

BAY FOREST 2023 MARKET REPORT and 5-YEAR REVIEW

Median Price and Sales

The median price of the properties sold in Bay Forest increased 77% from \$268,000 in 2019 to \$475,000 in 2023. Sales doubled between 2019 and 2021, and dropped back again in 2022 and 2023.

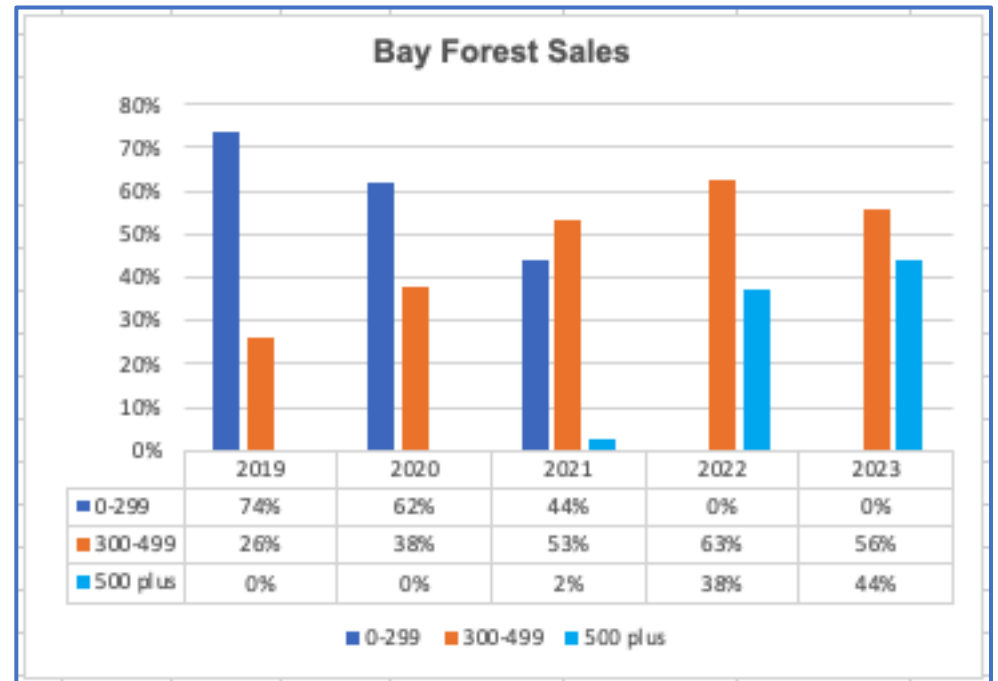
Single Family	Median Price 2019	Median Price 2020	Median Price 2021	Median Price 2022	Median Price 2023	Sales 2019	Sales 2020	Sales 2021	Sales 2022	Sales 2023
Q1	\$268,000	\$275,000	\$279,950	\$402,000	\$630,000	5	7	16	6	3
Q2	\$280,000	\$291,500	\$315,000	\$499,900	\$500,000	7	4	13	11	11
Q3	\$255,000	\$215,000	\$360,000	\$445,000	\$425,000	5	5	8	10	5
Q4	\$244,000	\$278,000	\$369,500	\$528,121	\$440,000	2	13	6	5	6
Year	\$268,000	\$275,000	\$315,000	\$451,950	\$475,000	19	29	43	32	25

Sales by Price

Another way to look at sales is the distribution by price. In 2019, 74% of sales were under \$300,000 and there were none under \$300,000 in 2022 and 2023. Conversely, the share of sales over \$500,000 went from zero to 44%

Bay Forest sees a small number of sales each year at quite a wide range of price: in 2023, from \$320,000 to \$790,000.

The combination of small number of sales and wide range of prices can make median prices less reliable as a guide to the overall market in Bay Forest.



