

## February 2010 Newsletter

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Designations and Certifications are explained at the end of the newsletter  
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Hello from South Florida,

Below are brief summaries on key issues that have an effect on South Florida Real Estate, followed by the target market specific data. [Click here for graphs](#) of the data to help analyze trends in the market place. Please make note of the trends and data points as this will be key in timing the purchase or sale of a property to your benefit. Also, it is more important than ever that you understand the incentives that might end up being the deciding factor for those whom have been thinking about buying for quite some time.

**HOME SALES UP AS PRICES STABILIZE:** Existing home sales jumped 45 percent in Miami-Dade and 24 percent in Broward in December, compared to the same month of 2008, according to housing data released by Florida Realtors, the industry's Association. Median prices fell just 5 percent in Miami-Dade and 2 percent in Broward in the year-to-year comparison. Realtors say more buyers are perusing property, and some believe prices have stopped their freefall. In some pockets in The Roads section of Miami, Coral Gables, Plantation, Coral Springs and Weston, Realtors say they are even starting to inch up. It's more proof that when the price is right, consumers buy. "For 16 months now, we have seen that we have had existing home sales increase compared to the same month the previous year," said Maria Martin, spokeswoman for Florida Realtors. "That's a good thing. It means people are buying and finding prices attractive."

Compared to November, single-family home sales in December rose 37 percent in Miami-Dade and 10 percent in Broward. Still, median home prices continued to fall, dropping 10 percent in Miami-Dade and 17 percent in Broward compared to November. The figures include only those homes sold by real estate agents. Condominium sales skyrocketed in December, compared to the same month of 2008 – up 68 percent in Miami-Dade to 766 and 59 percent in Broward to 949. At the same time, median prices fell: down 16 percent in Miami-Dade and down 17 percent in Broward. The pace of condo sales in December compared to November showed more modest gains: up 26 percent in Miami-Dade and up 5 percent in Broward, while median prices fell just 1 percent in Miami-Dade and 28 percent in Broward.

Nationwide, the picture is different. Home sales fell in December, after a surge from September through November, as first-time buyers rushed to complete sales before the original November deadline for the home-buyer tax credit. However, prices rose from December 2008 and annual sales improved in 2009, according to figures released Monday by the National Association of Realtors. "Buyers still are trying to low-ball offers, but the sellers are less agreeable to that in today's market, because they see that the prices in their neighborhoods are starting to stabilize, and we're putting the deals together at higher prices," said Jan Herard, broker associate for Coldwell Banker.

--Source: The Miami Herald 1/26/10, FAR, NAR

*As opportunities continue to present themselves, please contact me should you want to seriously discuss in more detail [distressed sales of multiple units](#). This market presents unique opportunities that very well may never be seen again in one's lifetime. Please let me help you take advantage of this situation. I have many strategic relationships with the decision makers regarding distressed projects.*

**MORE BANKS ARE TAKING LOSSES ON SHORT SALES:** Banks are beginning to go along with short sales in increasing numbers, three years into a U.S. housing slump that pushed the economy into a recession and cut resale values by 30 percent from the peak in July 2006. Short sales almost tripled to 40,000 in the first six months of 2009 from the same period a year earlier. "It's really finally dawning on banks that they're better off with a short sale," said Richard Green, director of the Lusk Center for Real Estate at the University of Southern California in Los Angeles. "I think banks were in denial." Banks are increasing short sales under pressure from the Administration and lawmakers who criticized them for favoring foreclosures and delaying the short sale.

However, "The tide is turning," said Deborah Reed, who works with Coldwell Banker in San Diego. "All of a sudden the banks are being more cooperative." "The single biggest problem was the lack of a vehicle or mechanism at most banks to handle short sales," said Walter Molony, a National Association of Realtors spokesman. Pressure is building to approve short sales as the number of delinquent mortgages has grown to 3.2 million.

