



139 EAST GULF BEACH DR., ST. GEORGE ISLAND, FL 32328

REAL ESTATE UPDATE

SUMMER 2012

SOLD on SGI

2008 TOTAL 55

QTR	HOUSE	CONDO	LOT
1ST	9	1	6
2ND	15	1	1
3RD	7	1	0
4TH	5	5	3

2009 TOTAL 91

QTR	HOUSE	CONDO	LOT
1ST	12	1	3
2ND	18	3	7
3RD	19	1	6
4TH	11	1	9

2010 TOTAL 83

QTR	HOUSE	CONDO	LOT
1ST	16	3	7
2ND	11	1	3
3RD	12	0	5
4TH	17	4	4

2011 TOTAL 146

QTR	HOUSE	CONDO	LOT
1ST	21	1	7
2ND	25	0	15
3RD	26	3	10
4TH	26	1	12

2012 (PROJECTED 174)

QTR	HOUSE	CONDO	LOT
1ST	24	2	16
2ND	23	1	16

Quarter to date as of June 9, 2012

Based on information from the REALTORS® Association of Franklin and Gulf Counties MLS.

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(800) 344-7570
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HITTING THE BOTTOM?

The St. George Island real estate market is finally showing signs of strengthening. The numbers of listings are down to 84 houses, 58 lots and 19 condos/town homes. The total numbers of sales have been increasing almost three fold since the slow years of 2006 through 2008 when we only averaged 50-55 sales per year on the Island. 2011 Island sales totaled 146, and we are on track now to hit 174 sales this year. The best news is that property values have stopped going down, and it appears that values are stabilizing despite the large number of foreclosures.

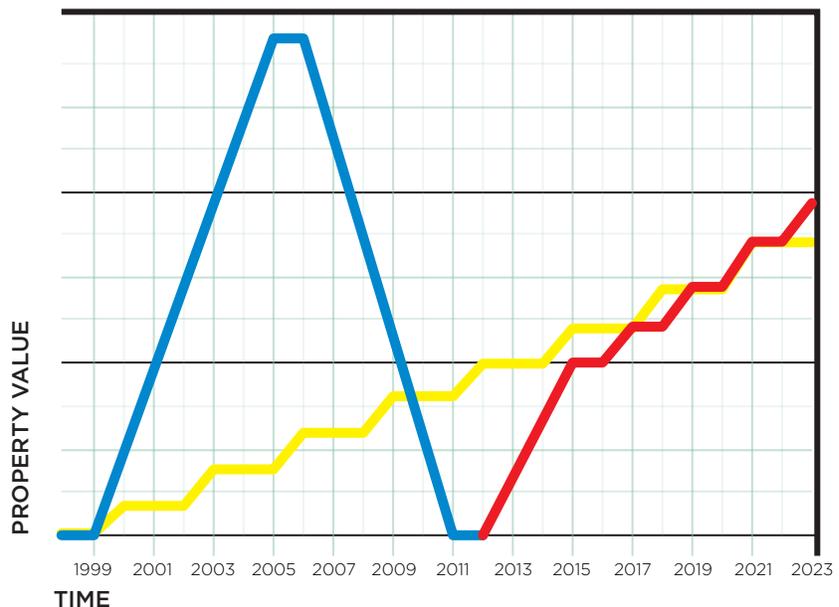
Foreclosures and distressed sales are still the largest percentage of sales in our area, making up about 65% of the total sales. The foreclosure sales tend to artificially drag the

values down as the banks succumb to pressure to sell quickly, requiring low pricing. The other 35 percent of the sales are regular arm's length sales. These regular sales are typically priced higher, thus taking much longer to attract an offer. However, these regular sales are buoying the property values up by selling at prices higher than comparable foreclosure sales.

The artificial depression of property values by foreclosure sales in our area will eventually come to an end. At which time, we will see a property value correction as regular arm's length transaction sales begin to dominate the market.

