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Home Values Continue to Climb in April

Naples, Fla. (May 26, 2023) – The Naples real estate market enjoyed another month of increased home values driven mainly by another month of below typical inventory levels. According to the area’s top real estate brokers, resale home inventory in Naples this year will unlikely spike to levels we enjoyed before the pandemic. However, since 2019, the number of new listings each month has remained fairly consistent, with most months enjoying an average of between 1,100 and 1,300 new listings. According to the April 2023 Market Report by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), overall inventory increased 64.4 percent in April to 2,868 homes for sale from 1,745 homes for sale in April 2022.

“One factor holding back home sales right now is interest rates,” said Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc. “Even though a majority of our sales in Naples are cash transactions, many buyers who own a home up north and want to purchase a home in Naples are having a hard time selling their northern home because the pool of potential buyers that can afford a mortgage at today’s rates is limited.”

Interest rates may also be influencing prospective sellers in Naples who currently enjoy a low interest rate on their mortgage too. In April, new listings decreased 25 percent to 1,116 new listings from 1,488 new listings in April 2022. Though many homes in Naples have doubled in value since 2019, providing sellers with a nice profit to use toward their next home purchase. With a hefty down payment, these sellers can minimize their next home’s mortgage obligation to make monthly payments affordable, even at a higher interest rate.

Interestingly, and according to Cindy Carroll of Carroll & Carroll Appraisers & Consultants, LLC, months of inventory is decreasing in communities off the water and east of I-75; a telltale sign that living in close proximity to the beach is not always a required factor of homeownership in Naples anymore. “In January 2019, Port Royal had 1.3 years of inventory; and today it has 1.3 years of inventory. But in January 2019, the Vineyards had 10 months of inventory; and today it has less than a month.” Carroll went on to add that in some areas east of Collier Boulevard (SR 951) there is less than four months of inventory.

As a result of slow inventory gains this year, pending and closed sales activity simmered slightly in April compared to March. Pending sales decreased 18.4 percent to 1,123 pending sales from 1,377 pending sales in April 2022, and closed sales in April decreased 24.2 percent to 947 closed sales from 1,250 closed sales in April 2022.

While the April report revealed 1,128 price decreases occurred during the month, Hughes said, “some price negotiating is happening, though low ball offers are not a good strategy in today’s tight inventory market.”

The report also showed the area’s overall median closed price is not increasing by double-digits each month anymore. In April, the median closed price for single family homes increased 3.1 percent to \$825,000 from \$800,000 in April 2022. But it’s a different story in the condominium market, where the median closed price increased 14.3 percent in April to \$526,000 from \$460,000 in April 2022.

The NABOR® April 2023 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. NABOR® sales statistics are presented in chart format, including these overall (single-family and condominium) findings for 2023:

CATEGORIES	APR 2022	APR 2023	CHANGE (percentage)
Total showings (month/month)	37,914	32,718	-14.0
Total closed sales (month/month)	1,250	947	-24.2
Total pending sales (homes under contract) (month/month)	1,377	1,123	-18.4
Median closed price (month/month)	\$595,000	\$627,500	+5.5
New listings (month/month)	1,488	1,116	-25.0
Total active listings (inventory)	1,745	2,868	+64.4
Average days on market	16	53	+231.3
Single-family closed sales (month/month)	580	431	-25.7
Single-family median closed price (month/month)	\$800,000	\$825,000	+3.1
Single-family inventory	1,078	1,612	+49.5
Condominium closed sales (month/month)	670	516	-23.0
Condominium median closed price (month/month)	\$460,000	\$526,000	+14.3
Condominium inventory	667	1,256	+88.3

Buyers in Naples today need to be aware of their insurance cost obligation before negotiations. Jeff Jones, Broker at Keller Williams Naples, recommends each buyer “check with their insurer before contract negotiations to make sure the home meets current coverage requirements, and the cost doesn’t sabotage the sale. In all cases, the buyer can assume the seller’s flood insurance policy, but not a homeowner’s policy.”

Another interesting observation about activity in April came from Molly Lane, Senior Vice President at William Raveis Real Estate, who remarked, “Homes in luxury, gated communities that include a golf membership are highly desirable and selling quickly these days because a majority of private courses in Naples have a two-year or more waiting list.”

Understanding a home’s true market value can be a complicated process when there is great market dispersion and many factors influencing list price determination. Sherry Stein, CRB, Managing Broker, Berkshire Hathaway HomeServices, said, “Working with an experienced REALTOR® in Naples who has the skills and marketing expertise to navigate the process will be an asset for both a buyer and seller today.”

If you are considering buying or selling your home, look to a Naples REALTOR® who has the ability to provide an accurate market comparison and give you expert advice on how to capitalize on today’s market conditions. A REALTOR® can ensure your next purchase or sale in the Naples area is a success. Search for your dream home and find a Naples REALTOR® on 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 over 60 years serving 8,000 plus members. NABOR® is a member of Florida Realtors® and the National Association of REALTORS®, which is the largest association in the United States with more than 1.4 million members and over 1,200 local boards 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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