Price per Sq Ft (PSF) and Speed of Sales (Days to Offer Accepted - DTO)

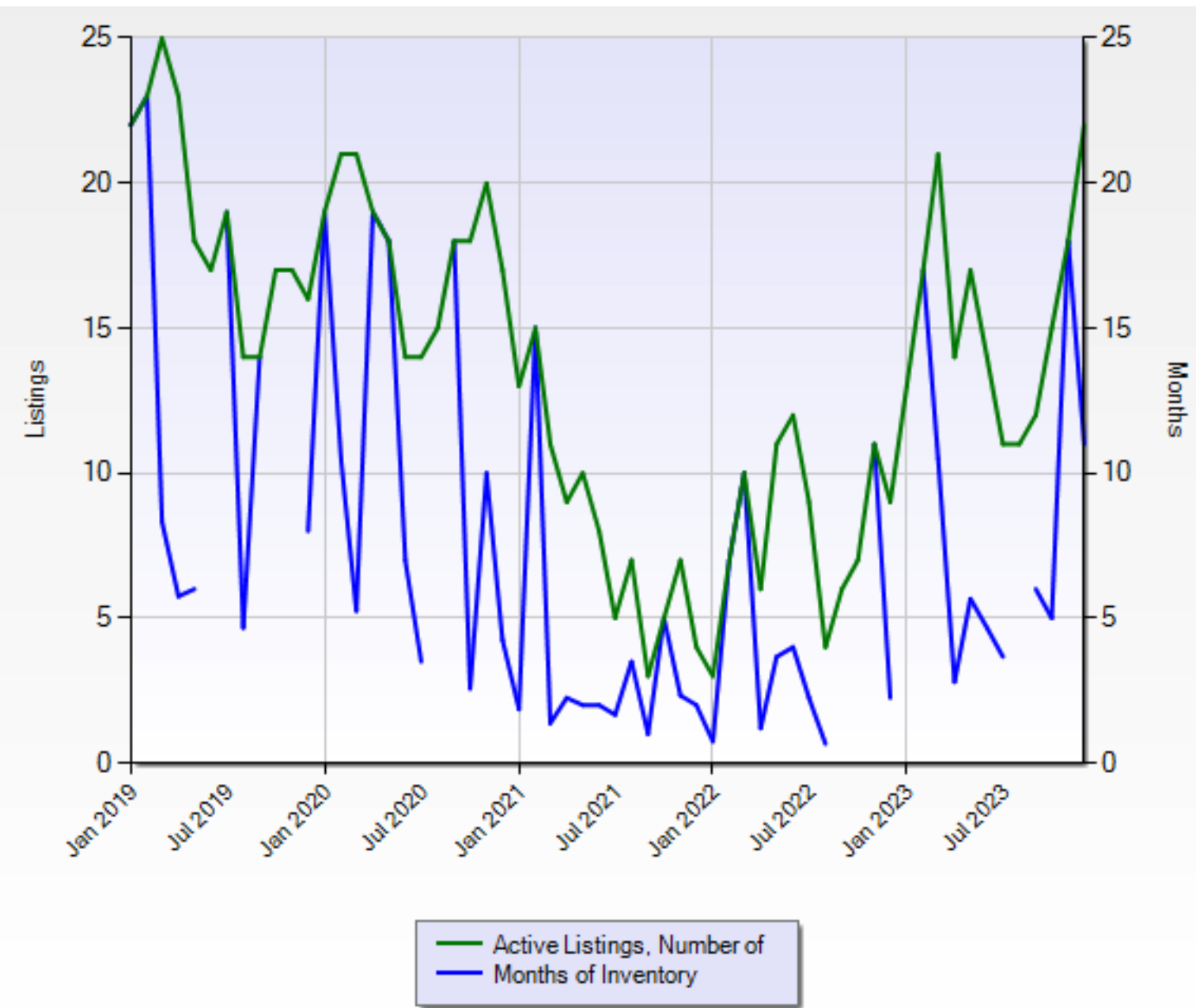
PSF is another way to look at sales. The increase was 83% from \$178 in 2019 to \$325 in 2023, close to the 77% increase in the median price.

