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**Key Interest Rates:**

- 30-year Fixed 4.43 %
- 15-year Fixed 3.81 %
- 5/1-year ARM 3.33 %
- 1-year ARM 3.11 %
- 30-year Fixed Jumbo 5.17 %
- 15-year Fixed Jumbo 4.54 %
- 5/1-year ARM Jumbo 3.82 %
- Prime Rate 3.25 %

**Inside the Numbers:**

Jan. 1—Oct. 31, 2010  
 (Naples Only)

**Single Family Homes**

Total # Sold **3,317**  
 Avg. Sale Price **\$472,106**  
 Currently Listed **3,562**  
 Currently Pending **956**

**Condos (all types)**

Total # Sold **3,313**  
 Avg. Sale Price **\$288,058**  
 Currently Listed **4,351**  
 Currently Pending **762**

**Monthly Quote:**

Courage is not the absence of fear, but the mastery of it!

~ Zig Ziglar ~

# Nick Bobzien's Real Estate Review

Happy Thanksgiving, and welcome to my November 2010 Real Estate Review. If you know of someone else who would like to be included in this newsletter emailing, please email or call me with their contact information, & I would be happy to include them in all future emailings. I hope you continue to find this newsletter entertaining, useful & informative. Please feel free to send your comments to:

[Nick@SoldInNaplesByNick.com](mailto:Nick@SoldInNaplesByNick.com) Or call me at 239-825-5411

**Naples Real Estate Market: Impacts of Short Sales & Foreclosures**

The Naples Real Estate Market is quite interesting these days to say the least. Appraisers are having a difficult time finding quality supporting comparables to justify the sales price, lenders are having a difficult time due to much tighter lending guidelines, title companies are having a difficult time with lien & title searches being so complex & backlogged, & even consumers are having a difficult time dealing with the stress & patience that comes with dealing with short sales & foreclosures.

Short sales & foreclosures have been a big part of the market since 2008, & will most likely continue to be into 2012. They are sold at prices well below current market values, are desired by a large portion of today's buyers, & make up a big percentage of sales.

I will go over the numbers shortly, but first, let us look at how these distressed sales impact the other aspects of Real Estate.

One issue that has consistently risen in this market during a sale is the appraisal. Appraisers have the difficult job of finding quality supporting comparables to justify the sales price of a home pending sale. Obviously a buyer purchasing a home that is a short sale or foreclosure does not usually have this issue because their sales price is typically well below the value. The buyers purchasing a home from a "conventional" seller are the ones having to leap over the hurdles. Appraisers are in the middle of this issue because they are most likely forced to use comparables that were distressed sales (ie: short sales & foreclosures). These sales were typically sold below value as mentioned, so it is at the Appraisers discretion as to how much value (if any) to add back to that distressed sale to give it an accurate market value. Some Appraisers I have spoken to have added anywhere from 5% - 15% in value back to the comparable property due to being a distressed sale. For example, if a short sale or foreclosure sold for \$200,000, an Appraiser might adjust the value of that home to anywhere between \$210,600—\$235,300 just for being a distressed sale. Remember, each Appraiser is different, & thus have different opinions. An appraisal is an art, not a science, so each Appraiser might give different values to each adjustment that is made.

Another issue comes from the mortgage lending side of the transaction. Lenders have been under a lot of heat over the past 5 years due to the substantial amount of delinquent loans. If the banks did not allow borrowers to obtain loans with very little or no down payment, stated income & stated assets, &

hardly any "due diligence", many of the borrowers would not have been able to obtain loans they could not truly afford, thus they would not have become delinquent or been foreclosed upon. Yes, lending guidelines were less stringent several years ago, but ignorance is bliss. Many want to blame the mortgage brokers, but if they did not try to get the buyer approved for a loan, the next broker would have. They were doing their job, putting food on their tables, & providing for their family. The banks are the ones who became lackadaisical with their guidelines, ultimately leading to this big mess. Now that we are in this mess, lenders & banks are being overly cautious. They ask for so much documentation from borrowers to ensure they are underwriting a loan for someone who can afford it, & is at little or no risk of foreclosure. This need for detailed documentation has caused delays in closing, and has even caused some sales to fall apart as well.

Title companies are having issues with the lien & title searches. Many of the counties public records are overloaded, thus backlogged. Liens are slow in being recorded, & some closings have been delayed because of this. Even the banks selling foreclosures have had issues getting the liens cleared off of titles so they can sell the property. This has been improving, & will continue to get better as time goes by.

The banks have improved their response time greatly on short sale offers, making it more inviting for buyers to attempt to purchase them. Remember, this was new to EVERYONE, so it took time to put the proper systems into place that would enable the process to run smoothly. It was a work in progress, & it too will continue to improve as time goes by.

