

THE Real Estate Report

Prepared exclusively for the Broadwater/Maximo neighborhood by Sharon Simms, CIPS, CRS

Third Quarter 2006

What's happening in the market?

The real estate market has really turned around in the last year, but it's not a bubble bursting, it's getting back to normal. Remember all the years when it was normal to have a couple dozen homes on the market and steady but gradual price increases? That's what it's back to. Our team has seen a pickup in activity the last couple of weeks, and you may have noticed that one of our listings on 46th Avenue is now under contract.

For all of Pinellas County, the absorption rate (inventory turnover) for single family homes is down to 8.6%. In July 2005 there were 2,552 single family homes listed in the MLS. In July 2006 there were 9,549. In July 2005 there were 1,314 single family homes sold, in July 2006 there were 825. So, we have an 11.5 month supply of homes.

The strongest price range is \$200,000-\$249,900 which was just over 17% of the sales. Homes over \$600,000 comprised less than 8% of the sales. Condos (not including new ones that are not in the MLS) have only a 4.8% absorption rate, and there is a 20 month supply.

Insurance Crisis

We grumble when we read in the newspapers about insurance rates going up; we sympathize when our neighbor tells us about their insurance not being renewed; but when we get a non-renewal notice in the mail on our own property insurance policy it really hits home. *"Non-renewing? I've been with this company for ___ years and never had a claim. What do they mean, they won't renew?"*

A couple of years ago we got the notice that Nationwide was switching from Nationwide (national company) to Nationwide Florida (to limit their liability). OK, we dealt with that. Nothing we could do. A few months ago we received our non-renewal notice. I called around and got a few quotes, then called my Nationwide agent. "Don't worry," he said, "when it's about 30 days before cancellation we'll find another company."

Last year our property insurance was \$1,729. OK, I've read about costs doubling. The first quote I got was \$11,000. Yes, that's over 600%! What happened to doubling? After I picked myself up off the floor and grumbled to everyone I knew for a few days,

I continued getting other quotes. The two best were \$3,385 and \$4,363. Not ready to commit to those, I waited until the last 30 days. Then I received word from my Nationwide agent. Not a phone call, mind you, just a bill from a new insurance company for \$9,903. No way, Jose! Now came the reality. I started an Excel spreadsheet to compare the policies' coverage as well as premiums. Naturally there's no way you can compare from just the quotes they send out, so I started making calls for adjusted quotes so that I was comparing like policies. The local agent that many of my clients use was quick to respond, suggested changes in deductibles, playing with options (for example, I removed coverage for my intercom system to save on a disproportionate premium) and coming up finally with the \$4,363 quote.

Continued . . .



SHARON SIMMS
Waterfront Specialist
Your neighbor at
4372 48th Avenue S.

Competition for Sellers

While much is being said about the many homes currently on the market, new home sales are increasingly becoming part of the competition. Two years ago the idea of a builder negotiating with buyers was unthinkable in Tampa Bay. The builder put an ad in the newspaper, and the next morning lines formed in front of their office with individuals willing to write deposit checks immediately. But with the cooler market, builders are now offering huge incentives to entice buyers, and normal sellers are having a very hard time to compete.

Today builders are willing to negotiate on the price, throw in many costly upgrades (to include pools), and with many owning their own mortgage companies, the builders can offer discounts on closing costs and interest rates that make their packages very hard to compete with. These are just a few thoughts for you to consider when you are wondering where all the buyers have gone. 🏠



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Insurance (from page 1) . . .

Then I called the agent on the east coast about the \$3,385 quote. I can't reach him directly by phone, and no phone messages were ever answered. I'd e-mail him, and then 4 or 5 days later he'd call, when I wasn't in the office, and we were back to step 1. Since much less was covered with his policy anyway, and I couldn't get him when I was spending money with him (what would it be like when I had a claim???) I ruled out this cheapest quote. The \$9,903 policy wasn't even worth calling about. So, I'm taking the one at \$4,363 two and one half times my last year's rate. If you get a nonrenewal

notice, don't just accept the new rate. Check it out and get alternatives. Despite the 250% increase from last year, it's less than half of what my previous insurance agent billed me!

