

Tampa Bay's transaction leader 2010 to present*



The Roe Report

for
Waterfront/Luxury Condos



2nd Qtr-2014

www.RoeReport.com

Roe Realty, Inc

Information Supplied by:

Cliff Roe, Broker/Owner



Recently I attended an invitation only open house. The invitation for this multi-million dollar home was based on who had completed at least one \$1,000,000+ transaction. Not million dollar producers but agents who joined that club with a single transaction. There were 70-80 agents in attendance. What stunned me was the number who were complaining about how slow the market is or their lack of buyers and listings.

In sales you create your business or you're dependent on someone else to generate your leads. I studied the franchises and chose the option of becoming an independent. I utilize the franchise fees I would have paid to market my business. This has allowed me;

- to lead all agents in the number of transactions* since 2010.
- to receive recognition for achieving an international sales ranking. I ranked number 11 worldwide in 2012. 2013 ranking will be out in September.
- to create *The Roe Report*.
- to show waterfront homes by boat.
- to own a drone with a high definition camera for aerial photography. We are awaiting FAA

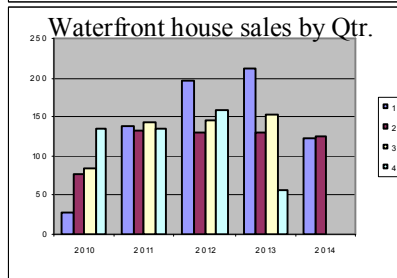
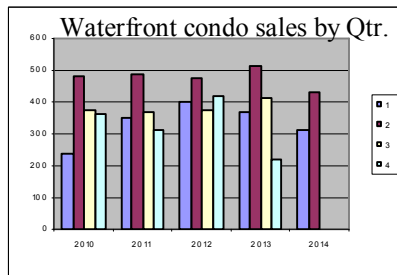
approval to fly again.

- to pay for featured placement on Zillow.
- to own over 80 personal and several company websites including the number one agent website in our market.
- to drive a nice car to show your condo. A car doesn't help me sell your condo. The boat often does.
- to hire 14 salaried assistants. This frees me to do what you hired me to do: sell your condo.

If you are a long time reader of *the Roe Report*, you already know its primary purpose is to empower clients so they can make informed decisions. My goals are:

1. to never overstate the value of a property to get a listing. Asking for a price reduction would be an admission my original suggestion was not in your best interest.
2. to never charge a transaction fee to another agent. With over 6,000 agents why would I ask them to fund a transaction fee that goes to a broker.
3. to never offer to accept less to sell your condo should I sell both

sides. The MLS requires us to disclose this to all other agents which tells them they are at a disadvantage. I want all the help I can muster to sell your property. Believe me, every agent knows who is fair and who isn't.



* There are two transactions each time real estate changes hands. The listing agent gets credit for one transaction and the buyer's agent gets credit for one transaction. If you produce both sides you receive credit for two transactions.

Website: www.Roe-Realty.com

E-mail: Cliff@Roe-Realty.com / Office: (727) 595-7295 Cell: (727) 644-7209

4. to **never ask for a listing that lasts longer than six months**. Unless yours is a truly unique property, I don't need a year. I believe in my marketing plan and the benefit of starting with a reasonable listing price.
5. to never use a call center or make an agent pick up a key at my office. Why make it hard for another agent to show your property? I do what is in your best interest.
6. to act as a transaction broker so I can sell both sides. My duties of privacy, ethics and honesty remain the same. Why would I want to limit your buyer pool by being a single agent?
7. to maintain GulfCoastCondoReport.com and GulfCoastHomeReport.com. These sites list every waterfront transaction in the past year. You don't have to rely on a listing presentation to know what your home is worth. The history is there in black and white.

Our market is showing signs of recovery. Inventory is down, sales are up and prices are inching ahead. We experienced several months of rapid price increases; those days appear to be over but the trend is still positive. I don't have a crystal ball to predict the future, all I know is where we are today. Last month I advised my daughter to trade up to a larger home. I obviously expect prices to trend upward.

