

Transaction leader Pinellas County - Eleventh Internationally



The Roe Report

for
Waterfront Homes



Third Quarter of 2013

www.RoeReport.com

Roe Realty, Inc

Information Supplied by:

Cliff Roe, Broker/Owner



Florida ranks first among all states for real estate purchases by foreign buyers with 25% of the total transactions. International buyers come from a total of 70 countries; the top five (Canada, Mexico, China, U.K. and India account for 53%. Four states, Florida (25%), California (17%), Texas (8%) and Arizona (8%) account for 58% of the totals.

In January 2014, for the first time, there will be direct flights from China, Japan and South Korea to Florida. Florida's Asian population is 2.7% but in Pinellas County it's 4.7% and growing. Foreign buyers consider U.S. real estate a secure investment (21%), profitable investment (27%), desirable location (43%) and 9% are for other reasons. We offer larger homes with more amenities plus we have Florida's weather, colleges, attractions, restaurants and a well adjusted and diverse population.

Why should you care? Foreign buyers tend to pay cash (62%), they see the U.S. as offering better values than where they live and many are willing to pay higher prices to get what they want. As a rule they buy at the high-end of the market. Since the *Roe Report* mailing goes to members of this group, it's important sellers not exclude one fourth of the potential buyers.

The Asian Real Estate Association (AREA) has become the largest and most prestigious of the International Real Estate Associations. It has members from 130 countries including the U.S. National Association of Realtors, Europe and Canada (I'm a member of these and several more). In September of 2013 I was recognized with a worldwide ranking of eleven based on the number of transactions. Following this honor I was asked to assist in opening a Florida Chapter for AREAA; AREA's American Arm. I proudly accepted. John Wong, the co-founder of AREAA is the incoming President of the California Association of Realtors and the Director of the International division of the National Association of Realtors.



In January 2013, Roe Realty announced the opening of our newest office at 8400 113th St in Seminole. In October 2013 we opened another office at 13800 Park Blvd in Seminole (the center

of Pinellas County). The building was the former location of a Keller-Williams franchise. Our newest office is based on a concept I discovered in Paris at the World Federation of Real Estate Brokers during 2012. We provide stations with display terminals that allow buyers, sellers and investors to search on their own. When they are ready



Website: www.Roe-Realty.com

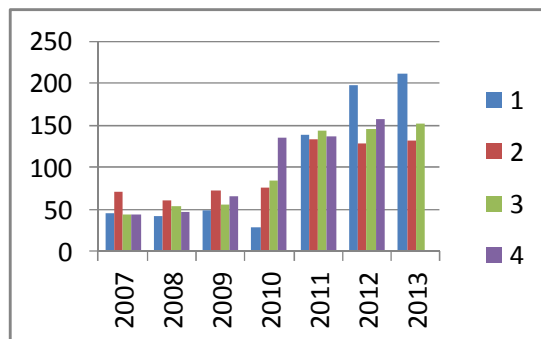
E-mail: Cliff@Roe-Realty.com / Cell: (727) 644-7209

the receptionist can page one of our agents from another section of the building. We supply self-service coffee, tea and snacks. Clients can read books from our reference library and relax without interruption. This concept captured 7% of the Paris market of 13.5M people from of a single office. The Paris office is run by another independent real estate broker who has become a friend. We met again at an Asian Conference in Hawaii where he shared the details of his success. Roe Realty has leased space to Tampa Bay Title, a mortgage company and a high-end builder in order to offer a true one stop service. Every option a buyer needs is available in a single location. Unlike many brokerages we don't own these companies and are not pushing them on our clients. As George Jenkins, the founder of Publix said; "Take care of the customer and they will take care of you." Its still true; if your first concern is service, not money, you succeed in ways you never anticipated.

Every Realtor in every real estate office is an independent contractor responsible for generating their own business; the broker/owner supplies a desk and reception area. At Roe Realty, our agents are not fresh out of real estate school. We only accept trained agents and we make them better. We have a training center with HD-TV where we offer courses taught by some of the leading agents from around the world. We give agents a better split, better education and added support. Roe Realty averages 37.4 transactions per agent. The agents at our areas largest franchise average 2.02 transactions per year. Nationally Re/Max is number one with 17; Keller-Williams averages 7. If you want one of the best, choose one of ours; you will be glad you did.



QUARTERLY WATERFRONT HOME SALES



www.GulfCoastCondoReport.com

The media is touting the housing boom. We are not back to the crazy days of 2001-2006 where every other listing sold online sight unseen, but there are obvious signs of improvement. This year we had the best first quarter in the past four years. The second and third quarters were just ahead of 2012. If you go strictly by sales the market has turned the corner with sales up 51% year-to-date. The other part of the story is inventory. There are 327 properties listed in Pinellas County. If we go by history there should be 161 units sold during the fourth quarter. If that holds true we currently have a 6.09 month supply of waterfront houses. Anything below a six month supply is considered a very strong sellers market. Above is considered a buyers market. Our average days on the market is 106 and the average price paid is 95% of asking price.

