

Anchor's The Way

real estate news, trends and investment opportunities



St. George Island

Apalachicola

Carrabelle

Eastpoint

Happy Summer Days!

Anchor Realty, at press time (5/23), has 2 of the total of 4 Plantation beachfront houses currently under contract. MLS#s 253171 & 256450 are Anchor's, and 255299 & 255973 are others'. That's a 50% share. Not bad. This led us to look back at pricing over the past thirty years.

Napoleon once said that a short drawing had more worth than a long oration. The double axis chart on the reverse side could well exemplify the emperor's laconic statement.

The history, since 1978, of beachfront lot sales on the island's Plantation is utterly clear: a long period of not-much-ness that spread until 1985; then, a slow wake up in 1986, 1987 and 1988; followed by a substantial rise in the number of transactions between 1989 and 1993. This five-year period of activity fueled the first noticeable wave of price increase. Then, a mini-bubble between 1994 and 1997 witnessed much fewer transactions and a stagnation of pricing – stagnation, not regression. The advent of the St. Joe Company as a major player and developer in the area – a player we thought capable of morphing our quaint landscape into a South-Floridian steppe of manicured lawns – changed everything. From family-oriented beaches, some dreamed of South Beach; from quiet neighborhoods, some wanted to create a new Destin. “Build it and they'll come” was the mantra. The saying failed to indicate who “they” were. With the benefit of time, “they” would turn out to be the FDIC and the bottom feeders – but let's not get ahead of our story. In 1998, the horizon seemed clear and the sky was the limit. Investors and speculators flocked in. The euphoria lasted until 2004. 2005 registered the peak prices, but the market had already lost its momentum. The stall was imminent. From 2006 to 2012, the number of transactions was dismal and their prices haphazard; and for each one of them, buyers thought that they were getting a good deal and sellers thought that they were giving their land away. In reality, the market had crashed from an index 100 to an index 20... but no one knew it yet. This situation did not become apparent until 2013 when the number of transactions combined with consistent pricing pointed at the new reality.

Since 2013 though, the market has returned on a sounder basis. The come-back was timid at first; now, with time, it has gained momentum. 2015 was the last year when foreclosed properties offered opportunities. Today, we have the dual benefits of a healthy market with room to grow. As long as we keep the 5 to 10% annual rate of increase in values; and as long as we keep in mind the \$1,750,000 upper limit of justifiable value for such lots (see ATW-10); we should all have a healthy and wealthy future...

Our next Anchor's The Way will point at the opportunities created by the new market...some will surprise you. Of course, you are always welcome to call, text or email us at any time if you have questions.

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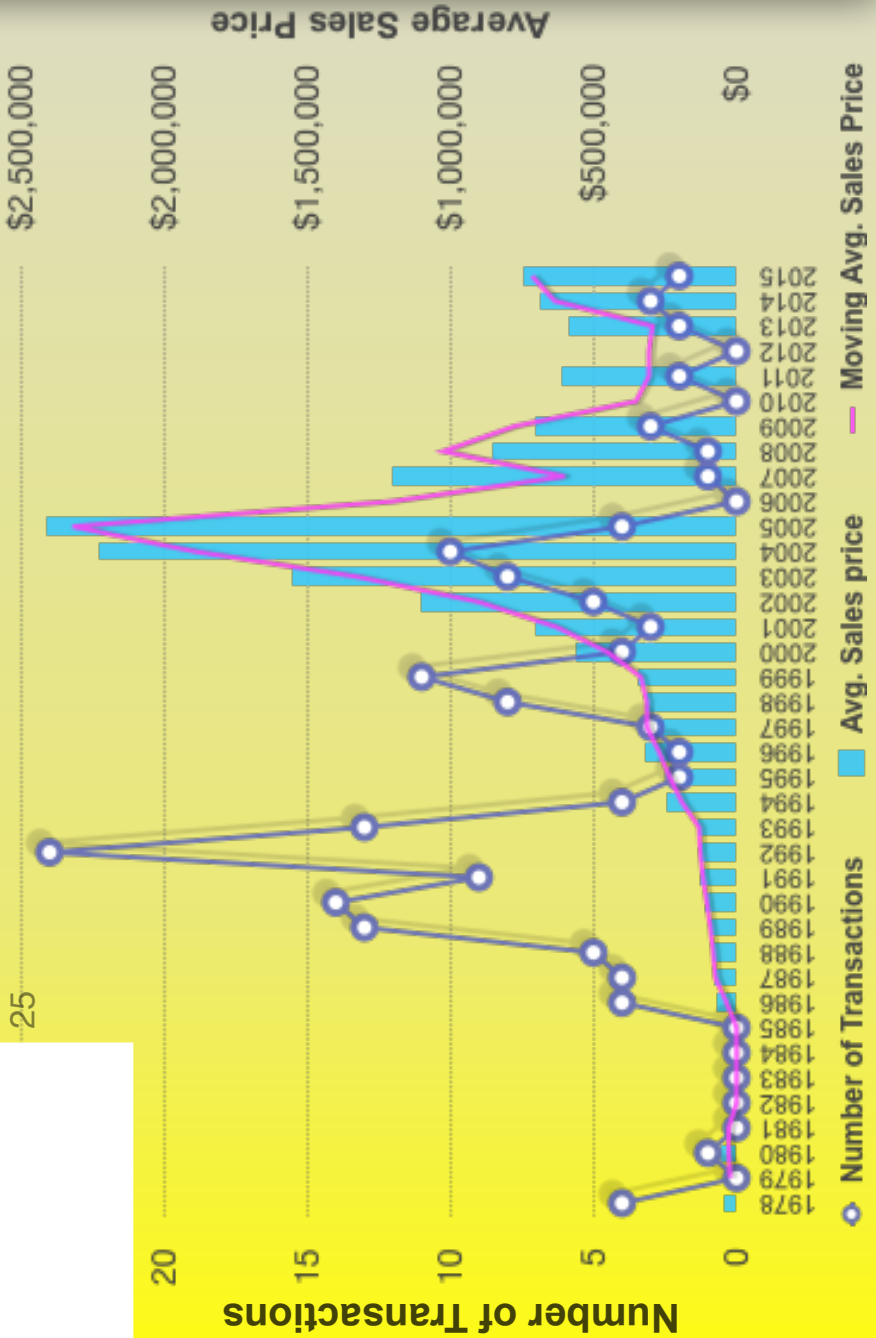
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Yearly Average Sales Price and Transaction Number (100' Wide Plantation Beachfront Lots)



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