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## **FOR IMMEDIATE RELEASE**

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### **Low Inventory & High Demand Continues to Push Home Prices Up in January**

**Naples, Fla.** (February 25, 2022) – A 34.5 percent increase in new listings sparked 19,277 more showings during January compared to new listings and showings reported in December 2021. While an increase in new listings demonstrates a solid start for the real estate market this year, low inventory continues to harness the market's potential. As a result of tight inventory, January sales activity could not meet the level of sales activity reported in January 2021. Historically, month to month sales activity during season ascends through April. But according to broker analysts reviewing the January 2022 Market Report released by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), a 74.9 percent decrease in inventory for January to 1,122 homes from 4,474 homes in January 2021 will not provide the same level of sales transactions that occurred last season.

“Low inventory does not mean there are not opportunities for buyers in 2022,” said Ryan Bleggi, President of NABOR® and Managing Broker for John R Wood Properties. “In fact, as expected at the start of season, there was an increase in new listings during January compared to December, so buyers could explore an inventory that included 1,272 new listings.”

Those new listings translated to a 32 percent increase in pending sales to 1,373 pending sales during January compared to 1,038 pending sales reported in December.

“Cash sales exceeded 63 percent in January which is a good sign and proof that there is plenty of equity in the market,” said Adam Vellano, a Naples Sales Manager at Compass Florida. “Buyer demand has not slowed down and we’re seeing a rise in multiple offer situations as well as homes selling for above list price.”

The overall median closed price increased 39 percent in January to \$549,000 from \$395,000 in January 2021. The condominium market continued to report sales at an above list price trend for the second month in a row, and a 47.2 percent increase in median closed price in January to \$427,000 from \$290,132 in January 2021. The median closed price for single-family homes rose 25.1 percent in January to \$675,000 from \$539,500 in January 2021.

With less than a one-month supply of homes, closed sales during January could not realize the level of activity it experienced a year ago and decreased 27.9 percent to 818 closed sales from 1,134 closed sales in January 2021. Pending sales – which reflect the number of new homes under contract – decreased 37.9 percent to 1,373 from 2,210 in January 2021; but, as mentioned above, pending sales in January increased by 335 contracts (32 percent) compared to pending sales reported in December 2021 (1,038).

Molly Lane, Senior Vice President at William Raveis Real Estate, remarked that “if you’re a buyer, don’t expect to negotiate price in this tight market. Homes are being sold at full price or above list price and often without contingencies. I recommend working with a REALTOR® because they have the ability to help a buyer determine whether a home is priced competitively. I also recommend sellers work with a REALTOR® to price their homes right so a majority of offers can begin at full list price.”

The NABOR® **January 2022 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 2022:

CATEGORIES	JAN 2021	JAN 2022	CHANGE (percentage)
Total Showings (month/month)	57,468	44,741	-22%
Total closed sales (month/month)	1,134	818	-27.9
Total pending sales (homes under contract) (month/month)	2,210	1,373	-37.9
Median closed price (month/month)	\$395,000	\$549,000	+39.0
New listings (month/month)	1,649	1,272	-22.9
Total active listings (inventory)	4,474	1,122	-74.9
Average days on market	79	24	-69.6
Single-family closed sales (month/month)	520	397	-23.7
Single-family median closed price (month/month)	\$539,500	\$675,000	+25.1
Single-family inventory	2,047	684	-66.6
Condominium closed sales (month/month)	614	421	-31.4
Condominium median closed price (month/month)	\$290,132	\$427,000	+47.2
Condominium inventory	2,427	438	-82.0

New lending rules from Fannie Mae and Freddie Mac go into effect April 1st and add more requirements from those purchasing a second home or condominium. According to Wes Kunkle, President and Managing Broker at Kunkle International Realty, “Some condominium associations are changing their bylaws to prohibit renting within the first year of ownership, which discourages investors.”

Buying or selling a home in Naples is a big and fast-moving endeavor. That is why there has never been a more important time to work with a REALTOR® who can help you write a good contract that protects you and gets the paperwork in order so your sale or purchase goes smoothly. “I know a buyer who didn’t make the deposit on time and the seller cancelled the contract and took a back-up offer for \$40,000 more,” said Vellano. “A good REALTOR® can help you avoid situations that might threaten a good opportunity.”

Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., admitted that regardless of when the current seller’s market ends, “Collier is running out of land to develop.” Vellano added that, “Buyer demand is not likely to slow down anytime soon because homes in Naples are still much more affordable than homes in other parts of the country like California, New York and Chicago.”

“I don’t know if we’ll see another 39 percent increase in median closed price year over year this year,” said Dominic Pallini, Broker at Vanderbilt Realty, “but we’re in a unique area of the world where buyers are willing to pay to be here.”

We encourage the following groups of homeowners to consider listing their properties now if they want to maximize profits before the market changes:

- Owners of rental property that require substantial maintenance and who could gain the same or more profit from investment dividends
- Older homeowners whose future plans include living in a retirement or assisted living community
- Empty nesters who don’t require a large single-family home anymore
- Second-home owners who would enjoy a profit and can purchase a Naples home closer to retirement

If you are looking to sell a home in Naples, contact a Naples REALTOR® professional who has the ability and expertise to provide you with an accurate market comparison in this fast-moving market, manage your showings to the right audience, evaluate the use of contingencies, and help you negotiate your home sale during a multiple offer process. 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](http://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 7,500 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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