



2006 – A Real Estate Market Odyssey

Selling Your Home in Naples may seem like an endless journey these days, but the market is still very healthy. With a good sales strategy, we can make it even better.

Living in America, we've gotten spoiled by the fact that no matter what is going on in the world, most things go our way. Overall, we're a wealthy country with an excellent economy and a thriving middle class. Life is good. But when we experience a downturn of any kind, we tend not to know how to react.

For instance, when the Naples real estate market started going through the normalization that we are currently seeing, homeowners were not just unhappy about it, they were downright upset.

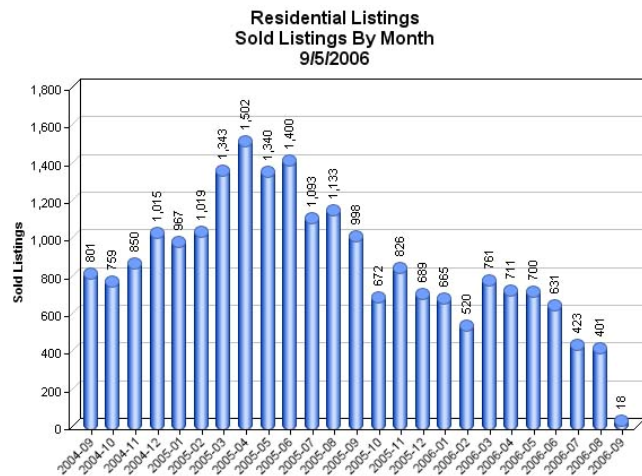
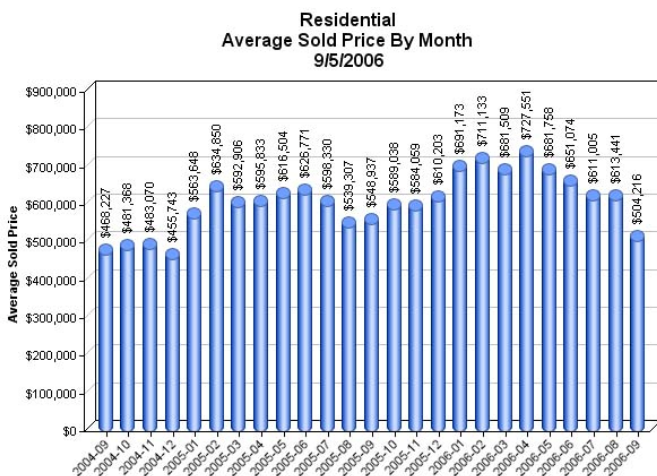
Looking at the market from a 2005 point of view, there is a lot to be upset about. What would happen if we started looking at the market from a 2004 point of view? Let's talk numbers.

What A Difference A Year Makes

In 2004, the average home sale price in Naples was \$450 - 550K; volume was around 900 home sales per month.

In 2005, homes in Naples were selling for an average price of \$750 - 850K, with a sales volume of about 1300 per month.

In 2006, the average home sale price so far is \$500 - 675K, 400 per month sales volume.



(Graphs courtesy of Naples MLS)

Perspective, Grasshopper

You could look at these numbers and say, "Wow, I should have sold in 2005!" Or you can look at these numbers and say, "Wow, if I sold in 2005, I could have made a tidy profit, but even if I sell in 2006, I'll still be way ahead of the game." It's all in how you look at it.

Call it a bubble, call it whatever you want. The facts are that in 2005 Naples experienced a rare market upsurge. Just like in any market – take the stock market and the famed 1990's "dot-com" boom, for example. Prices started rising, more people got into the market, it quickly became saturated then flooded and pop!

But, there is a enormous difference between the dot-com bust and our local Naples real estate market. Our balloon is still soaring over roof-tops, we're just not up in the stratosphere anymore. And truth be told, the view is a lot better from here for most people.

Going forward, we have to train ourselves to stop comparing this year to last year. 2005 was an aberration, not normal. We are back to normal now and we can only compare this normal year to other normal years. I mean, you can keep looking back to 2005 if you want, but it will only make you feel bad.

Eyes Front, Full Speed Ahead

Now that we're looking forward again, let's explore how to get our normal 2006 market to pick up the pace a bit – yes, it can be done.

First, we have to study what is currently happening with home sellers. They typically are choosing one of the following sales strategies. (Hint: only one of these works and only one will improve our current market).

1. Stay competitive. You've decided to sell and you're asking for a 2005 price in a 2006 market, and you're determined to get that price. Reality: your price is too high and your home is going to be on the market for a long time.
2. Get out. Your home has already been on the market for what seems like forever. You're disappointed, frustrated and done. Sitting out the real estate market for a few years (3, 4 or 5 years or longer), may just be the ticket to getting that higher price. Seems logical.
3. Feed the beast. Ah, worthy opponent, you have found the weakness in the market and may conquer it yet. You really want to sell and you're only looking forward. You bought your home for \$400K in 2002 and you're asking \$600K in 2006. You stand to make a lovely return on investment, and you'll probably sell in 3-4 months. Congratulations, you've not only won our little challenge, but you've done your part to improve the local market overall.

Player number 3 understands that by setting a realistic price, he'll not only sell his home, but he'll actually help to increase the sales pace of the market. Once more sellers start to

follow his lead, a healthy and moving market isn't far behind. Sellers will be able to sell in a timely manner and for a reasonable price.

Go With the Flow

Paddling against the tide only makes you exhausted. It doesn't improve your position on the sea. The Naples real estate market is an ocean of buyers and sellers. If you are serious about selling, your best course of action is to go with what works. Yes, you may need to take less than you would have a year ago, but you're most likely still going to do very well.

Ultimately as a seller, the course you set is your choice. You know what you want and what you need. But do give it some rational thought. Once you truly understand why we can't compare our current market to last year, you'll know what you need to do.

Rely on The Parlante Group

When you make your choice to sell, or if you need some help finding that magic number of an asking price, give us a call. Our team is made up of Naples real estate market experts. We study and track the market on a daily basis and we give you an honest – and realistic – evaluation of your home's 2006 value.

Our team members are optimistic about the current market and we know that it will continue to improve. After all, this is Naples – one of the most active, culturally diverse, and beautiful waterfront cities in the entire world. It really is paradise. People will always want to live here, and that means only good news for our real estate market – and for our residents.

Ready to Buy, Sell or Invest in Naples?

We can be reached toll-free at **1-800-562-0233**, or via email at info@NoSnowNaples.com. Visit our comprehensive web site, www.NoSnowNaples.com, for even more market news and special reports, or to **Chat Live** with a NoSnow representative online.