

CAPE HAZE CORRIDOR REPORT

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Special points of interest:

- Offering an interest rate buydown can help you attract buyers. More information inside.
- Rotonda West home sales slowed to an average of 5 per month for 3Q06.
- A "Red Dot" can help in an emergency. See the article on page 2.
- Your vote on Nov. 7 can help Charlotte County establish a program to preserve environmentally sensitive lands.

If your property is currently listed with another Broker, please do not consider this a solicitation.

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A MARKET READY FOR BUYERS

In a reflection of national trends, many buyers stayed out of our local market during the third quarter of 2006. Real estate sales volume in the Cape Haze corridor slowed to its lowest level in recent years. Prices began to trend down slightly from the record highs recorded in late 2005. - Look inside for more details on recent sales activity.

Earlier this month, a report from Moody's economy.com predicted that median Charlotte County real estate prices will drop 8.9% from peak levels before prices begin to rise again in the second quarter of 2007. Other analysts are less pessimistic, but it is apparent that many buyers are taking a wait and see approach.

However, some savvy buyers have recognized that great deals are available now. Mortgage interest rates have dropped in recent weeks. The inventory of available properties remains at record highs. And, motivated sellers are negotiating favorable terms and prices.

If you are a seller in today's market, setting a competitive price is essential. Your Realtor should prepare a detailed comparative market analysis to help you set your price and keep you updated regularly on pricing trends. You'll also want to find a Realtor who will execute a comprehensive marketing plan for your property that includes extensive internet coverage on multiple websites. And, you'll want to look for other ways to create a competitive advantage. In recent issues of the *Corridor Report*, we've discussed three initiatives that can help differentiate your property: "staging" your home for sale, offering a home warranty, and obtaining a home inspection.¹

Special financing tools can also create a competitive advantage. Owner mortgage financing and lease/purchase agreements are financing tools that can help attract buyers. And, they can be great tools to consider if you do not need your capital out of the property sale in the near term. But, how can a seller offer a special financing incentive that does not lock you into a long-term contract with the buyer? In this issue, guest columnist Suzie Scheetz describes how an interest rate buy-down can benefit both buyers and sellers. - Turn to page 2 to read more.

If you've been away for the summer, welcome back to paradise. Enjoy the wonderful season ahead! And, if you looking for a knowledgeable local Realtor to work with you on buying or selling real estate, please give me a call!

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¹Copies of previous editions of the *Corridor Report* are available on my website, PamNeerRealEstate.com.

AREA DEVELOPMENT NEWS

In a \$15 million deal, a development group has purchased 158 acres located between Hwy 771 (Gasparilla Rd) and the Rotonda airport, north of Coral Creek Golf Club. In September, the Charlotte County commission approved a zoning change that allowed a shift of density from the northern end of the property, which includes wetlands, to the southern area of the property. Based on the zoning, up to 346 residential units could be built. Development plans have not been announced.

In August, the county Development Review Committee approved the site plan for Lennar's condominium project adjacent to South Gulf Cove, called West Charlotte Harbor Boat & Tennis Club.

(Continued on page 3)

Cape Haze Corridor Shorts:

Local boaters can once again schedule **Fisherman's Village** in Punta Gorda as an overnight destination. Fuel, pump outs, day use docks and slip rentals (with wireless internet access) are available. Call 941-575-3000 for details or slip reservations.

The Englewood Fire District has included money in the 2007 budget to add a firefighting team at the Cape Haze station (south of Cape Haze Drive and Publix). Station 14 currently houses an EMS team.

A new **Office Depot** store has opened in Merchant's Crossing at the intersection of Placida Rd and Hwy 776.

Angeles Restaurant, featuring traditional American cuisine and a variety of other dishes, has opened at 750 N. Indiana Ave. (Hwy 776) in Englewood.

The annual **Nautical Flea Market**, sponsored by Placida Rotary, is scheduled for Oct. 21-22 on the grounds near the Fishery Restaurant in Placida.

Upcoming dates for the **Olde Englewood Saturday Night Live** events are Nov. 11, Dec. 9, and Jan. 13, from 6-9 pm on Dearborn Street.

Construction is underway in the Rotonda Pine Valley subdivision on a 9-hole addition for the Long Marsh golf course.

(Continued on page 3.)

Cape Haze Corridor Quiz:

What nickname was used to describe 1930s and 40s tourists who came to Florida pulling their trailers?

(See page 3 for the answer.)

Using a "Seller Financing Incentive" to Advantage – by Suzie Scheetz

As a seller in today's very competitive market environment, you may want to consider offering buyers an interest rate buydown to help make your property more competitive.

Here's an example of a "3.2.1" buydown: Working with your Realtor and a mortgage specialist, you decide to offer buyers a reduced mortgage rate for three years if they agree to a full price purchase contract. "3.2.1" refers to the amount of interest rate reduction you decide to offer. In this example, you reduce the buyer's interest rate by 3% in the first year, 2% in the second year and 1% in the third year.

