

Transaction leader Pinellas County - 2012 & 2013

The Roe Report

for

Waterfront & Luxury Condos



ROE REALTY

First Quarter - 2014

www.GulfCoastCondoReport.com

Roe Realty

Information Supplied by:

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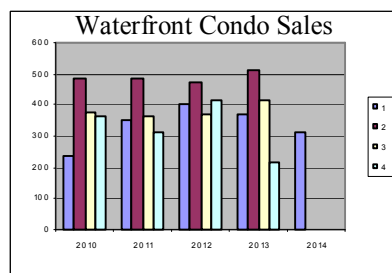
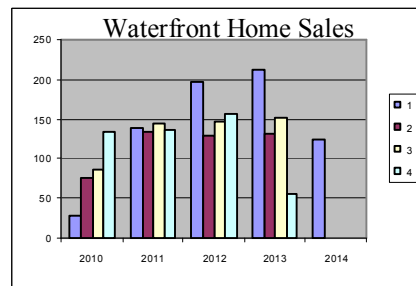


The Roe Report has always been about keeping you informed. This edition continues that tradition. The flood insurance law has had a dramatic impact on waterfront home and condo sales. The revised law written by the Senate and softened by the House was recently signed by the President. As you look at the two sales charts you will notice houses declined more (4th Qtr '13) and recovered more (1st Qtr '14) than condos. This demonstrates how much confusion this law created since most condos were excluded from either bill. A two page summary written by NAR (National Association of Realtors) can be found on www.Roe-Realty.com.

Over the past six months my business is on par with the previous two years. Why? I assume it's because I explain what flood insurance was, how Biggets-Waters changed it and what Congress has authorized while a cost analysis is completed. I don't speculate but I do give facts. And the facts are Florida pays in \$3.60 for each dollar of claims; there are 20 states that claim more than they pay in. FEMA stated rates will be based on costs anticipated over the next four years for a property plus administration expenses. Florida's Governor is hoping to attract insurance companies to our state that will charge our residents based on cost. Anything beyond this is speculation.

A friend, the number one real estate agent in Ore-

gon, is visiting. We have served on national boards and taught real estate sales and marketing for several years. Our interest is in developing an advanced course to help Realtors decide if they want to stay at the agent level, add assistants to develop a team or move into ownership and run a brokerage with a combination of teams and agents. History has taught us that any agent without a plan seldom develops while most of those who treat this as a profession become extremely successful. To determine qualifications, the first question she proposed was who is the better agent to list a waterfront or luxury property and who has the skills to become a broker? A single agent can handle 4-6 listings but if they also sell, an assistant is necessary once they exceed four properties. Our objective is to get each individual to see their strengths and weaknesses and in the process it may help you determine who is best qualified to list your home.



Assume four agents each sold \$10M last year. Agent-1 sold one property for \$10M. Agent-2 sold 20 properties for an average of \$500k. Agent-3 sold 40 properties and averaged \$250k. Agent-4 sold 100 properties and averaged \$100k. Every offer contains a price, date-to-close and method of

payment (cash or financing). From offer acceptance to closing, every transaction is different; therefore, the agent with one sale is the least qualified with an experience level of one transaction. He doesn't need a team as he is barely in the business. Agent-4 has the most experience with contracts but due to the average price point is not

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likely to have dealt with swimming pools, seawalls, docks or lifts etc. This is not an agent my readers would hire nor does he appear to have the range of experience required to manage a brokerage company. This is a good example of a team leader who needs to work under a broker who can guide him. Agent-2 appears to have become established in a specific price range and can function well with one assistant and a buyers-agent. This agent has demonstrated a desire to create a niche business. I would recommend he/she build a team and work for a broker since they have not demonstrated the desire to learn all phases of the business. Agent-3 appears to have sold properties in the higher price range and has demonstrated the ability to sell in all price ranges. This is the agent who has demonstrated the ability and the desire to run a successful brokerage.

Another topic we discussed was based on an agent with 25 years of experience who sells 10-12 houses per year versus a new agent who sold 50 houses the first year. Who do you think is best qualified? Since real estate has changed so much and is Internet driven we decided the new agent has the edge. These topics came up as we were considering teaching how each agent could best describe their strengths in a listing presentation.

