



# Newsletter



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## **BONITA SPRINGS – ESTERO: SALES STRONG – INVENTORY DWINDLING**

August 2010 – The Bonita-Estero luxury home market has been strong since the beginning of 2010 with \$37-million dollars in sales of homes priced above one million. However, only three of those sales took place in June 2010, which showed the lowest sales total for the year. And for the first time in 2010 there were no sales of luxury condos reported for June. The top ten sales for the Bonita-Estero market were in the communities of the Brooks and Bonita Bay, with the highest sale being \$2,699,000 in the Brooks.

Sales of properties priced at \$200,00 and less continue to be active. Closed sales of single-family homes have been averaging 40 to 50 per month for the last four months. There have been 84 closed sales of condominiums during May and again the same number in June 2010. This is down from a 100 per month average during the height of the season (January–April).

Although sales of single-family homes remain strong, inventory is dwindling. Fewer homes are coming on the market (May 2010 showed 191 new listings, June 2010 showed 152 listings) and sales are robust (June 2010 showed 90 closed sales, the second highest month of sales for 2010).

## **NAPLES REAL ESTATE: LEADING THE LUXURY MARKET**

The availability of single-family homes and condominiums in the Naples area is the lowest it's been for the last three years. The present inventory is said to have reached a state of equilibrium, meaning that properties coming on the market about equal the number being sold. The present level of inventory is estimated to be enough to last between 11 and 12 months.

The Naples luxury market (one million plus) showed the greatest increase in activity. During the second quarter of 2010, pending sales increased by 38 percent and closed sales by 48 percent compared to the same period last year.

In general, pending sales increased by 8 percent for the second quarter of this year (2,807 contracts) compared to the same time period in 2009 (2,600 contracts). Actual closed sales for the 12-month period ending June 2010 (8,173 closed sales) increased by 42 percent over the same period ending June 2009 (5,744 closed sales).

Sales of single-family homes increased by 8 percent

with 1,215 sales in the second quarter of 2010 compared to 1,127 sales in the second quarter of 2009. Single-family pending sales in the \$1 million to \$2 million price range increased 61 percent with 92 contracts in the second quarter of 2010 compared to 57 contracts in the second quarter of 2009.

Condo sales increased 31 percent with 1,270 sales in the second quarter of 2010 compared to 968 sales in the second quarter of 2009.

The overall median closed price increased 14 percent to \$200,000 in the second quarter of 2010 up from \$175,000 in the second quarter of 2009. “The price range that showed the largest increase in median closed price was the under \$300,000 category with a 10 percent increase to \$140,000 in the second quarter of 2010 compared to \$127,000 in the same quarter last year,” said Mike Hughes, General Manager and Vice-President of Downing-Frye Realty, Inc.

## **ABOUT THE MARKET: BUYING CONDITIONS FAVORABLE**

Statewide, sales of existing homes in June 2010 increased by fifteen percent compared to June 2009. June 2010 marks 22 consecutive months where sales activity increased in year-to-year comparisons.

“There are a lot of factors that have kept our southwest Florida market strong,” said Mike Hughes. “We currently have incredibly low interest rates.\* We also have a good selection of inventory. In addition, many of the sellers are negotiable. There is a certain amount of pent up demand. Since the 2006 turn in the real estate market, many buyers had been sitting on the fence. They will only sit for so long. If you were a retiree in 2006 and lived up north in the cold weather, how many years are you willing to wait? Many of those that have been sitting on the fence will still buy. I think we are seeing that this year. We have had a very good first half of the year for sales. The June 2010 closed sales volume for Downing-Frye Realty, Inc. was up 66% over June of last year. We closed \$121 million in the month of June, and we are well on our way to closing over one billion dollars in sales this year.

\*NOTE: The interest rate for a 30-year fixed-rate mortgage averaged 4.74 percent in June, down from the 5.42 percent averaged during June 2009, according to Freddie Mac.

Source: The Bonita Springs-Estero Assoc. of REALTORS®, Naples Area Board of REALTORS®, Florida Realtors®

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