Example: \$350,000 property purchase price and an 80% mortgage (\$280,000) with a 30-year fixed interest rate of 6.25%.

Year	Interest Rate	Monthly Payment	Monthly Buyer Savings	Annual Buyer Savings
1	3.25%	\$1,218.58	\$505.43	\$6,065.16
2	4.25%	\$1,377.43	\$346.58	\$4,158.96
3	5.25%	\$1,546.18	\$177.83	\$2,133.96
4-30	6.25%	\$1,724.01		

As a seller, your contribution to this example is \$11,498.49, paid to the mortgage company at closing. In our example, you decided to offer the financing only for a contract at your asking price. If, instead of the interest rate buydown, you had agreed to a 5% purchase price reduction to make the sale, your sales price would have gone down by \$17,500. Let's look at the advantages of this approach.

Buyer's Advantages:

- ◆ Lower initial interest rates
- ◆ Reduced initial payment schedule
- ◆ Potential to afford more home
- ◆ Qualifying income level can be reduced
- ◆ Available mortgage programs and product options may be increased

Seller's Advantages:

- ◆ Your property can be listed in the MLS and in advertising with "Seller Financing Incentive" to attract more potential buyers
- ◆ You gain a negotiating tool for contract discussions
- ◆ As in the example above, the buydown may lead to a higher net selling price for your property

Many variations on this buydown example are possible. To discuss options for your property, please contact me: Suzie Scheetz, Home Mortgage Consultant with MSC Mortgage, a Wells Fargo Affiliate. Phone: 941-441-1091. E-mail: Susan.M.Scheetz@wellsfargo.com

Suzie can also help with many other financing programs, including: refinancing existing mortgages, locking in mortgage rates for property buyers, and special financing programs for new construction. Contact her to discuss your requirements.

PREPARE AHEAD FOR AN EMERGENCY

We all hope that emergencies won't happen, but if they do, emergency personnel need to quickly obtain background medical information. The Englewood Area Fire District, EMS, Charlotte County 911, and local hospitals are participating in the **Red Dot Program** that provides emergency information to first responders who come to your home. Under the Red Dot program, information sheets describing medications, allergies, emergency contacts and other important information are completed for each member of your household. You place one copy of the information sheets in a magnetic pouch on your refrigerator door. The second copy can be mailed to Charlotte County 911 dispatch. You also place a 2-inch, self adhesive red sticker on your front door so that emergency responders will know the information is available.

The **Safety on Scene** program uses a similar, but shorter, form to record information to be carried in your vehicle. You put the completed information packet in your glove box and place a small sticker on the back of your rearview mirror to alert emergency personnel that the information is inside. (Emergency specialists suggest you also consider carrying an extra copy of this information in your purse or wallet for emergencies away from your home and vehicle).

For information on obtaining your free Red Dot and Safety on Scene packets, call the Englewood Area Fire Control District, at 941-697-6644, or the American Red Cross, 941-629-4345.

3Q06: A SLOW SUMMER FOR REAL ESTATE

The third quarter of 2006 was the slowest period in recent history for real estate transactions reported in the Cape Haze corridor. Sales within Rotonda can help demonstrate how few buyers were active: During the third quarter this year, Englewood Area Multiple Listing Service (MLS) data shows that just under 5 homes sold in Rotonda West per month. That compares to an average of 11 sales per month in Rotonda during the first half of this year. And, it compares to an average of 11 sales per month during the third quarter of 2002 and over 20 sales per month in the third quarters of 2003, 2004, and 2005.

During the 3rd quarter, MLS data shows 14 homes sold in Rotonda West (inside Boundary Boulevard), 3 single-family homes sold in Grove City (west of Placida Rd.), 1 patio home sold in Windward, and 1 waterfront home sold in Cape Haze. Four condominium/town home sales were reported along the Placida Road corridor: 2 in Fiddler's Green, 1 in Harbortown Village, and 1 in Cape Haze Marina Village. Lot sales were also slow, with 12 single-family lots sold in Rotonda, 1 in Placida Bay, and 1 in New Point Comfort.

The low volume of activity makes drawing statistical pricing comparisons to prior periods difficult. However, it is clear that there is downward pressure on prices. Trendgraphix, Inc. reports show that average home asking prices are trending downward. And, the ratio of list (asking) prices to sales prices has dropped. For example, in recent years in Rotonda, lots often sold at 96-98% of asking price. For the recent quarter, the average sale price was 88% of asking price.

The high inventory of available properties and the low number of buyers also suggests that property prices are likely to show some decline in the days ahead. As of early October, MLS data showed 38 canal (no bridges) and bayfront homes for sale from New Point Comfort to Placida. In Rotonda, 270 homes and 448 lots were listed for sale.