The Treasury's new guidelines regarding short sales must be implemented by lenders no later than April, and the key provisions are listed below. The 83 loan servicers participating in the Administration's Home Affordable Modification Program, including Bank of America and JPMorgan Chase, are required to follow these guidelines for all borrowers who request short sales or who did not complete loan modifications. The rules do not specifically apply to loans guaranteed by Fannie Mae or Freddie Mac, which represents about half of all U.S. mortgage debt. The government-run mortgage companies are working to finalize their guidelines

- The lender must respond to short sale offers within 10 business days
- The seller won't have to pay back any amount of mortgage debt
- The seller is entitled to a relocation incentive of \$1,500, which will be deducted from the proceeds at closing
- The lender will be paid \$1,000 to cover administrative and processing costs
- The investor owning the mortgage gets a maximum \$1,000 for allowing up to \$3,000 to be distributed to less-senior lien holders
- The lender can't require a reduction in the agreed-upon real estate commissions as a condition of approving the short sale

While short sales are considered an ideal solution for banks and for "under water" homeowners on the verge of foreclosure, the deals often drag on as lenders take weeks or months to decide what to do. This leaves some skepticism, Broward County agent Ron Rosen, who urged last summer to push for new regulations, said he thinks "the banks will still play their little games with people and make life difficult for everyone."

-- Source: The Miami Herald 1/13/10 & 1/4/10

***On the subject of short sales, I have vast experience representing both buyers and sellers of these extremely complicated transactions. Please call or [email me](#) today so I can help you alleviate this burden in the most beneficial way to you as a seller. Or, if you are a buyer, we can further discuss the best strategy for using short sales in your purchase process. I have my Certified [Distressed Property Expert](#) designation, and I invite you to review this organization, which will prove the knowledge and experience this fine group of Professionals have when it comes to short sales.***

**QUICK HEADLINES:**

- The \$1.25 Billion the government is giving Florida for high-speed rail is not enough to complete the Tampa-Orlando stretch or advance the Miami leg – but project supporters believe Washington will supply more money later. --Source: The Miami Herald 1/29/10
- Spain’s Banco Sabadell, which recently completed its acquisition of Mellon United National Bank, sees big opportunities in Florida banking. Managing Director of Banco Sabadell America said “We believe we can reach a major position here in the next 3 – 5 years. Some of Florida’s allure is the state’s large population, a gross domestic product that rivals that of many nations, and the potential for solid population growth. Historically, Florida was the fastest growing state. We think eventually it will go back to being one of the fastest growing”. On a similar note, JPMorgan Chase’s chairman and CEO Jamie Dimon unveiled big expansion plans in Florida that will bring more jobs and branches to the state, as they too see a huge opportunity in Florida. --Source: The Miami Herald 1/22/10 & 1/28/10
- The new Florida Marlins stadium, scheduled to open in 2012, is shooting to become the first LEED-certified stadium with a retractable roof in the country. LEED stands for ‘Leadership in Energy & Environmental Design’, you can find more details on the various certification levels at [www.usgbc.org](http://www.usgbc.org) --Source: The Miami Herald 1/20/10
- Dolphin Stadium will be renamed Sun Life Stadium as part of a deal that the Dolphins struck with a Canadian financial services firm. – Source: The Miami Herald 1/19/10
- After years of anticipation, the western end of the Lincoln Road Mall in South Beach has opened as a public plaza and promenade rife with public art. – Source The Miami Herald 1/14/10
- Local officials rejoiced after Miami was named one of 18 cities to be included in the U.S.’s bid for the World Cup in 2018 or 2022. – Source: The Miami Herald 1/13/10
- Lennar’s stock rose more than 15 percent on January 7<sup>th</sup> after the CEO said he sees a trend in rising prices and anticipates the home builder will be profitable this year. “Prices are no longer free-falling downward and in fact in many instances, are actually starting to stabilize and even recover,” Stuart Miller said. “I feel comfortable today saying that this is a trend and not an anomaly.” – Source: The Miami Herald 1/8/10
- North Bay Village is in for a major facelift that will start with the beautification of its largest roadway next month. The project is part of the city manager’s vision to rebrand the city as an island garden oasis. --Source: The Miami Herald 1/7/10

**BUYER TAX CREDIT EXTENDED AND OPEN TO MORE BUYERS:** The **tax credit for \$8,000 that does not need to be repaid**, is for those purchasing a principal residence on or after 1/1/09 and was recently extended to **signing a purchase agreement by April 30 of 2010 and closing by June 30 of 2010**. Buyers who have **owned their current homes at least 5 years** would be eligible for **tax credits of up to \$6,500**. First-time home buyers – or anyone who hasn’t owned a home in the last 3 years – would still get up to \$8,000. There are income limits and other guidelines, of which the below website will help you better understand. Or you can contact your accountant for more specific details.

