

CAPE HAZE CORRIDOR REPORT

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Special points of interest:

- Florida-Friendly Landscaping principles can help you save water and beautify your yard. - You'll find more information inside.
- The Amendment 1 "Save Our Homes" portability provision can have significant tax benefits for Florida residents - See the report on page 2.

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

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ACTIVITY INCREASING

The pace of home sales activity on the Cape Haze peninsula quickened in the first half of 2008, as lower home prices attracted more buyers. In Rotonda West, sales activity increased to an average of over 17 home sales per month, up from an average 12 sales per month during 2007. Along the waterfront, from New Point Comfort to Placida, a total of 9 waterfront (no bridges) homes sold during the first half, also up significantly compared to recent sales levels.¹

Foreign buyers are continuing to increase their presence in our area, recognizing the bargains that are available to them with the weak dollar and current market prices. Historically, 10-15% of owners in Rotonda West were estimated to be foreign nationals. For the first six months of this year, 30% of Rotonda West home purchases and 40% of lot purchases were made by foreign buyers.

Another interesting observation is that over 50% of first half Rotonda home buyers purchased their properties in cash. Fortunately, that segment of buyers is somewhat insulated from current economic uncertainties. For buyers seeking a mortgage, banks have tightened loan qualification criteria, but they are still lending. With interest rates potentially headed higher and market prices down, there are good incentives to buy now!

Although inventories of homes for sale have decreased in some areas, there are still many homes available and buyers continue to drive hard bargains in their purchases. Average sales prices are down compared to prior periods. Many sellers continue to find that they must drop their asking prices to attract a buyer. And, the ratio between final selling prices and final asking prices is averaging 83-93%.

If you're a Florida resident and have been considering a move, there is some positive news on property taxes. Amendment 1 legislation includes a provision to "port" your tax savings from your homesteaded property to your new residence. - You'll find more details in the article inside.

If you're out of the area this summer, you'll be pleased to know that our rainy season has returned in earnest. Our neighborhoods are looking green and beautiful! But, the recent rains don't lessen the need to conserve water and protect our wildlife. So, inside you'll also find an article on Florida-Friendly Landscaping.

As always, I hope you'll find this edition of the *Cape Haze Corridor Report* informative. And, if your interests turn to buying or selling real estate, please give me a call!

Regards,

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AREA DEVELOPMENTS

Over the last several months, the Charlotte County commissioners have been debating various versions of a new Planned Development (PD) zoning ordinance. Many residents from our area spoke at public hearings and participated on committees concerning the proposed changes. There was a strong split between citizens/business groups supporting an ordinance with fewer height and open space requirements and other citizens/groups supporting the regulations that had previously been in place. Interestingly, a group of environmentalists and development supporters came together outside the county-sponsored process to propose a compromise ordinance that was adopted by the commission earlier this month.

Continued on page 3

Cape Haze Shorts

With the strong performance so far this season of the **Tampa Bay Rays** baseball team, excitement is building for their 2009 spring training season in Charlotte County. Work on the new stadium on Hwy. 776 in Port Charlotte is going well. If you are interested in getting on the priority list for 2009 spring season tickets, visit www.raysbaseball.com. From the home page, click on Tickets, then on "Charlotte County Priority List". Each season ticket reservation requires a \$50 deposit.

The **Pig 'n Whistle British Pub** has opened in Placida Plaza off Hwy. 771 (Gasparilla Rd.) The restaurant and bar offer a variety of British food & drink in a traditional environment.

In Grove City, the **New Blue Lagoon** is open under new management. They are offering dinner theater shows on selected evenings and a variety of tiki bar specials.

As part of the Conservation Charlotte land acquisition program, the county has purchased 34 acres of environmentally sensitive land on **Thornton Key**, which is located east of Palm Island, west of the Intracoastal Waterway, and south of Stump Pass.