I briefly want to go over some of the numbers regarding distressed sales. As you can see in the chart on the left, through Oct. 31st we have had 6,630 sales in Naples thus far. Of those sales, 1,535 (23%) were foreclosures, & 1,200 (18%) were short sales. That means that 41% of the sales in Naples were considered "distressed". Again, this makes it difficult for the Appraisers to find quality comparables when so many of them are distressed.

SunshineMLS began tracking short sales & foreclosures in 2008, (so there might be others that are not included). They made up 3% of all closed sales in 2008, & 40% of all closed sales in 2009. With 41% in 2010, it appears we have reached the plateau.

As always, please feel free to email me your thoughts & opinions on the Florida and/or Naples Real Estate markets!!

The figures for "Inside the Numbers" are derived from SunshineMLS on November 15, 2010. They are deemed accurate, but are not warranted or guaranteed. All interest rates are derived from [Bloomberg.com](http://Bloomberg.com) on November 15, 2010.

# Current Listings, Pendings & Recent 6 Month Sales



**Saturnia Lakes**—4+Den, 3.5 baths, 3 car garage, 3,773 sqft. under air, marble floors, granite counters, tropical pool, lake views, Turnkey Furnished! [Click Here](#) \$779,000



**Harbourside @ Wiggins Bay**—2 beds, 2 baths, 2nd floor, completely remodeled w/ new maple wood cabinets, granite counters, & SS appliances! [Click Here](#) \$175,000



**Village Walk**—3+ Den, 2 baths, 2 car garage, nearly 2,000 sq ft. under air, custom pool, crown molding, plantation shutters, impeccable condition! [Click Here](#) \$382,900



**Calusa Bay**—2+Den, 2 baths, 1 car garage, 2nd floor, nearly 2,000 sq ft. under air, beautiful lake views, electric hurricane shutters, Excellent condition! [Click Here](#) \$269,000



**Golden Gate**—2.80 acres of wooded land backing up to Twin Eagles Golf Club. Neighbor has a 1+ acre lake for your added viewing benefit! [Click Here](#) \$150,000



**Saturnia Lakes**—3 bedrooms, 2 baths, 2 car garage, granite counters w/ tumbled-stone backsplash, tile & wood floors, southern lake views, Furnished! [Click Here](#) \$349,000



**5 Acres**—Very Rare piece of Real Estate located only 10 min. to downtown Naples! 5 acres of private & peaceful land. You can have up to 10 horses!! [Click Here](#) \$895,000



**Port Charlotte**—Gulf Access vacant lot, 1/4 acre parcel, located in very popular area of Port Charlotte for boaters. Build your dream home! [Click Here](#) \$125,000



**Firano**—4+Den, 3 baths, 3 car garage, 3,000+ sqft, gourmet kitchen w/ granite counters & SS appliances, Huge backyard w/ private preserve views! [Click Here](#) \$599,999



**Golden Gate Estates**—3 bedrooms, 2 baths, 2 car garage, over 1,500 sq ft. under air, 2.73 acres, and a 2 bed, 1 bath guest house w/ 720 sq ft., Close-in! [Click Here](#) \$169,000



**Huntington Lakes**—2 bedrooms, 2 baths, 1 car garage, 2nd floor, over 1,100 sq ft. under air, beautiful western lake views, looks brand new! [Click Here](#) \$129,900



**Hidden Pines**—3 bdrms, 2 baths, 2 car garage, 1,600+ sqft, beautifully remodeled w/ granite & hickory maple wood cabinets, & fenced-in backyard. [Click Here](#) \$225,000

# Current Listings, Pendings & Recent 6 Month Sales



**Milano**—3 bedrooms, 2.5 baths, 1 car garage, beautiful lake views, nearly 1,600 sq ft., nice upgrades, great school districts, freshly painted, new carpets! [Click Here](#) \$1,200/mo.



**Sherwood**—2 bedrooms + Den, 2 baths, 1 car garage, beautifully Turnkey furnished, stunning lake views, hurricane shutters, Great Location!! [Click Here](#) \$169,900



**Pelican Isle**—3+Den, 3.5 baths, 2,800+ sq ft, 3rd floor w/ SW views of the Bay, Electric shutters & more. Offered for Sale or Rent! [For Sale](#) [For Rent](#) \$924,900 / \$2,995/mo.



**Fairway Preserve**—3 bedrooms, 2 baths, 1 carport, 1,500 sqft under air, 2nd floor, screened lanai, great amenities, great investment opportunity! [Click Here](#) \$95,000



**Golden Gate Estates**—3 bedrooms, 2 baths, 2 car garage, recently remodeled with all new SS appliances, granite counters, tile & carpet. [Click Here](#) \$104,500



**Milano**—3 bedrooms, 2.5 baths, 2 car garage, end unit, lake view, corian counters, over \$8,000 in custom window treatments, & many more upgrades!! [Click Here](#) \$229,900



**Commercial**—Office/Medical space in North Naples available for lease. 1st & 2nd floor units still available, General Impact Fees paid. [Click Here](#) \$18/sqft.



