

Anchor's The Way

real estate news, trends and investment opportunities



Mexico Beach

Port St. Joe

Cape San Blas

Indian Pass

Prices on the Rise and Consistent Transaction Volume for Houses. Lot Sales Soaring!

This newsletter will take the market where our last Anchor's The Way (ATW-9g) left it: in March. Our ominous warning to sellers, "don't raise your prices too quickly" still stands, but much optimism stems from the market of this first half of 2016 – and especially, of the second quarter of this year, which has been phenomenal! For memory, our study stretches from the tip of Indian Pass to the east to the state park boundary on Cape San Blas to the west. The tables break this market down into five sub-areas displaying each a slightly different market flavor.

ATW-9g concluded, from 2015 data, that the market was in a pre-stall condition due to a fast increase in prices; when it was going to press, at the end of the first quarter, market conditions had remained unchanged... This is no longer the case at the end of the second quarter.

CAPE SAN BLAS BEACHFRONT HOUSE SALES (DETACHED SINGLE FAMILY)

AREA	2014	2015	2016 (YTD)
Stump to Trading Post	7	9	5
Trading Post to State Park	10	6	3
Southern End	2	0	2
CR-30A	3	6	2
Indian Pass	3	2	0
TOTALS	25	23	12

Sales are continuing to be consistent for the third year in a row! The first 6 months of 2016 are bringing in Gulf front house sales numbers that, when annualized, equal the annual numbers for 2014 and 2015! In 2014, twenty-five (25) beachfront homes sold in the 5 areas that we have concentrated on previously; 2015 brought in twenty-three (23); and we are now at 12 sales in the 1st 6 months of 2016 – equivalent to twenty-four (24) per year.

CAPE SAN BLAS AVERAGE BEACHFRONT HOUSE SALE PRICE PER BEDROOM

AREA	2014	2015	2016 (YTD)
Stump to Trading Post	\$135,930	\$154,590	\$152,810
Trading Post to State Park	\$183,240	\$229,523	\$281,600
Southern End	\$150,613	\$0	\$193,286
CR-30A	\$142,308	\$172,167	\$252,714
Indian Pass	\$221,000	\$210,000	\$0
AVERAGE	\$166,618	\$153,256	\$176,082

It is most interesting to note that the average beachfront house sales price per bedroom has risen. The average sales price per bedroom for these 5 areas in 2014 was \$166,618. 2015 brought in a slight decrease with an average of \$153,256 per bedroom; this drop can be explained by the fact that expensive houses, overpriced, did not sell; while entry-level houses (and also townhomes) became buyers' key targets. The first six months of 2016 are showing an average sales price per bedroom of \$176,082, which is a significant increase from the past 2 years: 15% over 2015, and 6% over 2014. Good news indeed!

CAPE SAN BLAS BEACHFRONT LOT SALES

AREA	2014	2015	2016 (YTD)
Stump to Trading Post	7	5	2
Trading Post to State Park	17	7	2
Southern End	6	4	1
CR-30A	5	5	4
Indian Pass	5	3	3
TOTALS	40	24	12

Mirroring the house sales, the number of beachfront lot sales shows stability. Sales in 2014 amounted 40 lots, 2015 decreased to 24 lot sales, and 2016 has already brought in 12 closings in six months – which translates into an annualized 24; exactly the same as in 2015. We must add at this point that 2014 was still the year of distressed sales; and 2015 saw the last bank bargains. 2016 offers a functional and sound market landscape.

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CAPE SAN BLAS AVERAGE BEACHFRONT LOT SALE PRICE

AREA	2014	2015	2016 (YTD)
Stump to Trading Post	\$200,857	\$340,400	\$363,500
Trading Post to State Park	\$328,300	\$352,857	\$387,500
Southern End	\$240,000	\$271,250	\$124,000
CR-30A	\$219,500	\$324,000	\$237,750
Indian Pass	\$200,200	\$185,933	\$263,333
TOTALS	\$1,188,857	\$1,474,440	\$1,376,083

Also noteworthy is the increase in total dollar volume of lot sales. 2014 Gulf front lot sales were \$1,188,857. 2015 brought a 24% increase with \$1,474,400. The first six months of 2016 witnessed a stellar \$1,376,083 – equivalent to annualized sales of over \$2,750,000. This 87% increase is showing us that lot sales have increased due to the lack of available gulf front homes for sale (at a reasonable price). If Gulf front homes were priced correctly, then they would continue to "fly off the shelf." When priced too high, then they do not sell as quickly... and lot sales continue to rise.

CAPE SAN BLAS CONDO & TOWNHOME SALES

AREA	2014	2015	2016 (YTD)
Stump to Trading Post	2	2	1
Trading Post to State Park	1	9	2
Southern End	0	1	0
CR-30A	0	2	0
Indian Pass	0	0	0
TOTALS	3	14	3

Townhomes and condo sales have declined from 2015 to 2016. 2014 showed only 3 sales. In 2015, 14 units sold - a high jump in townhome and condo sales due mainly to competitive pricing. 2016 became softer with 3 sales in six months (or 6 annualized)... Here again, prices may have risen a bit too fast to sustain volume. There has not been any duplex or mobile home sales in the first six months of 2016.

To conclude: on the background of recovery, Gulf front homes and lots are selling. Gulf front homes are in demand, but at the right price! Buyers are abundant. Their preference is for instant gratification in purchasing a house or a townhouse. Yet, they will revert quickly to buying gulf front lots and building new if they cannot find a home that is fairly priced. Let us remember that anyone capable of purchasing a beach home for one million dollars did not fall off the last watermelon truck - as we casually say. For more information on our market and its opportunities, please call me and I will be happy to discuss this in more detail with you. It is no longer a guessing game because the "proof is in the pudding!"



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