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Key Interest Rates*:

• 30-yr. Fixed	3.95%
• 15-yr. Fixed	3.27%
• 5/1-yr. ARM	2.90%
• 1-yr. ARM	2.71%
• 30-yr. Fxd Jumbo	4.55%
• 15-yr. Fxd Jumbo	3.80%
• 5/1 ARM Jumbo	3.14%
• Prime Rate	3.25%

Inside the Numbers:

Jan. 1—Dec. 31, 2011
 (Naples Only)

Single Family Homes

Total # Sold	3,969
Avg. Sale Price	\$475,589
Currently Listed	2,782
Currently Pending	1,124

Condos (all types)

Total # Sold	4,219
Avg. Sale Price	\$293,109
Currently Listed	3,725
Currently Pending	763

Monthly Quote:

Never allow someone to be your priority, while allowing yourself to be their option.

~ Mark Twain

Nick Bobzien's Real Estate Review

Welcome to my January 2012 Real Estate Review. If you know someone else who would like to receive my newsletters, please feel free to forward this to them and have them contact me. I am always available to assist you with your Real Estate needs and answer any questions you have, so please feel free to contact me if I can be of service.

Naples Real Estate Market: Reviewing 2011 & Predicting 2012

Each January, I like to start off reviewing the Real Estate market from the prior year, as well as discuss my predictions for the upcoming year. You can always go back and review my prior newsletters on my website, or [CLICK HERE](#) to be taken directly to the webpage.

In January 2011, I predicted:

1. Our overall inventory would decrease below 7,400 homes listed for sale.
2. Interest rates would climb to finish 2011 in the mid-5% range.
3. Short Sales and Foreclosures would make up 40-49% of the total sales in 2011.
4. Foreclosure sales would decrease, & Short Sale closings would increase.

How well did I do? Well, our inventory is 6,507 homes, so we are nearly 900 homes lower than I predicted. If you remember reading my July 2011 newsletter, we had at that time an inventory of only 5,914 homes. We are now in "season", so there are more listings on the market of course, and yet we are still a lot lower than I predicted we would be, which is a great sign! Interest rates are not in the mid-5% range as I predicted (see chart to left), but this is something I'm happy I didn't correctly predict. The 30-yr fixed interest rate during the last quarter of 2010 rose from 4.27% in October, to 4.75% in January 2011, helping to lead to my prediction of the continued increase. Today, they are below 4.0%, which is truly amazing. If you are needing to refinance or obtain a loan to buy a new home, NOW is the time to do it! I also predicted the distressed market of Short Sales and Foreclosures would make up 40-49% of the total sales in 2011. Again, I'm happy to say I was wrong as they only made up 36% of the total sales—Short Sales made up 17% and Foreclosures made up 19% of the total sales. My last prediction was that Foreclosure sales would decrease and Short Sale closings would increase in 2011. This I'm happy to say was right! In 2010, Short Sale closings totaled 1,424; in 2011 they totaled 1,433—a very small increase, but an increase nonetheless, which is important for the continued push to recovery. In 2010, Foreclosure sales totaled 1,840; in 2011 they totaled 1,551—a huge decrease of 16% (289 closings).

Another prediction I made came in my July 2011 newsletter. I predicted we would finish 2011 averaging around 750 closings per month. In 2008 we averaged 394/mo.; 2009 we averaged 583/mo.; in 2010 we averaged 647/mo.; and through the first 6 months of 2011 we were averaging 792/mo. Well, I was "just a bit" off in my prediction—we finished 2011 averaging 682 clos-

ings per month. A lot less than I predicted, but still a nice increase of 5% from the 2010 average.

Looking forward into 2012, I have a few predications I want to discuss. One is the interest rates—I know we have a Presidential election coming up in November, and the interest rates have always been favorable during election years, but I don't see how it is possible for them not to increase throughout 2012. If you did not read my February 2011 newsletter about the importance of interest rates, you really should go back and do so! I've had several mortgage brokers/lenders & clients positively comment on the great information it contained! Quickly reviewing the past few years of the interest rates for a 30-yr fixed, July 2008 saw them around 6.25%; October 2010 we saw them (what we thought then was bottomed) around 4.25%; May 2011 they were just under 5%; and as you can see on the chart to the left, in January 2012 they are just under 4%. I think they will slowly inch their way up throughout the year to the mid-4% range by election time.

Another prediction I want to discuss is the Short Sales & Foreclosures again. Currently, Short Sales make up 9% of all Active Listings (578), and 52% of all Pending Listings (973). Since we all know the frustrations that go along with Short Sales, lets look a bit deeper into the statistics—Of the 973 listings that are pending, 357 of them have been pending for 90+ days (37%); 238 of them for 120+ days (24%). The banks still need to improve the response time to less than 45 days, giving the buyer up to 45 days to close so they are completed in 90 days or less. When it is all said and done, I think Short Sales will remain the same finishing 2011 making up 16-18% of the closed sales. Foreclosures currently make up 3% of all Active Listings (181), and 12% of all Pending Listings (229). I think the Foreclosures are going to continue to slow down in Naples, finishing 2012 around 12-15% of the total closings. Concluding my predictions of "distressed sales, I think they will make up 28-33% of closed sales in 2011.

My last prediction for the 2012 Real Estate market is the total closed sales. Looking back on 2011, we had 8,188 total sales. The only other years we exceeded 8,000 sales were during the 2 bubble years of 2004 (8,874 sales) and 2005 (8,762 sales). I think 2012 is going to be a tremendous year for the Naples Real Estate market. I strongly think we will exceed 8,500 closed sales in 2012! Who's ready to assist me in making this prediction a reality?? 😊

As always, please feel free to email me your thoughts and opinions of the Naples and Florida Real Estate Markets.

The figures for "Inside the Numbers" are derived from SunshineMLS on January 22, 2012. They are deemed accurate, but are not warranted or guaranteed. *All interest rates are derived from Bloomberg.com on January 22, 2012, and may contain points.