



The Roe Report

for
Waterfront & Water view condos



Yearend 2009

www.GulfCoastCondoReport.com

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Market Information Supplied by:

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Water view properties.

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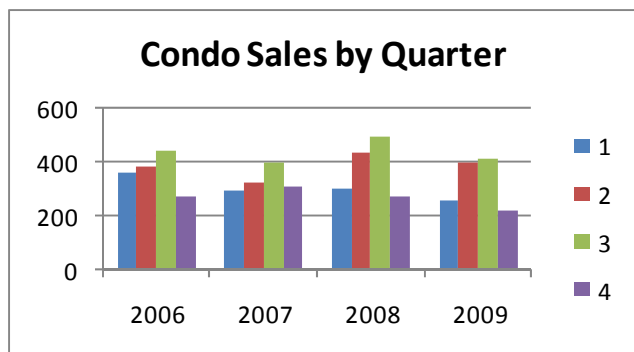
The real estate market remains mixed. Sales are stabilizing but inventory and prices are not at desired levels. The government has done all it can by offering first time home buyers an \$8,000 tax credit, plus home mortgages for 3.5% down. Now they are offering all buyers below \$800,000 up to \$6,500 on the purchase of a home hoping they will trade up.s

The first time home buyer program worked so well it was extended to April 30, 2010. I believe it will be extended again. To some this looks like the situation that caused the current problems. The buyers could buy with little or nothing down on a property they could not afford. That may be the case again; however, it is for your benefit. Where the government allowed anyone to buy before, the banks are checking credit ratings making loans harder to obtain.

Think of a pyramid. At the top are the most expensive properties and as we go down from top to bottom the prices decline and the number of available properties goes up. The same is true for the number of available buyers in each category. For many seeking to buy a higher priced property they need to sell a property. This process is repeated from bottom to top. If you remove the bottom layer the other layers lose support and replace the position below them. We have to

maintain the entry level to support all the layers above.

Now think about the pyramid's top 3/4's becoming cone shaped. As we move up we find buyers less and less willing to buy. From \$0 to \$200,000 the pyramid's walls are still a straight line, but as we move up, the wall starts moving to the center due to a lower number of transactions. I don't find a decline in the number of qualified buyers its just that many in this group are pushing for deals that is difficult for a seller to swallow. A large number of the buyers for the readers of The Roe Report's condos are buying second or third homes and willing to wait on the hope prices will continue dropping. In other words your potential buyers have a want, not a need to buy. The rest of the market is supported by relocation or retirement buyers and they alone are not enough to support waterfront condos values in the mid-to upper price ranges.



The number of REO (bank owned) properties are expected to be increasing throughout 2010. The current program used by most banks is to not look at offers for the first three days, to only look at owner occupied offers through day 14 and to open up the process to investors on day 15. Since this program started in October I have had very few properties available for investors. Investors

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fix and flip or rent. Because properties can now cash flow they are holding on to a higher percentage. This process seems to be adding support to the lower layers of our pyramid which in time is hoped to straighten out the sides.

For those interested in waterfront home sales I have created www.GulfCoastHomeReport.com. I will create another newsletter for that market and its website will be www.TheRoeReport.com.

The following represents an overview of waterfront and water view condo, condo-hotel, town home and villa sales in Pinellas County during all of 2009. The transactions by complex, size, bedrooms, and baths, date closed and price paid are published on the websites listed below each community.

NOTE: The MLS changed this quarter. Units in a waterfront building that do not view the water are no longer counted in the totals. A balanced market has a 6 month supply of listings. We are still in a buyer's market.

Belleair Beach, Belleair Bluffs & Belleair. There are currently 22 condos listed, representing a 20.3 month supply. Sales during 2009 were 13, which represent an increase of 6 from the same period last year. (for sales by complex visit: www.GulfCoastCondoReport.com and click on Belleair.)

Clearwater and Sand Key. There are currently 208 condos listed, representing a 11.9 month supply. Sales during 2009 there were 209 transactions which represent an increase of 37 from the same period last year. (for information on sales by complex visit: www.ClearwaterBeach-FL.com, www.Sandkey-FL.com, & www.GulfCoastCondoReport.com and click on Clearwater.)

Dunedin. There are currently 32 condos listed, representing a 12.4 month supply. Sales during 2009 were 31 which represent an increase of 9 from the same period last year. (for information on sales by complex visit: www.Dunedin-FL.net.)

Gulfport. There are currently 15 condos listed, representing a 5.1 month supply. Sales during 2009 were 35, which represent an increase of 16 from the same period last year. (for information on sales visit: www.GulfCoastCondoReport.com & click Gulfport.)

Indian Rocks Beach. There are currently 20 condos listed, representing a 14.1 month supply. Sales during 2009 were 17, which represents an increase of 7 from the same period last year. (for information on sales visit: www.IndianRocksBeach-FL.com or www.ReflectionsCondos.info.)