And yes, you can be sure that my former agent (yes, I know it's not his fault, but I'm expressing my feelings to Nationwide in the only way I can) will no longer have my auto insurance, either. If Nationwide won't cover my home any longer, I'm not going to give them my car premiums. I'll shop that, too. If you are in the same situation and need any suggestions of people to call, call me or e-mail me. 🏠

Statistically Speaking

These figures show the current market and the recent Broadwater sales history. Prices vary by size, condition and location, so the \$/square feet has a tremendous range and is "nice to know" rather than a useful criteria.

Broadwater:						Waterfront					Non-Waterfront				
	#	\$ Low	\$ High	Average	\$/SF	#	\$ Low	\$ High	Average	\$/SF	#	\$ Low	\$ High	Average	\$/SF
Avail 8/19/06	16	649,900	1,895,000	822,694	287-586	3	365,000	465,000	409,966	156-210					
Pndg 8/19/06	2	625,000	1,375,000	1,000,000	322-461	0	N/A	N/A	N/A	N/A					
Sold YTD	10	475,000	1,347,500	727,380	214-386	2	362,000	417,000	389,500	171-201					
Sold 2005	20	508,000	795,000	612,795	192-423	12	190,000	360,000	305,570	94-183					

Many people ask me about market activity in neighboring communities as well. Here is a look at what's happening on the waterfront¹ in some other popular areas:

Waterfront	Active as of 8/19/06			Sold YTD 2006			Sold 2005		
	#	\$ Low	\$ High	#	\$ Low	\$ High	#	\$ Low	\$ High
NEIGHBORHOOD									
Broadwater	16	649,900	1,895,000	10	475,000	1,347,500	20	508,000	795,000
Bayway Isles	12	995,000	6,000,000	5	855,000	1,495,000	8	825,000	1,485,000
Pasadena Yacht/Country Club	16	769,000	3,600,000	9	767,500	1,900,000	17	600,000	2,850,000
Snell Isle/Coffee Pot/Old NE	32	745,000	5,950,000	11	895,000	5,300,000	33	490,000	3,900,000
St. Pete Beach/Pass-a-Grille	72	579,000	5,250,000	10	700,000	1,600,000	59	454,500	4,700,000
Tierra Verde	18	939,000	5,995,000	8	939,900	2,120,000	22	789,000	3,200,000
Treasure Island	87	530,000	2,950,000	22	550,000	1,800,000	65	375,000	2,223,000
Venetian Isles	30	649,000	3,200,000	10	575,000	1,275,000	26	537,500	1,600,000
Yacht Club Estates	20	699,000	3,999,000	2	730,000	850,000	13	585,000	1,096,000

¹This includes only "navigable water to the Gulf" properties - not lakes, ponds, etc.

TEAM TRAVELS!

Sharon and Tami helped to teach the **Certified Luxury Home Marketing Specialist** (CLHMS) designation course with Institute for Luxury Home Marketing founder Laurie Moore-Moore in Miami in June, and then stayed to participate in the REALTOR Association of Miami & the Beaches' International Congress.

In June, Tami represented the **Business and Professional Women/USA Board of Directors** in Stowe, Vermont, and Daytona Beach, and then completed her duties at the National Convention in Dallas, TX in July.

It was back to Las Vegas for Tami in June, where she successfully completed three core course requirements toward the **Certified Residential Specialist** (CRS) designation.

Rob got a well-deserved vacation in July, traveling with his wife Paivi and son Matthew to her native Finland for a visit.

In August, Sharon and Tami traveled out west to attend a course on **1031 Tax Deferred Exchanges** offered by the REALTOR Land Institute. The course was held in Jackson, WY, so the duo took a few extra days to explore Utah, Idaho, Montana, and Yellowstone National Park.

Amy's education was slightly more local as she completed the coursework for the **Graduate, REALTOR Institute** (GRI) certification in August.

Sharon Simms,
Team Leader

Tami Simms-Powel,
Director of Marketing
& Concierge Services

Amy Grashel,
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Sharon Tami Rob

Sharon Simms sells real estate, and she's good at it. Just ask your neighbors!