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July Market Report Shows Sellers & Buyers Adjusting to a New Normal

Naples, Fla. (August 20, 2021) – The buying frenzy the Naples housing market experienced during the past year has simmered and is being replaced with what brokers say will be our new normal: a low inventory market with fast turnover of quality homes priced right. According to the July 2021 Market Report released by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), inventory decreased 77.2 percent to 1,295 homes in July 2021 compared to 5,672 homes in July 2020, but demand continues to be steady as there were only 30 fewer closed sales and just a 2 percent drop in showings.

“Low inventory is holding back our market’s potential,” said Dominic Pallini, Broker at Vanderbilt Realty, who contends that July’s total home sales would have been much better if we just had the inventory. “New listings help to replenish our inventory each month, but it’s unlikely we will see inventory levels anywhere near what they need to be anytime soon again. Home demand has simply outpaced our capacity, which is why we are seeing a big rise in home values during the summer.”

The median closed price in July increased 28.8 percent to \$469,950 from \$365,000 in July 2020. The median price is the price at which 50 percent of the homes sold were above that price, and 50 percent were below.

“People are asking when prices will go down again,” said Molly Lane, Senior Vice President at William Raveis Real Estate, “but in reality, compared to other luxury markets around the country, Naples has been undervalued far too long. We are finally catching up to where our prices should be as a premier luxury home destination.”

As this new reality sets in, clues that buyers and sellers are adapting to a new normal can be found in recent Market Reports. “The percent of list price received has been over 99 percent for the last three months,” said Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc. “This shows us that sellers are setting realistic prices and buyers are accepting these values as fair because offers are at near asking prices.”

Adam Vellano, a Naples Sales Manager at Compass Florida, responded by pointing out, “For sellers, this new market reality means a home for sale today is likely to receive a contract within a few weeks. If it doesn’t, the home is either priced too high or it has deficiencies that need attention.”

Brenda Fioretti, Broker Associate at Berkshire Hathaway HomeServices Florida Realty, added, “Even homes that are not so attractive are finding buyers this summer. So if you’ve been reluctant to sell because your home needs updating or repairs, now would be a good time to sell it and buy another home in Naples. That’s because

the average home price in Naples has increased 25 percent since January so even if you pay 99 percent of list price for a new home, your ‘not so perfect’ home is going to enjoy the same gain in value when it sells too. Your equity from the price appreciation can help power your next move.”

Even though overall pending sales in July dropped 21.5 percent to 1,135 pending sales from 1,446 pending sales in July 2020, and overall closed sales dropped 2.6 percent to 1,142 closed sales from 1,172 closed sales in July 2020, activity in the high-end luxury home market picked up speed during the month as reflected in a 32.6 percent increase in closed sales for homes over \$1 million, and a 17.1 percent increase in pending sales for single family homes valued over \$1 million in July.

The NABOR® **July 2021 Market Report** 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	July 2020	July 2021	CHANGE (percentage)
Total closed sales (month/month)	1,172	1,142	-2.6
Total pending sales (homes under contract) (month/month)	1,446	1,135	-21.5
Median closed price (month/month)	\$365,000	\$469,950	+28.8
New listings (month/month)	1,223	1,075	-12.1
Total active listings (inventory)	5,672	1,295	-77.2
Average days on market	92	28	-69.6
Single-family closed sales (month/month)	650	575	-11.5
Single-family median closed price (month/month)	\$459,500	\$625,000	+36.0
Single-family inventory	2,704	772	-71.4
Condominium closed sales (month/month)	522	567	+8.6
Condominium median closed price (month/month)	\$273,500	\$349,900	+27.9
Condominium inventory	2,968	523	-82.4

Brokers reviewing the July Market Report agree the old way of buying and selling a home in Naples is now obsolete. “Buyers shouldn’t waste their time driving around to find homes for sale in a particular neighborhood or wait to look at listings in the Sunday classifieds,” said Hughes, “because that is just a small percentage of the available inventory in the Naples area. Many of these homes are probably already under contract.”

Hughes and Vellano are not being dramatic. Homes are selling at record-fast rates. The July Market Report showed days on market decreased 69.6 percent to 28 days from 92 days in July 2020. For single family homes, days on market dropped to 25 days in July. Homes are available but they are just not staying on the market long, especially quality homes that are priced right.

Lane also pointed out that many new listings barely make it into the MLS. “Inventory is so tight right now that I’ve seen agents walk into our office with a listing, place it on the Southwest Florida MLS, and within a very short time have an offer from a buyer.”

If you are looking to buy a home in Naples be prepared to move fast. Partner with a Naples REALTOR® who understands the new normal of the Naples real estate market. They know how to navigate in our fast-moving market, are closely monitoring the Southwest Florida MLS, and can quickly alert buyers of new listings. A

Naples REALTOR® has also nurtured working relationships with agents at other brokerages who may inform them of new listings just placed on the Southwest Florida MLS, and are skilled at negotiating the best price before a property is sold.

Naples is in a seller's market as there is more demand than there is supply. Now is the time for sellers to seize this unique opportunity. The July Market Report data shows that your house will likely sell quickly, you will receive close to your list price, and there is a 50 percent chance it will be a cash buyer who can close faster than someone who needs to finance the purchase.

If you are considering selling your home, look to a Naples REALTOR® who has the ability to provide an accurate market comparison, give you expert advice on how to capitalize on today's market conditions, and sell your home or find your dream home quickly. 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 7,000 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 1.5 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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