-- Source: <http://www.federalhousingtaxcredit.com>

The below chart is data from the past 90 days for **Condominiums**, ending 1/31/10. The data is taken from South East Florida’s Multiple Listing Service (MLS) for the cities and townships of Miami Beach (South Beach, Mid Beach, & North Beach), Surfside, Bal Harbour, Bay Harbor Islands, and Fisher Island. The paragraph below the data will explain in more detail what is included in this analysis. Please don’t hesitate to pose any questions you may have, or simply give me a call or send me an email to discuss Real Estate in general. This data will help to analyze market conditions from month to month.

<u>Price Range</u>	<u>Active</u>	<u>Closed</u>	<u>Listings Expired</u>	<u>% Listing Expired</u>	<u>% Sold</u>	<u>Avg DOM</u>	<u>Average Discount</u>	<u>New vs Resale</u>
\$0 - \$199,999	941	159	246	26.14%	16.90%	146	7%	9 vs. 150

\$200,000 - \$249,999	273	29	82	30.04%	10.62%	156	6%	5 vs. 24
\$250,000 - \$299,999	272	32	94	34.56%	11.76%	122	8%	6 vs. 26
\$300,000 - \$349,999	198	21	48	24.24%	10.61%	133	10%	7 vs. 14
\$350,000 - \$399,999	252	38	57	22.62%	15.08%	141	10%	14 vs. 24
\$400,000 - \$499,999	272	37	86	31.62%	13.60%	159	12%	23 vs. 14
\$500,000 - \$599,999	244	19	64	26.23%	7.79%	131	8%	13 vs. 6
\$600,000 - \$699,999	174	17	40	22.99%	9.77%	303	15%	12 vs. 5
\$700,000 - \$799,999	111	9	27	24.32%	8.11%	241	5%	6 vs. 3
\$800,000 - \$899,999	89	10	11	12.36%	11.24%	142	5%	8 vs. 2
\$900,000 - \$1,179,999	147	6	31	21.09%	4.08%	155	9%	5 vs. 1
\$1,180,000 - \$1,399,999	104	12	21	20.19%	11.54%	170	15%	11 vs. 1
\$1,400,000 - \$1,799,999	99	12	26	26.26%	12.12%	251	15%	12 vs. 0
\$1,800,000 - \$2,199,999	60	3	17	28.33%	5.00%	137	19%	3 vs. 0
\$2,200,000 - \$2,699,999	81	7	10	12.35%	8.64%	98	17%	7 vs. 0
\$2,700,000 - \$3,199,999	43	1	5	11.63%	2.33%	692	32%	0 vs. 1
\$3,200,000 - \$3,999,999	46	2	6	13.04%	4.35%	489	11%	2 vs. 0
\$4,000,000 - \$4,999,999	43	2	6	13.95%	4.65%	312	22%	1 vs. 1
\$5,000,000 +	57	2	11	19.30%	3.51%	443	9%	2 vs. 0
<b>Totals:</b>	<b>3506</b>	<b>418</b>	<b>888</b>	<b>25.33%</b>	<b>11.92%</b>	<b>233</b>	<b>12%</b>	<b>146 vs. 272</b>

As you can see, I have broken the data into price ranges, and then you can see the amount of **Active** condos for sale, how many Real Buyers **Closed** on a condo for sale, how many of those listing agreements **Expired** unsold, then further calculated what **percent** of the Active condos for sale **Expired** and **Sold**. Then I calculated the Average Days on Market (**Avg DOM**), which is the amount of days it took the condos that sold to obtain a Real Buyer. Then I show the **Average Discount**, which is the percentage the Listed Price was discounted to the Actual Sale Price for all Closed Sales. The last column is for Closed Sales that were **newer construction**, which I considered to be anything built after 1995, **versus older buildings** built before 1995. I track this data for Condominiums and Single Family Homes separately due to their differences. I also track the data for the more luxurious buildings of South Beach, please feel free to email or call for that data.

The next set of data below is the same information for **Single Family Homes**. The one difference is that the last column is the **Average Age** of the homes Sold.

