

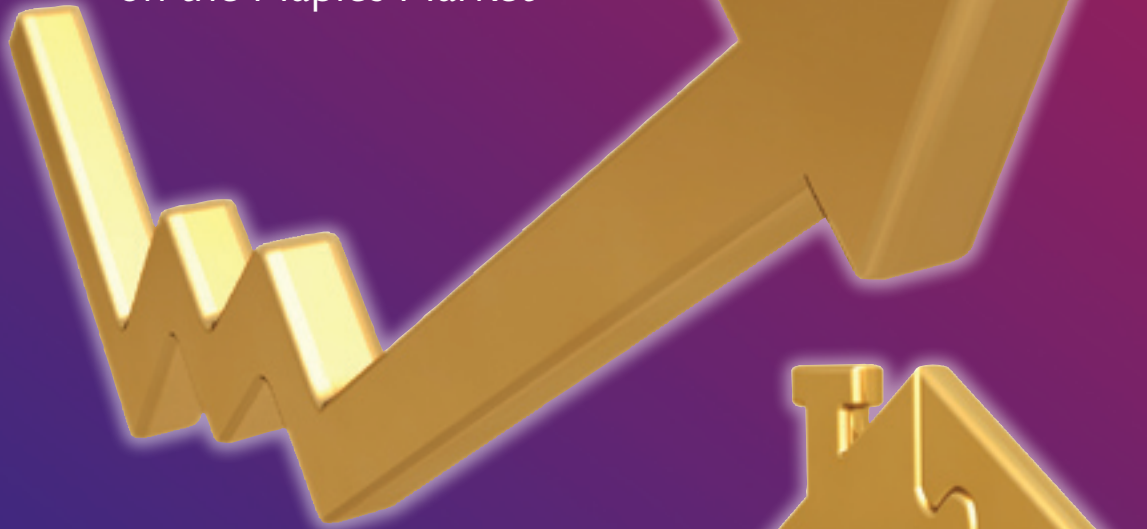
NABOR



Winter 2009

Are We There Yet?

NAR Economist
Dr. Lawrence Yun
on the Naples Market



PLUS+

NAR Resort Symposium
comes to Naples

“Now is the Time to Buy” marketing campaign

Outlook for Naples Real

By Ginny Cooper

According to leading national real estate economist Dr. Lawrence Yun, not only has Southwest Florida's housing market already hit bottom, it's consistently seeing a turnaround and building momentum

The real estate tide is turning for the coastal gem of Naples, Florida. While activity for some area brokers seems to still be ebbing, an undercurrent of recent transactions indicates swelling interest in Naples' real estate market.

Brenda Fioretti of Prudential Florida Realty is a veteran of 34 years in the real estate business. Analyzing the activity for the past nine months, Fioretti points out that every month has been better than the same month in 2007. "Signs of improvement are beginning to show, especially in the under \$300,000 market", and Fioretti expects 2009 to be an improved year.

Still, memories of the 1980's continue to haunt experienced brokers. "The 2006 through 2008

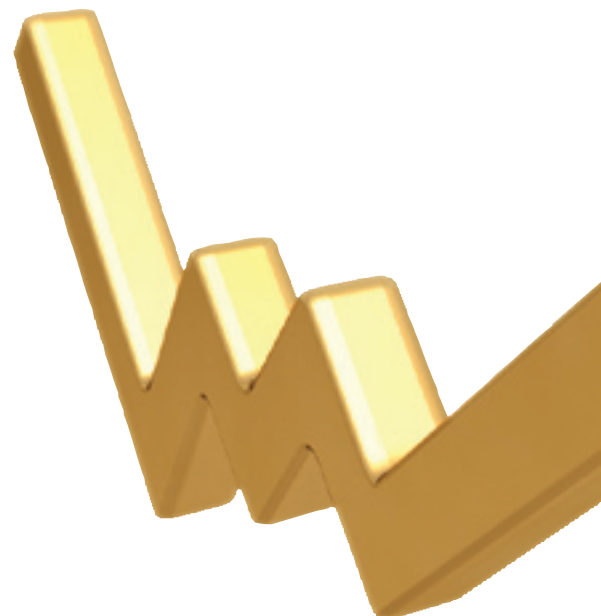
time period is probably the worst I've seen in my 30-year-plus career, even worse than the 18% interest rates in 1982," said Phil Wood, of John R. Wood REALTORS®. "However, indications are that we are pulling out of this and will quite likely lead the nation into a recovery."

Fioretti agrees the current situation is worse than the '80s, because of other factors. She expects Collier County to lead the pullout.

So does Dr. Lawrence Yun, chief economist and senior vice president of research for the National Association of REALTORS®. "Florida, particularly Southwest Florida, has for the past 4-5 months consistently seen a turnaround, momentum seems to be building. We have

seen a 30% increase in sales activity".