Charlotte County government has introduced a new citizen communication program called **Charlotte Alerts**. Various categories of alerts are available, including meeting agendas, newsletters, and the county TV channel schedule. To register for alerts, go to www.CharlotteCountyFL.com and click on "Charlotte Alert".

TAX SAVINGS FOR FLORIDA RESIDENTS WHO MOVE

In January 2008, Florida voters passed Amendment 1 that invokes changes in Florida property tax laws. One part of the new law, the "portability" provision helps reduce the tax impacts for Florida residents who have accumulated significant "save our homes" tax savings on their primary residence and choose to buy a new primary residence within Florida. - Here are two examples of how the "portability" provision works for Florida residents.

Example 1: Buying a More Expensive Home

Suppose you've had your eye on a waterfront property and decide that now is the time to buy. For our example, let's assume you've lived in your home for some time and because of the "save our homes" law, which limits annual assessed value increases on homesteaded residences, you enjoy a difference of \$100,000 between your assessed value and the home's just (market) value as determined by the county tax assessor. If you sell your old home and establish your homestead in the new, more expensive home, your accumulated savings of \$100,000 is applied to your new residence. So, if that home has a just value of \$750,000, your assessed value for tax purposes would be \$650,000.

Example 2: Buying a Less Expensive Home

Now, let's take the opposite case, moving to a less expensive property. For this example, you decide you want to enjoy the ease and amenities of a new condominium. You sell your house and buy a condominium that becomes your new primary residence. In this situation, your savings are prorated. If your old home had a just (market) value of \$300,000 and your new home has a just value of \$225,000, you take the ratio of those two values, or 75%, and apply it to your old assessed value savings. So, if you had assessed value differential on your old property of \$100,000, it will be 75% of that, or a \$75,000 assessed value reduction, on your new condominium.

Your savings apply only to the "ad valorem" elements of your property taxes, i.e. those linked to assessed value. Whether you are upsizing or downsizing, there is a cap on the new portability rules. The maximum amount of savings that may be transferred is \$500,000.

How much do these portability savings help with your taxes on your new home? Of course, the answer is linked to the millage rates that apply in your case. If we assume a property tax millage rate of 13.4 (a typical rate for local 2007 taxes), then each \$1000 of assessed value results in \$13.40 of taxes. So, a \$75,000 or \$100,000 difference between assessed value and just value could mean an annual tax savings of \$1,005 or \$1,340, respectively.

If you're a Florida resident and have been concerned about the property tax impacts of moving, take a look at how the "portability" provision of Amendment 1 may apply to you. Additional information on "Amendment 1" is available through the Charlotte County property appraiser's office at 941-697-4308 ext. 1593 (a local call within West County) or 941-743-1593, or online at www.ccappraiser.com.

FLORIDA-FRIENDLY LANDSCAPING

If you've been thinking of changing some of your landscaping to use less water, use less fertilizer, attract wildlife and help the environment, there's lots of information available to help you with the process! The Florida-Friendly Yards program (web site: FloridaYards.org) is coordinated by the Florida Department of Environmental Protection and championed locally through the Charlotte County Extension Service (web site: charlotte.ifas.ufl.edu, phone: 941-764-4340). The program focuses on nine landscaping principles:

- | | | |
|-----------------------------|----------------------------------|-----------------------------|
| 1. Right Plant, Right Place | 4. Mulch | 7. Recycle |
| 2. Water Efficiently | 5. Attract Wildlife | 8. Reduce Stormwater Runoff |
| 3. Fertilize Appropriately | 6. Manage Yard Pests Responsibly | 9. Protect the Waterfront |

To expand on a few of these principles:

- ◆ **Right Plant, Right Place** focuses attention on choosing plants that will grow well, with minimal fertilizer use, in your soil, sunlight, moisture, and salt-spray conditions. On the Florida Yards web site, there is an interactive tool that allows you to enter your environmental conditions and see recommended trees, shrubs, flowers, vines, and groundcovers for your specific situation.
- ◆ The need to **Fertilize Appropriately** is being reinforced by a newly passed Charlotte County fertilizer ordinance that applies both to homeowners and to yard care professionals. Among other regulations, the new ordinance requires at least 50% slow release nitrogen in all fertilizers containing nitrogen and prohibits fertilizer use within 10 feet of all bodies of water. For details, visit the Charlotte County Extension web site.
- ◆ The county extension web site also provides information on free **Mulch** available from FPL.

