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Hello, everyone …   1 November 2011

Occupy. There, I said it. The word "went viral" last month. So did the initials OWS. I think I support the *movement*, at least my interpretation of it: Wall Street made big mistakes, government didn't do its job, the global financial system was brought down to parade rest … and no one is accountable? Does not compute. It's important, but it's not my TOP priority, which is … now, how do we get <u>out</u> of this economic mess?

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I saved about 10 articles last month, knowing I would have to reduce it to four for this newsletter. My selectees were positive-type articles, or no worse than neutral. But in order to balance the reporting, I should mention there were many doom-and-gloom articles excluded. Briefly:

(1) <u>Two Housing Markets Going in Two Directions</u> (Assoc Press): The luxury market is performing well, the top 1.5%. The rest? 25% are underwater. 50% can't get a loan today on the home already owned.

(2) <u>Consumer Gloom</u> (NYTimes): The total value of Orlando FL homes is below the total mortgage debt on those homes. All of Orlando is underwater. So is all of Las Vegas. Get used to less prosperity.

(3) <u>Stimulus is a Job Killer</u> (Wall Street Journal): Since President Ford in 1974-75, all temporary stimulus attempts have failed. Politics cannot deliver a thriving economy.

(4) <u>Panic of Plutocrats</u> (NYTimes): Extremists threatening US values are not camping in Zuccotti Park. Wealthy Americans, benefiting hugely from a system rigged in their favor, react with hysteria to anyone who points out the system is rigged.

(5) <u>America's Primal Scream</u> (NYTimes): There's a growing sense that tycoons manipulate the system. Banks privatize profit and socialize risk, just another form of bank robbery.

So, there are a LOT of different opinions out there … I think the positive is more frequent than the negative, but you can find an article to support almost <u>any</u> opinion. It's probably the inconsistency, more than the presumed facts, which trouble us. Like Casey Stengel said as manager of the early NY Mets, "Can't anybody here play this game?" Speaking of baseball, way to go St. Louis!

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THE WALL STREET JOURNAL.

Jack Hough, 15 October 2011

It's Time to Buy That House

House prices have plunged by nearly a third since 2006. Homeownership rates are falling fast. The good news? Two key measures now suggest it's an excellent time to buy:

- ► the US **ratio of house prices to yearly rents** is nearly restored to its pre-bubble average.
- ► considering current **mortgage rates**, houses are the most affordable they have been in decades.

It was a silly mantra we've all heard: "Renters throw money down the drain." Whether buying is better than renting is a changing condition that depends on prices and rents, the cost of financing and other factors. But the math is turning in the buyers' favor. Think of a house's price/rent ratio like a stock's P/E ratio, comparing the cost of an asset with the money it's capable of generating. For investors, a lower ratio suggests more income for the price. For prospective homeowners, a lower ratio makes owning more attractive than renting, all else equal.

Nationwide, the ratio of home prices to yearly rents is 11.3, down from 18.5 at the peak of the bubble. For 15 years prior to the bubble, the average was about 10.

But for most home buyers, mortgage rates are a key determinant of their total costs. Rates are so low now that houses in many markets look like bargains, even if price/rent ratios aren't hitting new lows. As a result, house payments are more affordable than they have been in decades. The Housing Affordability Index hit 183.7 in August, near its record high. The index's historic average is roughly 120. A reading of 100 would mean that a median-income family with a 20% down payment can afford a mortgage on a median-price home. So today's buyers can afford handsome houses—but prudent ones might opt for moderate houses with skimpy payments.

For example, the median home in Phoenix costs $121,700. With 20% down and a 4.12% mortgage rate, monthly payments would be about $470. Rent for a comparable house would be more than $1,100. A fresh look at the numbers suggests Detroit and Miami, too, are plenty cheap for buyers, with price/rent ratios of 5.6 and 7.7, respectively. New York and San Francisco are more expensive, with ratios of 17.6 and 17.2, respectively.