The property value roller coaster ride started in 1999 when it was mandated that Fannie Mae and Freddie Mac were to lower

FORGOTTEN COAST PROPERTY VALUES



BLUE LINE approximates History
YELLOW LINE shows normal value growth
RED LINE is predication of future values that are contingent upon the reduction of national debt and taxes for employers



FLORIDA'S SLOW FORECLOSURE PROCESS

The first step of a foreclosure is a legal filing called a *lis pendens*. The numbers of *lis pendens* filings in Florida are down significantly. It takes an average of 806 days for foreclosures to be completed in Florida, but most other states complete their foreclosures much more quickly. For instance Georgia, Kentucky, Virginia, Louisiana and Texas complete foreclosures in less than 150 days. Consequently, you may hear news that property values are improving nationwide while Florida is still awaiting foreclosure completions. Our last newsletter discussed this shadow inventory. With most Buyers of Forgotten Coast properties coming from areas where property values are already improving, they bring a positive economic outlook with them when they visit the Forgotten Coast. The foreclosures remaining in the pipeline in Florida may not weigh our property values down much longer as these optimistic Buyers arrive here with the same sense of urgency to buy before values increase that they felt in their real estate markets back home.

IN CONTINUATION OF "HITTING THE BOTTOM?"

mortgage loan underwriting standards to allow more people to buy and own homes. With mortgage loans so easy to obtain from 2000 through 2006, sales boomed, artificially increasing property values to historic levels. When a large percentage of the borrowers were found to be less than credit worthy, the bubble burst and property values plummeted. The bundling of the bad loans sold as derivatives exacerbated the problem. As property values plummeted, more and more people found their mortgages were higher than the value of their property, so they stopped making their mortgage payments and allowed the banks to foreclose. The only questions now are: When will the property values begin to correct? and; How much and how quickly will property values go up when the correction is complete?

Property values will begin to correct when a majority of Americans feel that the economy will improve and/or the numbers of foreclosures are diminished to a small percent of the total sales.

How much and how quickly property values will appreciate depends upon the degree to which Americans perceive an improving economy. Many factors influence the implicit, dominant, optimism or pessimism of a nation regarding the economy. Pessimism has dominated the American mood for the



last six years, fueled by uncertainty. Americans in general have always tended toward optimism. Election year uncertainty may be the last hurdle before an implicit, dominant optimism sweeps the country. As the mood of America goes, so goes our real estate market. Buyers should hurry to buy up the last of the good deals before property values are buoyed up by an optimistic American economic outlook.

Real estate values are the real driver of the American economy. The moment that we begin to see real estate values recovering, we will also see housing starts increase. Once housing starts increase, the number of jobs increases by putting people to work building houses, along with all of the other jobs spun off

by an improving housing market. With new houses being built, existing homeowners feel pressure to renovate older homes to look more like the newer homes, and more jobs are created. When more jobs are created, the demand for homes continues to rise. As this cycle continues, it drives property values up, increasing property owners' net worth, thus further improving the general economic optimism. The graph on page one shows how property values increased and declined in the past, and how property values could improve with fewer foreclosures and an optimistic economic outlook. ■

HOW MUCH
AND HOW
QUICKLY WILL
PROPERTY
VALUES GO UP?

GET READY TO LIST YOUR HOUSE



JOHN SHELBY

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Recently, I have been discouraging home owners from listing their house if they were under no pressure to sell. With the real estate market finally showing signs of improvement, we may not have to wait much longer for a healthier market in which to sell houses. While we await improving property values, it is a great time to start taking care of any deferred maintenance and doing the most obvious inexpensive improvements that will have big returns on your investment. Because home owners tend not to see the obvious improvements needed, it is wise to bring an objective professional who has an eye for seeing the needed changes to your house that will help it sell for more than the cost of the improvements or repairs. I will be glad to come visit your home and make a list of recommendations that will add value to your house when you are ready to sell. Please contact John Shelby for money making recommendations. ■



MLS# 247279 ... \$449,000

2ND TIER GULF VIEW Dawg Daze - 4 BR, 3 BA, heated pool, Florida Room off of living room opens to open decks on either side overlooking pool, fireplace, tile and carpet flooring, large laundry room, 2 car garage, nicely landscaped with wide driveway, popular rental, short sale. West Gulf Beach Drive.



MLS# 245990 ... \$15,000

LAKES ON THE BLUFF FORECLOSURE Gated subdivision off North Bayshore Drive in Eastpoint, ideal location for a secluded home in this new subdivision with community pool, wooded lot with mature native vegetation, lot is irregular shaped, .46 of an acre, bank owned. Listed by Michael Billings.



MLS# 247013 ... \$20,000

MAGNOLIA RIDGE Located in beautiful Franklin County, minutes from St. George Island, paved roads and underground utilities, great location for a permanent residence or weekend retreat. One acre bank owned residential lot in Eastpoint off North Bay Shore on Sago Dr. Listed by Michael Billings.



