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Key Interest Rates:

- 30-year Fixed 4.96 %
- 15-year Fixed 4.25 %
- 5/1-year ARM 3.64 %
- 1-year ARM 3.02 %
- 30-year Fixed Jumbo 5.57 %
- 15-year Fixed Jumbo 4.83 %
- 5/1-year ARM Jumbo 3.91 %
- Prime Rate 3.25 %

Inside the Numbers:

Jan. 1—Jan. 31, 2011
 (Naples Only)

Single Family Homes

Total # Sold **249**
 Avg. Sale Price **\$455,018**
 Currently Listed **3,563**
 Currently Pending **1,085**

Condos (all types)

Total # Sold **267**
 Avg. Sale Price **\$255,115**
 Currently Listed **4,428**
 Currently Pending **985**

Monthly Quote:

I am so optimistic
 I would go after
 Moby Dick in a row
 boat and take the
 tartar sauce with me!

~ Zig Ziglar

Nick Bobzien's Real Estate Review

Welcome to my February 2011 Real Estate Review. If you know someone else who would like to receive my newsletter, please email or call me with their contact information, & I would be happy to include them in all future emailings. I am always available to assist you with your Real Estate needs & answer any questions you have. Please contact me if there is anything I can help you with.

If you have Children, Grandchildren, or just looking for a great kids book as a present, check out this brand new book called "Welcome to Waycool School!" just published by one of Naples greatest Dad's, Dr. Michael Frino. You can review and buy this excellent book by [CLICKING HERE](#)

Naples Real Estate Market: Interest Rates are Rising...

For anyone looking to "time the market bottom", you just missed it...

Many buyers have been sitting on the fence for the past few years regarding their decision as to when to get their investments back into Real Estate. They were trying to time the "triangle" just right, where prices & values were at their lowest, interest rates were at their lowest, & inventory at its highest (vast selection to choose from).

Well, prices have been at their lowest for the past 6-12 months depending on the area & location throughout most of Southwest Florida. Even the foreclosure & short sales have been asking & selling near the same values during this time period. Yes, there are a few exceptions to this where the banks sold homes for much lower than expected, but the majority of prices have remained level for the latter part, if not all of 2010. Also, inventory has decreased quite a bit lately, but there is still a vast selection of homes to choose from.

Interest rates are where the big changes have occurred. They reached their lowest levels in the Fall of 2010. If you read my [January Newsletter](#), you will remember that in October 2010, 30-year fixed interest rates were hovering on average around 4.27%. I even had some clients close on mortgages with interest rates nearly breaking below 4.0%! Going back to July 2008, 30-year fixed interest rates were averaging 6.17%. In just over two years time, interest rates plummeted approximately 2.0%.

The 15-year fixed interest rates were hovering on average around 3.75% in October 2010 as well. Looking back to July 2008, those same rates were averaging 5.72%, again approximately a 2.0% decrease in just over two years time.

A popular mortgage loan with Investors flipping properties is the 1-year ARM. Going back to July 2008, this interest rate was averaging 6.10%, very close to the 30-year fixed interest rate at that time, & quite a bit higher than the 15-year fixed interest rate. Jumping forward to the present, the 1-year ARM interest rate is currently averaging around 3.02% - A whopping 3.0% decrease in 2.5 years! At its current rate, it is nearly 0.75% below the 15-year fixed interest rate, & 1.25% below the 30-year fixed interest rate.

The Prime Rate has been holding extremely steady at 3.25% over the past two years since the beginning of 2009 (The Prime Rate is primarily only dealing with Equity & Short Term loans). It was not always this low however. Going back to January 2008, the Prime Rate was 7.25%. It decreased throughout the year, & in October it was around 5.0%. By January 2009, it was all of the way down to 3.25% where it has stayed since.

Now that we have seen just how low the interest rates went, let's focus on where they are today, & where they might be in the next six months. If you look at the chart on the left, you will see the 30-year fixed is currently averaging 4.96%, an in-

crease of nearly 0.75% in the past five months (+0.15% /mo.); The 15-year fixed is currently averaging 4.25%, an increase of 0.50% in the past five months (+0.10% /mo.); & the 1-year ARM is currently averaging 3.02%, its lowest average monthly rate during the previous years mentioned.

As we take a brief look at the two most common Jumbo interest rates, they too have been climbing as of the past four months. The 30-year fixed has increased from 5.17% in November to its current average rate of 5.57%, an increase of 0.40% (+0.10% /mo.). The 15-year fixed has increased from 4.54% in November to its current average rate of 4.83%, an approximate increase of 0.30% (+0.075% /mo.).

Again, referring back to my January Newsletter, I predicted the interest rates will continue to rise steadily throughout 2011 finishing 1.0% - 1.25% higher than where they "bottomed".

How does this increase in interest rates affect buyers obtaining a mortgage? If you understand how HUGE this increase is, you will understand why I started this article off by saying "those looking to time the market bottom just missed it". For example, let's look at the effects on someone taking out a \$200,000 mortgage. If they locked in their interest rate at 4.25% in October 2010 (approximate "bottom"), they would have a payment (principal & interest) of \$983/mo. That same \$200,000 mortgage in May 2011 at an estimated rate of 5.25% would have a payment of \$1,104/mo. That is a 12% increase in your monthly payment! Let's increase the mortgage amount to \$500,000... if they locked in their interest rate at 4.25% in October 2010, they would have a payment of \$2,459/mo. That same \$500,000 mortgage at 5.25% would have a payment of \$2,761/mo. Again, that's a 12% increase.

