



# The Roe Report

for  
Waterfront & Luxury Properties



First Quarter - 2015

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Circulation 5,000+

## Information Supplied by:

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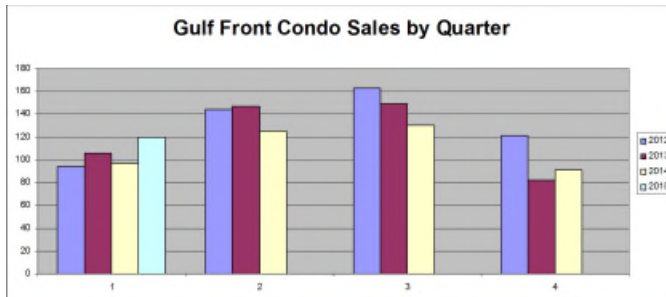
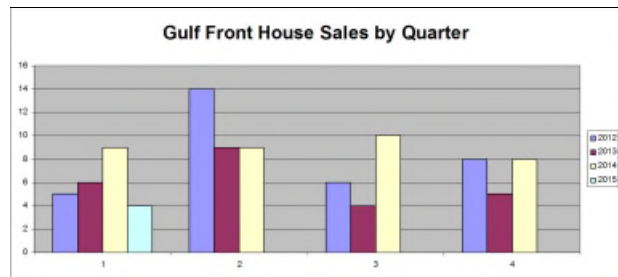
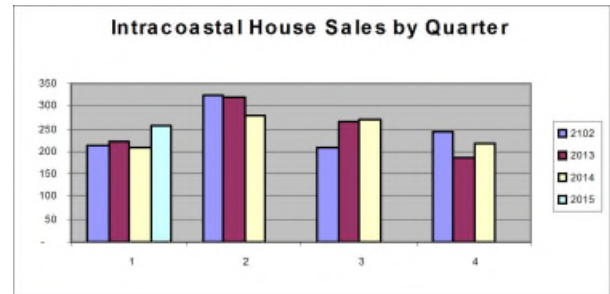


There are 243 Gulf front condos listed for sale equal to a 6 month supply. There were 89 condos sold on the Intracoastal up from 78. +14%. Currently 161 are listed equal to a 5.4 month supply. A supply of six months or less is considered a seller's market.

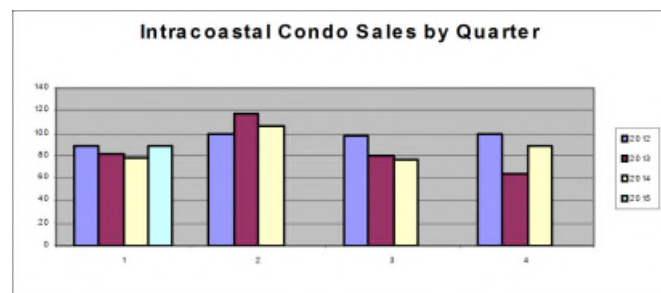
### Déjà vu all over again?

**Déjà vu** is French for *already seen*. Back in 2003-2006 the price of real estate was going through the roof. Tampa Bay was seeing price increases of 25% to 40% a year. I'm not making an argument to buy more real estate. I'm posing the question; "Is this the perfect time to sell?"

I cover zip codes 33767, 33785, 33786, 33708, and 33706 from north Clearwater Beach to the tip of St Pete Beach. A 12 mile radius from my office. I concentrate of four property groups; condos and single family homes on the gulf and condo and single family homes on the the Intracoastal. Three of the four groups did very well in the first quarter of 2015 and should do well heading into our strongest sales quarter.



There were 256 houses sold on the Intracoastal in the first quarter up from 207 in the same period of 2014. +24%. There are 120 houses listed on the Intracoastal equal to a 6.4 month supply. There were 4 houses sold on the gulf down from 9 in 2014. -55%. There are 28 Gulf front houses listed for sale or a 21 month supply.



Back in 2005 I would show half my clients two waterfront condos; they would buy one. The other half bought off the Internet and never saw the property. [RoeReport.com](http://RoeReport.com) shows all the previous newsletters dating back to 2006. The format has improved over time but if you choose to review past issues you will see that supply has exceeded demand until now. Our MLS sends out a monthly newsletter to all broker/owners. The most recent edition shows December of 2014 as compared to 2013. Traditional condos were up 24.4% in units. REO's (bank owned) were up 52.1% in units. That's amazingly strong demand.

There were 120 Gulf front condos sold in the first quarter up from 97 in the same period of 2014. +23%.

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Prices are up 25% over the past three years. In 2014 prices were up 14%.

Is history repeating itself? Are we heading toward another housing bubble? I don't know but virtually everyone missed the signs back in 2005. The following is similar to 2004.

- The MLS newsletter states REO (bank owned) closings up 102% for houses and 52% for condos.
- My REO department is approximately 1/3 of my business. Our inventory has doubled in the past quarter.
- An architect friend from San Francisco is creating a \$100M project for an Asian investor. He is favoring Tampa over SF. At lunch last weekend, he wanted to know if Roe Realty would sell the project.
- New Construction is booming in downtown St Petersburg, Tampa and along our beaches.
- I received two unsolicited requests from former clients in Europe for a proposal on how I would invest and manage a \$15M and a \$50M fund. Neither required purchases to be local. Just buy and manage real estate.
- Recent requests from Hedge Funds asking us to represent them as they re-enter our market.
- A significant number of agents are changing brokerage companies. Agents jumping from firm to firm is a strong indicator of perceived instability. The exception is from franchise to independent where the savings can be used to fund additional marketing.
- Consumer spending is being triggered by refinancing to capture an increase in equity.
- The dollar continues to strengthen against foreign currencies. A strong dollar makes it much more expensive for foreign buyers to buy here.

