016, and finally, in March 2017 cash sales accounted for 64 percent of all sales made in the month,” said Hughes. “In the past few years cash sales have been decreasing and more buyers are financing home purchases.”

Geographically, the market had some hot areas of action during the first quarter of 2017. Of note was Central Naples (34104, 34105, 34116), which saw a 74 percent increase in single-family home inventory to 634 single-family homes in the 1st quarter of 2017 from 364 single-family homes in the 1st quarter of 2016. And the median closed prices for single-family homes in South Naples (34112, 34113) increased 22 percent in the 1st quarter of 2017 to \$386,000 from \$317,000 in the 1st quarter of 2016.

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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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