<u>Price Range</u>	<u>Active</u>	<u>Closed</u>	<u>Listings Expired</u>	<u>% Listing Expired</u>	<u>% Sold</u>	<u>Avg DOM</u>	<u>Average Discount</u>	<u>Average Age</u>
\$0 - \$399,999	32	18	9	28.13%	56.25%	74	9%	1944
\$400,000 - \$499,999	21	7	6	28.57%	33.33%	78	7%	1943
\$500,000 - \$649,999	39	4	12	30.77%	10.26%	102	6%	1941
\$650,000 - \$799,999	37	2	8	21.62%	5.41%	28	5%	1941
\$800,000 - \$999,999	40	1	10	25.00%	2.50%	66	6%	1994
\$1,000,000 - \$1,299,999	39	9	11	28.21%	23.08%	353	16%	1953
\$1,300,000 - \$1,599,999	30	1	13	43.33%	3.33%	75	44%	1953
\$1,600,000 - \$1,999,999	42	2	12	28.57%	4.76%	309	8%	1964
\$2,000,000 - \$2,999,999	68	3	8	11.76%	4.41%	164	12%	1963
\$3,000,000 - \$3,999,999	32	2	6	18.75%	6.25%	145	24%	1963
\$4,000,000 - \$4,999,999	21	0	2	9.52%	0.00%	n/a	n/a	n/a
\$5,000,000 - \$5,999,999	14	1	0	0.00%	7.14%	1754	22%	1929
\$6,000,000 - \$6,999,999	12	1	0	0.00%	8.33%	351	14%	1957
\$7,000,000 - \$9,999,999	17	1	3	17.65%	5.88%	94	16%	1937
\$10,000,000 +	30	1	5	16.67%	3.33%	222	30%	1939
<b>Totals:</b>	<b>474</b>	<b>53</b>	<b>105</b>	<b>22.15%</b>	<b>11.18%</b>	<b>272</b>	<b>16%</b>	<b>1951</b>

Don't forget to look at the overall data I have been collecting and determine for yourself what trends, etc. you see; please click here to take you to some graphs that should prove to be very insightful:

<http://www.miamipropertiesandparadise.com/professional11.shtml>

If you are a bargain hunter looking for distressed properties, please [contact me](#) so that I may setup an automatic short sale or foreclosure search notification for you. I have found that the best deals usually go the quickest, and to be proactive in your distressed property search is the best way to go about finding a bargain. In the course of continually researching and familiarizing myself with the inventory of the very localized market in which I practice, along with the banking relationships I have cultivated, I have been able to do a lot of the research and legwork recognizing the best potential values in my target markets, or in some instances in other specific buildings or locations where there is excellent value for the product. Please understand that this service I provide adds significant value to the process, and only contact me if you are serious about buying and planning to be loyal. Please don't hesitate to [contact me](#) directly for any such information.

**PLAN COULD BRING LIFE TO CONDO SALES:** In a bid to jump-start sluggish Florida condo sales, Fannie Mae has launched a special project to identify stable, established condominium projects in the state where it is willing to lend. The government-sponsored corporation that buys or backs mortgages recently unveiled a list of 51 projects in Miami-Dade County that already have gotten "special approval," signaling to mortgage bankers that Fannie Mae will accept loans made on condo units at those locations. More condo projects in South Florida and across the state will be added to the list.

***(PLEASE [CONTACT ME](#) SO I CAN KEEP YOU UPDATED ON THIS EVOLVING LIST SO YOU CAN BE ONE OF THE FIRST TO GET A MORTGAGE IN THESE BUILDINGS WHERE FINANCING HAS BEEN SO DIFFICULT IN RECENT PAST).***

"This is great news for our market," said Ed Wilburn, a managing director for the residential lending division at Great Florida Banks in Miami. "This takes away a lot of the uncertainty for lenders." "It's a positive step to think that our largest lending institutions in the country are focusing on our market," said Ron Shuffield, president of real estate firm Esslinger Wooten Maxwell. The Fannie Mae team will be looking at specific criteria, including a project's occupancy, delinquency rates on homeownership association dues, the financial stability of the project, and the maintenance and condition of the property. The new procedure aims at streamlining the process by clearly listing Florida projects that are eligible. The special approval designations are effective for periods of 9 to 18 months. Fannie Mae's initiative to ease the mortgage credit crunch comes as South Florida's bleak condominium market is beginning to show encouraging signs of improvement.

-- Source: The Miami Herald 1/8/10

**SUPER BOWL IS COMING TO MIAMI:** Often a powerful boon to the local economy, South Florida is proud to host Super Bowl XLIV this coming Sunday February 7<sup>th</sup>, 2010. The matchup pits the AFC Champion Indianapolis Colts against the NFC Champion New Orleans Saints. Kickoff is at 6:28p, in newly named Sun Life Stadium (see quick headlines above for details on what use to be Dolphins Stadium).