Belleair Beach, Belleair Bluffs & Belleair. There are currently 25 houses listed, representing a 10.7 month supply. Sales during the third quarter totaled 7. Average days on the market was 109 and buyers paid 93% of the final asking price.

Clearwater Beach, Island Estates and Sand Key. There are currently 23 houses listed, representing a 11.5 month supply. Sales during the third quarter totaled 6. Average days on the market was 113 and buyers paid 95% of the final asking price.

Dunedin. There are currently 3 houses listed, representing a 3 month supply. Sales during the third quarter totaled 1. Average days on the market was 115 and buyers paid 93% of the final asking price.

Gulfport. There are currently 9 houses listed, representing a 27 month supply. Sales during the third quarter totaled 1. Average days on the market was 407 and buyers paid 95% of the final asking price.

Indian Rocks Beach. There are currently 15 houses listed, representing a 8.6 month supply. Sales during the third quarter totaled 4. Average days on the market was 196 and buyers paid 90% of the final asking price.

Indian Shores. There are currently 4 houses listed, representing a n/a month supply. Sales during the third quarter totaled 0 Average days on the market was n/a and buyers paid n/a of the final asking price.

Largo. There are currently 12 houses listed, representing a 9 month supply. Sales during the third quarter totaled 4. Average days on the market was 102 and buyers paid 90% of the final asking price.

Madeira Beach. There are currently 14 houses listed, representing a 5.3 month supply. Sales during the third quarter totaled 8. Average days on the market was 148 and buyers paid 95% of the final asking price.

North Redington. There are currently 2 houses listed, representing a 6 month supply. Sales during the third quarter totaled 1. Average days on the market was 44 and buyers paid 97% of the final asking price.

Redington Beach. There are currently 21 houses listed, representing a 7.9 month supply. Sales during the third quarter totaled 8. Average days on the market was 88 and buyers paid 97% of the final asking price.

Redington Shores. There are currently 6 houses listed, representing a 9 month supply. Sales during the third quarter totaled 2. Average days on the market was 38 and buyers paid 94% of the final asking price.

Seminole. There are currently 2 houses listed, representing a 6 month supply. Sales during the third quarter totaled 1. Average days on the market was 140 and buyers paid 94% of the final asking price.

South Pasadena. There are currently 0 houses listed, representing a n/a month supply. Sales during the third quarter totaled 0. Average days on the market was n/a and buyers paid n/a of the final asking price.

St Pete Beach. There are currently 30 houses listed, representing a 15 month supply. Sales during the third quarter totaled 6. Average days on the market was 43 and buyers paid 97% of the final asking price.

St Petersburg. There are currently 74 houses listed, representing a 5.7 month supply. Sales during the third quarter totaled 39. Average days on the market was 89 and buyers paid 93% of the final asking price.

Tarpon Springs. There are currently 17 houses listed, representing a 17 month supply. Sales during the third quarter totaled 3. Average days on the market was 420 and buyers paid 94% of the final asking price.

Tierra Verde. There are currently 16 houses listed, representing a 9.6 month supply. Sales during the first quarter totaled 5. Average days on the market was 84 and buyers paid 91% of the final asking price.

Treasure Island. There are currently 32 houses listed, representing a 13.7 month supply. Sales during the first quarter totaled 7. Average days on the market was 88 and buyers paid 95% of the final asking price.

CLIFF'S COMMENTS

The numbers say this is the best time to sell a house and there is no doubt it has been. There are a few concerns moving forward.

Interest Rates would be a concern but most buyers of waterfront homes pay cash.

Flood Insurance is an unknown. If you are coming from a part of the world where its not offered or where prices are high you might think nothing of it. If you have planned your retirement and have a fixed monthly income then an extra \$1,000-\$1,500 a month is a big deal. Nobody knows how prices will be affected, but we know adjustments are coming. We also know its against the law to not inform buyers about the flood insurance before they make an offer. My guess is values will drop somewhat. Assume \$1,000 a month = \$12,000 in extra cost. If prices go down taxes will too and values will settle somewhere in the middle.

I expect buyers will still buy but many won't carry flood insurance. The foundation will remain, the plumbing and electrical are under the slab, the driveways are in and the sea wall will still be there no matter how bad a storm. Most exterior walls should remain; therefore, the cost to rebuild should be around \$100 per sq ft. You need an agent who can discuss a purchase like a business decision; however, if you can hold off selling till June of 2014, I encourage you to wait. I believe the initial reaction will be negative and then things will settle down. If your life-long dream is to live on the water, you will find a way.

Sincerely,

Cliff