

# Real Estate News

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**Recent area news items:**

1. The mistakes made by Florida cities and counties during the land boom of the 20s appear to have been revisited by the City of North Port. During that land boom, dozens of Florida taxing agencies defaulted on bonds that their taxpayers couldn't support. The land boom encouraged many of them to install roads and utility services with the expectation of being paid back from taxes generated from new housing construction. When the boom turned to bust, the bonds went unpaid, prompting state legislation requiring voter approval before major bond issues were placed.

This month, Fitch (the highly regarded municipal bond rating service) lowered its rating on North Port bonds from "stable" to "negative". They cited a chronic budget imbalance and a reluctance by their board to address the issues. This will likely produce a lid on the "cookie jar", or, at the very least, much higher interest costs for the city. For years this publication has railed about the impractical expenditures from skate board parks and showcase baseball fields to the recent acquisition of the Warm Mineral Springs Resort. Hello, is anyone listening?

2. Jeff Weiler and his 1775, LLC is still pitching to get Charlotte County to lend them \$3 Mil to build an intermodal industrial park on 3 acres on Rt 17 at the I-75 interchange. Although County Board members resoundingly discouraged taxpayer's involvement, they did, mysteriously, offer to pay for an appraisal and analysis to be performed for the concept.

3. Job creation is the buzz word of this year's election season. Charlotte County is trying everything it can to create new job openings from firing seven of its department heads and publishing a hit list on the rest of them, to offering tax incentives for targeted businesses. Rather than letting the marketplace determine what businesses should locate in the County, the Commissioners have voted to invite only renewable energy and transportation companies to enjoy their incentives. For some puzzling reason, "big box" retailers have been cited as being undeserving of the same treatment. Commissioners are proposing a 10 year real estate tax holiday for those that they deem worthy of the award. The tax abatement will, through some complicated formula, insure that new companies will add to the employment rolls in significant numbers.

4. The luxury RV park in El JoBean was approved by Charlotte County. The 30 acre resort will feature swimming pool, putting green, tennis courts all overlooking the Myakka River.

5. Post Falls Management, LLC will get permission to build a marina on Harborview at I-75. The plan calls for the construction of 269 wet slips on a new 600 ft freshwater canal. Boats will be lifted across a berm to the Peace River. The marina will also have room for 192 dry boat slips.

6. Charlotte County Utilities is facing a precedent setting \$6.3 million lawsuit because it failed to provide useable services to Rotonda Villas and Springs. Rotonda Project, LLC was planning to develop 150 homesites with water and sewer services. Blaming the lack of services thought to be available to it from CCU, the project is now in foreclosure. CCU will now spend \$6.9 million to redo



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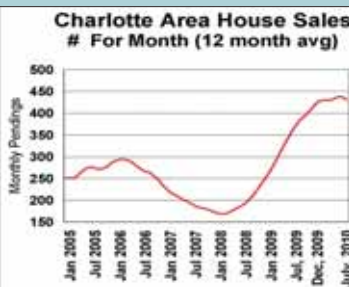
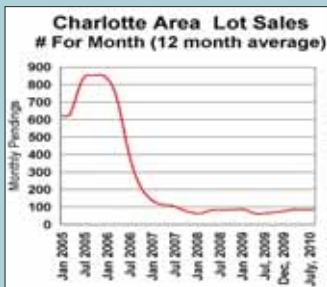
the water and sewer infrastructure for the community.

7. The Flood Insurance Reform Priorities Act of 2010 passed the House. Maximum coverage from FEMA will be raised from \$250K to \$335K and will come with an overall 10% price increase. Deductibles will be raised from \$500 to \$1000 and can be increased to \$5K with reduced premiums. Coastal counties will be penalized less severely than they have in the past, so premiums may actually go down in our area after the September renewals take effect.

**In other news:** The owners of the vacant Publix store on Rt 41 in North Port are negotiating new leases for a roller rink and a Goodwill store. *Tapas One Restaurant* is now open for

business in the old Bin 82 building on Marion St in Punta Gorda. A pricey new restaurant, *Table 209*, has opened at 209 W Olympia next to Presseller's. A ceramic studio has joined with *Subway* to negotiate a lease in the Punta Gorda Parking Garage.

**Sales Statistics:** Unimproved vacant lot prices appear to have bottomed out in the \$5-\$7K price range. Activity in PGI waterfront lots have flattened out in the mid to upper \$100s. Median prices for canal front PGI/BSI homes dipped under \$300K for the first time since January. The Charlotte County foreclosure rate jumped 61% in July vs. June. New building permits in Punta Gorda reached 24 for the first 7 months vs. only 12 last year. The normal construction pace would be about 35.



July, 2010 Vacant Lots								
Area	Beginning Inventory	New Listings	Median \$	New Sales	Median \$	Annual Change	Existing Inventory	Annual Change
Gulf Cove & SGC wet	127	30	49,500	8	27,200		127	-65%
Gulf Cove & SGC dry	742	68	11,500	11	7,900	-21%	757	0%
North Port	1,022	63	5,500	27	6,900	63%	1,026	-16%
Port Charlotte	1,564	135	7,500	12	4,995	-25%	1,667	-12%
Deep Creek	119	5	24,900	0			125	8%
Punta Gorda/Burnt Store	189	12	180,400	4	185,000		213	-9%
BS Mead/VillLakes	133	7	18,000	5	9,500		179	27%
Rotonda	433	35	28,000	7	17,300		425	-7%
<b>Total</b>	<b>4,299</b>	<b>335</b>		<b>72</b>		<b>18%</b>	<b>4,429</b>	<b>-13%</b>
Condominiums								
PGI Isles & BS Isles	215	27	169,900	31	142,500	-2%	208	-13%
Port Charlotte/North Por	268	33	81,200	18	84,000	-33%	262	-6%
West County	485	42	149,000	25	124,900	-10%	470	-11%
<b>Total</b>	<b>968</b>	<b>102</b>		<b>74</b>		<b>-12%</b>	<b>940</b>	<b>-12%</b>
Existing Homes								
Area	Beginning Inventory	New Listings	Median \$	New Sales	Median \$	Annual Change	Existing Inventory	Annual Change
Gulf Cove & SGC wet	85	11	250,000	4	289,000		85	52%
Gulf Cove & SGC dry	239	32	149,900	24	129,900	24%	165	-44%
North Port	665	64	94,900	146	99,900	1%	691	-11%
Port Charlotte	976	163	89,900	54	89,900	2%	970	22%
Deep Creek	132	32	149,900	21	149,900	4%	139	-21%
PGI Isles & BS Isles	187	18	439,000	11	296,500	-25%	184	-1%
BS Mead/VillLakes	73	8	149,900	0			179	171%
Rotonda	216	25	258,000	19	149,000	-4%	209	-49%
<b>Total</b>	<b>2,672</b>	<b>361</b>		<b>279</b>		<b>2%</b>	<b>2,641</b>	<b>-6%</b>