

# THE Real Estate Report

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

First Quarter 2007

## Second Homes

In 2005 sales of second homes and investment properties (these often overlap) made up 40% of sales. As a Resort and Second-Home Property Specialist, Sharon is not only tuned in to second home buyers coming to Florida, but to good agents in many areas where Floridians are buying a second home or fractional ownership - in the Carolinas, ski country, or summer resorts.

Call or e-mail us if you'd like an introduction to an agent in another area, or if you'd like to discuss using 1031 exchanges to plan your retirement home.

## Green Materials

For both renovations and new home construction, green building materials (those from renewable resources and those that conserve energy) have been increasing in demand. Hardiboard, for example, (a cementous material, applied in strips like clapboard) which is mold and termite resistant, has increased annual sales by 16%; and improved types of insulation have increased by 20%. A green home may increase costs by 3-5% but these should be recouped by reduced energy costs.

## Affordability

We've been saying for quite a while that today's market is not about what a home is "worth" or what it would cost to rebuild (and certainly it's not about what an owner has invested in the property), it's about what a buyer is willing to offer. Buyers are still concerned by what they see in the media that prices are still declining, that inventory is going up, and are very concerned that they not buy a property that will be decreasing in value over the months ahead, and that they not have an investment that can't be liquidated timely in case the unforeseen happens to them.

Beyond that, buyers can't afford as much house today as they could a year ago, based on the increasing share of PITI of allowable monthly payment approved by the mortgage company. The property tax and insurance portions of that PITI monthly payment decrease the amount of principal and interest they spend in order to be approved by the lender.

Sellers can decide not to sell until the market improves; they can decide to rent the property (though the rental market has softened as well, because many sellers are trying to rent their properties when they

haven't sold); or they can "bite the bullet" and go on with their lives. In many cases, if they are buying a property of equal or higher value in this market, or in one of the many markets around the country that are similar, what they "lose" on the sale, they "gain" on their purchase.

Suggestions if you do decide to sell: price the property at what buyers are willing to pay; make sure the property is sparkling clean; and stage the home for potential buyers rather than for your comfortable living. Visit model homes to get ideas. The days of neutralizing a home or making it vanilla are past, especially if all the other homes on the market show this way. Use color judiciously, though, so that it harmonizes through the house, and is in keeping with the currently popular appealing colors. 🏠

*For statistics on the Pinellas County market, visit [www.ssimms.com](http://www.ssimms.com) for Market Updates. There are separate statistics for luxury homes over \$1,000,000.*



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## Current Home Trends

We're seeing more demand for His/Hers spaces: two home offices, or two "retreat" rooms; separate closets and divided rather than adjacent counters/sinks in the master bedroom. More people are choosing quality over quantity and opting for real materials

versus artificial materials: granite vs. laminate; wood vs. Pergo; cast iron tubs vs. fiberglass. Outdoor living rooms are increasing in popularity, with living room-like furnishings. People want

Continued . . .



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**Current Trends** (from page 1) . . .

lighter and brighter more windows, more open spaces, more views, light coming in from more than one direction. We're also seeing more "visitability" which is making homes more convenient for older people wider doorways, greater accessibility. Owners often justify this for visiting parents, because they don't want to

admit the use for themselves in 20-30 years. Another trend, though not applicable for Broadwater, is detached garages in the rear, often with studios above them. This allows more light and flexibility for the main house. There's also continuing interest in energy efficiency and hurricane proofing. 🏠

## 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.

	Waterfront					Non-Waterfront				
	#	\$ Low	\$ High	Average	\$/SF	#	\$ Low	\$ High	Average	\$/SF
Avail 2/18/07	13	600,000	1,845,000	828,069	292-571	5	350,000	749,900	473,960	180-237
Pndg 2/18/07	1	635,500	635,500	635,500	388	1	359,000	359,000	359,000	140
Sold YTD	3	550,000	640,000	592,333	250-318	0	N/A	N/A	N/A	N/A
Sold 2006	17	475,000	1,347,500	700,282	214-486	7	355,000	425,000	383,714	159-223

Many people ask me about market activity in neighboring communities as well. Here is a look at what's happening on the waterfront<sup>1</sup> in some other popular areas:

Waterfront	Active as of 2/18/07			Sold YTD 2007		Sold 2006			
NEIGHBORHOOD	#	\$ Low	\$ High	#	\$ Low	\$ High	#	\$ Low	\$ High
Broadwater	13	600,000	1,845,000	3	550,000	640,000	17	475,000	1,347,500
Bayway Isles	14	880,000	6,000,000	2	810,270	1,230,000	8	840,000	1,650,000
Causeway Isles	16	539,900	1,099,000		N/A	N/A	10	499,000	1,000,000
Pasadena Yacht/Country Club	12	717,000	3,600,000		N/A	N/A	13	767,500	3,125,000
Pinellas Point/Bahama Shores	8	750,000	3,590,000	1	1,150,000	1,150,000	2	645,000	730,000
Snell Isle/Coffee Pot/Old NE	34	699,900	5,950,000	3	1,750,000	2,400,000	12	895,000	5,300,000
St. Pete Beach/Pass-a-Grille	77	579,900	5,250,000	4	522,000	800,000	20	600,000	1,600,000
Tierra Verde	30	899,000	7,250,000	1	906,950	906,950	10	939,900	4,162,500
Treasure Island	71	479,900	4,250,000	3	750,000	1,200,000	35	529,000	1,800,000
Venetian Isles	24	529,000	3,200,000	1	850,000	850,000	15	575,000	1,275,000
Yacht Club Estates	21	690,000	3,999,000	1	550,000	550,000	5	730,000	1,100,000

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

## TEAM TRAVELS!

Sharon and Tami visited New Orleans in November for meetings of the **Cyber-Professionals** group and the **National Association of REALTORS® Convention**. Tami spoke on a luxury home marketing panel, moderated by Laurie Moore-Moore of the Institute for Luxury Home Marketing.

In January, the two attended the annual **Allen F. Hainge CyberStars™ Summit** in San Antonio, TX. This group of tech-savvy real estate agents from around the country share best practices, new technology and strategies for maximizing the effectiveness of internet marketing.

Later in January, Sharon and Tami traveled to lovely Dana Point, CA (between Los Angeles and San Diego) for the annual **Luxury Conclave**, an exclusive meeting of upper-tier agents, hosted by the Wall Street Journal, Unique Homes and Unique Global Estates.com, focused on sharing ideas for marketing luxury properties internationally.

Sharon and Tami have begun teaching the Institute for Luxury Home Marketing's **Certified Luxury Home Marketing Specialist (CLHMS)** designation course, attending a training in January in Austin, TX, and teaching a course in February in Dallas, TX. The two will teach the course approximately once a quarter around the country.

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