



Roe Boat

The Roe Report

for
Waterfront & Luxury Properties



Third Quarter 2011

www.RoeReport.com

Cliff Roe Realty, Inc

Information Supplied by:

Cliff Roe, Broker/Owner



In the last *Roe Report* I promised to let you know where the bank foreclosure / REO market is heading. After attending and teaching at three conventions in September it appears banks have inventory ranging from a 10 to a 30 year supply. I believe its safe to say the housing problem will last a minimum of 15 years.

The ROBO Signature issue is about to end as banks verify their paperwork. This means an increase in REO listings is anticipated. There are deals everywhere if you know where to look. I have clients who buy, fix and flip 3-4 times per year. If this interests you I can explain the process.

Let me thank-you for the buyer referrals and listings. In August, I received the award for being one of the top-10 agents in our market out of some 5,700 peers. Three top-10 awards in eight months could not have been accomplished without you.

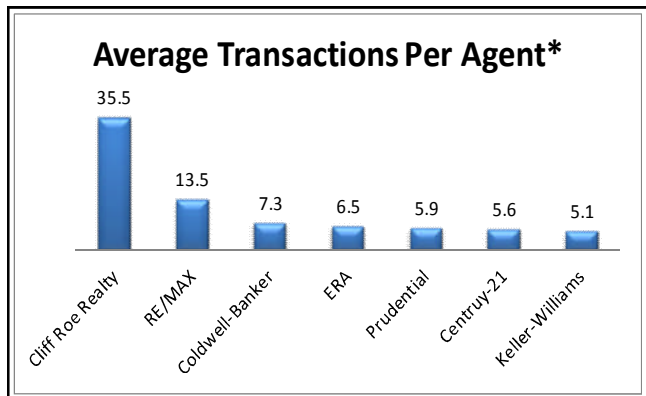
Buyer's love the *Roe Boat*. You may have seen it cruising up and down the Intercoastal, Gulf and salt-water canals. Until I started showing property by boat I didn't fully comprehend how different properties look from the water.

For those who don't know, I introduced Ziploc® Bags, consolidated 36 companies into a single sales and marketing department for the world's largest consumer products company and consulted with 123 manufacturers. These experiences allowed me to observe 100s of focus groups. Over time one gets an idea of what makes people/customers respond.

When I decided to open a real estate office I bought every book I could find. In consumer products its about selling the product. In real estate its about getting the listing. The first rule of real estate is to mail out just listed and just sold postcards. To put your photo on every sign and postcard to gain recognition.

To provide a CMA that shows the highest possible price effectively promising more than the property is worth; then hold open houses so it looks like you are making an effort, bond with the seller and work the price down to what it should have been in the beginning.

The experts say every active agent should have 2-5 buyers they are working with to find a particular property. In our market 15,000 active buyers is a reasonable number. Assume 1/2 of 1% are interested in a property like yours; 75 potential buyers already looking. Because of automation they will know about your listing within minutes. Your built-in buyer pool peaks in two weeks and expires in three. After that you have to wait until someone new comes along who wants what you are selling. Unfortunately that's when days on the market start accumulating and the value of your house starts declining. If you were given bad advice your agent will ask you to lower the price to attract a buyer.



* Source: RE/MAX Ad in Florida Realtor® Magazine lists the average transactions for the major franchises. Cliff Roe's numbers came from the MLS, May 19, 2011. There are two sides to every transaction; buyer and seller.

The Internet has changed marketing. You can't change the front, rear, view, and exterior features other than landscaping; agents should show these photos. On the interior, the kitchen and baths are important; agents should show these photos. Beyond this you are asking the buyer to pass judgment on

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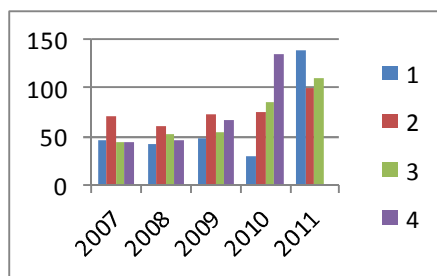
the seller's decorating skills. Since only 5% of all buyers can envision color changes you don't want a buyer making a judgment before they see the home. Your agent should not expose the home to the point you eliminate a potential showing. You can't sell a house unless you get a buyer inside. During the past six (6) months I listed and sold 126 properties. My average selling price was 95% of the recommended list price. **I work on the theory that over pricing a property results in a major financial loss to the seller.**

THE MARKET: In Florida 48.6% of all mortgages are upside down. Banks are saying that for each REO listing sold they will add two. This means the value of all property will slowly decline until the REO inventory is sold. Politicians will try to solve the problem, but they will only cause it to linger longer. There is no one size fits all when the average house in Park City sells for over \$1 Million vs a place like Detroit where 100s of properties are priced under \$10,000.

