

## FOR IMMEDIATE RELEASE

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## Economic Uncertainty Affected Housing Market in May

Naples, Fla. (June 20, 2025) – Motivated sellers in Naples who took advantage of getting ahead of the market with prices that pleased buyers found success during May as overall pending sales (homes under contract) increased 10.9 percent to 951 pending sales from 919 pending sales in May 2024. According to the May 2025 Market Report by the Naples Area Board of REALTORS® (NABOR®), which tracks home listings and sales within Collier County (excluding Marco Island), 2,023 properties on the market in May reported a list price decrease, 31 percent of the overall inventory. The number of homes for sale increased 23.9 percent to 6,524 properties from 5,265 properties in May 2024. But economic uncertainty is creating challenges for today's buyer and seller, even in paradise.

### Economic Discomforts

Broker analysts reviewing the May Market Report said the Naples housing market is experiencing mixed consumer confidence from uncertainty caused by tariffs and rising military tensions in the Middle East. International buyers, especially Canadians, are finding the new American temperament toward immigration is creating discord and decreased interest in making a second home investment in Naples.

Terrilyn Van Gorder, NABOR® President and Broker Associate at John R. Wood Properties, commented, "Affordability is another reason international buyers aren't rushing to our shores this year. The dollar was strong last summer; but now, the dollar doesn't go far enough for them."

"Buyers in general are hesitant to commit because they don't know what direction the economy is going," said Adam Vellano, Managing Director of South and Southwest Florida at Compass Florida.

Mike Hughes, Vice President and General Manager for Downing-Frye Realty, Inc., added, "We saw the tariff situation impact the stock market in April, and we lost a lot of deals that month because of it. People are notably nervous today. With another war possible and the tariff situation at hand, it's giving buyers more reason to sit on the fence, and the fence is getting heavy."

Closed sales in May decreased 16.5 percent to 779 closed sales from 933 closed sales in May 2024, but the Naples market is still doing better than other areas in Florida according to Dr. Shelton Weeks, Lucas

Professor of Real Estate and Director of the Lucas Institute for Real Estate Development & Finance at Florida Gulf Coast University.

“Collier has the lowest stock available in the region, just 3.5 percent of total homes. Compared to the rest of the state, values are holding in Naples much better. Historically, if the country does good, Naples does better.

Large markets like Miami and Tampa enjoy greater local economic diversity, but Naples depends on wealth generated elsewhere. The tariff situation is concerning because we were told it is a pathway to economic growth and prosperity although nothing in economics supports this theory. As time passes, we can only watch as to whether this tactic will get other countries back to the bargaining table. Currently, all eyes are fixed on the stock market and waiting for evidence that this is working. When the uncertainty dissipates the question becomes, will people feel confident enough to pull the trigger on a home purchase? In the short-term, it’s hard to be optimistic.

However, the value of the dollar has been declining relative to the Euro since the first of the year and is now at about the same level it was back in November 2021. If the current relative value holds, this should help to bring European investors back to our market.”

“Things that change a market are things you don’t see coming,” remarked Hughes, “What is certain is that markets rarely stay the same.”

## **Motivating Drivers**

New listings in May decreased 22.9 percent to 952 new listings from 1,235 new listings in May 2024, and buyer hesitancy kept sales tepid.

“Motivated sellers are still coming out ahead as equity grew exponentially during the pandemic,” said Jillian Young, President, Premiere Plus Realty. “Buyers waiting for an interest rate drop are not considering the advantages of negotiating with today’s sellers. When we had an interest rate drop last September fewer buyers could enjoy it because two hurricanes disrupted our market. Ask your REALTOR® to explain your options during offers and negotiations. There may be more cost advantages available than what a drop in rates can provide.”

The overall median closed price in May decreased 9.1 percent to \$590,000 from \$649,000 in May 2024. Of all areas and home types reported, single-family home prices in South Naples (34112, 34113) reported the largest decrease, 23.1 percent, to \$772,500 from \$940,000 in May 2024. But the luxury market is still strong; single family home prices in the Naples Beach area (34102, 34103, 34108) during May increased 18.6 percent to \$2,712,500 from \$2,287,500 in May 2024. Though brokers are concerned oversaturation of spec homes in this area, resulting in 17.9 months of inventory, may loosen prices this year.

“Days on market is the enemy of home values,” said Jeff Jones, Broker at Keller Williams Naples. “The number of homes that have been on the market for over 90 days is concerning. One major reason for this is that these sellers are still trying to get more than the market is willing to give. Our message to these

sellers is simple: If you have no motivation to sell, there's no reason to be in the market today. Serious sellers are willing to adapt and be open to more aggressive pricing strategies.”

The NABOR® May 2025 Market Report provides comparisons of single-family home and condominium sales (via the Southwest Florida MLS), price ranges, and geographic segmentation and includes an overall market summary. NABOR® sales statistics are presented in chart format, including these overall (single-family and condominium) findings for 2025:

CATEGORIES	MAY 2024	MAY 2025	CHANGE (percentage)
Total closed sales (month/month)	933	779	-16.5%
Total pending sales (homes under contract) (month/month)	919	951	+10.9%
Median closed price (month/month)	\$649,000	\$590,000	-9.1%
New listings (month/month)	1,235	952	-22.9%
Total active listings (inventory)	5,265	6,524	+23.9%
Average days on market (month/month)	68	86	+26.5%
Single-family closed sales (month/month)	467	398	-14.8%
Single-family median closed price (month/month)	\$850,000	\$704,000	-17.2%
Single-family inventory	2,602	3,120	+19.9%
Condominium closed sales (month/month)	466	381	-18.2%
Condominium median closed price (month/month)	\$505,000	\$450,000	-10.9%
Condominium inventory	2,663	3,404	+27.8%

### Where the Pinch Hurts

According to Mike Bone, Area Sales Manager, D.R. Horton, many home builders in Florida are parking properties that were planned for development until economic conditions improve. “We are seeing a lot of downsizing too in terms of staffing, new investment, and planned product output.”

Hughes, Jones and Bone agree that a bright side to the current slower pace is that it provides an opportunity to offer skills training to our community of real estate professionals.

“We are asking our top agents to give presentations to our struggling agents to show best practices in these slower times,” said Bone.

“This is the kind of market where good brokers shine,” said Hughes. “You must become the head cheerleader and keep spirits up while telling agents the truth: that we may be facing some tough months ahead so having honest conversations about realistic pricing with your clients is absolutely necessary.”

If you are considering buying or selling your home, look to a Naples REALTOR® who can provide an accurate market comparison and give you expert advice on how to capitalize on today's market conditions. A REALTOR® can ensure your next purchase or sale in the Naples area is a success. Search for your dream home and find a Naples REALTOR® on [Naplesarea.com](http://Naplesarea.com).

*The Naples Area Board of REALTORS® (NABOR®) is an established organization (Chartered in 1949) whose members have a positive and progressive impact on the Naples community. NABOR® is a local board of REALTORS® and real estate professionals with a legacy of over 75 years serving 8,500 plus members. NABOR® is a member of Florida Realtors® and the National Association of REALTORS®, which is the largest association in the United States with more than 1.4 million members and over 1,200 local boards of REALTORS® nationwide. NABOR® is structured to provide programs and services to its membership through various committees and the NABOR® Board of Directors, all of whom are non-paid volunteers.*

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