

## Market Shows Resilience at the End of Third Quarter

The Naples area housing market maintained positive traction during the Third Quarter of 2017 despite enduring a hurricane that impeded activity for three weeks in September. According to the September 2017 Market Report released by the Naples Area Board of REALTORS® (NABOR®), there were 398 closed sales during the month of September, a 30 percent decrease compared to September 2016.

September proved challenging for the real estate market as homeowners and agents were forced to wait while public and utility services rebuilt or repaired infrastructure damaged by the hurricane. This was reflected in statistics released for September, which affected total outcomes for the Third Quarter of 2017. However, year-to-date numbers tell a different story as activity in pending, closed and median price categories were up year over year at the end of the quarter!

"To withstand a hurricane and still outperform last year's activity is a clear sign of market resilience," said Budge Huskey, President, Premier Sotheby's International Realty. Broker analysts who reviewed both reports agreed that our county's hurricane building code standards and quality craftsmanship by local builders helped to greatly reduce the amount of major structural damage in the area.

"The hurricane hit us in the right month," said Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., who went on to explain that September is typically when the housing market takes a breath before it begins to intensify again. Yet despite a direct hit by a major hurricane, overall closed sales for the third quarter increased 3 percent (year over year). Not surprisingly, the storm's short-term impact on the housing market in September only tempered sales slightly in the third quarter by 5 percent (quarter over quarter), which translated to just 86 fewer closed sales than in the third quarter of 2016.

Hughes added that activity in July and August outperformed the same months last year. If the hurricane had not hit the area in September, the third quarter of 2017 would have shown much more impressive activity.

"A 55 percent decrease in pending sales for September is equivalent to three weeks of inactivity," said Coco Amar, a managing broker at John R. Wood Properties. "These sales didn't disappear, they are just delayed."

"That's true. Our office saw more closings in the first week of October than it did for the entire month of September," said Bill Coffey, Broker Manager of Amerivest Realty Naples.

The hurricane's force slowed inventory in September, which resulted in a third quarter decrease of 9 percent. Jeff Jones, Managing Broker at the Naples-Park Shore office of Coldwell Banker® said this was most likely a result of homeowners either delaying to list because they evacuated or removing a listing because they needed time to clean up and make minor repairs to properties following the storm.

"The hurricane created big concerns and delays from banks too," said Jones. "Most lenders are requiring re-inspections and re-appraisals of properties after the hurricane."

One element the hurricane failed to harm was the continued growth in property value for Naples. Overall median closed prices in the third quarter of 2017 increased 3 percent to \$320,000 compared to \$312,000 in the third quarter of 2016.

"The integrity of our real estate market has been renewed now that it survived a direct hit from a major storm like Hurricane Irma," said Lauren Melo, PA, Licensed Real Estate Broker with Florida's Realty Specialists, adding, "Even homes built over 50 years ago withstood damage. Our survival actually strengthened buyer confidence."

The NABOR® Third Quarter 2017 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. The NABOR® Third Quarter 2017 sales statistics are presented in chart format, including these overall (single-family and condominium) findings:

<b>CATEGORIES</b>	<b>3Q 2016</b>	<b>3Q 2017</b>	<b>CHANGE</b>
Total homes under contract (pending sales) (quarter/quarter)	1,952	1,675	-14%
Total homes under contract (pending sales) (year/year)	9,045	9,146	1%
Total closed sales (quarter/quarter)	1,889	1,803	-5%
Total closed sales (year/year)	8,627	8,885	3%
Median closed price (quarter/quarter)	\$312,000	\$320,000	3%
Median closed price (year/year)	\$318,000	\$329,000	3%
Median closed price >\$300K (quarter/quarter)	\$485,000	\$498,000	3%
Median closed price >\$300K (year/year)	\$525,000	\$512,000	-2%
Total active listings (inventory)	5,044	4,608	-9%
Average days on market	86	99	15%

Single-family closed sales (quarter/quarter)	1,001	927	-7%
Single-family median closed price (quarter/quarter)	\$382,000	\$418,000	9%
Single-family inventory	2,669	2,314	-13%
Condominium closed sales (quarter/quarter)	888	876	-1%
Condominium median closed price (quarter/quarter)	\$241,000	\$248,000	3%
Condominium inventory	2,375	2,294	-3%

"Fortunately, media in most of the core areas where our buyers come from didn't overhype the storm, which helped obscure fears," said Cindy Carroll, SRA, with the real estate appraisal and consultancy firm Carroll & Carroll, Inc. "This is going to be a very good history lesson for us because the hurricane hit during a time of stable market activity. By January though, I think our brush with Irma will be forgotten."

Carroll added that sales of existing homes are poised to increase in the coming months too because much of the labor force stepped away from new construction to work for companies that provide a variety of property maintenance, including tree removal and lawn debris cleanup.

Wes Kunkel, President and Managing Broker at Kunkle International Realty, added that material costs for new construction may increase too as there will be shortages across the country due to the hurricanes and fires. Carroll responded that delays in new home construction might spur increases in existing home values, especially if inventory does not keep up with the pace of sales.

The NABOR® September 2017 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. The NABOR® September 2017 sales statistics are presented in chart format, including these overall (single-family and condominium) findings:

<b>CATEGORIES</b>	<b>Sept 2016</b>	<b>Sept 2017</b>	<b>CHANGE</b>
Total homes under contract (pending sales)	661	299	-55%
Total closed sales	566	398	-30%
Median closed price (month/month)	\$318,000	\$310,000	-3%
Median closed price >\$300K (month/month)	\$452,000	\$492,000	9%
Total active listings (inventory)	5,044	4,608	-9%
Average days on market	92	96	4%

Single-family closed sales	301	173	-43%
Single-family median closed price (month/month)	\$378,000	\$448,000	19%
Single-family inventory	2,669	2,314	-13%
Condominium closed sales	265	225	-15%
Condominium median closed price (month/month)	\$245,000	\$238,000	-3%
Condominium inventory	2,375	2,294	-3%

Compared to other tropical second-home destinations like Puerto Rico, the Southwest Florida housing market fared quite well after it faced a hurricane. Broker analysts including Hughes and Kunkel believe our area may see an uptick in sales from buyers who had their eyes set on an island home in the Caribbean.

[View 3Q 2017 Market Statistics](#)

[View September 2017 Market Statistics](#)