I am often asked why I don't create and manage real estate investment partnerships. It's a good question since we already source, repair, rent and sell properties for individuals, partnerships and hedge funds. I would be happy to perform these services for you. The reason I haven't considered forming investment groups is because the SEC has strict guidelines on how partnerships can be formed. The distinction is who sets the rules. Currently, I don't pick the properties and I don't decide when to liquidate. I could if the partnership hired me to, but I can't create a fund that grants me those powers. If you are interested in the partnership approach, call me 727-644-7209 or my office and ask for me or Rebekah 727-595-7295. We will send you a questionnaire outlining various options. We will schedule group meetings allowing investors with similar interests to meet. We will handle the introductions to get your started. If you decide to proceed, your first decisions will be to vote for a manager to conduct the meeting. After you vote on how your partnership will operate you will require the services on an attorney to do the legal paperwork. At this stage you can hire us or another firm to source and manage your properties or you can do it on your own. Currently rentals produce annual returns above 8% and property values are increasing around 4%-5% a year. This creates a potential for returns in the 12-13% range.

QUARTERLY WATERFRONT CONDOS SALES

www.GulfCoastCondoReport.com

Belleair Beach, Belleair Bluffs & Belleair. There are currently 25 condos listed, representing a 4.7 month supply. Sales during the second quarter totaled 16. Average days on the market was 167 and buyers paid 95% of the final asking price. High Sq Ft \$401.79, Avg Sq Ft \$215.32, Low Sq Ft \$66.67.

Clearwater Beach, Island Estates and Sand Key. There are currently 188 condos listed, representing a 9.1 month supply. Sales during the second quarter totaled 62. Average days on the market was 111 and buyers paid 90% of the final asking price. High Sq Ft \$332.49, Avg Sq Ft \$289.33, Low Sq Ft \$242.73.

Dunedin. There are currently 21 houses listed, representing a 5.3 month supply. Sales during the second quarter totaled 16. Average days on the market was 141 and buyers paid 93% of the final asking price. High Sq Ft \$284.21, Avg Sq Ft \$167.65, Low Sq Ft \$111.24.

Gulfport. There are currently 8 condos listed, representing a 2.1 month supply. Sales during the second quarter totaled 11. Average days on the market was 108 and buyers paid 95% of the final asking price. High Sq Ft \$325.09, Avg Sq Ft \$148.64, Low Sq Ft \$88.84.

Indian Rocks Beach. There are currently 16 condos listed, representing a 3.4 month supply. Sales during the second quarter totaled 14. Average days on the market was 183 and buyers paid 92% of the final asking price. High Sq Ft \$382.02, Avg Sq Ft \$289.95, Low Sq Ft \$155.64.

Indian Shores. There are currently 49 condos listed, representing a 5.1 month supply. Sales during the second quarter totaled 29. Average days on the market was 177 and buyers paid 95% of the final asking price. High Sq Ft \$472.22, Avg Sq Ft \$278.94, Low Sq Ft \$176.47.

Largo. There are currently 7 condos listed, representing a 5.2 month supply. Sales during the second quarter totaled 4. Average days on the market was 147 and buyers paid 91% of the final asking price. High Sq Ft \$204.08, Avg Sq Ft \$160.57, Low Sq Ft \$79.01.

Madeira Beach. There are currently 29 condos listed, representing a 6.2 month supply. Sales during the second quarter totaled 14. Average days on the market was 87 and buyers paid 94% of the final asking price. High Sq Ft \$455.12, Avg Sq Ft 306.54, Low Sq Ft \$199.29.

North Redington. There are currently 6 condos listed, representing a 15 month supply. Sales during the second quarter totaled 4. Average days on the market was 113 and buyers paid 97% of the final asking price. High Sq Ft \$429.59, Avg Sq Ft \$388.28, Low Sq Ft \$304.50.

Redington Beach. There are currently 10 condos listed, representing a 10 month supply. Sales during the second quarter totaled 3. Average days on the market was 237 and buyers paid 82% of the final asking price. High Sq Ft \$414.63, Avg Sq Ft \$370.29, Low Sq Ft \$325.94.