ARE INVESTORS AND NEW HOME SALES INCREASING COMPETITION FOR SELLERS?

If you are a local real estate seller, you may be wondering how much of your competition is coming from investors seeking to "flip" properties they purchased recently and how new home sales are affecting competition. We took a look at the inventory of homes for sale in Rotonda to get some perspective on these questions.

To look at "flipping", we used the MLS and Charlotte County property records to identify homes for sale today that last sold either in 2005 or earlier this year. In Rotonda (inside the Boundary Boulevard circle), 11% of the homes for sale (29 of 270) matched this criteria. Some of these homes may not be investor properties, but many are. As you might expect, the amount of "flipping" differs by neighborhood. It is highest in the oldest Rotonda neighborhood, Oakland Hills, where 9 of the 31 homes for sale (29%) have recent prior sales.

With respect to "new" home sales, we looked at how many homes built in 2005 and 2006 are for sale in Rotonda. According to MLS records, 30% of the homes currently on the market (81 of 270) meet this criteria. Some of these homes are being sold by the builders. Others are for sale by investors who purchased the properties new from the builders.

So, in Rotonda, our analysis shows that roughly 40% of the homes currently listed for sale in the MLS are linked to investor resales and "new" home sales. Keeping in mind that some builders do not list their new home inventory through the MLS, Rotonda sellers may also be competing against additional new homes that were not reflected in this analysis.

In different neighborhoods, at different price points, and for different property types, the impact of investor and new residence sales will vary. Condominium sellers face a large number of new units on the market today and under construction. In contrast, for New Point Comfort and Grove City waterfront home owners, we found limited competition coming from 2005/2006 resales (3 properties) and no new homes listed in the MLS inventory.

DEVELOPMENT NEWS (CONTINUED FROM PAGE 1)

Late this summer, Charlotte County commissioners rejected two development requests in our area. A zoning change that would have allowed a 58 residence condominium project off Waterside Drive in Grove City was denied in July. And, in August, a Future Land Use Map change for a 331 unit development on the site of the former Wildflower Golf Course property was denied. New development plans for both sites may be proposed in the future.

Cape Haze Corridor Shorts — Continued:

Next time you're driving down a major Florida highway and traffic comes to a standstill, you may want to dial 511 on your cell phone for a report on the problem and suggested detour routes. The 511 system is coordinated by the Florida Dept. of Transportation.

PamNeerRealEstate.com is the website to visit for useful information on:

Properties:

- ◆ Real estate for sale by neighborhood (MLS listings).
- ◆ Featured local properties.
- ◆ Condominium and townhome developments.
- ◆ Recent Property Sales Reports.
- ◆ Loan amounts you may qualify for on your next real estate purchase.

Communities:

- ◆ Overviews of our major neighborhoods.

Area Links:

- ◆ Useful local websites for government, newspapers, golf courses, restaurants, attractions, and more.

Cape Haze Corridor Report:

- ◆ View online copies of current and past issues.

Answer for the Corridor Quiz:

According to Diana Harris, writing in the Englewood Sun-Herald, their nickname was "tin-can tourists" because the trailers were often full of home canned products.

The material in this newsletter comes from multiple sources and is deemed accurate, but not guaranteed.

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Cape Haze Corridor Report

If you'd prefer, you (and your friends and neighbors) can receive the *Cape Haze Corridor Report* electronically.

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Your suggestions for articles in future additions of the *Corridor Report* are invited.

ENVIRONMENTALLY SENSITIVE LANDS REFERENDUM: CAST YOUR VOTE ON NOVEMBER 7

If you vote in Charlotte County, you have an important opportunity to help preserve environmentally sensitive lands by casting your ballot in the November 7th election. A referendum is on the ballot asking whether voters will authorize Charlotte County to issue bonds for use in acquiring and preserving environmentally sensitive lands.

You might think that Charlotte County already has an environmentally sensitive lands program, but we do not. Sarasota County has a very successful program in place that we often read about in the local papers. Voters in Lee County and 24 other Florida counties also have authorized environmental lands acquisition initiatives.

If the Charlotte County referendum passes, the bonds will be funded by a .20 millage rate increase in the county ad valorem property tax. That increase translates to \$20 per \$100,000 in a property's taxable value. So, for example, the increase would be \$40 per year for a property taxed at \$200,000, \$100 on a property taxed at \$500,000, or \$200 on a property taxed at \$1,000,000. (Note that this amount applies to taxable value, which may be significantly lower than the assessed property value if the property has a homestead exemption.)

Additional information is available at www.votecharlotteconservation.com, a website developed by the political action committee working to pass this referendum.

In a year when many of us have seen large increases in our property tax bills, approving an initiative that raises taxes (even by a small amount) is hard to consider. However, by conserving lands, this program is designed to help protect our open space and quality of life, and to add long term value to our county.

So, please mark your calendars to vote on November 7 and consider casting a "yes" vote on this important referendum.