THE FUTURE: Florida has 431,000 ROBO Signature homes that are being cleared for release. Since this would overwhelm the market these properties will be released slowly. The effect will be declining values for many, many years to come.

The waterfront housing market is next, followed by the waterfront condo market.

QUARTERLY WATERFRONT SINGLE FAMILY HOMESALES



www.GulfCoastHomeReport.com

The Belleairs have 34 listings equaling a 34 month supply. There were 3 sales in the last quarter. Average days on the market was 91 and buyers paid 83% of the "final" asking price.

Clearwater Beach, Island Estates and Sand Key have 39 listings representing a 14.6 month supply. There were 8 sales in the last quarter. Average days on the market was 156 and buyers paid 90% of the "final" asking price.

Indian Rocks and Indian Shores have 22 listings representing a 22 month supply. There were 3 sales in the last quarter. Average days on the market was 232 and buyers paid 89% of the "final" asking price.

The Redingtons have 40 listings representing a 8 month supply. There were 15 sales in the last quarter. Average days on the market was 106 and buyers paid 94% of the "final" asking price.

International buyers visit my internet sites more than any others: CliffRoe.com, RoeReport.com, TheRoeReport.com, Belleair-FL.com, GulfCoastCondoReport.com, GulfCoastHomeReport.com, ClearwaterBeach-FL.net, Dans-Island.com, Dunedin-FL.com, FL-ForeclosureOptions.com, FL-MLS.com, FL-REO.com, Grande-Sandkey.com, Gulf-Condo.net, GulfCoast-MLS.com, Harbourside-Condos.info, Hillsborough-FL.com, IndianRocksBeach-FL.com, IndianShores.info, IslandEstates-FL.com, LaContessaCondos.com, Landmark-Towers.com, Largo-FL-Condo.com, MadeiraBeach-FL.com, Meridian-Sand-Key.com, Palm-Harbor-FL.com, Pasco-County-FL.com, PinellasCounty-FL.com, ReflectionsCondos.info, Sandkey-FL.com, South-Pasadena-FL.com, St-Pete-Condo.info, TamaracByTheGulf.info, Tarpon-Springs-FL.com, Tides-Beach-Club.com, TierraVerde-FL.com, Treasure-Island-FL.com, Ultimar-Sandkey.com

Website names and keywords are based on the most frequently used search terms. Almost all searches include city, state and what the buyer is searching for. NOTE: Condo buyers tend to search by the name of the complex.

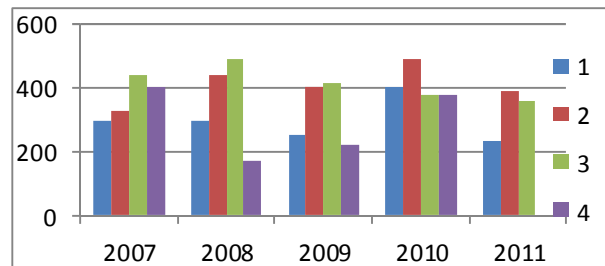
Madeira Beach has 21 listings representing a 7 month supply. There were 9 sales in the last quarter. Average days on the market was 236 and buyers paid 94% of the “final” asking price.

Treasure Island has 30 listings representing a 6.2 month supply. There were 14 sales in the last quarter. Average days on the market was 126 and buyers paid 92% of the “final” asking price.

Tierra Verde has 11 listings representing a 8.9 month supply. There were 9 sales in the last quarter. Average days on the market was 151 and buyers paid 92% of the “final” asking price.

St Pete and St Pete Beach have 114 listings representing a 4.9 month supply. There were 70 sales in the last quarter. Average days on the market was 153 and buyers paid 92% of the final asking price.

QUARTERLY WATERFRONT CONDO SALES



www.GulfCoastCondoReport.com

Belleair Beach, Belleair Bluffs & Belleair. There are currently 46 condos listed, representing a 14.5 month supply. Sales during the last quarter totaled 12. Average days on the market was 265 and buyers paid 90% of the final asking price.