MLS# 244406 ... \$249,000

BAY VIEW HOME Located in the quiet area of the island, 4 BR, 2 BA, balcony for each upstairs BR, galley kitchen, separate dining area, spacious living area, Florida room, large deck, huge fenced yard, ground level storage or shop, under house entry, circular drive, 3 lots from bay, Brown Street.



MLS# 245232 ... \$89,000

HIGH & DRY 3RD TIER LOT Located on the north side of Gulf Beach Drive and only two lots from the corner, scrub oaks line the road side of this lot creating privacy, walk this lot behind the hedge-row to fully appreciate the elevation and beauty of this unique building site. West Gulf Beach Drive.



MLS# 247025 ... \$14,000

SHADOW BAY DR One acre bank owned building site, located in a secluded area of beautiful Franklin County off North Bayshore Dr., paved roads and underground utilities, minutes from St. George Island, the Gulf of Mexico, outstanding beaches & fishing, Magnolia Ridge Estates. Listed by Michael Billings.



MLS# 247024 ... \$15,000

SAGO DRIVE Foreclosure in Magnolia Ridge in Eastpoint, one acre residential building site, paved roads and underground utilities make this a great location for a permanent residence or weekend retreat. Minutes away from Historic Apalachicola and world class fishing. Listed by Michael Billings.



MLS# 244722 ... \$369,000

FIRST TIER ISLAND GETAWAY Located on first tier lot, 3 BR, 2 BA, spacious great room, furnished, immaculately maintained, built in 1981, beach access across the street, outdoor shower and downstairs storage area, decks front and back. West Gorrie Drive. Listed by Michael Billings.



MLS# 245369 ... \$999,000

PLANTATION BEACHFRONT 5 BR, 5 BA home across the street from the new Plantation lap pool, tennis court, clubhouse, fitness room. Commanding Gulf views from living floor. Elevator, tiled stairs, granite, hardwood floors, fireplace, Magnolia Dr., Short Sale UNDER CONTRACT.



MLS# 245368 ... \$399,000

OPPORTUNITY KNOCKS Great beachfront house, 3 BR, 3 BA, tile floors in master bedroom and an extra deck at ground level make this Boardwalk cottage unique, brick paver driveway, conveniently located near Light-house Park, shops, restaurants and Bike Path, Short Sale, East Gorrie Dr. BEST BUY!



MLS# 246747 ... \$399,000

COTTAGE BY THE SEA Ground level 1st tier house with pool, across the street from the Gulf with beach access easement, upper level observation deck overlooks the pool, 3 BR & 3 BA, open living/dining/kitchen area, large third BR suite is located upstairs. West Gorrie Dr. UNDER CONTRACT.



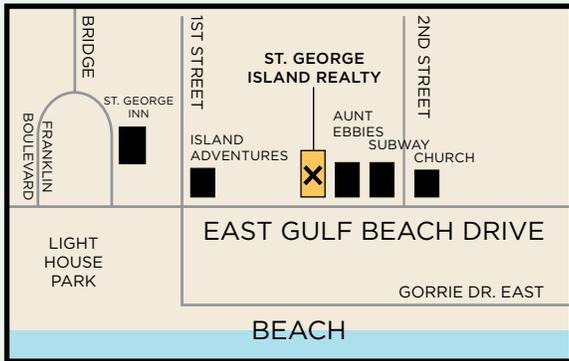
MLS#242245 ... \$439,900

GULF VIEW FROM W. PINE AVE 4 BR (2 are masters), 3-1/2 BA with extra LR/5th BR, large open living/dining/kitchen area with tile floors, furnished, interesting architectural features, pool with vinyl fencing, enclosed outdoor shower, screened porch on top floor, covered ground level entry.



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START YOUR SEARCH WITH US

There are lots of reasons to fall in love with St. George Island, Apalachicola and Carrabelle! If you are thinking about owning a piece of property here, this may be the best time to buy since 1992. Let the real estate professionals at St. George Island Realty explain why. Come by our office and we will help you start your search by giving you plat maps and very current photocopied lists (not just outdated printed material) of the best deals in the area, drawn from the MLS (and not just our company's listings). If you prefer to contact us by email, we can get you started with the same list of Best Buys. If you are really interested, let us plot the best listings on our large plat maps and show you some houses and/or lots. We want your business. ■

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