

THE Real Estate Report

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

Second Quarter 2009

Remodeling Returns

Exterior improvements, including wood deck additions and all types of siding replacement, return more than 80 percent of project costs upon resale, according to the *2008-09 Remodeling Cost vs. Value Report*, produced by *Remodeling* magazine in cooperation with REALTOR® magazine. The report indicates that window replacements, kitchen and bath remodels also offer good returns, while home offices, sunroom additions and backup power generators are the least profitable.

News Media Still Spreading Doom and Gloom

Statistics can be spun as much as a politician's speech, and newspapers believe that they can sell more papers with bad news. Figures are often given for the Tampa Bay area, which is such a composite the results are skewed. Hundreds of acres of new subdivisions in Hillsborough and Pasco Counties are lumped in with the Pinellas market, which is mostly resales. Even in St Pete, sales aren't consistent among neighborhoods. Each is unique.

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Short Sales & Foreclosures

A few years ago, appraisers disregarded foreclosures or "distressed sales" when appraising homes. Now, short sales and foreclosures are so much a part of the market that appraisers have to include them. Buyers certainly do – since they want as much as possible for their money. If two homes are comparable (in the buyer's eyes), they'll purchase the less expensive one.

A short sale is when the price the owner will get for the home is less than his mortgage balance(s), and thus it's "short" of paying off the debt.

So far this year, short sales and foreclosures (1 of each) are 50% of the homes that have sold in Broadwater. Short

sales (2) are also 50% of the homes under contract. The "normal" sales and contracts pending are homes that were purchased in the 1970's to 1990's.

The majority of Broadwater homes currently on the market are NOT short sales or foreclosures – but many of them are being marketed at prices that are likely not to appraise. Most homes here are not sold for cash and are subject to the buyer obtaining a mortgage, which is subject to an appraisal. 




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The Market in Costa Rica

There are some price declines in Costa Rica, too, but not as severe as most of the US. A colleague there says most of the declines you read about are from "wish" prices, not from prices anyone actually paid. Since many people are choosing to put some of their assets outside the US into fixed assets such as land, a condo or a single family home, they are generally not leveraging (financing) their purchase. So, there are some opportunities in Costa Rica where an owner wants his cash and will offer his property at a bargain price, but generally you don't have sales forced by over-leveraging as we do here.

One of my Broadwater clients talked with me recently about the market and opportunities in Costa Rica, went there, and made a purchase. Getting advice from the

right people is important, and his comment after returning was "Any concerns I may have originally had about going there and being taken advantage of were quickly dispelled by such a consummate professional." 



The community pool and view from Playa Panama in the Guanacaste region



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That said, even the “average” numbers for Pinellas County are improving. The median (an equal number above and below) number of homes sold reached a low figure of \$125,000 in January of this year. That's the lowest point in 7 years, which is more than 50% below the high of \$276,000 in October. Every month since has been increasing and reached \$144,000 in April.

The average (mean) home price also reached a low in January 2009 of \$191,000. The previous low was \$187,000 in March 2002. That's a 46% drop from October 2005's high of \$354,000. The number of homes going to contract has also gone up each month this year. **If any of you really like numbers, e-mail me at stpetefl@gmail.com and I'll send you a chart of the figures month by month.** 🏠

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
Avail 5/15/09	22	414,900	1,250,000	749,299	210-432	3	332,999	499,900	433,966	158-219
Pndg 5/15/09	4	399,000	459,900	439,725	190-242	2	240,000	274,900	257,450	127-133
Sold YTD '09	4	275,000	405,000	335,000	125-224	0	N/A	N/A	N/A	N/A
Sold 2008	11	300,000	1,700,000	746,364	122-660	2	152,000	350,000	251,000	64-136

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

Waterfront	Active as of 5/15/09			Sold YTD 2009		Sold 2008			
	#	\$ Low	\$ High	#	\$ Low	\$ High	#	\$ Low	\$ High
NEIGHBORHOOD									
Broadwater	22	414,900	1,250,000	4	399,000	459,900	11	300,000	1,700,000
Bayway Isles	11	790,000	2,800,000	1	1,770,000	1,770,000	8	540,000	2,089,800
Causeway Isles	20	299,900	3,200,000	3	308,250	425,000	9	400,000	575,000
Pasadena Yacht/Country Club	26	749,000	4,995,000	0	N/A	N/A	9	655,000	1,900,000
Pinellas Point/Bahama Shores	12	225,000	5,850,000	2	545,000	995,000	3	657,400	700,000
Snell Isle/Coffee Pot/Old NE	38	750,000	4,999,500	2	861,000	3,000,000	10	440,000	3,000,000
St. Pete Beach/Pass-a-Grille	99	435,000	5,900,000	13	410,000	5,250,000	29	425,000	3,300,000
Tierra Verde	46	695,000	10,000,000	6	400,000	1,350,000	8	770,825	5,600,000
Treasure Island	81	255,420	4,995,000	13	357,000	2,550,000	35	350,000	1,750,000
Venetian Isles	42	351,500	2,675,000	3	413,000	1,100,000	11	450,000	900,000
Yacht Club Estates	19	389,900	2,650,000	5	470,000	950,000	12	445,000	800,000

*This includes only “navigable water to the Gulf” properties - not lakes, ponds, etc.

THE SIMMS TEAM

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ALVA International, Inc.

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

TEAM TRAVELS!

In March, Sharon and Tami traveled to Dallas, TX, for their annual planning meeting with the **Institute for Luxury Home Marketing**, for whom the duo teaches a certification class. There's likely to be less travel this year as a result of the economy; fewer people are able to spend the time and money on optional education. Even in the luxury arena, several groups have cancelled their annual conferences and seminars.

Later that month, just after the official grand opening of the new office on Beach Drive downtown, Sharon and Tami attended the biennial **Resort & Second Home Symposium** sponsored by the National Association of REALTORS® in Naples, FL. Among the resources that they found were several internet-based marketing sites for offering vacation rentals.

In April, the pair headed off to Phoenix, AZ, for an intensive marketing and social media “boot camp” called **BloodhoundBlog Unchained**. It was three 14-hour days of hands-on training in utilizing social media networks like LinkedIn and Facebook, maximizing search engine optimization for better marketing listings online, and high-level blogging techniques. It was exhausting but well worth the time and effort!

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