For investors seeking income, one back-of-the-envelope way of seeing how these numbers stack up against yields for other assets is to divide 1 by the price/rent ratio, resulting in a rent "yield." The median market's rent yield is 9.3%. Investors would then subtract for taxes, insurance, upkeep and other expenses—costs that vary widely. But suppose total costs were 4% of the purchase price. That leaves the typical market with a 5.3% rent yield. The 10-year Treasury yield is 2.2%. The Standard & Poor's 500-stock index carries a dividend yield of 2.1%. So, rents for residential housing in many markets look attractive.

However, not all transactions are average ones. Even in low-priced markets, buyers should shop carefully. And, prices could fall further. Moody's Analytics, expects prices to drop 3% before bottoming early next year and rising slowly thereafter. And property "flipping" can be dangerous even when prices are rising. That is because, absent a real-estate boom, house price gains simply aren't that exciting … more or less tracking the rate of inflation over long time periods.

Houses aren't the magic wealth creators they were made out to be during the bubble. But **when prices are low, loans are cheap and plump investment yields are scarce, buyers should jump**.

<u>MULTI-UNITS</u>: 1 NOVEMBER 2011

801-807 Fleming St **3-4 Unit**

5-bedrooms, 3-bath, 1931 living sqft, lot = 4,180 sqft
Conventional sale
SOLD 26 OCT 2011 Asking price = $850,000
Sales price = $750,000
Rental income = ($5,150/mo) x (5% vacancy rate)
= $4,893/mo … or $58,710/yr
Taxes + Insurance = (2.5%) x ($750,000) = $18,750/yr
ROI = (income – expenses) ÷ (selling price)
= ($58,710 - $18,750) ÷ $750,000
= $39,960 ÷ $750,000
= **5.3 %**

720 Windsor Ln **3-4 Unit**

4-bedrooms, 4-baths,1782 living sqft, lot = 2,071 sqft
Conventional sale
SOLD 26 OCT 2011 Asking Price = $292,000
Sales Price = $269,000
Rental income = ($2,850/mo) x (5% vacancy rate)
= $2,708/mo … or $32,490/yr
Taxes + Insurance = (2.5%) x ($269,000) = $6,725/yr
ROI = (income – expenses) ÷ (selling price)
= ($32,490 - $6,725) ÷ $269,000
= $25,765 ÷ $269,000
= **9.6 % (but property needs renovation work)**

1320 Angela St **Duplex**

3-bedrooms, 2-baths, 1278 living sqft, lot = 2,178 sqft
Short-sale
Reduced Price Unsold Asking price = $397,000
Sales price = none yet
Rental income = ($2,750/mo) x (5% vacancy rate)
= $2,613/mo … or $31,350/yr
Taxes + Insurance = (2.5%) x ($397,000) = $9,925/yr
ROI = (income – expenses) ÷ (selling price)
= ($31,350 - $9,925) ÷ $397,000
= $21,425 ÷ $397,000
= **5.4 % (if sold at full price)**

1227 Duval St **Duplex**

4-bedrooms, 4-baths, 1618 living sqft, lot = 5,175 sqft
Conventional sale w/2 transient licenses
SOLD 14 OCT 2011 Asking price = $1,085,000
Sales price = **$ 975,000**
Rental income = ($21,000/mo) x (15% vacancy rate)
= $17,850/mo … or $214,200/yr
Expenses = utilities, taxes, insurance, maintenance, mgmt
= $10,085 (see 1 July 2011 newsletter!)
ROI = (income – expenses) ÷ (selling price)
= ($214,200 - $10,085) ÷ $975,000
= $204,115 ÷ $975,000
= **20.9 % (transient licenses make BIG difference)**

Orlando Sentinel

By **Mary Shanklin**, **10 Oct 2011**

Banks Encourage Short Sales Instead of Foreclosures

Bank of America is testing Florida's foreclosure waters with an incentive program for defaulting homeowners to "short sell" their homes instead of enduring a foreclosure, which can take years.