In principal, Phil Wood agrees. Wood deals primarily in residential real estate and finds his current clientele are "quite a mixture" of buyers. But with buyers being more wary and banks tightening restrictions on lending, he expects sales to



Estate



increase at a slightly slower pace over the next 3 years, perhaps a 10% increase.

Where's the Bottom?

It's right here, according to Yun. "The bottom has been reached", Yun states. He expects sales to continue to improve due to the affordability conditions. "These prices are just too good to pass up," he reasons, and people are taking advantage of that.

Dr. Hank Fishkind, of Fishkind & Associates agrees, saying that this position is demonstrated by the fact that existing home sales volumes have finally stopped falling and prices are stabilizing. Fishkind does caution that "It's not going to

get better quickly". The recovery of the housing markets in the Northeast and Midwest are critical to Florida's recovery, he says, because that's where the buyers come from.

"This is the worst recession Florida has seen since 1975, and it will probably get worse before it gets better, however the world doesn't come to an end, it just feels that way sometimes," said Fishkind. He encourages people to hold things in perspective. "Collier County is at the flood stage of foreclosures right now and has about 6 more months left before they run their course. That fact is weighing on the markets."

Dr. Fishkind predicts a turn of the recession tide in mid-2009, although like Wood, he expects

conditions will improve slowly. “Unfortunately, it’s not going to get better quickly. Assuming the economy does follow this predicted path and shows signs of recovery by the 1st quarter of 2010, it will be another six months before Florida begins to feel the effects”.

This places Florida on the path to full recovery in mid-2010 at the earliest according to Dr. Fishkind’s formula. He expects all this will be water under the bridge “by 2011-2012”.

So Who’s Buying?

Yun points to a recent survey of REALTORS® that indicates a higher percentage of first time home buyers who were previously priced out of the market.

That’s what Fioretti is seeing on a daily basis – more first time buyers and investors dipping their collective toes into the sea of sales. “The second-home buyers are here, but they are a smaller percentage. Investors and first-time buyers are taking advantage of the current low prices.” Prices

that Fioretti predicts “will never be seen again!”

A great deal of the activity is taking place in the under \$300,000 market. Mike Hughes of Downing Frye Realty expects that activity to continue. “There is a lot of value in that market, and I believe it will remain strong in 2009,” predicts Hughes. He expects the overall median sales price of Naples homes to remain under \$300,000, reporting that many of the contracts currently being written are in the lower tier.



“Naples is somewhat insulated” from the nation’s economic woes, says Wood, but is by no means an island unto itself. “We are still impacted”, he says, with the upper range of buyers probably suffering the most from the stock market plunge in October.

Dr. Yun addresses the economic issue as it affects one segment of Naples’ buying market – retirees. “Economic conditions may affect wealthier baby boomers who are consistently retiring earlier. Retirees traditionally head for warmer climates and Naples is great demographic. Baby boomers who were thinking of buying in 1, 2, or 5 years are saying ‘why not now?’” Expecting decent price appreciation going forward, Yun advises that people buying for the long term should take advantage of the current market prices.

Hughes sees the European, Canadian and Midwest markets as sources for many buyers. “In addition, the baby boomer impact cannot be discounted. We’re also seeing more buyers from Texas and California”, he said.

“There is still a lot of pent-up demand for this area. Following the frenzy of 2005, we had challenging years in 2006-2008. I think 2009 will be another challenging year. There are many buyers sitting on the fence. The question,” according to Hughes, “is when will they jump?”

Why Are They Buying?

With headlines screaming about crashing markets and a tidal wave of job losses, why are people buying real estate now? “Job loss is negative in and of itself, but those with jobs (better than 90% of working population) are responding to the incentive of lower prices,” explains Dr. Yun. “We are seeing the same thing in Los Angeles, Las Vegas, Phoenix – people are losing jobs but there is a pickup in home sales. People with jobs are buying. The housing market, like any market, goes through cycles. There is always a recovery, whether strong or modest, offering incentives that people will take advantage of.”

History and politics aside, Naples’ Wood favors the government’s intervention in the crisis with its bailout package. “That’s the one difference” between today’s economy and the declining markets that occurred during the past 30 years, he says. “The government is jumping in and I think that’s a positive.”

“Government intervention, the political climate, and the world economic climate, are outside factors that could influence our market,” said Mike Hughes.

Where Are They Buying?

With 31 years in real estate business, Phil Wood knows Naples, and he doesn’t see a real hot spot. “It’s hard to pick out a pattern” just yet, says Wood.

How Can REALTORS® Help Them Buy?

What can real estate professionals do to boost sales of distressed properties? Fioretti encourages them to sharpen their skills in negotiating with banks and other lending institutions that find themselves unexpected owners of distressed properties. “The banks are very hard to work with, as they themselves are just learning how to handle distressed properties and short sales,” she says. “It’s important that NABOR members be trained in how to work with them” advises Fioretti.