What will really make you say WOW is this... you take those same buyers I used in my first example with a mortgage of \$200,000—they could have a mortgage of \$225,000 & have the same payment at the 4.25% interest rate as someone with a \$200,000 mortgage at 5.25%. In the second example, they could have a mortgage of \$560,000 at 4.25% & have the same payment as someone with a mortgage of \$500,000 at 5.25%. The same 12% difference applies to the price of the home as well. Stop & think about that for a minute... you could buy 12% more home for FREE if you bought in Oct. 2010 versus May 2011! For instance, a home that was purchased for \$560,000 in Oct. 2010 will have approximately the same mortgage payment as a home purchased for \$500,000 in May 2011. How great would that be? How many people would have bought by the end of 2010 if they knew this? Unfortunately, most people do not know how important interest rates are, & how greatly they affect their monthly payments... & loan approvals for that matter! If you have questions about this, please contact me! It's important for those planning on obtaining a mortgage to fully understand the effects. Ignorance can & will cost you a lot of money!

The figures for "Inside the Numbers" are derived from SunshineMLS on February 17, 2011. They are deemed accurate, but are not warranted or guaranteed. All interest rates are derived from [Bloomberg.com](#) on February 17, 2011.

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](#) **\$689,900**



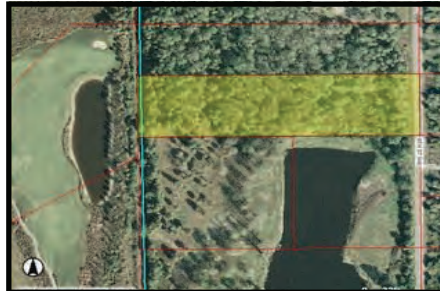
Harbourside @ Wiggins Bay—2 beds, 2 baths, 2nd floor, completely remodeled w/ new maple wood cabinets, granite counters, & SS appliances! [Click Here](#) **\$175,000**



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](#) **\$380,000**



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**



Cypress Woods—2 bedrooms plus Den, 2 baths, 2 car garage, 1st floor coach home with golf course views, turnkey furnished, great location!! [Click Here](#) **\$1450/mo.**



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](#) **\$165,000**



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](#) **\$125,000**



Imperial Golf Estates—3 bd, 3 ba, 2 car 2,700+ sqft, remodeled w/ granite & hickory maple wood cabinets, pool, tile, new roof, new carpet, corner lot! [Click Here](#) **\$399,900**

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](#) \$109,100



Sherwood—3 bedrooms, 2 baths, 1 car garage, 1st floor end unit, beautiful long lake views, granite counters, diagonal tile, & electric hurricane shutters! [Click Here](#) \$159,900



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



San Carlos Park—3+Den, 2 baths, 2 car garage, over 2,000 sqft under air, Custom built home, maple wood cabinets, granite counters, and more! [Click Here](#) \$119,900



Falling Waters—2 bedrooms, 2 baths, 1 car garage, 1,500+ sqft, Private & Peaceful Preserve Views, outdoor kitchen, immaculate condition! [Click Here](#) \$165,000



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](#) \$157,900

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](#) \$159,000



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](#) \$90,352



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



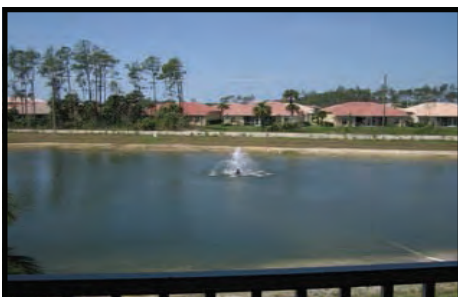
Milano—3 bedrooms, 2.5 baths, 1 car attached garage, nearly 1,600 sq ft., beautiful kitchen, many upgrades, very private view from lanai. [Click Here](#) \$115,000



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



Terra Vista—2+Den, 2 baths, 2 car garage, over 1,700 sq ft., granite counters, 42" cabinets, crown molding, diagonal tile, lake view from extended lanai. [Click Here](#) \$129,800

Current Listings,

Pendings & Recent 6 Month Sales



Golden Gate Estates—3 bedrooms, 2 baths, 2 car garage, 1,600 sq ft. under air, private & peaceful views, upgraded kitchen, SS appliances, diagonal tile. [Click Here](#) **\$103,000**



Ibis Cove—3 bdrms, 2 baths, 2 car garage, 1,455 sqft., wrap-around western & southern lake views, vaulted ceilings, Premium Cul-de-Sac lot. [Click Here](#) **\$149,900**



Sherwood—2 bedrooms plus Den, 2 baths, 1 car garage, western lake views, beautifully decorated, turnkey furnished including '01 Buick LeSabre. [Click Here](#) **\$134,000**



Valencia Lakes—4 bedrooms, 2.5 baths, 2 car garage, nearly 2,500 sqft under air, cul-de-sac lot, beautiful kitchen, lake views, large Master Suite! [Click Here](#) **\$179,000**



Delasol—3 beds, 2 baths, 2 car garage, 2,000 sqft under air, maple wood cabinets, granite counters, cherry wood floors, private backyard. [Click Here](#) **\$1,600/mo.**



Hawthorne at Lely Resort—3 bedrooms plus Den, 3 baths, 2 car garage, 2nd floor, 2,500+ sqft under air, lake views, private elevator, large screened lanai! [Click Here](#) **\$259,900**



Milano—3 bedrooms, 2.5 baths, 1 car attached garage, nearly 1,600 sq ft., beautiful kitchen, loaded with upgrades, beautiful lake views from lanai. [Click Here](#) **\$122,575**



This spot is still available! If you know of a friend, family member or neighbor that might be interested in buying or selling a home, please have them contact me today!



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