Short sales, almost unheard of five years ago, must be approved by the lender because the sale amount winds up being less than the mortgage owed on the house. Foreclosures cost lenders so much in terms of sunken prices, deteriorated properties and legal fees that last week Bank of America announced it would give $5,000 to $20,000 to qualified borrowers (sellers) who submit a short-sale request to the lender by 30NOV2011. A seller would be paid if the house is sold by 31AUG2012.

“It's an incentive for people delaying foreclosures or who are in a foreclosure process," said the broker/owner of Orlando-based AmeriTeam Realty Inc. "They stop paying their mortgage, and it can take a year of or more. … This is an opportunity to get cash out and be relieved of the deficiency." (JSmith note: recent articles have reported that foreclosures in the State of Florida can take over 700 days to process through the court system.)

Guidelines for Bank of America's new Florida Enhanced Short Sale Relocation Assistance Program state that a borrower may use the incentive to pay off existing liens or for relocation expenses. FHA, Ginnie Mae, VA and USDA loans are not eligible. Details are available by calling 1-866-880-1232.

Short-sale incentives are an outgrowth of earlier, "cash for keys" programs offered by lenders. Also, the U.S. Treasury Department has tried to boost the number of short sales with its Home Affordable Foreclosure Alternatives program, which provides $3,000 for borrower-relocation assistance, $1,500 for servicers to cover administrative and processing costs, and as much as $2,000 for investors who meet certain requirements.

Other programs currently available:

Wells Fargo offers incentives of $10,000 to $20,000 to certain homeowners who opt for a short sale or who transfer a home's title back to the bank. The program is aimed at properties in Florida and other states known for protracted, judicial foreclosures. The money is available only on first-lien loans that the company owns, which is about 20% of its portfolio. Details: 1-800-678-7986.

JPMorgan Chase has not reported how much it offers for short-sale incentives, though real-estate agents have reported sellers getting $20,000. The lender also has declined to specify how it determines the amount of its incentives. Details: 407-248-3945.

Citibank has reported it offers an average of $12,000 for borrowers when it owns the mortgage. The amount is determined upfront and varies depending on a borrower's financial circumstances and mortgage-payment history. The money is disbursed when the short sale closes.

JSmith note: I recently completed one of these kinds of transactions. It may sound too good to be true, and my sellers were skeptical right up until the closing date … but it actually did happen! The short-sale lender was JP Morgan Chase. In this case, the sellers received *significantly more* than the $20,000 reported above. The lender refused to provide any documentation of how the program worked, and their verbal responses were less than a full-fledged commitment: “the sellers *may* receive an incentive …” I had doubts, too. Other real estate websites reported that these incentive offers were true, so we pressed ahead. It worked. Good for my sellers! Cash in their pocket, no deficiency judgment, no IRS 1099. And contrary to the Bank of America program, the buyer used a VA mortgage loan to make the purchase. Every short-sale is different … and an educational experience.

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KONK Life

Hello, everyone … This will be a recurring article each month, intended to convey meaningful information from my "Florida Keys Real Estate" internet show on www.KONKAM.com, every THURs noon-to-1:00 PM. What happened in October?

Thursday #1: My guests were **Terri Wilson and Will Langley**, Public Relations Committee chairs (outgoing and incoming, respectively) for the Key West Association of Realtors (KWAR). Terri had a corporate career with the Postal Service in Washington DC. Will is a young entrepreneur and former owner of a water sports business. Both are active Realtors, also … Terri with *Preferred Properties*, and Will with *Prudential Knight Gardner*. The PR Committee changeover will take place next month, so this was the beginning of the "relief process". Terri reviewed the successes her committee has had this past year, highlighted by KWAR's support of FIRM (the Windstorm insurance thing). Will is going to continue many of Terri's initiatives, and he has several new and creative ideas for his year as Chair.

