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Pre-Season Inventory Boost is Good News for Naples Housing Market

Naples, Fla. (December 27, 2024) – A 23 percent increase in new listings during November was a welcome addition to the Naples housing market’s overall inventory, which rose 32.4 percent to 5,368 properties from 4,052 properties in November 2023. Sellers entering the market in November were met with eager buyers as overall pending sales for the month increased for the first time in five years. Broker analysts reviewing the November 2024 Market Report by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), are optimistic that this shift demonstrates not only the resiliency of the Naples housing market, but also its renowned desirability.

A Fading Shadow

The COVID pandemic and multiple hurricanes cast a shadow over the Naples housing market making it difficult to examine and compare data to activity within the last five years. To provide historic perspective void of these market disruptions, NABOR® began comparing monthly data to data from corresponding months in 2019 (pre-COVID). But this long shadow is finally fading as November’s market report shows improvement and stability in several significant areas.

“Inventory is finally up to where it was in April 2020!” exclaimed Molly Lane, Senior Vice President at William Raveis Real Estate. “More new listings are expected in December too, which will provide many great, new options for buyers who visit during the 2025 winter season.”

Overall median closed price decreased 1.7 percent to \$575,000 from \$585,000 in November 2023. This decrease was fueled by the condominium market, which reported a median closed price decrease of 10.8 percent. Alternately, the single-family home market’s median closed price in November increased 2.8 percent.

Months supply of homes in November was 8.1 months compared to 5.5 months in November 2023. This figure illustrates the number of months it would take for all active homes in the inventory to sell. It is calculated by dividing the number of homes for sale by the number of homes sold in the given month.

According to real estate experts, 12 months of inventory is historically considered a balanced market for Naples.

“There were 1,288 price reductions in November,” said Jeff Jones, Broker at Keller Williams Naples. “The practice of aspirational pricing by sellers to 2020-2021 levels is quickly fading as those sellers continue to reduce their prices down to realistic market levels.”

“If the Naples market continues on this path, we should expect to see more unit growth in 2025,” said Budge Huskey, CEO, Premier Sotheby’s International Realty. “And home prices will likely return to the mean and pace inflation.”

Pre-Season Boost

Overall pending sales increased 10.7 percent in November to 732 pending sales from 661 pending sales in November 2023. Overall closed sales decreased 18.4 percent in November to 448 closed sales from 549 closed sales in November 2023. Days on market increased 40.7 percent to 83 days from 59 days in November 2023. Incidentally, days on market during November 2019 was 92 days.

“We know many homes were pulled off the market during late spring through early fall,” said Adam Vellano, Managing Director of South and Southwest Florida at Compass Florida. “I anticipate we will start to see many of them return to the market in the next month or so, which will likely cause the days on market to increase because people will need more time to view all the new options.”

According to Dr. Shelton Weeks, Lucas Professor of Real Estate and Director of the Lucas Institute for Real Estate Development & Finance at Florida Gulf Coast University, “I don’t think we will see interest rates go below 6.25 percent. If we end up at 6.5 percent in 2025, many buyers will be very happy. Rates are historically very good, and if the stock market continues to perform well, then we should expect more people will feel confident in investing in a second home in 2025.”

The NABOR[®] November 2024 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 2024:

CATEGORIES	NOV 2023	NOV 2024	CHANGE (percentage)
Total closed sales (month/month)	549	448	-18.4%
Total pending sales (homes under contract) (month/month)	661	732	+10.7%
Median closed price (month/month)	\$585,000	\$575,000	-1.7%
New listings (month/month)	1,218	1,498	+23.0%
Total active listings (inventory)	4,053	5,368	+32.4%
Average days on market (month/month)	59	83	+40.7%
Single-family closed sales (month/month)	264	239	-9.5%
Single-family median closed price (month/month)	\$720,000	\$740,000	+2.8%
Single-family inventory	2,144	2,662	+24.2%
Condominium closed sales (month/month)	285	209	-26.7%
Condominium median closed price (month/month)	\$465,000	\$415,000	-10.8%
Condominium inventory	1,909	2,706	+41.7%

Condominium Market Outlook

“Mandatory milestone structural inspections on most condominiums in Naples have been completed and they have done very well,” said Jones. “We are not facing the same challenges as the east coast of Florida where many condos built before 1992 did not adequately fund reserves to pay for necessary structural repairs.”

In November, the Naples condominium market enjoyed a 27.9 percent increase in new listings, which thereby boosted its inventory 41.7 percent to 2,709 condominiums from 1,909 condominiums in November 2023. According to Jones, “the cost of living in an older condominium may increase as associations begin to replenish their reserves.”

Vellano added, “It’s important for sellers to look at the age and condition of active listings when pricing a property for sale. Though, with more new listings expected in the coming months, this data will change. Working with a REALTOR® who can dig into the data will help you keep your property priced competitively.”

The Insurance Obstacle

Weeks remarked, “A home with an old roof may cause insurance coverage issues for the buyer. In some of these cases, instead of delaying a sale until a roof is replaced, sellers are reducing prices.”

Brokers recommend sellers and buyers work with a REALTOR® to identify any characteristics that could impact insurability. REALTOR® members can access NABOR® classes that provide information on contributing factors influencing the cost of homeownership like home and flood insurance, building codes, new condo/HOA codes, and changing FEMA guidelines.

“Oftentimes, small independent insurance brokers can offer coverage options that the large insurers don’t offer,” said Spencer Haynes, Vice President of Business Development and Broker with John R. Wood Properties. “Working with a professional REALTOR® who can navigate the Naples market and who has relationships with auxiliary professionals in areas like inspections, financing, and insurance will make a big difference for both sellers and buyers in 2025.”

Jones agreed and added, “There are many new companies offering coverage options in Florida now and the added competition will eventually help to reduce price spikes.”

If you are considering buying or selling your home, look to a Naples REALTOR® who can 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.

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 8,500 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 1.4 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 whom are non-paid volunteers.

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