



WEST FLORIDA REIA NEWS

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Cash is Still King

By Barbara Grassey

According to the latest data from Realty-Trac, the metro areas with the highest share of all-cash purchases were all in Florida: Sarasota (59.4 percent), Cape Coral-Fort Myers, (57.2 percent), Miami (56.5 percent), Tampa (53.0 percent) and Lakeland (47.1 percent).

To put this into perspective, on a national level, only 28.7 percent of all single family and condo home sales in April were all-cash purchases (down from 29.9 percent in March and down from 32.8 percent in April 2014).

The U.S. median home sales price was \$171,700 in April, down 1 percent from previous month but still up 2 percent from year ago. It was the slowest annual home price appreciation nationwide since April 2012.

And, interestingly, on a national level, institutional investors are slowing down somewhat. Sales in April to institutional investors (people or

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Deal Killers

By John Alexander

Mr. Lonnie Scruggs, in his book “Deals On Wheels,” says that lawyers and Realtors are the greatest deal killers. He’s right. But, he left out the fact that some deals richly deserve to die. As a retired lawyer, I tell people that I got out of law and into real estate so I could kill my own deals.

Still, remember that lawyers are in business to preserve, protect, and defend their clients... not you. If it smells fishy, tell your client you have doubts and the proposal will die instantly. It is safer to tell a client “No” than to explain why you said “Yes” when something went wrong. And, that’s the way it should be.

Realtors are in business to close deals. They are working for the

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“It is safer to tell a client ‘No’ than to explain why you said ‘Yes’ when something went wrong.”

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entities who bought 10 or more properties in a calendar year) dropped from 5.5% in April of 2014 to 3.3% in April of 2015.

Florida Gulf Coast University Regional Economic Research Institute (http://www.fgcu.edu/cob/reri/indicators_current.pdf) states that Charlotte County reported 465 single-family homes sold in in April 2015, up eight percent over April 2014. The April 2015 median price of \$162,000 represented a nine percent increase over April 2014.

Sales tend to decline on a national level in April but in our area, they spike. In fact, home sales in Sarasota hit an all-time high in April (exceeding the record set in April 2004 by a single sale - 1224 sales).

Distressed sales, foreclosures and short sales dropped in April but there is still a huge shadow inventory of pre-foreclosures and foreclosed homes that have not yet been put on the market. Distressed property listings fell to only 6 percent of total inventory in Sarasota County and only 7 percent in Manatee County - a major drop from recent months when the figure hovered around 20 percent.

Foreclosure filings dropped for the first three months of 2015 in Charlotte County but rose sharply in April (74% increase from March). There are over 2,800 homes in Charlotte that are in some stage of foreclosure. In addition, the Charlotte vacant home rate is at 27.59% according to RealtyTrac. These facts are in sharp contrast with the "tight" inventory levels we see in Charlotte which suggests market manipulation, or as we like to put it, business as usual.

The vacant properties probably overlap with the distressed homes but they still indicate opportunity for investors, especially when you consider the need for rental units in the entire Sarasota, Charlotte, Manatee and Lee County areas.

The deals are out there. Time to go get them.

NEW MONTHLY MEETING NIGHT

We are changing over our monthly meeting to the **SECOND THURSDAY** of the month. We had a room scheduling conflict with the Sarasota Association of Realtors and decided to make a permanent changeover to ensure room availability.

We look forward to seeing you on the second Thursday, starting with our July 9th meeting.

"Sales tend to decline on a national level in April, but in our area they spike."



Deal Killers from page 1

seller because when the seller is happy the Realtor gets paid. Some naive investors get mad at Realtors when they stop sending them leads or expired listings. Remember that if you don't make offers that are usually going to be accepted, the Realtor won't have food money. They can't work for free.

Don't get mad at lawyers or Realtors for doing what they do. Instead, focus on the **REAL** deal killers:

(1) Wheel Spinning. Busy does not equal profitable. Keep doing what doesn't work and guess what... it still won't work. This applies to your marketing, target neighborhoods, time at your desk, types of deals you are going after, on and on.

If what you're doing isn't getting you accepted offers, stop spinning the wheels. Go to a library, sit there quietly, take a couple hours and analyze what you're doing wrong. Then take 30 more minutes and make a new plan. Then test your new plan and see if it works. If not, repeat the above.

(2) Whining. "I just can't find any deals." "I can't find the money for my deals." "I send out letters and no one calls." Ever hear that at REIA meetings?

Reality says that there are tons of deals. You just don't recognize them. You're like the blind man walking over a hundred dollar bill on the sidewalk.

Answer= Read a couple of John Schaub's books and you will see that you passed up three good option deals in the last week or you could have bought that house with a sandwich lease/option or you could have sold that house by running a Highest Bidder Sale (www.CashFlowDepot.com) or you could have offered the seller a bit more money if he'd take payments for awhile.

What Deal Killers live in your house?



"Reality says there are tons of deals."

Upcoming Speakers

Next Month:

COLLECTING BACK RENT

With Cindy and Gary Schmidt

Find out how to collect back rent. That's YOUR MONEY! Don't write it off as a business loss. Learn how to collect on back rent and damages, even if the eviction has already gone through. This can also be a great service business for other investors.

Our Next Meeting:

THURSDAY, July 9th, 2015

Meeting Place and Time:

Sarasota Association of Realtors
2320 Cattlemen Road
Sarasota, FL

Doors Open: 6:30 pm

West Florida REIA Members: FREE

Guests: \$20.00

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Special Thanks!

Many thanks to member John Alexander for contributing the article *Deal Killers* to this month's newsletter.

Find John at:

AuroraPropertyFlorida.com
"I will buy or lease your house today."

*In the Port Charlotte/North Port/
Englewood area?*

Our **Port Charlotte Sub-Group** meets every Thursday night at 6:30. Bring your deals, your questions, your experience. Pick up a new trick and talk shop with fellow investors.

Luigi's Restaurant
3883 Tamiami Trail
Port Charlotte, FL

\$5 per meeting

FREE to West Florida REIA members.

VOLUNTEERS NEEDED

We can always use a helping hand!

We're looking for people who can help check in members, assist with coffee set up and break down and putting together our newsletter.

If you'd like to help, please email us at
info@WestFloridaREIA.com