Thursday #2: My guest was **Claude Gardner**, broker/owner of the *Prudential Knight Gardner* brokerage. He is the *Gardner* in the business name! Claude made his reputation in the commercial side of real estate in the Florida Keys, and that's where we concentrated our discussions. The downturn for commercial properties began in earnest in 2009, following the residential collapse by a couple of years. However, Claude had hard statistics to support his claim that the current trends in local commercial real estate are very *positive*! Did you know that Key West leads the State of Florida in hotel occupancy rate and in ADR (average daily rate) for rooms … imagine, the most expensive rooms in the State and almost filled-up. That's a killa combination. Take that, West Palm Beach. Naples, Schnaples.

Thursday #3: My guest was **Just Me**, the www.KONKAM.com host. Not exactly as planned, but I wanted a solo show once a month, anyway. I had an idea, which I'll follow-up on in the future, to ask a (sorta) random real estate *consumer* to come into the booth … an experienced residential buyer and seller. And we would discuss what a typical consumer looks for in a property, in a Realtor®, in a lender, etc. I popped the question to one person I had in mind, but bail-out! So, I covered several topics from my latest (OCT11) newsletter.

Thursday #4: My guest was **Monica Hornyak**, Real Estate Closer at The Spotswood Companies. She's the gearbox who brings everything together at closing, balances the HUD, and then afterwards disburses the funds. No small feat. I've had several complicated short-sale closings with Monica recently … knows her stuff, keeps calm! We talked about many of the confusing things that flash before buyer and seller during a closing. Like, how many trees died to produce that mound of paperwork? How much of it did anyone actually read? What's a paraprosdokian, anyway? GFE? Aggregate accounting adjustment? Doc stamps?

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Current BUYERS in the Lower Florida Keys:

November 2011

These are a sample of 5 buyers I am currently working with, in no particular order … what they are searching for, what their concerns are, what issues must be overcome, etc. Some of this may resonate with you, too! It will be a challenge to highlight 5 new buyers each month … but, let's see how it goes. By my calculations, the present inventory of buyers will be exhausted in a few short months, so I'll need a steady pipeline of newbies to replenish the inventory and keep this column going. Anyway, if you are a seller (or know someone who is), maybe one of these buyers would be a good match! I hope you find this interesting, even with identities withheld. If you are one of my buyer-prospects, surely you will recognize yourself!

Buyer #1: A buyer living in the Republic of Singapore (just south of the Malay Peninsula) was connected to me through his own on-line efforts in searching the Lower Florida Keys MLS on the internet, specifically via www.keywesthomelistings.com. This helpful lead-generation service has produced pretty good results for Realty Executives. The buyer has identified a beautiful waterfront property at MM10. At just under $900,000 it may be a bargain, but the listing and showing constraints are such that it's very difficult to make an offer. So, we are wait-and-see currently.

Buyer #2: A recently retired scientist from the Rochester Institute of Technology would like to relocate to Key West in the near future. He's looking for an Old Town cottage, no larger than 2-bedrooms and 2-baths (smaller is possible) within walking distance of all necessities and attractions. Key West is one of very few locations that can meet that need! The plan is to rent initially, to get the lay-of-the-land. Then, when the Key West lifestyle proves to be a powerful draw, make a purchase for he and his wife. I'm betting on a *yes* decision … when I think of upstate NY winters!

Buyer #3: Husband and wife are living and working in Key West … husband is a military retiree of the best kind: US Coast Guard! (Wife is the best kind, too). Both have lived here previously and are thrilled to be back. They want to establish a permanent base in Key West by purchasing real estate, single family home or condo. No hurry, however, as they have a home to sell north of Clearwater (Lake Tarpon), on the Florida west coast. Let's see, north of Clearwater … is that on the wrong side of the frost-line? I'm thinking it might be. Key West … good move!

Buyer #4: A gentleman engaged in commercial and industrial real estate in NYC has been in touch with me about multi-unit investment properties in Key West … ones that also offer personal use several times a year. We have them! There have been many articles lately about the residential rental market getting stronger and stronger. It's a good time to be thinking about the benefits of landlord-ing. And owning investment property in a resort location, where there may be "business" reasons to visit the property several times per year. And, oh yeah, cashflow too.