In addition to the resources previously described, in our own "back yard", the staff at Cedar Point Park (on Placida Road opposite Lemon Bay High School) maintains a wide range of free brochures and information on Florida yards, parks, native plants, protecting our watershed, and other topics.

1H08 REAL ESTATE SALES ANALYSIS

Rotonda West Home Sales: The volume of home sales in Rotonda West rose significantly in the first half of 2008 compared to recent periods. Analysis of Mid-Florida Regional Multiple Listing Service (MLS) data and Charlotte County Appraiser records shows over 100 homes sold in Rotonda West in the first half. That volume exceeds the home sales activity for any half year period since 2005 and continues an upward volume trend that began in the first half of 2007. ¹

While volumes are up, prices are continuing to decline in most Rotonda West neighborhoods. Looking back to the same period in 2007, 1H08 average home prices are down from a low of -7% (in White Marsh) to a high of -38% (in Oakland Hills). Some of the pressure for lower prices is coming from short sales and bank-owned properties, which accounted for between 10% and 15% of first half sales. As sales activity has increased, the inventory of homes for sale in Rotonda has dropped from a peak of over 300 a year ago to 231 homes currently available for sale.

80% of first half Rotonda home sales were at price points under \$300,000. The average sales prices varied by neighborhood in a range between 88% and 93% percent of asking prices. During the first half, only 3 Rotonda home sales of more than \$400,000 were reported in the MLS. By comparison, there are 36 homes currently listed for sale with prices over \$400,000. This relatively large inventory compared to sales suggests continued weakness in the high-end of the Rotonda West market.

Home Sales in Other Neighborhoods: Property sales activity was up in Cape Haze Windward during the first half, with 11 sales reported. Prices ranged from \$178,500 for a home on Cape Haze Drive (sold at auction) to \$650,000 for a home on Coral Creek Drive.

In the Cape Haze subdivision, three homes on large lots with expansive water views and no-bridges access to the Intracoastal Waterway sold for prices ranging from \$1,230,000 to \$1,475,000. A waterfront sale in Eagle Preserve also topped the \$1 million mark, at \$1,390,000. In Grove City, five waterfront properties sold during the first half, with prices ranging from \$345,000 to \$600,000.

In the Placida Point community, where homes have access to the amenities of the Placida Harbour Club, three homes sold during 1H08, with prices ranging from \$455,000 (a distress sale) to \$785,000.

Condominium Sales: Much of the condominium resale activity around the Cape Haze peninsula during the first half of 2008 was at lower price points. The highest levels of activity were in Fiddler's Green and the Sanctuary at Cape Haze (aka Sanctuary at Golden Tee). Among new condominium communities, developer units were reported sold in the Condominiums at Waterside, The Hammocks Cape Haze, Hacienda del Mar, and the Townhomes at Cape Haze.

Lot Sales: Of 46 lot sales in Rotonda West identified through the MLS, 9 lots were part of a bulk builder sale and 10 lots were sold following a March auction. Average lot prices in most Rotonda West neighborhoods have dropped below \$35,000. Three waterfront lots were also sold following the March auction, two in Grove City and one in Palm Point, at prices from \$210,000 to \$400,000.

AREA DEVELOPMENTS - CONTINUED FROM PAGE 1

The new ordinance allows buildings higher than 35' within 1200' of the water, which were not allowed in the old ordinance, but requires developers to add additional open space in a one-to-one ratio for each square foot of floor space that they plan over 35'. It also provides for public hearings and a commission vote on new planned developments.