NABOR to Host NAR Resort Symposium

Naples steps into the national real estate spotlight in March when NABOR hosts the NAR 2009 Resort Symposium

By Ginny Cooper

Up to 400 successful REALTORS® from around the world who specialize in resort areas and second-homes will travel to Naples in March for the Sunshine Connection – the National Association of REALTORS® 2009 Resort Symposium. Featuring educational sessions presented on topics ranging from International and American buying trends to marketing, social media and key policy issues, the Resort Symposium is considered the premier event for residential and commercial resort and second-home real estate professionals. The fifth such symposium NAR has presented will result in increased exposure for the Southwest Florida second-home real estate market.

Plans for the symposium have been in the works since last March, according to Brett Brown, 2009 president of NABOR. “We developed a task force of area real estate professionals to work with Mike Owens, NAR’s symposium committee chair. While the symposium is organized and

produced by NAR, NABOR was charged with hosting the social functions, networking events and optional property tours of our area,” explained Brown. Those events include a four-person scramble golf tournament at Miromar Lakes Beach & Golf Club, a poolside welcoming reception, a closing event at The Naples Beach Club and five unique property tours.

Tours to Showcase Luxury Homes

The tours showcase Naples area property with a thematic focus. The Naples Gulf of Mexico Tour presents luxurious high rise coastal properties and historic Olde Naples with a journey through Park Shore, Pelican Bay, Vanderbilt and Port Royal. The tour includes a visit to the Naples pier, the charming



shopping district of Third Street South and Handsome Harry's for cocktails and hors d'oeuvres.

A different point of view is offered on the Naples Sunset cruise, where guests will board the elegant Naples Princess to glimpse luxury waterfront estates in Port Royal. A stop in Tin City provides an opportunity for some souvenir shopping.

Golf course communities will be highlighted on a tour of which includes Lely Resort Golf & Country Club, the Collier Building Industry Association's 2008 Community of the Year and the prestigious Grey Oaks Country Club. Luxury residences on several of Naples' championship golf courses will be included.

The Island in the Sun Tour features properties on Marco Island, while the Gateway to the Gulf Tour will introduce guests to Bonita Springs and one of the area's few mixed-use communities – Coconut Point.

Certification Courses Offered

Symposium attendees also will have the opportunity to complete the two core courses required to

earn the Resort and Second-Home Property Specialist (RSPS) Certification. NAR's two-day Resort and Second-home Markets Course will be held Saturday and Sunday, March 28-29. RLI's Tax Deferred 1031 Exchange Course will take place Wednesday and Thursday, April 1-2. Both courses will be held at NABOR. The Resort and Second Home Markets Course is designed to teach the essentials of buying, selling, or managing resort properties and second homes for recreation, investment, and development by U.S. and international clients and customers in the United States. The RLI Tax Deferred 1031 Exchange Course teaches the mechanics of 1031 tax-deferred real property exchanges and how transactions are put together, including evaluating when an exchange is advantageous.

Expo Planned


An exposition hall will provide attendees with opportunities to network with vendors and sponsors. Early sponsors include the Florida Association of REALTORS®, Signature Communities and NAR Green Designation. HomeAway.com and Viscap.com feature online vacation home sales and rentals. Professional development opportunities abound with the

CIPS (Certified International Property Specialist) Network, REALTORS® Commercial Alliance, and NAR Housing Opportunity Program. Ocean Home Magazine, published quarterly by RMS Media Group (RMS), rounds out the sponsor list at press time.

“Terrific Networking”

Targeted to REALTORS® in resort and second-home markets around the world, the Resort Symposium enjoys a recommendation rate of 95% among its past attendees, eliciting testimonials such as this one: “The Symposium networking experience was terrific – so many folks to chat with and enjoy, to compare marketplaces, to contact with referrals. This is important because resort consumers can go just about anywhere they want.”

NABOR's Brown agrees, “The Symposium is an excellent tool for generating referral business. NABOR is honored to have been chosen to host this event. I'd like to express a huge thank you to our volunteers who are serving on the task force, a number of who have volunteered at state and national level events as well.”



I would like to take this opportunity to sincerely thank the NAR Symposium Task Force Members that will make this event the showcase of Naples we are all anticipating: Joni Albert, Rick Baranski, Arlene Carozza, Jo Carter, Harley Conrad, Marti Conrad, Gerald Lefebvre, Lynn Bower, Julie Mitchell, Patsy Vaughn, Sally Masters, Carol Wilsey and Kathy Zorn. In addition, we would like to thank our assisting Staff Members at NABOR: Marcia Albert, Kari Greer and Maribeth Shanahan.

Sincerely,
Brett Brown, Chair of the NAR Symposium Task Force