

Fewer sales, higher insurance

How Naples market is really doing

In the Know

Phil Fernandez

Naples Daily News

USA TODAY NETWORK – FLORIDA

Naples home prices keep soaring despite fewer sales and mushrooming inventory, the latest data shows.

Five years ago, the overall median closed price was \$335,000. Today, it's at \$625,000, a 5% jump from a year ago, according to Naples Area Board of Realtors. Transactions in 2023 while 67% more abodes are available, reaching above 5,000.

A NABOR analysis found patient buyers are still shelling out big cash if a Collier County house meets their high standards: 'In the face of far more inventory and opportunity Naples today. People are being highly selective and will wait until they find the right property.'

1. How many price decreases have occurred?

February featured 2,264 price decreases, indicating 'sellers are shifting from aspirational pricing to realistic market pricing,' NABOR research concluded. 'Some sellers are pandemic buying frenzy years with climbing price increases are over.'

2. What about interest rates, which are closer to what had been normal?

Vanderbilt Realty Broker Dominic Pallini said eager buyers are out there, with rising interest rate shock subsiding. They're now closer to where they had been historically, a Bankrate, which has served financial institutions since 1976.

'New homeowners are showing acceptance of 6.5 or 7% interest rates,' Pallini said.

3. How have mortgage rates varied nationally over the years?

YEAR

30-YEAR FIXED-RATE AVERAGE

2023

7.00%

2022

5.53%

2017

4.14%

2012

3.88%

2007

6.40%

2002

6.57%

1997

7.57%

1992

8.27%

1987

10.40%

1982

16.04%

30-year fixed-rate average

Rates were highest in the President Reagan years but sunk dramatically under President Obama.

4. What is a major factor in the housing market right now?

'Property insurance rates are influencing home buying decisions,' said Adam Vellano, a managing director at Compass Florida, which has offices in Collier and Lee, where reporting a 3% median home price drop to \$380,000 from a year ago and a 4% decline in purchases.

As many are experiencing, when home values escalate, the replacement cost to insure also rises, Vellano and other brokers said. Coupled with insurance rates, association fees by the end of 2024 tied to inspection legislation.

5. How much are Fla. insurance rates expected to jump in 2024?

Florida home insurance rates are expected to grow 7% this year, according to Insurify projections. The state's owners already pay more than four times the national average, basin in 2024 could lead to even higher pricing.

'A hurricane season from hell could pile crisis upon crisis,' said Betsy Stella, Insurify vice president of carrier management and operations. 'The financial solvency of all insu

6. How much of an increase has there been in 300K homes in Naples?

The NABOR report showed a 103.4% leap in properties under \$300,000.

Possibly, 'investors are offloading rental property units to capitalize on the winter selling season,' said Mike Hughes, Downing-Frye Realty vice president. 'Also, the carrying climbed in recent years. This increase in inventory, for buyers looking in this price range, is encouraging.'

Columnist Phil Fernandez has led Pulitzer Prize-winning efforts.

(c) Naples Daily News
Powered by TECNAVIA