

## FOR IMMEDIATE RELEASE

*Contacts: Nick Bobzien, NABOR® Media Relations Committee Chair, (239) 597-1666  
Marcia Albert, NABOR® Director of Marketing, (239) 597-1666*

### Naples Housing Market is Redefined

Naples, Fla. (February 1, 2023) – In the first year after a two-year interruption in normal activity caused by the COVID-19 pandemic, the Naples real estate market is stable in terms of value, but there are not as many homes to choose from, and prices have elevated. As pandemic restrictions loosened in 2022, sellers and buyers pivoted their attention from the housing market to the travel market. As a result, and according to the December 2022 and 2022 Annual Market Report by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), overall closed sales in 2022 decreased 34.8 percent to 10,156 properties from 15,570 properties in 2021. And while inventory is beginning to rebound, increasing 106.3 percent to 2,465 properties in December 2022 from 1,195 properties in December 2021, broker analysts reviewing the report are uncertain where and when an influx of inventory will arrive to meet our pre-pandemic levels.

The report showed only 105 homes for sale below \$300,000 in December compared to 1,816 in December 2019. Reviewing the report, Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., remarked that “aside from the below \$300,000 price category, inventory nearly doubled in every other price category by the end of 2022 compared to 2021.”

Demand for the Naples lifestyle remained constant in 2022, and low inventory pressed median closed prices upward. The overall median closed price in December 2022 increased 13.9 percent to \$575,000 from \$505,000 in December 2021. Looking back at December 2019, the median closed price was \$344,255; and inventory was double what it is today.

“We can expect values to stabilize despite our tight market,” said Cindy Carroll, SRA, of Carroll & Carroll Appraisers & Consultants, LLC. Carroll believes the challenge moving forward will be convincing sellers and buyers that factors in place during the pandemic, when prices soared due to elevated demand, are completely different than they are today. “It’s going to take a while for us to readjust to our new market conditions.”

Economic factors affecting our market include a possible recession, and rising mortgage rates, which are still over six percent, on average. “Many people who bought a home in the past ten years enjoyed a very low fixed rate,” said Jillian Young, President, Premiere Plus Realty. Carroll added that, “when you factor in rising rates, insurance, assessments, and taxes, the cost of buying a home today in Naples is a lifestyle that many people can’t afford.”

These same factors are affecting new listing inventory as well. Demand for homes in 2022 kept REALTORS® busy looking for new listings, which dropped 8.4 percent to 13,577 compared to 14,819 in 2021. Many

homeowners, especially those who purchased homes below \$300,000 or at low interest rates, are now unable to afford a change in local address due to the increase in mortgage rates.

Then, in the wake of Hurricane Ian, the Naples real estate market pivoted again in the fourth quarter of 2022. Homes that suffered damage fell into two categories depending on their age and the Federal Emergency Management Agency (FEMA) 50 percent rule. (The FEMA 50 percent rule, as part of the National Flood Insurance Program, mandates that if a home incurs substantial damage — determined when repair costs total or exceed 50 percent of the property’s market value — it must be brought up to current building codes and floodplain regulations.) “Older homes in affected areas like the Moorings, Park Shore and Naples Park are facing this situation now, which might produce some new inventory, as the owners may not want to bear the cost of renovation,” said Adam Vellano, a Naples Sales Manager at Compass Florida.

The NABOR® December 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:

<b>CATEGORIES</b>	<b>DEC 2021</b>	<b>DEC 2022</b>	<b>CHANGE (percentage)</b>
Total showings (month/month)	25,464	19,227	-24%
Total closed sales (month/month)	1,103	636	-42.3
Total pending sales (homes under contract) (month/month)	1,038	682	-34.3
Median closed price (month/month)	\$505,000	\$575,000	+13.9
New listings (month/month)	866	765	-11.7
Total active listings (inventory)	1,195	2,465	+106.3
Average days on market	27	49	+81.5
Single-family closed sales (month/month)	538	335	-37.7
Single-family median closed price (month/month)	\$675,000	\$735,000	+8.9
Single-family inventory	764	1,504	+96.9
Condominium closed sales (month/month)	565	301	-46.7
Condominium median closed price (month/month)	\$405,000	\$455,000	+12.3
Condominium inventory	431	961	+123.0

The number of single-family homes in inventory decreased by 54 homes between November and December 2022, while condominium inventory rose by 44 condominiums during the same time frame. “Condos were a big asset class to offload in December,” said Young. “After the hurricane, assessments rose, and new mandatory reserve requirements were put in place, so a lot of condos are coming back onto the market.”

Hughes commented that, “new home builds are slowing down since many builders are busy with hurricane renovations.” While new home builds slumped in December, according to the report, new construction sales consumed 16.7 percent of all closed sales in December, up slightly compared to the last two months.

According to Vellano, “We are not a traditional market in that we don’t rely on people moving internally like other metropolitan areas in the U.S. Because of our location’s desirability, there has and will always be a demand for property by people who want a piece of the Naples lifestyle.”

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](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 7,900 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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