There was also a dramatic increase in the speed of sales, with the median DTO plummeting from 58 days in 2019 down to just 8 in 2022. The pace of sales slowed significantly in 2023.

	<u>Price</u> <u>per SF</u> <u>2019</u>	<u>Price</u> <u>per</u> <u>SF</u> <u>2020</u>	<u>Price</u> <u>per</u> <u>SF</u> <u>2021</u>	<u>Price</u> <u>per</u> <u>SF</u> <u>2022</u>	<u>Price</u> <u>per</u> <u>SF</u> <u>2023</u>	<u>DTO</u> <u>2019</u>	<u>DTO</u> <u>2020</u>	<u>DTO</u> <u>2021</u>	<u>DTO</u> <u>2022</u>	<u>DTO</u> <u>2023</u>
Q1	\$169	\$183	\$191	\$283	\$345	58	14	68	2	2
Q2	\$192	\$172	\$211	\$318	\$338	90	165	14	5	13
Q3	\$170	\$170	\$262	\$324	\$304	29	83	4	17	96
Q4	\$170	\$181	\$260	\$387	\$293	193	30	4	27	43
Year	\$178	\$180	\$221	\$317	\$325	58	48	15	8	44

INVENTORY

While Inventory throughout Naples, despite the increase over the last year or so, is still well below pre-pandemic levels, that is not the case at Bay Forest. The following chart shows that inventory (green line) is now where it was pre-pandemic, having recovered from the extremely low levels of late 2021. The number of months of inventory (how many months it would take to sell the current inventory – blue line) is more volatile because of the small number of sales. The current inventory of 21 properties would take about a year to sell at the pace of the second half of 2023.



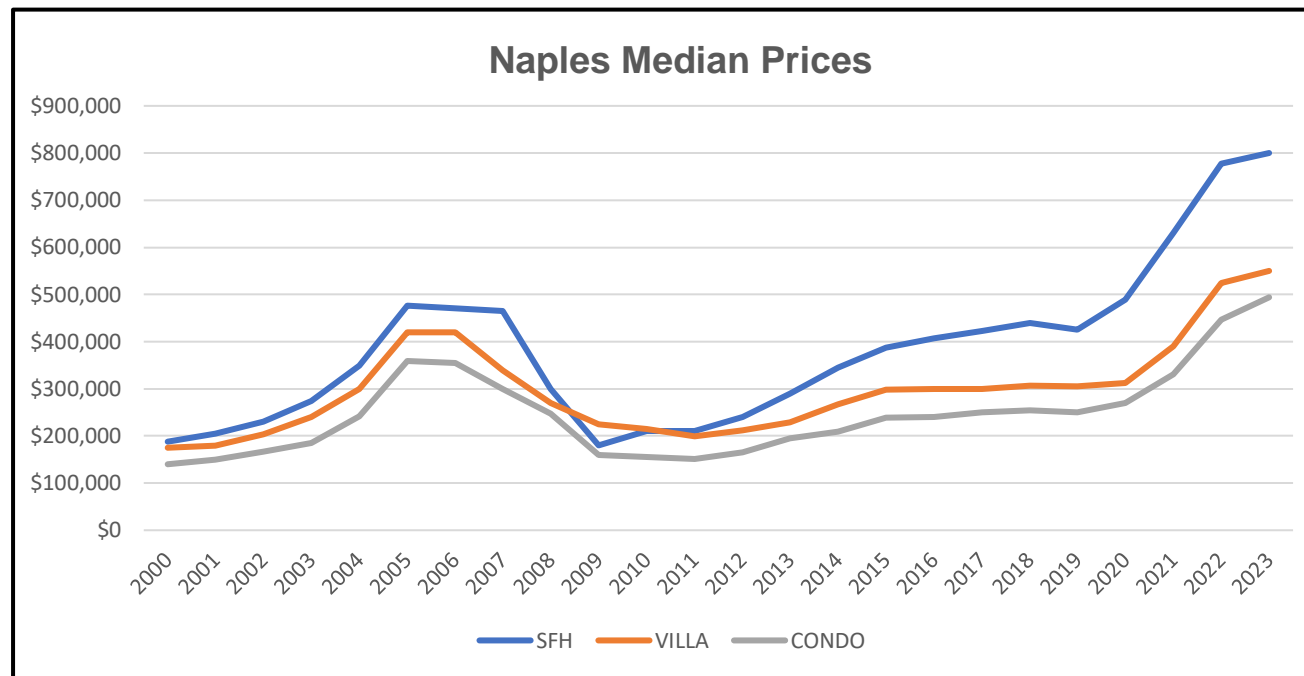
Time frame is from Jan 2019 to Dec 2023
 Development is 'BAY FOREST'

