



Naples Area Board of REALTORS®

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April Report Shows Naples Real Estate Market Held Its Value During Pandemic

Naples, Fla. (May 22, 2020) – Coronavirus slowed real estate market activity in April as expected during Florida's safe-at-home restrictions. According to the April 2020 Market Report released by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), overall closed sales decreased 28.6 percent to 838 closed sales compared to 1,173 closed sales in April 2019. Inventory decreased as well in April by 29.1 percent to 5,394 homes compared to 7,605 homes in April 2019. The April report also confirms home values remain intact.

"Our priority is the safety of Naples residents and our members, as we all continue to practice socially responsible distancing while we conduct business during this health crisis," said NABOR® President Lauren Melo, PA, Licensed Real Estate Broker with Florida's Realty Specialists. "With the assistance of technology, creativity, and cooperation, real estate professionals are successfully completing transactions."

To encourage a safe path to homeownership, NABOR® implemented three new actions in April to assist members as they conduct business during the COVID-19 pandemic:

1. NABOR® lobbied state and local governments to successfully recognize real estate services as an essential service, in accordance with the U.S. Department of Homeland Security;
2. NABOR® created a COVID-19 addendum and amendment to sales contracts to protect buyers and sellers;
3. NABOR® trained members on new COVID-19 related services including virtual open house tours, COVID-19 stimulus relief package benefits, and new lender requirements.

According to Brenda Fioretti, Managing Broker at Berkshire Hathaway HomeServices Florida Realty, "The good news is that – even during a pandemic – Naples home values are being maintained. The report shows April's overall percent of current list price received increased .5 percent." This figure represents what the buyer paid for their home compared to the seller's listed sale price. In April, the contract price averaged 95.9 percent of list price. In comparison, during April 2019, the contract price averaged 95.4 percent of list price. This statistic demonstrates that homes in the Naples area did not lose their values during April, the worst month of the pandemic to date.

Median closed prices increased .3 percent in April to \$340,000 from \$339,000 in April 2019. "Although there were slightly fewer price decreases in April than in March, still 1,654 or 31 percent of all listed properties experienced reductions in their offering price during April," said Jeff Jones, Broker at Keller Williams Naples.

Like many essential service businesses, REALTORS® in Naples focused on implementing new strategies and modifying their business models during April to comply with self-distancing practices and accommodate for the welfare and safety of their staff, clients and the community.

“We saw a surge in virtual showings during April,” said Budge Huskey, CEO, Premier Sotheby’s International Realty. “What happened was a buyer would participate in several virtual showings, typically while their REALTOR® did the walkthrough onsite. Then, once the buyer eliminated the options down to one or two homes, they would do a physical walkthrough.”

As people were urged to stay home in April, showings decreased to 9,420 from 22,862 in April 2019 (does not include virtual showings). As a result, pending sales in April decreased 53.6 percent, as was expected.

“The desire for virtual home showings has risen rapidly,” remarked Fioretti. “During video tours, agents become the eyes of the buyer. They’re talking more than they would on a traditional tour, pointing out things that would be obvious in person but aren’t as clear through a camera lens like the quality of workmanship on any repairs or whether a bedroom will fit a king-size bed. Virtual home tours are becoming the new first step in homebuying,” added Fioretti.

Another asset that REALTORS® added to their toolbox in April was NABOR®’s COVID-19 contract addendum (or amendment for active contracts). The revised contract extends a closing date for an agreed amount of time if the lender is unable to approve the loan due to temporary obstacles caused by the pandemic including employee furloughs, and delayed appraisals, inspections, or government filing services.

“Given the amount of uncertainty right now, agents are quickly adding our special coronavirus addendum to new and existing contracts to provide some breathing room for delays in this fast-changing environment. These new documents are keeping deals together,” said Jones. “It’s providing much peace-of-mind for both buyers and sellers.”

The NABOR® **April 2020 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	April 2019	April 2020	CHANGE (percentage)
Total closed sales (month/month)	1,173	838	-28.6
Total pending sales (homes under contract) (month/month)	1,322	613	-53.6
Median closed price (month/month)	\$339,000	\$340,000	+0.3
Total active listings (inventory)	7,605	5,394	-29.1
Average days on market	98	87	-11.2
Single-family closed sales (month/month)	510	409	-19.8
Single-family median closed price (month/month)	\$464,500	\$429,500	-7.5
Single-family inventory	3,850	2,639	-31.5
Condominium closed sales (month/month)	663	429	-35.3
Condominium median closed price (month/month)	\$272,500	\$270,000	-0.9
Condominium inventory	3,755	2,755	-26.6

Adam Vellano, West Coast Sales Manager, BEX Realty - Florida, said the April report “shows real estate is essential. The fact that REALTORS® were able to process over 800 closed sales during a month when most of the world was on lockdown is a testament to our market’s desirability and how real estate professionals are quickly adapting and conducting business in new ways. REALTORS® are helping their customers buy and sell homes through this crisis.”

Not all geographic areas in Collier County reported a decrease in closed sales during April. Single family home sales in East Naples (34114, 34117, 34120, 34137) during April increased 7.2 percent.

Broker analysts reviewing the April Market Report are optimistic that activity in the Naples area real estate market will resume momentum in the coming months (barring a return to April's restrictions). If you're a seller who took your home off the market in April because you feared social distancing would prevent a sale, consider relisting your home in May. You could attract an eager buyer. Property values are holding steady with price increases in two price categories reported in April (i.e., the \$300,000 and below price category and the \$2 million and above price category reported median closed price increases in April). And the overall list to sales price has remained steady at about 95 percent (for April 2019 compared to April 2020).

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, especially in the unusual circumstances of this health crisis. 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.

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.