

Southwest Florida makes Top 10 for housing price increases

Cape-Fort Myers and Naples see increases during 2nd quarter.

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Fastest rising home prices

Here are the top 10 U.S. cities for price increases in single-family homes for the second quarter of 2013 compared to a year earlier.

RANK	CITY	PERCENTAGE INCREASE
1	Sacramento	39.2%
2	Atlanta	38.9%
3	Cape Coral/Fort Myers	36.1%
4	Reno	32.7%
5	Las Vegas	31.4%
6	Riverside	30.9%
7	Naples	29.3%
8	San Francisco	27.8%
9	Los Angeles	27.5%
10	Jacksonville	25.2%

SOURCE: National Association of Realtors

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The Cape Coral-Fort Myers and Naples areas were both in the top 10 nationwide for home-price increases in the second quarter as Southwest Florida's battered housing industry came back with a vengeance.

A National Association of Realtors survey showed that the Cape Coral-Fort Myers median existing single-family-home sale was up 36.1 percent to \$177,900 compared to a year earlier.

Naples was seventh with a 29.3 percent increase to \$346,600.

Nationwide, home prices continued to rise in the majority of metropolitan areas in the second quarter, with the national price showing the strongest gain in 7½ years, according to the survey.

“The Naples-Fort Myers market was one of the worst beaten-up markets in the downturn,” said Brad Hunter, chief economist for Metrostudy, a national housing data and consulting firm that maintains statistics on residential construction. “And it’s my view that what drove prices to extremely low levels then let them come up from the bottom faster.”

Brett Ellis, head of The Ellis Team with Re/Max Realty Group in Fort Myers, said prices in Lee County are still rising but not as fast as they did at the beginning of the year.

Still, he said, it’s a seller’s market as the inventory of homes for sale continues to decrease: 4,956 in June compared to 5,448 a year earlier.

“We’ve got buyers that are really looking to buy now because they’re afraid,” Ellis said. “They see the price increases, and they’re also afraid the interest rates are going up.”

He expects prices to continue rising throughout 2013 as those buyers get in the market. “It’s all encouraging, but there are not a lot of choices for buyers.”

Lawrence Yun, NAR chief economist, said tight inventory is continuing to drive home prices.

Those trends are in force throughout the country, Yun said in a release. “There continue to be more buyers than sellers, and that is placing pressure on home prices, with multiple bids common in some areas of the country.”

Hunter said rising prices likely will stimulate the purchase of homes as owners find themselves able to sell at a good price.

“The higher prices go, the more people are no longer underwater and can pay off their mortgages,” he said. “I do think you’ll see more sellers.”