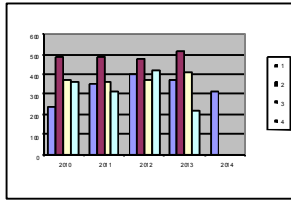
As a broker, my company offers all categories of service. We do high-end, REO, seasonal rentals, annual rentals, short sales and a luxury property concierge service to supervise properties for owners who are here only a few months a year. This requires multiple offices (Pinellas, Pasco and Hillsborough), a manager (Mine is my partner. She was a math major at UF at 15.), a receptionist, someone qualified to determine values, someone to negotiate offers and someone else to handle closings. We have a marketing group, HOA specialists, a department to determine repairs (the manager is working on his masters degree) as well as a staff of five that do weekly property inspections. We also have teams who do repairs, maintain pools, yards, landscaping, cleaning etc. We have agents who specialize in listings, buyers, short sales and others who have teams. We have a billing person and a bookkeeper to coordinate with our CPA. We have systems to document (photos or written) and can place on our servers which requires a techie to be on call; plus we have a cloud back-up system. Our office is cyber driven with files available to agents from anywhere in the world. Our international division has contacts in many parts of the world who are looking for investments in the U.S. Some will back new construction. Some buy for investment, and some actually want to live here.

Rather than own a mortgage company which I consider a conflict, we affiliate with Guaranteed Rate for mortgages. They are the seventh largest lender and have the widest range of loan products at the lowest cost I can find. Our contact is Jeff Crain 727-501-3534. We affiliated with Tampa Bay Title, because they have grown to over 80 closers and their legal team can handle short sales and lien searches to clear notes for investors. Our contact is Abbie Lewin Cell: 727-612-0048, Office: 727-894-0000. Neither is exclusive, you can use anyone you like but at this moment they offer a superior value in our opinion.

I train in-house one morning a month. I mentor often. I have provided training at franchises and real estate conventions domestically and internationally but will continue to reduce this schedule. I list and sell more properties than anyone else in our market but only work with buyers who are referred to me by past clients. I partner with the agent I feel best qualified to sell each listing and direct the marketing effort designed to drive buyers to them. All our agents are trained and established before they come to us and are looking to reach the next level.

If you are looking to sell, give me or one of our agents a call. If you owe more than your home is worth, I may be able to help. If your property has been for sale and has been withdrawn or expired, I know I can help you. Our days to contract and percentage of asking price is among the best anywhere.

The following describes the status of waterfront condo sales.



To see the latest sales go to: www.GulfCoastCondoReport.com

Belleair Beach, Belleair Bluffs & Belleair. There are currently 29 condos listed, representing a 7.9 month supply. Sales during the first quarter totaled 11. Average days on the market was 139 and buyers paid 93% of the final asking price.

Sq Ft Prices paid; Highest \$466.83, Average \$242.01, Lowest \$85.99.

Clearwater Beach, Island Estates and Sand Key. There are currently 225 condos listed, representing a 7.3 month supply. Sales during the first quarter totaled 92. Average days on the market was 122 and buyers paid 94% of the final asking price.

Sq Ft Prices paid; Highest \$733.17, Average \$297.40, Lowest \$47.43.

Dunedin. There are currently 24 condos listed, representing a 10.3 month supply. Sales during the first quarter totaled 7. Average days on the market was 91 and buyers paid 95% of the final asking price.

Sq Ft Prices paid; Highest \$257.38, Average 187.80, Lowest \$113.46.

Gulfport. There are currently 8 condos listed, representing a 2.7 month supply. Sales during the first quarter totaled 9. Average days on the market was 53 and buyers paid 96% of the final asking price.

Sq Ft Prices paid; Highest \$220.20, Average \$108.68, Lowest \$65.57.

Indian Rocks Beach. There are currently 26 condos listed, representing a 3.9 month supply. Sales during the first quarter totaled 20. Average days on the market was 124 and buyers paid 96% of the final asking price.

Sq Ft Prices paid; Highest \$438.46, Average \$302.52, Lowest \$118.32.

Indian Shores. There are currently 50 condos listed, representing a 13.6 month supply. Sales during the first quarter totaled 11. Average days on the market was 90 and buyers paid 96% of the final asking price.

Sq Ft Prices paid; Highest \$427.62, Average \$261.90, Lowest \$169.53.

