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THE BORG GROUP REAL ESTATE TEAM

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Market Update

DOWNING-FRYE: A STRONG START TO THE YEAR

"We are happy to report that activity steams forward," said Mike Hughes, Vice President and General Manager of Downing-Frye Realty. "In 2016 we closed over \$1.4 billion in sales volume, and went into the new year with a strong inventory of over 1,300 listings. Through January, we were up 26% in closings over the same period last year. We continue to be optimistic about this year's activity, especially in light of our recent performance."

NAPLES:

180 9th Street S. (U.S. 41)
Naples, FL 34102

3620 Tamiami Trail N. Ste.101
Naples, FL 34103

BONITA SPRINGS:

23421 Walden Center Drive
Bonita Springs, FL 34134

NAPLES: INVENTORY OUTPACED SALES IN 2016

The local real estate market performed well in 2016 despite unpredictable market influencers (February stock market slump, low Canadian exchange rate, Brexit and Zika fears, the presidential election).

The overall median closed prices for homes above \$300,000 did not change during 2016. Homes in the \$500,000 to \$1 million price category experienced only a 3 percent decrease in their overall median closed price to \$650,000 in year ending 2016 from \$667,000 in year ending 2015.

Overall inventory increased 34 percent to 5,946 homes in year ending 2016 from 4,426 homes in year ending 2015. The Naples Beach area experienced the highest number of new listings with 437 homes added to its inventory during 2016, and that area also saw the largest decrease in overall closed sales during 2016 of all other geographic areas reported. Overall closed sales in this highly desired location decreased 21 percent to 1,525 homes in year ending 2016 from 1,922 homes in year ending 2015.

BONITA /ESTERO: BUYER'S MARKET FOR RESALES

December 2016 saw a continuation of closed home sales in all price points with an overall 3 percent increase in the median closed price. "A 3 percent increase in the median closed price shows nice, steady growth for the Bonita Springs and Estero markets," stated Jerry Murphy, managing broker, Downing-Frye. "This number reflects a healthy, stable market."

The number of overall closed sales, including single-family homes and condos, for the 12 months ending December 2016 was 2,904 units as compared to 3,132 units for the 12 months ending December 2015, a 7 percent decrease. Pending sales for December 2016 were at a 9 percent decrease with 2,872 units versus 3,174 units compared to December 2015. The days-on-market was 105 days, which was an increase of 38 percent from 76 days in December 2015. As of Jan. 1, 2017, there were 1,475 units of inventory for single-family homes and condominiums, and the current months of inventory stands at five months.

FLORIDA: TIGHT HOUSING SUPPLY

Home sellers continued to get more of their original asking price at the closing table in December: Sellers of existing single-family homes received 96 percent (median percentage) of their original listing price, while those selling townhouse-condo properties received 94.7 percent (median percentage).

The statewide median sales price for single-family existing homes in December was \$226,000, up 9.2 percent from the previous year.

"Florida's markets for existing homes closed out the year in December with a performance very much in line with what we saw over the previous 11 months of 2016," said Florida Realtors' Chief Economist Brad O'Connor. "At the local level, single family home sales increased in 15 of Florida's 22 metro areas, while condo and townhouse sales rose in only five of these markets. And, as has been the case all year, the lack of significant sales growth in much of the state has had a lot more to do with a shortfall of supply in key price tiers than with demand."

Inventory dipped to a 3.9-months' supply in December for single-family homes and was at a 6-months' supply for townhouse-condo properties.

USA: 2016 SALES BEST SINCE 2006

Existing-home sales closed out 2016 as the best year in a decade, even as sales declined in December as the result of ongoing affordability tensions and historically low supply levels.

Lawrence Yun, NAR chief economist, says the housing market's best year since the Great Recession ended on a healthy but somewhat softer note. "Solid job creation throughout 2016 and exceptionally low mortgage rates translated into a good year for the housing market," he said. "However, higher mortgage rates and home prices combined with record low inventory levels stunted sales in much of the country in December. Given current population and economic growth trends, housing starts should be in the range of 1.5 million to 1.6 million completions and not stuck at recessionary levels."



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