Redington Shores. There are currently 34 condos listed, representing a 6.4 month supply. Sales during the second quarter totaled 16. Average days on the market was 123 and buyers paid 97% of the final asking price. High Sq Ft \$372.44, Avg Sq Ft \$273.50, Low Sq Ft \$200.47.

Seminole. There are currently 4 condo listed, representing a 12 month supply. Sales during the second quarter totaled 1. Average days on the market was 7 and buyers paid 98% of the final asking price. Average price paid per sq ft \$160.00.

South Pasadena. There are currently 37 condos listed, representing a 4.1 month supply. Sales during the second quarter totaled 27. Average days on the market was 173 and buyers paid 96% of the final asking price. High Sq Ft \$248.91, Avg Sq Ft \$127.31, Low Sq Ft \$63.23.

St Pete Beach. There are currently 43 condos listed, representing a 5.4 month supply. Sales during the second quarter totaled 24. Average days on the market was 173 and buyers paid 96% of the final asking price. High Sq Ft \$413.79, Avg Sq Ft \$250.65, Low Sq Ft \$125.18.

St Petersburg. There are currently 148 condos listed, representing a 15.9 month supply. Sales during the second quarter totaled 28. Average days on the market was 110 and buyers paid 95% of the final asking price. High Sq Ft \$248.91, Avg Sq Ft \$127.31, Low Sq Ft \$63.23.

Tierra Verde. There are currently 19 condos listed, representing a 7.1 month supply. Sales during the second quarter totaled 8. Average days on the market was 198 and buyers paid 96% of the final asking price. High Sq Ft \$327.36, Avg Sq Ft \$239.15, Low Sq Ft \$127.66.

Treasure Island. There are currently 49 condos listed, representing a 4.6 month supply. Sales during the second quarter totaled 32. Average days on the market was 127 and buyers paid 93% of the final asking price. High Sq Ft \$433.04, Avg Sq Ft \$234.78, Low Sq Ft \$111.76

CLIFF'S COMMENTS

Last quarter I covered how I determine who would be the agent most qualified to list a home. If you missed it, you can read it online at www.RoeReport.com. In fact, you can read all previous editions online.

In the coming months, you will be exposed to conflicting reports on the housing market. Understand we have waterfront/luxury properties, second/vacation homes and first time home buyers. There are many market segments that the media lumps together. The 18-34 years old segment is participating in home ownership at its lowest rate in history. They have student loans, sub-par jobs, and are finding it difficult to save for a down payment. They have lived through two Iraq wars, 9/11, Afghanistan, and both the banking and housing crises. There is GM, Chrysler, AIG etc. Its easy to understand their hesitation. Currently this group prefers to rent, which is why investment properties are producing higher than average returns. I tend to see little difference in the resell price of an owner/occupied and an investment property; if the property is well maintained.

Waterfront and luxury are in a segment that is immune to the problems being suffered by the middle class. The middle class is and will continue to decline in numbers. That means fewer move up buyers at anywhere near historic level. I believe we will continue to see this segment supported by foreign buyers who want the security of knowing they have equity in the U.S. This group recognizes the waterfront/luxury segment in our country as offering some of the best values in the world. They like the stability of the U.S., and even if all the naysayers who are forecasting the collapse of the worldwide monetary system prove accurate, foreign buyers remain confident the U.S. will be the first country to recover. In summary, we are the preferred place to be. This group also invests heavily in rental property (residential and commercial) since they consider the returns to be both safe and exceptional.

As always, if you or a friend is considering selling or buying, I would appreciate the opportunity to discuss your options and how I might be of service.

Sincerely,

Cliff

727-644-7209

Cliff@Roe-Realty.com

NOTE: A flat or stable real estate market has a six month supply of listings at today's rate of sales. More than six months is considered a buyer's market and below six months is consider a seller's market. As of July 1, 2014 we had a 337 waterfront houses listed selling at a rate of 42 per month for an 8 month supply. We had 949 waterfront condos listed selling at a rate of 143 a month for a 6.6 month supply. This is the closest we have been to a seller's market since 2006.