Largo. There are currently 9 condos listed, representing a 13.5 month supply. Sales during the first quarter totaled 2. Average days on the market was 46 and buyers paid 90% of the final asking price.

Sq Ft Prices paid; Highest \$151.84, Average \$116.08, Lowest \$80.32.

Madeira Beach. There are currently 36 condos listed, representing a 13.5 month supply. Sales during the first quarter totaled 8. Average days on the market was 131 and buyers paid 95% of the final asking price.

Sq Ft Prices paid; Highest \$386.36, Average \$312.80, Lowest \$267.71.

North Redington. There are currently 20 condos listed, representing a 15 month supply. Sales during the first quarter totaled 4. Average days on the market was 120 and buyers paid 95% of the final asking price.

Sq Ft Prices paid; Highest \$479.67, Average \$400.73, Lowest \$268.75.

Redington Beach. There are currently 6 condos listed, representing a 18 month supply. Sales during the first quarter totaled 1. Average days on the market was 300 and buyers paid 102% of the final asking price.

Sq Ft Prices paid; Highest \$448.35, Average \$448.35, Lowest \$448.35.

Redington Shores. There are currently 24 condos listed, representing a 36 month supply. Sales during the first quarter totaled 2. Average days on the market was 78 and buyers paid 92% of the final asking price. Sq Ft Prices paid; Highest \$360.98, Average \$334.54, Lowest \$328.10.

Seminole. There are currently 5 condo listed, representing a 7.5 month supply. Sales during the first quarter totaled 2. Average days on the market was 106 and buyers paid 97% of the final asking price. Sq Ft Prices paid; Highest \$146.67, Average \$113.38, Lowest \$80.08.

South Pasadena. There are currently 42 condos listed, representing a 5.5 month supply. Sales during the first quarter totaled 23. Average days on the market was 71 and buyers paid 94% of the final asking price. Sq Ft Prices paid; Highest \$253.85, Average \$134.07, Lowest \$77.83.

St Pete Beach. There are currently 61 condos listed, representing a 10.8 month supply. Sales during the first quarter totaled 17. Average days on the market was 99 and buyers paid 93% of the final asking price. Sq Ft Prices paid; Highest \$514.02, Average \$278.74, Lowest \$151.85.

St Petersburg. There are currently 163 condos listed, representing a 8.4 month supply. Sales during the first quarter totaled 58. Average days on the market was 73 and buyers paid 95% of the final asking price. Sq Ft Prices paid; Highest \$405.01, Average \$177.87, Lowest \$68.75.

Tarpon Springs. There are currently 18 condos listed, representing a 7.7 month supply. Sales during the first quarter totaled 7. Average days on the market was 95 and buyers paid 95% of the final asking price. Sq Ft Prices paid; Highest \$176.73, Average \$124.28, Lowest \$72.07.

Tierra Verde. There are currently 36 condos listed, representing a 21.6 month supply. Sales during the first quarter totaled 5. Average days on the market was 175 and buyers paid 89% of the final asking price. Sq Ft Prices paid; Highest \$192.31, Average \$176.47, Lowest \$143.39.

Treasure Island. There are currently 70 condos listed, representing a 6.8 month supply. Sales during the first quarter totaled 31. Average days on the market was 95 and buyers paid 94% of the final asking price. Sq Ft Prices paid; Highest \$425.44, Average \$244.91, Lowest \$122.03.

Pinellas County. There are currently 860 condos listed, representing a 8.2 month supply. Sales during the first quarter totaled 313. Average days on the market was 103 and buyers paid 95% of the final asking price. Sq Ft Prices paid; Highest \$733.17, Average \$233.25, Lowest \$47.43.

CLIFF'S COMMENTS

As I am writing this edition, our real estate market is the strongest it's been in over 10 years. Sales are down, not due to a lack of demand but due to a low inventory. We are seeing new construction, for sale by owners or agents, and an absence of hedge fund buyers. Hedge funds buy value and relocate to other areas when prices increase and the profit potential is reduced. When we have low inventory, agents and homeowners attempt to sell their personal property; both tend to over price and are seldom a good value for the buyer. Stick with an expert who is licensed and has a fiduciary duty to you before entering into one of life's more important financial decisions. As always, if I can help, please contact me.

Sincerely,

Cliff

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