

**St. George Island and Franklin County
Real Estate Update
May 23, 2007
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Our last update was at the end of February and at that time we reported the market had rebounded significantly since 2006. **That trend has continued with house sales on SGI up 145% over the same period in 2006 for existing residences!** I'll give you the data in a table below. Several important observations can be made from this data.

House Sales January 1 to May 23 St. George Island			
Year	Number Of Sales	Average Price	% Sell/List
2000	38	\$428,675	95.64%
2001	30	\$387,383	95.95%
2002	44	\$620,259	96.30%
2003	38	\$1,061,734	95.44%
2004	73	\$1,041,655	96.35%
2005	60	\$1,206,893	95.73%
2006	9	\$1,336,000	94.32%
2007	22	\$1,219,677	90.84%

- The actual peak in activity occurred in 2004 when there were 73 sales for this 4 month & 23 day period;
- However, average sale price continued to increase well into 2006 (this could mean the mix of beachfront to interior houses was skewed toward the beachfront—that is the subject for another update).
- 2006 was the worst year on record for number of sales, and this can be attributed to 2005 storms, high interest rates, high taxes and high insurance rates, as well as the continual media bombardment about the housing market.
- The average sale price has dropped this year (but houses on St. George Island are still expensive with an average price of about \$1.2M).

- An incontrovertible conclusion is that sellers are more willing to negotiate to hold onto that scarce buyer, as the average sale to list price has dropped from 95-96% to below 91% in 2007.
- But, if one looks at the average annual price increase from the 2000-01 period, it is over 15% per year. Price increases like this are generally not sustainable. However, without comparing apples to apples, this data cannot be taken at face value. It might be that in the 2000-01 period, most of the houses were interior, whereas the houses in the 2005-07 period were mostly beachfront and 1st tier. We haven't done that analysis yet.

The facts are that existing house sales on St. George Island are up by 145% over the same period last year and this is a positive indicator for the Island. Also, prices are coming down slightly, but probably will have to fall off a lot more to get this market energized like it was in 2004. All you sellers take heed and you potential buyers jump in with any kind of reasonable offer.

House Sales January 1, to May 23, 2007 The Rest of Franklin County			
Year	Number Of Sales	Average Price	% Sell/List
2000	34	\$83,504	82.44%
2001	35	\$97,889	91.86%
2002	52	\$156,307	92.60%
2003	51	\$134,726	93.94%
2004	86	\$230,950	92.06%
2005	110	\$258,580	95.87%
2006	35	\$272,140	84.48%
2007	25	\$188,086	86.59%

Clearly the St. George Real Estate market is a totally different animal from the rest of Franklin County which includes Apalachicola, Eastpoint, Carrabelle, Lanark, St. James, St. Marks and Alligator Point, as well as the rural areas of the county. The next table shows the housing market data for the rest of Franklin County.

- The most noticeable feature in this is that activity is still down and in fact is below last year's sales in both number of sales and average sale price.
- It is also evident that sellers are willing to drastically drop the asking price in order to get the house sold, with % sell to list price in the 84 to 86% range.
- A quick scan of the sales in 2004, 05 & 06 doesn't show

any surprises—no complete sub-divisions, etc. Just a lot of activity in single family homes and some condos in Carrabelle, and

- Franklin County has some really good buys, with average prices at about 15% of house prices on St. George Island.

I'm going to go out on a limb and say that the bottom has been reached, and that buyers have realized it. But a message to you sellers is that you need to take a fresh look at your listing with these facts in mind.

- First, today, May 23, 2007, there are 258 houses on the market on St. George Island with an average list price of \$1,343,636 (about 9% above the average sale price this year). At the current sell rate, this is almost a 5 year supply of available houses. Everything being equal, the average buyer is going to pick the property that both meets his needs and is priced right.
- So sellers, if you want or need to capture that buyer, you really need to look at your price. When I say the bottom has been reached, I only mean that buyers have started coming back to St. George Island. They are not coming in droves as they were in 2004-05, so if you want to sell your property, you are going to have to compete for these buyers. It's kind of like bidding on a job to build a house—if everything else is equal, the builder with the lowest bid will get the job.

But you potential buyers need to closely examine the data as well.

- First and foremost, St. George Island is a unique piece of paradise, and if you have the means to own here, you will not be able to find a better place.
- But, while the average list price is high, there are some great deals to be had at the existing list price. Some of the sellers have taken a realistic approach to pricing and they are offering some great deals. The other sellers will catch on sooner or later!
- Buyers, here is the link to all the houses available for sale on St. George Island that are below \$1,200,000 <http://rafsg.net/RAFSGReports/listings.asp?ID=FSG1668765>. Also, all the houses above \$1,200,000 can be viewed in the following link <http://rafsg.net/RAFSGReports/listings.asp?ID=FSG1668759>. Check these links out and you will see what the best deals are. Imagine a beachfront house on a 1-acre lot for only \$1,250,000 (MLS# 203032) or a 5-bedroom 1st tier house on a 1-acre lot with a dedicated boardwalk to the beach for only \$899,000 (MLS# 200671). These are the kind of deals to make your mouth water!

Finally, for all your real estate needs, please contact us. Email us at harryp@florida-beach.com, or call us at 850 323 0969. We are experienced, ready and available to help you find your dream property on St. George Island or anywhere else in Franklin County, FL. And sellers, come to us for an honest evaluation of what it will take to get your property sold. We have the data and the knowledge to help get it sold.

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