

## Real Estate Sales Update for Listing Customers Only July 14, 2007

While I hate to even discuss the current situation, it appears that the Real Estate market has almost totally died in this area. I guess I have to report the good and the bad (and the ugly as well!). Details of closings per month for Franklin County and the sub-area of St. George Island are shown in the table.

Monthly Sales of All Types of Property--2007							
	Jan	Feb	Mar	Apr	May	Jun	Total
All Franklin Co.	7	14	17	24	15	5	82
St. George Only	5	5	7	8	4	1	30

These are the closings reported in the MLS. Many of us were becoming pretty optimistic in March and April, as contracts and sales appeared to be on the

increase. However now, things are pretty gloomy with only 1 closing on St. George Island in June and none so far this month (as of July 14). Also, there were only 3 closings in July in all of Franklin County through 7/14. Payday seems to be a long way off.

In an effort to get properties sold, prices have been steadily decreasing during the first ½ of this year. Vacant land prices are falling faster than house prices. In fact, it appears some lot prices have dropped about 30-40%. As a case in point, there are now 4 Plantation lots below \$300,000, with one at \$249,000. My guess is that when someone buys now, they will be an end-user. However, with this being a so-called Buyer's Market, it would be a great time for not only end-users jumping in, but investors as well, as prices are now the best they have been in over 3 years.

The really big question is what is causing this lack of buyers and sales. Has this area lost its allure? Are people not buying resort property anymore? Was that a fad in the early part of this century? I certainly don't know the answer. But I do know that the phone has stopped ringing here as well as at the other Real Estate companies in the area.

Some of the contributing factors might be:

- Hurricane season is upon us, and its only 2 years since Dennis and Katrina—the memory cells still retain images of those events;
- The stock market is setting new records almost every day and people are very reluctant to leave a good thing while they are making money;
- Has all the hype about solving the insurance and property tax problems really brought results—so far, it looks like only minimal price reductions in both the insurance and property tax;
- And, with listings at an all time high—456 on St. George Island and 1655 for Franklin County—potential buyers are naturally taking a “wait and see” approach; and,
- Interest rates for fixed rate mortgages are climbing and the Fed has not made a move to reduce short-term rates.

So, when is the market coming back? I certainly don't know, but I'll let you know as soon as I find out. In the meantime, we have as much presence on the web as any of our competitors. If someone is looking for Real Estate in this area, they will find us. Check out our new website at [www.AnchorFL.com](http://www.AnchorFL.com). You will find easy access to listings in this area and in Tallahassee as well.

Email us or call us at 850 323 0969 (Harry's cell) if you have any questions.

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