Buyer #5: An active, retired couple from Kentucky contacted me via the same (see above) "lead generation" service (www.keywesthomelistings.com). They have visited Key West and think it would be a GREAT place to have a winter-time/vacation home … not only for themselves, but also for relatives and friends. Low maintenance is a feature they want … so, condos and townhomes are at the top of the list. On their next visit to Key West we will plan on seeing units at KW By-the-Sea, La Brisa and 1800 Atlantic, and maybe others. They would like to be walking distance or a bike ride away from many island attractions. Can do!

CNNMoney
A Service of CNN, Fortune & Money

By Jeff Wallach @Money September 2, 2011

Cashing in on rental property

(MONEY Magazine) – Most real estate news has been dismal: home prices are swooning, foreclosures ballooning. But the rental market is a bright spot. Demand is up and rents are rising. Foreclosures have turned more than 4 million former homeowners into renters … and many other prospective homeowners, worried about the economy and are reluctant to buy now.

As with many investments, the best time to get in is when most others are sitting on the sidelines. Figure out whether you can benefit by investing in rental property. Many factors make this a great time to invest.

(1) Mortgage rates are at a 40-year low
(2) Homes in many areas are ultra-cheap.
(3) Rental demand has risen in most cities, according to recent Census data. Landlords can charge more.
(4) Rents nationwide jumped 11.6% in 2010, to $1,320 a month

If you can hang on, you've got a good shot at solid gains, especially if you're financing the home purchase. Leverage is dangerous when buying stocks, but it can be a good long-term strategy with real estate. The big catch … can you afford to hold the property and not need the equity for your kid's college fund, or whatever other pressing need might crop up. Most banks now require a down payment of at least 20% to 25% and evidence you have enough cash to cover six months' worth of mortgage, tax, and insurance payments.

Investment real estate is like fresh produce … it's best bought locally.

(1) Buy something you can get to in 10 minutes.
(2) Familiarity with the neighborhood also limits nasty surprises (noisy bar, rental competition).
(3) Work with a local Realtor with rental experience who can help you assess how attractive a given home will be to tenants.

Prices on multifamily dwellings haven't dropped as much as single-family homes, but don't ignore complexes:

(1) Income from several rents instead of just one will boost your cash flow
(2) A single vacancy won't hurt as much
(3) You could benefit from economies of scale for things like appliances and painting.
(4) Stick to ≤4 units to avoid stricter financing requirements (bigger down payment, higher loan rates).

Once you've identified candidates, crunch the numbers:

(1) Make sure your rental income will at least cover your loan payments
(2) Seek a 20% cushion to handle repairs, vacancies, and property management.
(3) To figure out what you can get for rent, peruse sites like Rentometer and Craigslist for similar rentals in the neighborhood.
(4) Assume your mortgage rate will be at least a half-point higher than rates on owner-occupied properties. Factor in insurance and property taxes, and bank on a 5% vacancy rate.
(5) Brush up on your people skills: Owning rentals means responding to tenant complaints. You can hire a handyman (around $45 an hour) or a management company (8% to 10% of monthly income plus a half-month's rent for filling vacancies), but that will eat into cash flow.
(6) To find your own tenants, creative ads on Craigslist are your best bet. Run credit and reference checks (National Tenant Network, at ntnonline.com, can help). And invest in small touches to make your place stand out, such as cool lighting fixtures or antique door hardware. Those will pay off when it's time to sell too.

Bankrate.com
Comprehensive. Objective. Free.

By Polyana da Costa 17 October 2011

5 housing trends in the fall 2011

If you want to buy a home and you qualify for a mortgage, this is your time. With rates at historically low levels, falling home prices and many distressed properties for sale, buyers will be able to find once-in-a-lifetime opportunities this fall. Here are some of the trends you can expect to see for fall 2011.

