

Anchor's The Way

real estate news, trends and investment opportunities



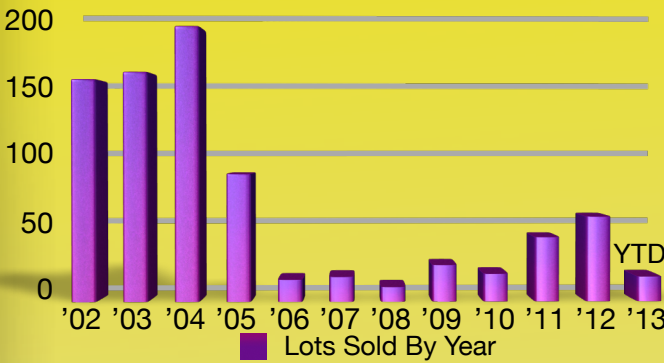
St. George Island

Apalachicola

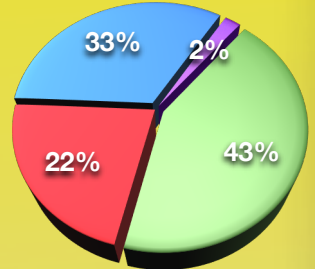
Carrabelle

Eastpoint

Number of Lots Sold from 2002 - 2013(YTD) - St. George Island, FL



● Gulf Front ● 1st Tier
● Interior ● Bay Front



Lots Sold By Location

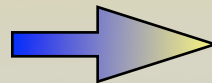
In my last newsletter we looked at **sold homes** on St. George Island. Now I would like to turn to **vacant lot** activity over the last 11 years. Take a look at the bar graph above; as you would expect, lots have experienced the same effect as homes and were actually selling at a higher rate than homes in the early 2000's. This was partly because of the boom in construction and real estate investments, but the extra low interest rates for close to three years is what really ignited this fire! Money was so cheap during this period, construction and real estate sales were exploding at an unprecedented rate. The good times did not last, though; from 2004-2005 lot sales dropped almost 54%; and then plummeted more than 83% from 2005-2006!

The pie chart above depicts the location in which the lot sales were located. Lot locations on St. George Island can generally be divided into 4 distinct areas: 1 - Gulf Front; 2 - 1st Tier Gulf (directly behind Gulf Front); 3 - Interior; 4 - Bay Front. As one would expect, most of the sales took place on the interior because that is where the majority of lots are located. The interesting statistic here is 1st Tier at only 2%. Probably the two main reasons for this are: 1. The overall number of sold 1st tier lots is lower because there is less overall area, and there are less 1st Tier lots than Gulf Front lots. 2. Price disparity was much higher between Gulf Front and 1st Tier in the early 2000's, which caused many buyers to purchase and build 1st Tier rather than fork out the extra cash for a Gulf Front lot. This directly led to the decrease of 1st Tier lots available today.

Lot sales are in the early stages of coming back, but will take much longer than homes. New houses for sale at a price far below replacement costs - due to foreclosures - have caused a decreased construction demand; furthermore, sellers unwilling to take a hit are yet another factor driving the slow recovery in lot sales... ~ David Carlton

If you are considering buying or selling, please contact Anchor Realty. We have the knowledge, experience and passion to meet your needs.

Scan with your smartphone to find property!



Anchor Realty of St. George Island, Inc. | 131 Franklin Boulevard | St. George Island, FL 32328
 All information taken from RAFGC MLS Service.



DAVID CARLTON
 REALTOR®
 (218)838-5882
davide@AnchorFL.com

- B.A. Bethel University
- Works around the clock
- Always available



OLIVIER MONOD
 BROKER
 (850)899-7999
olivier@AnchorFL.com

- CCIM Commercial Designation
- Active in St. George Island real estate since the 80's

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REAL ESTATE INVESTMENTS IN COMMERCIAL PROPERTIES HOW TO AVOID RISKS AND REAP REWARDS

by Olivier Monod, CCIM; broker of Anchor Realty of St. George Island, Inc.

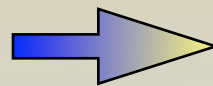
The mistakes most commonly made by investors new to the commercial real estate arena are to, either “fall in love” with a piece of commercial property, or speculate on anticipated increases in property values. Both approaches are a recipe for disaster. Our small markets have attracted, over time, buyers willing to try commercial investment in our “human scale” market. They have used residential properties’ standards to evaluate commercial properties. The few basic guidelines shared below should assist in avoiding costly mistakes. For a more proactive and investor-specific approach, you should contact a REALTOR qualified to assist you in your commercial ventures. One designation is the best guarantee to find adequate and professional services; it is the Certified Commercial Investment Member (CCIM).

Back to my opinion of investment qualities in the Forgotten Coast. I will rank them as *** the best; ** medium; and * low. “No Star” is what should be avoided, unless investor-specific reasons bring you to consider that location. Commercial properties should be valued for their ability to produce a safe and consistent income stream for the owner. At the end of the day, a commercial investment is nothing more than a rate of return on investment. Sorry for being so blunt; but I believe in doing my job for my clients. If you are interested in residential property; then the approach is very different and sentiments play a big role...But for commercial, it’s all about profit!

My investment quality rating by location in the Forgotten Coast:

★★★ (2 areas)	★★ (6 areas)	★ (5 areas)	--- (4 areas)
St. George Island (4 best blocks)	Apalachicola (6 other blocks)	Apalachicola (balance of commercial)	Panacea
Apalachicola (2 best blocks)	St. George Island (8 other blocks)	Carrabelle (Hwy. 98)	Lanark Village
	Port St. Joe (Reid Ave. & Hwy. 98)	St. Joe Beach (Hwy. 98)	WindMark
	Eastpoint (Hwy. 98)	St. George Island (other commercial blocks)	SummerCamp
	Cape San Blas (very selective)	Gramercy Plantation	
	Mexico Beach (very selective)		

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