PD zoning is often requested by developers who want to create a development with mixed uses or with specifications that don't match the regulations for other zoning categories. During the zoning ordinance hearings, one site that was a source of much discussion was the old Mercury Marine site, south of the Boca Grande bridge entrance, where there were preliminary development plans that included a hotel. While development discussions at that site now appear to be in limbo, there are a number of locations along Placida Road where developers may seek to apply the new ordinance in the months and years ahead.

Among the condominium and townhome developments that have been under construction in our area, most new building work has halted and developers are seeking to sell out their inventories in buildings recently completed. If you are in the market for a new condominium or townhouse, there are some exceptional deals to be found, both for new developer units and for resale units from early investors. Many developers are throwing in free upgrades to entice new buyers. In one community, the developer is offering a guarantee to buy back your unit in three years if the property does not hold its value.

*Enhanced Property for Sale
Reports Available at
PamNeerRealEstate.com*

We continue to add new features and information to my website,
PamNeerRealEstate.com.

Most recently, we have upgraded the information on properties listed for sale in our local neighborhoods to include photos and expanded property details.

If you're thinking of making a purchase, or just want to see the homes, lots, or condominiums available in our area, follow these steps:

- ◆ Go to my home page, PamNeerRealEstate.com.
- ◆ Click on "Properties".
- ◆ Then click on "Properties for Sale by Area".

You'll find custom reports on a variety of properties for sale in many of our local communities.

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

Just send me an e-mail at:
PamNeer@MichaelSaunders.com.

Or, from my website, PamNeerRealEstate.com, click "Subscribe" under the *Cape Haze Corridor Report* on the left side of the home page and send me your address information.

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

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Cape Haze Corridor Report

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.
- ◆ Real estate profiles for selected communities.
- ◆ Types of Loans available.

Communities:

- ◆ Overviews of our major neighborhoods.

Area Links:

- ◆ Useful local web sites.

Cape Haze Corridor Report:

- ◆ Online copies of current and past issues.

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

NEIGHBORHOOD SALES SUMMARY

Look inside for more details on recent real estate sales results.¹

Neighborhood Sales 1H08	# of Sales	Avg. Sales Price	% of List Price	Low Sales Price	Median Sales Price	High Sales Price
Homes						
Cape Haze (West)	3	\$1,338,333	87%	\$1,230,000	\$1,310,000	\$1,475,000
Placida Point	3	\$579,967	83%	\$455,000	\$499,900	\$785,000
Grove City "West"	5	\$451,100	87%	\$345,000	\$450,000	\$600,000
Windward	11	\$302,136	91%	\$178,500	\$280,000	\$650,000
Oakland Hills	20	\$116,561	91%	\$72,000	\$120,000	\$158,500
Pebble Beach	12	\$179,333	90%	\$127,500	\$180,000	\$240,000
Pinehurst	13	\$229,308	89%	\$161,000	\$235,000	\$319,000
Broadmoor	17	\$245,553	93%	\$130,900	\$235,000	\$425,000
Long Meadow	19	\$253,398	88%	\$174,000	\$225,000	\$500,170
White Marsh	18	\$283,269	91%	\$125,000	\$271,420	\$440,000
Pine Valley	6	\$313,250	93%	\$260,000	\$312,500	\$367,500
Lots						
Pinehurst	11	\$29,318	69%	\$9,500	\$33,000	\$40,000
Long Meadow	9	\$32,856	58%	\$9,300	\$28,600	\$85,000
White Marsh	12	\$33,667	79%	\$22,500	\$30,250	\$55,000
Pine Valley	10	\$34,250	77%	\$22,500	\$36,500	\$48,250

¹ Statistics presented throughout this report are based on analysis and adjustment of data from a variety of sources, including the Charlotte County Property Appraiser and the Mid-Florida Multiple Listing Service. Contact Pam Neer for approval prior to re-publishing any information from this newsletter.