Mortgage rates won't stay low forever -- just a long time: They will likely remain at or near rock-bottom at least until the end of the year. While the trend can shift direction at any moment, many industry observers say they don't expect a significant jump in rates this year. It's unlikely the economy will improve before year's end. There are more than 14 million people unemployed, and housing markets remain sluggish in most areas. The latest forecast by the Mortgage Bankers Association estimates the average rate on the 30-year fixed-rate mortgage will be about 4.5% in the 4th Qtr.

Lenders will keep their strict underwriting standards: Low rates won't guarantee a loan. The level of detail to produce a compliant, conforming loan is immense. Banks are verifying that people have not opened accounts or extended credit card balances during the process on the day a loan is closed. That is pretty intense. The standards are not expected to change anytime soon. Lenders are under tremendous pressure and criticism by Congress and the country for past actions in lowering the standards to allow more people to become homeowners. Now they have overcorrected. Standards are very aggressive.

Foreclosures will become rentals: Many homeowners who lose their home to foreclosure eventually become renters, as they do not qualify for another mortgage for at least two years. So why not keep them in the foreclosed homes as renters? That's what many investors have been doing. The strategy is expected to continue to gain popularity, and it could become some form of nationwide program. The government is considering making rentals out of FNMA and Freddie Mac-owned properties.

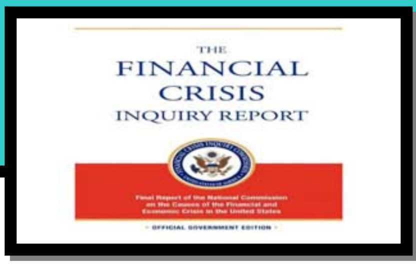
Lower loan limits will push home values further down: Loan limits fell on 1 October. Jumbo-conforming loan limits were reduced to $625,500 from $729,750. FHA loans, too. Home values in high-priced markets will likely be hit hardest. The reduction likely forces people in that price range to reduce the listing prices of their houses. The reduced limits may trigger a decline of 3 – 5%.

A new wave of distressed properties will crest: The foreclosure crisis is far from over. Recently foreclosures have been dropping, making it seem as though the situation was improving. But, the foreclosure machine simply slowed while it was being repaired. Banks are fine-tuning systems after the robo-signing controversy and may foreclose at a higher rate in the second half of this year. It remains to be seen if the market can absorb the additional inventory … if it can't, we might see another price drop.

There likely will be more distressed properties on the market for sale, as millions of underwater borrowers struggle to keep up with their payments and simply give up. Banks have realized that short sales are the preferred path today. But they are still distressed real estate. The problem has not gone away, but the banks are finding alternative solutions.

<u>Financial Crisis Inquiry Commission</u>

Post #7



The Financial Inquiry Commission spent more than a year examining the causes of the financial crisis. It held 19 days of public hearings, interviewed more than 700 witnesses and reviewed millions of pages of documents.

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<u>Opening Section of the FCIC: "Setting the Stage</u>" There are 4 key developments over recent decades that shaped events which eventually shook financial markets and the economy. They are shadow banking, financial deregulation, **changes in the mortgage industry** and securitization/derivatives. Covered here is:

<u>SUB-PRIME LENDING</u>: In the early 1980s, some lenders made home loans to borrowers with spotty (or no) credit history, but at a higher interest rate to offset the extra risk. They were known as sub-prime lenders.

In the 1990s, Wall Street started securitizing "non-conforming" mortgage loans, some of them sub-prime. They were so complicated that investors needed help to make the buy-decision. This put the rating agencies in the business … Moody, Stand & Poors. The Savings and Loan crises provided a stimulus … the Resolution Trust Corp had a portfolio of bad loans, too many to sell-off individually, so they expanded the securitization of non-conforming loans, with the government's OK. In 2000, sub-prime loans were 10% of all home loans.

