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## FOR IMMEDIATE RELEASE

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### Increased Demand in February Shows Homebuyers Recognize a Great Value

**Naples, Fla.** (March 24, 2021) – The February 2021 Market Report, released by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), marks the last month of comparative activity before the pandemic shuttered the global economy in March 2020. That said, overall closed sales of existing homes in Naples for February increased 62 percent to 1,307 closed sales from 807 closed sales in February 2020.

Broker analysts reviewing the February 2021 Market Report were not surprised at the increased momentum as many report buyers are scooping up the available inventory of homes in all geographic locations within Naples almost as fast as they come onto the market. Inventory fell 68.8 percent in February to 2,224 homes from 7,127 homes in February 2020.

Single-family homes continue to be in high demand so, according to the report, many buyers pivoted to condominiums in February. As a result, the condominium market experienced a 75.7 percent increase in closed sales and a 66.6 percent decrease in inventory. In fact, condominium sales in February 2021 eclipsed its comparable sales in any month over the past 15 years.

“This is not a housing boom as many people suggest,” said Spencer Haynes, Vice President of Business Development and Broker with John R. Wood Properties. “I consider it a ‘market correction,’ as our area has simply been undervalued until now and it is finally experiencing its due appreciation.”

Haynes added that “in many desirable locations like California and Atlanta, high buyer demand, low inventory, and rising prices have been a reality for years. And unlike 2005/2006, activity is not a result of ‘manufactured wealth’. Sales today are done with real money, which is why home values in our area are finally increasing. Besides, we have what everyone is looking for as it’s now possible to work from anywhere in the world so why not live and work in paradise.”

In addition to the struggle to find existing properties for sale in all price categories, buyers are also finding new home purchasing options are diminishing.

“Builders are reporting a big shortage in materials for new home construction,” said Jeff Jones, Broker at Keller Williams Naples. “For example, orders for new windows are out 14 months because there’s not enough glass for production. And there’s also a shortage of resin for pipe production and lumber has been scarce too.”

Corey McCloskey, NABOR® President and VP of Operations at John R. Wood Properties concurred, commenting that she's heard from REALTORS® in South Carolina and Arizona that hundreds of new homes in their towns are sitting finished without windows.

Another result of high buyer demand in Naples: "New home communities are nearly sold out so we're seeing many put their last lots up for bid," said Dominic Pallini, Broker at Vanderbilt Realty.

It's not surprising then that February saw pending sales of existing homes in Naples skyrocket 50.7 percent to 2,299 pending sales from 1,526 pending sales in February 2020. In comparison, there were more pending sales (2,299) at the end of February than inventory (2,224). This resulted in a drastic drop in supply as the February report revealed our area now has only a 2-months supply of homes available to buyers.

The NABOR® **February 2021 Market Reports** provide 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:

CATEGORIES	Feb 2020	Feb 2021	CHANGE (percentage)
Total closed sales (month/month)	807	1,307	+62.0
Total pending sales (homes under contract) (month/month)	1,526	2,299	+50.7
Median closed price (month/month)	\$345,000	\$405,000	+17.4
Total active listings (inventory)	7,127	2,224	-68.8
Average days on market	95	72	-24.2
Single-family closed sales (month/month)	387	569	+47.0
Single-family median closed price (month/month)	\$425,000	\$530,000	+24.7
Single-family inventory	3,559	1,031	-71.0
Condominium closed sales (month/month)	420	738	+75.7
Condominium median closed price (month/month)	\$282,500	\$300,000	+6.2
Condominium inventory	3,568	1,193	-66.6

In February, the median closed price increased 17.4 percent to \$405,000 from \$345,000 in February 2020. As such, the average closed price also increased in February by 25.7 percent to \$796,936 from \$633,898 in February 2020. The luxury single-family home market continues to drive sales in Naples as reflected in the average closed price for single-family homes in the Naples Beach area, which increased 35.4 percent to \$3,270,814 from \$2,414,826 in February 2020.

According to Wes Kunkle, President and Managing Broker at Kunkle International Realty, even though interest rates are low, "many buyers are purchasing homes with cash as it provides leverage during the sale." This occurrence often happens in multiple offer situations because financing can often weaken an offer. So buyers use cash to make the purchase with the intent of refinancing to enjoy the low interest rates once the sale is complete. Not surprising, cash sales accounted for 57.9 percent of all closed sales during February.

Whether new listings – which fell 8.6 percent in February to 1,435 new listings from 1,570 new listings in February 2021 – can meet the demand in the coming months will depend on seller motivation. In a tight inventory climate, brokers said it's not uncommon for REALTORS® to approach a homeowner in a desirable

community and ask: “I know your home is not for sale but how much do you want to sell it because I have a buyer?”

Jones added that it’s important the public understand “our market today is based on equity – not speculative lending like we saw in 2005 leading up to the housing market bubble.”

The demand for single-family homes in Naples is so high right now that its convincing many homeowners to downsize in order to take advantage of the market’s demand and enjoy a nice profit. That’s one reason condominium sales increased in February and why properties in 55 and older communities also saw increased activity.

If you are looking to buy or sell a home in Naples, contact a Naples REALTOR® who has the ability to provide a virtual showing, an accurate market comparison or negotiate a sale. 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 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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