#### **Gulf Front Condos**

**Zip Code 33767**—Sold 49 in an average of 138 days during the first quarter at an average of 95% of asking price. Currently 101 are listed equal to a 6.18 month supply.

**Zip Code 33786**—Sold two with seven active for a 7.5 month supply.

**Zip Code 33785**—Sold 40 in an average of 144 days at 94% of asking price. Currently 40 are listed equal to a 3 month supply.

**Zip Code 33708**—Sold 59 in an average of 149 days at 95% of asking price. Currently 57 are listed equal to a 2.9 month supply.

**Zip Code 33706**—Sold 34 in an average of 118 days at 96% of asking price. Currently 73 are listed equal to a 6.44 month supply.

#### **Intracoastal Condos**

**Zip Code 33767**—Sold 38 in an average of 133 days during the first quarter at an average of 97% of asking price. Currently 106 are listed equal to a 8.37 month supply.

**Zip Code 33786**—had no sales and no listings.

**Zip Code 33785**—Sold 10 in an average of 80 days at 94% of asking price. Currently 17 are listed equal to a 5.1 month supply.

**Zip Code 33708**—Sold 15 in an average of 99 days at 93% of asking price. Currently 25 are listed equal to a 5 month supply.

**Zip Code 33706**—Sold 26 in an average of 109 days at 95% of asking price. Currently 49 are listed equal to a 5.65 month supply.

#### **Gulf Front Houses**

**Zip Code 33767**—Sold 1 in 29 days for 92% of asking price during the first quarter. Currently 4 are listed equal to a 12 month supply.

**Zip Code 33786**—had no sales but currently has 2 listings listings.

**Zip Code 33785**—Sold 3 in an average of 299 days at 92% of asking price. Currently 5 are listed equal to a 5 month supply.

**Zip Code 33708**—had no sales but currently has 14 listings listings.

**Zip Code 33706**—Sold 1 in 211 days for 97% of asking price. Currently 4 are listed equal to a 12 month supply.

### Intracoastal Houses

**Zip Code 33767**—Sold 5 in an average of 99 days during the first quarter at an average of 93% of asking price. Currently 16 are listed equal to a 9.6 month supply.

**Zip Code 33786**—Sold 2 in an average of 31 days at an average of 92% of asking price. Currently 13 are listed equal to a 19.5 month supply.

**Zip Code 33785**—Sold 9 in an average of 119 days at 98% of asking price. Currently 15 are listed equal to a 5 month supply.

**Zip Code 33708**—Sold 22 in an average of 114 days at 95% of asking price. Currently 38 are listed equal to a 5.18 month supply.

**Zip Code 33706**—Sold 80 in an average of 136 days at 95% of asking price. Currently 225 are listed equal to a 8.44 month supply.

### Cliff Notes

I'm not advising anyone to sell, I'm simply giving you the facts. Historically I have promised readers I will honestly report the current state of the market. I am pointing out that many of the signs of a market peak back in 2005, that became obvious in hindsight, appear to be repeating themselves. This is what I wrote the first quarter of 2006; *"For all of 2005 the National Association of Realtors® estimates that 61.1% of homes sales were for primary residences, 27.7% were for investment and 12.2% were vacation homes. Then, why the big drop in sales during the first quarter of 2006? It started with the Federal Reserve raising rates to strengthen the dollar. Foreign investors found properties in the United States more expensive and put off purchases. This group is thought to make up 7-10% of the local market. When investors noticed the drop in demand they too backed off. Savvy investors put their properties on the market as did many foreign investors who saw an opportunity to take advantage of the exchange rate.*

*The question in everyone's mind is how long will the current situation last? With 2,571 waterfront and water view condos for sale in Pinellas County it will take some time for the inventory to return to comfortable levels; defined as a six month supply. During the first quarter 453 units sold. During 2005 there were 2,172 transactions; therefore the current inventory level equals a 14.2 months supply."*

We experienced a period of rapid price increases from 2003 to 2006. Builders were working overtime to meet demand. Then the bubble burst. We experienced a 25% price increase from 2012 to 2015. The Federal Reserve is once again considering rate increases. Price reflects supply and demand. Today demand is high and supply is at the lowest point in years. New construction is going strong all over the state. Is this the ideal time to achieve a high price if you are considering selling?

The average number of days from listing to contract is currently 98. (Note: the average number of days on market is down from 119 just six weeks ago.) Days on the market shows demand is increasing. Buyers are everywhere and many properties are receiving multiple offers leading to selling prices well above asking price.

If you are considering selling, I would like to share my marketing plan with you. Since 2010 it has produced one sell every 30 hours. I will show you how to receive top dollar in the least amount of time. My email is Cliff@Roe-Realty.com. (727) 644-7209.

Sincerely,

*Cliff*

Bay Area Offices: Seminole, Madeira Beach, Trinity and West Chase