Indian Shores. There are currently 44 condos listed, representing a 10.4 month supply. Sales during 2009 were 51, which represent an increase of 23 from the same period last year. (for information on sales by complex visit: www.IndianShores.info)

Largo. There are currently 5 condos listed, representing a 30 month supply. Sales during 2009 were 2, which represent a decline of 2 from the same period last year. (for sales by complex visit: www.GulfCoastCondoReport.com and click on Largo.)

Madeira Beach. There are currently 31 condos listed, representing a 12.4 month supply. Sales during 2009 were 30, which represent an increase of 8 from the same period last year. (for information on sales by complex visit: www.MadeiraBeach-FL.com.)

North Redington. There are currently 10 condos listed, representing a 60 month supply. Sales during 2009 were 2, which represent an decrease of six from the same period last year.
(for sales by complex visit: www.GulfCoastCondoReport.com and click on North Redington, www.Tides-Beach-Club.com or www.LaContessaCondos.com)

Palm Harbor. There are currently 0 condos listed, representing a (n/a)` month supply. Sales during 2009 was 1, which represents no change from the same period last year.
(for information on sales by complex visit: www.Palm-Harbor-FL.com.)

Redington Beach. There are currently 4 condos listed, representing a 24 month supply. Sales during 2009 were 2, which represents an increase of 1 from the same period last year.
(for information on sales by complex visit: www.GulfCoastCondoReport.com and click on Redington Beach.)

Redington Shores. There are currently 23 condos listed, representing a 8.9 month supply. Sales during 2009 were 31, which represent a increase of 13 from the same period last year. (for by complex visit: www.GulfCoastCondoReport.com and click Redington Shores.)

Seminole. There are currently 10 condos listed, representing a 12 month supply. Sales during 2009 were 10, which represents no change from the same period last year.
(for sales by complex visit: www.GulfCoastCondoReport.com and click Seminole.)

South Pasadena. There are currently 30 condos listed, representing a 7.1 month supply. Sales during 2009 were 51, which represent a decrease of 7 from the same period last year.
(for sales by complex visit www.Harbourside-Condo.info or www.GulfCoastCondoReport.com and click on South Pasadena or www.SouthPasadea.FL.com.)

St Pete & St Pete Beach. There are currently 204 condos listed, representing a 10.9 month supply. Sales during 2009 were 224, which represents and decrease of 33 from the same period last year.
(for information on sales by complex visit: www.GulfCoastCondoReport.com and click on St Petersburg or for beach information visit: www.St-Pete-Condo.info)

Tarpon Springs. There are currently 17 condos listed, representing a 14.6 month supply. Sales during 2009 were 14 which represents a increase of 5 from the same period last year.
(for information on sales by complex visit: www.Tarpon-Springs-FL.info)

Tierra Verde. There are currently 34 condos listed, representing a 14.6 month supply. Sales during 2009 were 28, which represent an decrease of 3 from the same period last year.
(for information on sales by complex visit: www.TierraVerde-FL.com.)

Treasure Island. There are currently 72 condos listed, representing a 21.6 month supply. Sales during 2009 were 40, which represent an decrease of 9 from the same period last year.
(for information on sales by complex visit: www.Treasure-Island-FL.com.)

Florida Facts of Interest

- The medium price of a home purchased in 2009 was \$185,000 nationwide. In Florida it was \$176,500 or 4.6% less. Three years ago Florida's medium home price was \$20,000 above the national average and sold for over a quarter million dollars.
- 41% of the buyers were 1st time home buyers vs. 47% nationally.
- 19% of the properties were bought for cash vs. 8% nationally.
- 67% of the buyers used a Realtor, 16% bought a home in foreclosure.
- Real Estate agents assisted 85% of sellers, they received 93% of asking price and 65% reduced their asking price at least once.
- For Sale By Owners made up 10% of sales and 40% of those were sold to an acquaintance.
- 75% of all buyers utilized the Internet to look for homes vs. 85% nationally.
- 77% considered the cost of commuting as a factor in the buying decision.
- The typical mortgage was 93% of the purchase price.
- The typical home contained 1,850 sq ft and was built in 2000.
- Nationally new construction accounted for 18% of all home sales but in Florida that number was 26%.
- 78% bought a detached single family home.
- 29% gave the desire to own a home as the primary reason for buying.
- Single females made up 18% of buyers while 11% were single males.
- The typical buyer looked for 12 weeks and looked at 15 properties.
- 42% of sellers offered an incentive. Usually in the form of a home warranty or help with closing costs.
- 31% of first time home buyers said the mortgage process was more difficult and slower than they had anticipated.

Cliff

Supply and Demand *or* Why days on the market (DOM) is so important?

Imagine an isolated island with a single complex where supply and demand equal one unit each month. As long as supply and demand remain in balance prices remain stable; *Fair Market Value* is the previous sales price +/- inflation. Assume that demand increases by one unit. Every month there will be two buyers vying for a single unit. Demand exceeds supply by a ratio of 2:1 pushing prices higher. Remove one buyer and the situation is reversed. Knowledge of supply and demand can save buyers \$1,000s in any market. This same knowledge can produce \$1,000s of additional dollars for owners who know when to sell.

Disclaimer: If you are working with another Realtor[®], please disregard this newsletter.