LONGER TERM VIEW

John Donne wrote:

No man is an island,
Entire of itself,
Every man is a piece of the continent,
A part of the main.

In like vein, communities like Bay Forest are part of the “main” - Naples. The chart and table below are, therefore, for Naples and show median prices since 2000. The median price did not exceed the 2005/06 peaks until 2020 for SFs and until 2022 for Villas and Condos. While the market conditions are vastly different from the earlier period, the slope of the increases from 2001-2005 and 2019-2022 is eerily similar. Over the whole of this century, the compound growth rate has been 6.5% for SFs, 5.1% for Villas and 5.6% for Condos. Unfortunately, the price appreciation has come in violent bursts rather than steady annual increases.



<u>NAPLES</u>	<u>SFH</u>	<u>VILLA</u>	<u>CONDO</u>
2000	\$187,500	\$175,000	\$140,000
2001	\$204,500	\$180,000	\$150,000
2002	\$230,000	\$203,000	\$166,900
2003	\$273,750	\$240,000	\$184,900
2004	\$349,000	\$299,700	\$242,000
2005	\$476,750	\$420,000	\$359,000
2006	\$470,000	\$420,000	\$355,000
2007	\$464,400	\$339,000	\$300,000
2008	\$299,900	\$270,000	\$247,500
2009	\$180,000	\$225,000	\$160,000
2010	\$210,000	\$215,000	\$155,000
2011	\$210,000	\$199,000	\$150,643
2012	\$240,000	\$212,500	\$165,000
2013	\$290,000	\$228,900	\$195,000
2014	\$345,000	\$267,000	\$209,000
2015	\$387,000	\$297,500	\$239,000
2016	\$406,902	\$300,000	\$240,000
2017	\$423,000	\$300,000	\$250,000
2018	\$440,000	\$307,024	\$254,000
2019	\$425,000	\$305,000	\$250,000
2020	\$488,750	\$313,000	\$270,000
2021	\$630,500	\$390,103	\$330,000
2022	\$777,000	\$525,000	\$447,000
2023	\$800,000	\$550,000	\$494,000
Compound Annual Growth%	6.5%	5.1%	5.6%

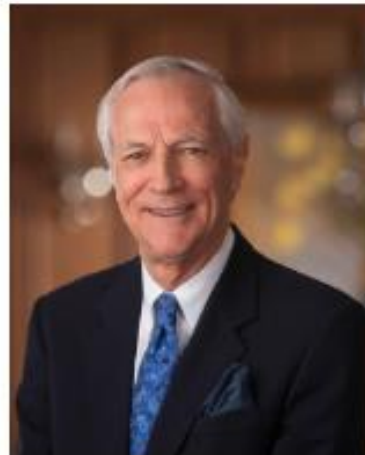
COMMENT

The numbers have been dramatic over the last few years, for all the well-known reasons. With the market returning to more normal conditions, pricing and condition are again important.

Bay Forest is facing additional challenges as its owners are dealing with significant increases in Condo fees and assessments for replacing elevators and the boardwalk.

If you are thinking of selling, please contact me for a current market analysis for your property.

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COMPASS

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