**Heritage Greens**—2 bedrooms plus Den, 2 baths, 1 car attached garage, nearly 1,700 sq ft, 2nd floor overlooking western lake & golf course views! [Click Here](#) \$199,000



**Fairway Preserve**—2 bedrooms, 1 bath, 1 car garage, 1,045 sqft under air, private & peaceful preserve view, screened lanai, great amenities! [Click Here](#) \$92,500



**Beau Rivage**—3 beds, 3 baths, 2 car garage, 16th floor, nearly 1,500 sqft under air, cherry cabinets, Corian counters Caloosahatchee River views. [Click Here](#) \$339,000



**Riva Del Lago**—4 bedrooms, 3 baths, 2 car garage, 2,312 sqft, Panoramic Western Views from this 18th floor end unit condo, many upgrades! [Click Here](#) \$479,000



**Sherwood**—2 + Den, 2 bath, 1st floor, 1 car garage, over 1,600 sq.ft, & beautiful Sunset lake views! Completely remodeled in 2009, plantation shutters. [Click Here](#) \$164,900

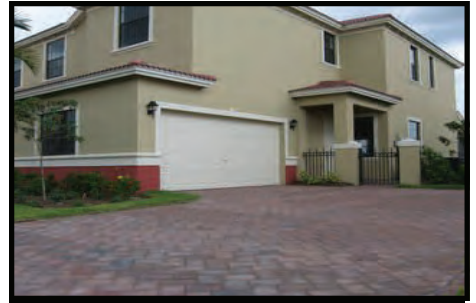
# Current Listings, Pendings & Recent 6 Month Sales



**Heritage Greens**—3 bedrooms plus Den, 2 baths, 1 car garage, 2,050 sq ft. under air, western lake & golf course views, new carpet, wood floor & paint. [Click Here](#) **\$229,000**



**Milano**—3 bdrms, 2.5 baths, 1 car garage, 1,580 sqft., lake views, granite counters, maple cabinets, SS appliances, & mahogany wood floors. [Click Here](#) **\$1,400/mo.**



**Summit Place**—3 bedrooms, 2.5 baths, 2 car garage, beautiful lake view, nearly 2,300 sq. ft. under air, large Master Suite, and lots of upgrades. [Click Here](#) **\$169,000**



**Golden Gate Estates**—3 bedrooms (each w/ a walk-in closet), 2 baths, 2.73 acres of land, split floor plan, tiled kitchen counters, and wood floors! [Click Here](#) **\$114,000**



**Sherwood**—2 bedrooms plus den, 2 baths, 1 car garage, 1st floor with private preserve views, granite counters, screened lanai plus stone paver patio. [Click Here](#) **\$164,900**



**Port Charlotte**—2 vacant neighboring lots in Port Charlotte—1 corner lot, 1 with Gulf Access! Each lot is nearly 1/4 acre in size! [Corner Lot](#) [Gulf Access Lot](#) **\$125,000/both**



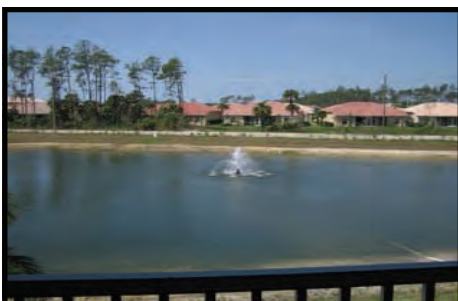
**Milano**—3 bedrooms, 2.5 baths, 1 car attached garage, nearly 1,600 sq ft., beautiful kitchen, many upgrades, very private view from lanai. [Click Here](#) **\$115,000**



**Golden Gate**—3 bedrooms, 2 baths, 2 car garage, split floor plan, private wooded/preserve views, granite counters, custom built in 2007. [Click Here](#) **\$125,000**



**Heritage Greens**—2+Den, 2 baths, 2 car garage, over 1,700 sq ft, endless & private lake/golf views, upgraded cabinets & countertops, Priced right! [Click Here](#) **\$249,000**



**Sherwood**—2 bedrooms, 2 baths, 1 car garage, over 1,100 sq ft, nice upgrades including Plantation Shutters, and beautiful western views over a lake! [Click Here](#) **\$99,900**



**Lehigh Acres**—1/4 acre of land in a great location in popular area of Southwest Lehigh. Surrounded by established homes & shopping centers! [Click Here](#) **\$3,999**



**Milano**—3 bedrooms, 2.5 baths, 1 car garage, 1580 sq ft., beautiful southern lake views, barely lived in and located in a very popular community! [Click Here](#) **\$120,300**