Clearwater Beach, Island Estates and Sand Key. There are currently 270 condos listed, representing a 10.5 month supply. Sales during the last quarter totaled 105. Average days on the market was 120 and buyers paid 94% of the final asking price.

Dunedin. There are currently 48 condos listed, representing a 9.6 month supply. Sales during the last quarter totaled 15. Average days on the market was 156 and buyers paid 92% of the final asking price.

Gulfport. There are currently 27 condos listed, representing a 8.1 month supply. Sales during the last quarter totaled 10. Average days on the market was 136 and buyers paid 89% of the final asking price.

Indian Rocks Beach. There are currently 43 condos listed, representing a 10.7 month supply. Sales during the last quarter were 12. Average days on the market was 191 and buyers paid 88% of the final asking price.

Indian Shores. There are currently 68 condos listed, representing a 12 month supply. Sales during the last quarter totaled 17. Average days on the market was 172 and buyers paid 91% of the final asking price.

Largo. There are currently 21 condos listed, representing a 10.5 month supply. Sales during the last quarter totaled 6. Average days on the market was 138 and buyers paid 93% of the final asking price.

Madeira Beach. There are currently 58 condos listed, representing a 11.6 month supply. Sales during the last quarter totaled 15. Average days on the market was 180 and buyers paid 91% of the final asking price.

North Redington. There are currently 23 condos listed, representing a 13.8 month supply. Sales during the last quarter totaled 5. Average days on the market was 203 and buyers paid 94% of the final asking price.

Palm Harbor. There are currently 3 condos listed, representing a n/a month supply. Sales during the last quarter totaled 0.

Redington Beach. There are currently 7 condos listed, representing a n/a month supply. Sales during the last quarter totaled 0.

Redington Shores. There are currently 37 condos listed, representing a 12.3 month supply. Sales during the last quarter totaled 9. Average days on the market was 168 and buyers paid 93% of the final asking price.

Seminole. There are currently 11 condos listed, representing a 6.6 month supply. Sales during the last quarter totaled 5. Average days on the market was 173 and buyers paid 88% of the final asking price.

South Pasadena. There are currently 52 condos listed, representing a 7.8 month supply. Sales during the last quarter totaled 20. Average days on the market was 210 and buyers paid 92% of the final asking price.

St Pete & St Pete Beach. There are currently 294 condos listed, representing a 7.2 month supply. Sales during the last quarter totaled 122. Average days on the market was 111 and buyers paid 94% of the final asking price.

Tarpon Springs. There are currently 17 condos listed, representing a 17 month supply. Sales during the last quarter totaled 3. Average days on the market was 50 and buyers paid 98% of the final asking price.

Tierra Verde. There are currently 35 condos listed, representing a 15 month supply. Sales during the first quarter totaled 7. Average days on the market was 230 and buyers paid 90% of the final asking price.

Treasure Island. There are currently 103 condos listed, representing a 11.4 month supply. Sales during the last quarter totaled 27. Average days on the market was 105 and buyers paid 92% of the final asking price.

CLIFF'S COMMENTS

CURRENT REALITY: Waterfront homes are in limited supply due to the fact they aren't making any more land. Luxury homes will be seeing an increase in demand because they are selling near 50% of the square footage replacement cost. I study the market closely. When a property is overpriced it sits and declines in value. When a property is priced at fair market value we typically get multiple offers causing it to sell above the asking price. Supply, demand and perception still matter. If you look at the last *Roe Report* vs. this one you will notice a decline in the number of waterfront properties for sale (houses and condos) while demand has held steady over the past two quarters.

FORECAST: There are REO's in all price ranges. However, waterfront and luxury homes are still in demand especially from buyers living overseas. Friends visiting London a week prior to the riots were required to stay in their hotel rooms due to a red alert. After five days the tour refunded their money and flew them home. We didn't hear about this on the news. A friend/client from Greece said his country would drop the Euro which will put pressure on that currency to survive. The point is not to frighten but to make a point. We are the country with the biggest guns, we grow much of the world's food supply and we are the one place where all religious and ethnic groups get along. We have the best doctors, hospitals and universities. If you lived in a foreign country and had the means where would you want to live? Even if you didn't want to move wouldn't you want to invest in a safe haven? The answer is why 85% of my business comes from outside the United States.



Our business continues to grow from referrals by past clients,
Thank-you for your support.

If you are considering buying or selling,
I would appreciate the opportunity to work with you.

**If you know someone who is upside down on their mortgage please ask
them to visit www.FL-ForclosureOptions.com**