



Catching a Naples Home Deal on the Rebound

Smart investors, families, second home and vacation home buyers and retirees are buying up reasonably priced homes and foreclosures all over the Naples area.

Sunshine MLS, the Naples area multiple listing service, is reporting a hike in the number of homes sold in 2008 compared to 2007. According to Sunshine MLS in fact, the level of 2008 home sales was well above normal – excluding the boom years 2003-2005.

Ah, yes, the boom years. “Excluding the boom years” has been a hard pill to swallow for many people with homes on the market. Even now, with an inventory of about 10,000 homes for sale in the Naples area alone, only a fraction of these homes are listed at saleable prices.

Seems some sellers just don’t want to let go of a good thing – namely the inflated prices of the “boom” years 2003, 2004 and 2005. And who can blame them? Some people made a killing during those years – and some just got killed. So let go, we must. Those years were an anomaly made up of artificially inflated home values.

So even though home sales in Lee County were up 140% last December, home values were down 50%. Market experts don’t expect to see any real improvement until 2010. Historically, in a “normal” market, property values increase at a rate of 3-5% annually. For many homeowners that means recouping your loss could take 5 to 7 years or more.

The bubble was destined to bust – that’s what they do.

Relaxed lending stoked the fire and now we are all witnessing, and suffering through the result: An entire country – perhaps world – in a deep economic recession. To hang on to pipe dreams of exorbitant, unrealistic prices will only get the seller one thing: NO SALE.

**Given the dramatic decrease in property values,
what’s the smartest thing a seller can do?**

Sell.

Yes, sell. Get out of the overpriced market as soon as possible and get back into the devalued market. Selling your overpriced property at a loss and buying something cheaper will speed your recovery. It is better to own a devalued property and see the value rise, than to hold on to an overpriced property and wait for the market to recover. The market may *never* recover that much.

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**That the bust and subsequent recession should be
a surprise to anyone is, well, *surprising*.**

Markets are cyclical. What goes up, must come down. While the current economic crisis has yet to hit bottom (according to most experts), the local Naples housing market seems to be rebounding.

Here's why:

- Credit markets are lightening up enabling people to borrow money again. The restrictions are tighter, but that's a good thing. If you're a seller its more important than ever that you show your home only to *qualified* buyers – or you'll waste a lot of time
- Foreclosures are bringing up home sale statistics and providing great deals for savvy buyers
- Normalizing home prices has re-opened Naples to the middle class – families, retirees, vacation and second home buyers

Naples as a destination for new and upgrading buyers, sells itself. Warm waters of the Gulf of Mexico teem with game fish and offer endless options for boating and water sports. There are miles and miles of pristine, tropically beautiful beaches. Some of the world's most spectacular and challenging golf courses are located in and around Naples. The area offers natural wonders like the Everglades and an array of lakes, rivers, wildlife sanctuaries and parks. And the cost of living is below average compared to other parts of the country.

If home prices kept people away before, the doors of Naples are swinging wide now, welcoming new buyers with open arms.

Sellers Won't Find Buyers Without Accurate Pricing

A traditional way to see if your pricing is in line with the market is to check and see what your neighbors are asking. Checking out the competition has been a tried and true method – until now.

Today, with the number of foreclosures on the market and nearly 80% of homes overpriced, the odds are that your neighbor's price is way off base. Savvy buyers are looking for a deal. They are checking home values based on *today's* market. As a seller, you must price your home according to its actual value, not what you hope you can get for it.

You might need a reality check. Give us a call, and we'll give it to you straight. We study the market and advise our sellers accordingly...realistically – and we're selling homes.

Locally, we can be reached at (239) 261-9050 or toll free at (800) 562-0233. Don't spend any more days on the market than you absolutely have to...call us today!

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