**[PLEASE CLICK HERE FOR THE 2009 PROFILE OF INTERNATIONAL HOME BUYERS IN FLORIDA](#)**

**[PLEASE CLICK HERE FOR A RETIREMENT VISA STUDY FROM APRIL 2009:](#) Please [email me](#) for contact information of an Immigration Attorney that specializes in various types of Visa programs.**

**PROPERTY TAXES & INSURANCE:** As a property owner or potential property owner, I urge you to keep up to date on the various progress, legislation, and proposed legislation in order to help you better understand how these important issues affect you; please see the below link that will take you to the Florida Association of Realtors Legislative Center, which will help to explain the numerous moving parts concerning these issues:

<http://www.floridarealtors.org/LegislativeCenter/TopInitiatives/index.cfm>

**INTEREST RATES & RELATED NEWS:** Rates continue to remain unchanged and at historic lows, after the most recent FOMC meeting. It is important to note that different types of loans are 'pegged' to different rates, so please make sure to stay in touch with your mortgage broker or banker to keep up to date on interest rates, as this can directly affect many Real Estate related decisions. In addition to the lowered rate when securing a mortgage to buy property, another common question you will see with rates near historic lows is whether or not it is a good idea to refinance. This discussion might be a good one to have with a reputable mortgage broker or your banker and see if this would make sense financially. Or feel free to visit my website and the [Mortgage Center](#) for more helpful information. This is the website to the Federal Reserve's Monetary Policy section: <http://federalreserve.gov/monetarypolicy/default.htm>

Exchange rates play a vital role in Real Estate related decisions for foreign buyers or sellers, a good source to track currency exchange rates is:

<http://www.xe.com/ucc/>

I hope this email finds you well and looking forward to comparing this month's data with last month's data to spot trends and decide for yourself the status of the local Real Estate market, of which I work within 24/7. You are receiving this because we have been in touch about Real Estate here in the South Florida area, most likely property at the Beach. As you read the newsletter from month to month it will contain data that will help you to analyze market conditions. In addition, it is an unobtrusive way to stay in touch with you regarding my Real Estate Consulting Services.

That is all for this month's newsletter and I welcome suggestions, feedback, and of course I am here if you or anyone you know is thinking of buying or selling property here in South Florida. If you wish to further discuss any of the above issues in more detail, or any other Real Estate related topics, please don't hesitate to call or email. I would like to leave you with the 3 following simple quotes:

*"If you're coasting, you're either losing momentum or else you're headed downhill." - Joan Welsh*

*"One day your life will flash before your eyes. Make sure it's worth watching." - Source Unknown*

*"If the table moves, move with it." - Sakaue*

### **DESIGNATIONS AND CERTIFICATIONS:**

These Designations and Certifications were specifically chosen by me to give my effort, time, and money, as well as meeting the required experience because I feel that this shows my dedication to continually learning and evolving as a Real Estate Consultant. Plus, the market that I practice in is a natural one to achieve such designations to separate myself from the other professionals within my field. Keep in mind these not only prove education but also transactional experience in order to obtain the designations and certifications.

**Realtor®** - Membership in the largest professional association known as the National Association of Realtors or N.A.R.

**C.I.P.S.** – Certified International Property Specialist, member of CIPS network; Designation shows education and transactional experience in the International Arena of Real Estate.

**C.D.P.E.** – Certified Distressed Property Expert, member of Distressed Property Institute; Designation shows education and experience in the continually evolving and complicated short sale and foreclosure markets.

**C.L.H.M.S.** – Certified Luxury Home Marketing Specialist, member of Million Dollar Guild; Designation shows education and transactional experience in the top tier level within my market, Million Dollar Guild is the highest level of membership with proven experience in numerous \$1M+ transactions.

**GREEN Certified** – also known as GREP-GL, Green Certified Real Estate Professional – Green Leadership; Certification shows education and leadership within the Green Real Estate Industry.

**T.R.C.** – Transnational Referral Certification; Certification shows education in researching Real Estate throughout the world and allows me to refer and to be referred from 28 International Real Estate Organizations in the Global marketplace.

**R.E.O.S.** – Real Estate Owned Specialist, shows extensive experience and knowledge in the distressed property class known as REO, also known as foreclosures or bank owned properties.

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