<u>Residential Mortgage-backed Securities</u>:

(1) Lenders increased loan volume, including sub-prime
(2) Wall Street purchased the loans and pooled them into separate "tranches", or slices.
  (a) Senior tranches (rated AAA) were paid first
  (b) Lower tranches (rated AA and below) were subordinate, due to higher risk
  (c) The lowest tranches (BBB and below) became Collateralized Debt Obligations (CDOs)
(3) These were sold to investors … attractive for their high yield, despite their high risk

Computer and modeling technology reshaped mortgage lending by underwriting with FICO scores, based on quantitative expectations. The Community Reinvestment Act encouraged banks to lend to borrowers previously denied credit, expanding sub-prime lending even more.

Concern grew about predatory lending practices, and Congress re-emphasized the Federal Reserve's authority to step-up banking enforcement regulations, but the FED was slow and ineffective, not wanting to interfere too greatly in a booming economy. The economic and political philosophy of the time was de-regulation, not increased regulation. There was no appetite or mood to attack lending abuses. Sub-prime mortgage loans proliferated and eventually became mainstream products.

By 1999:

(1) 75% of sub-prime mortgage loans were <u>first</u> mortgage loans.
(2) 82% of those were used for <u>re</u>-financing, rather than a home purchase.
(3) 59% of the <u>re</u>-financings were "cash-out", helping to fuel consumer spending while whittling away a homeowner's equity.

The repayment risk was *discounted*, since home loans were semi-guaranteed by the government and collateralized by real estate that seemingly always increased in value.

***Southernmost Stars*:** **1 November 2011** The least expensive properties currently on the market on the island of Key West. Changes from last month are in **blue**!

Ten least expensive Condos or Townhomes in Key West:						
Address:	Ask Price:	#beds:	#baths:	Living Sqft:	$/Sqft:	Other:
3312 Northside #303	**$124,900**	1	1	528	**237**	Foreclosure
1830 Fogarty #4	$125,000	1	1	388	322	Affordable Housing
3312 Northside #204	**$135,000**	2	1	736	**183**	Conventional
1830 Fogarty #7	$144,000	1	1	572	252	Affordable Housing
3312 Northside #313	$149,000	2	1	736	202	Conventional
1830 Fogarty #6	$149,000	1	1	598	249	Affordable Housing
3312 Northside #208	$149,000	2	1	831	179	Conventional
408 Petronia St #B	$149,000	0	1	270	552	Foreclosure
3312 Northside #613	**$150,000**	2	1	736	**204**	Conventional
408 Petronia St #A	$159,000	0	1	280	568	Foreclosure

Missing from last month: 3312 Northside #303 was reported as #313 last month, sorry!

* 408 Petronia St: BOTH halves of the duplex are available together for $308,000.

Ten least expensive **Single-Family Residences** in Key West:						
Address:	Ask Price:	#beds:	#baths:	Living Sqft:	$/Sqft:	Other:
215 Truman B	**$215,000**	**1**	**1**	**556**	**387**	**Foreclosure**
1208 Florida St	**$264,500**	3	2	948	**279**	Short-sale
1701 Johnson #1	$269,000	2	1	850	317	Conventional
2116 Fogarty Ave	$269,000	2	1	838	321	Conventional
1209 Margaret St	$275,000	3	1	864	318	Conventional
829 Baptist Ln	**$299,000**	1	1	414	**722**	Conventional
2021 Harris Ave	$299,000	2	1	1098	291	Conventional
3026 Flagler Ave	**$329,000**	**3**	**1**	**1008**	**326**	**Foreclosure**
1218-Rear Packer	$329,000	2	1	578	569	Conventional
213 Truman #C	$329,900	2	2.5	1083	305	Foreclosure

Missing from last month: 319 Grinnell St … under contract
2425 Fogarty Ave … under contract

This is the first time in years of reporting the *Southernmost Stars* that none of the previous month's properties went under contract and came off the list. There were three price reductions, but no contracts. I wouldn't try to find meaning in this … probably just a random occurrence. Aided by the slow-season.

Least expensive does not necessarily mean *best value*. That is determined subjectively by factoring-in other variables like appreciation potential, amenities, special features, location, condition, age, style, appeal, etc.

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