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Hello, everyone … 1 August 2011

July was good, probably cooler in Key West than most other parts of the sweltering US. Let's see, the highlights were the final Harry Potter movie, the Murdoch phone-hacking scandal, US Women's soccer, NFL Collective Bargaining Agreement, baseball trading deadline, and Casey Anthony. Some good, some not so much. And oh yes, the Debt Ceiling negotiations, about which I will have little comment. Congress was elected fairly-and-squarely, and it could be said, we have what we deserve. We can do better than this.

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Speaking of the economy, I saw a documentary film "Front Page: Inside the New York Times". I recommend it. The journalism business is changing! Maybe *everything* is changing.

I've spent a LOT of time lately with two particular real estate transactions, both short-sales. When (or if) these ever close, each one will deserve its own page in this newsletter. Nothing is easy these days … every deal has its own twists-and-turns, and some are downright amazing. It's easy to look back and remember how mortgage lending went out-of-control in the early and mid 2000s, and you wonder what were they thinking?   I'm forecasting that a few years from now, we'll look back on today's short-sales and foreclosures … and say the same thing, or worse. By then, many smart people will have written books about the financial crisis, and then maybe I can figure it out. There's a lot of HURT out there, and I really don't know if that includes the banks or not. Buyers are getting good deals on properties. Sellers are getting hosed. Banks, I dunno. Like Las Vegas, players might get lucky and players might lose, but the *house* wins. Always.

The Lower Florida Keys remain a special place. A house down here wins, too.

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The New York Times The Opinion Pages

The Good Banker

By JOE NOCERA May 30, 2011

I obtained a copy of the 2010 annual report to shareholders by a bank executive I'd never met: Robert G. Wilmers. For nearly 30 years, Wilmers has run the M&T Bank, based in Buffalo, one of the most highly regarded regional bank holding companies in the US, and one of the best performing stocks in the S&P 500.

Wilmers's report, however, was about the dismal state of his beloved profession. Wilmers is that rarest of birds … a banker willing to tell harsh truths about banking. That, for instance:

(1) Most big bank money comes from trading profits "rather than the prudent extension of credit that furthers commerce." The 6 largest banks made a $75 billion last year, $56 billion in trading revenue. So trading, not lending, is how they make most of their money."Trading has become a virtual casino."

(2) Derivatives caused the crisis and need to be regulated. Banks take excessive risks, not envisioned when the government began insuring deposits. Government is the backstop for banking. Trading derivatives had nothing to do with the underlying purpose of banking … "for people to keep their liquid income, and to finance trade and commerce." The Glass-Steagall Act, separating commercial and investment banks, should never have been abolished and derivates need to be brought under government control.

(3) Bank executives are wildly overpaid and the Too-Big-to-Fail Banks are operating an "unsafe business model." In 2007, TBTF CEO salaries averaged $26 million. Bank CEO s are compensated in no small part on their trading profits, which gives them every incentive to keep taking excessive risks.

Wilmers says "I personally believe there isn't a more honorable profession than the banking industry. Most bankers are very involved in their communities, and they can stand up and be counted. I saw a poll recently that showed banking is now considered the third worst profession. That bothers me." But it didn't exactly surprise him. In the run-up to the financial crisis, the giant national banks had done things that deserved condemnation. He added, "TBTF banks are still doing things that I don't think are very good."

I couldn't help thinking back on remarks I'd heard CEO Jamie Dimon at JPMorgan Chase, widely viewed as the best of the big bank chief executives, and the most vocal defender of the status quo. "To people who say the system would be safer with smaller banks doing traditional banking, well, the system would be safer if we also went back to horse and buggies. That is a quaint notion that won't work in the real world."

At the M&T annual meeting earlier this year, Wilmers told the company's shareholders that the bank's mission was to "find ways to continue to attract deposits, make sound loans and grow in accordance with our historic credit quality standards."

How quaint, indeed. And how refreshing.

Forbes

By Joel Kotkin, 6 July 2011

The Next Big Boom Towns in the US

What cities are best positioned to prosper in the coming decade? Forbes took the 52 metro areas in the US with populations over 1 million and ranked them based on data indicating past, present and future vitality:

(A) History and prospects for job growth accounted for roughly one-third of the score.

(B) Other factors were weighted equally: Family formation, educated migration, population growth and a broad measurement of attractiveness to relocations … places to settle, make money, start businesses.

The results:

(1) **Austin TX**
(2) **Raleigh NC**
(3) **Nashville TN**
(4) **San Antonio TX**
(5) **Houston TX**
(6) **Washington DC**
(7) **Dallas TX**
(8) **Charlotte NC**
(9) **Phoenix AZ**
(10) **Orlando FL**

Top performers are not surprising. But, Nashville? With low housing prices and pro-business environment, Nashville has experienced rapid growth in educated migrants. Milder climate and smaller scale add to the region's attractiveness. Traffic bottlenecks are absent.

Texas appears prominently and over the past years boasted the biggest jump in new jobs. Aided by low housing prices and buoyant economies, Lone Star cities have become major hubs for jobs and families.

The Washington DC area competitive advantage is proximity to the federal government, which has helped it enjoy a "good recession," continuing job growth and an improving real estate market.

Phoenix and Orlando have not done well in the recession, but both still have more jobs now than in 2000. Their demographics remain surprisingly robust. Known better as retirement havens, their ranks of children and families have surged over the past decade. Warm weather, pro-business environments and a large supply of affordable housing should allow these regions to grow at rates both steady and sustainable.

Even the most exhaustive research cannot fully predict the future. But well-established patterns of job creation and vital demographics will drive future regional growth over the coming decade. People create economies and they vote with their feet when locating their families and businesses. This is more decisive in shaping future growth than the hip imagery and big city-oriented PR flackery that dominate media coverage of America's changing regions.

JSmith note: Number-crunchers consider the entire Florida Keys to be a "micro statistical area" (population under 100,000) … so, we don't appear anywhere in the analysis. It's interesting to read about Phoenix and Dallas, and remember the awful traffic in Washington DC, but you know what? I'd rather be here. By far. Under the radar. Going for a run every morning. Wearing Birkenstocks to work. I must be out of my mind.

MULTI-UNITS: 1 AUGUST 2011

2500 Patterson Ave **Duplex**

8-bedrooms, 5-baths, 2742 living sqft, lot = 10,000 sqft
Short-sale
Under Contract 28 July 2011, unknown price
Asking price = $225,000
Rental income = ($3,200/mo) x (5% vacancy rate)
= $3,040/mo … or $36,480/yr
Taxes + Insurance = (2.5%) x ($225,000) = $5,625/yr
ROI = (income – expenses) ÷ (selling price)
= ($36,480 - $5,625) ÷ $225,000
= $30,855 ÷ $225,000
= **13.7 %** (if it sells at full price)

507 Frances St **3-4 Unit**

4-bedrooms, 3-baths, 2197 living sqft, lot = 1,891 sqft
Conventional sale
Listing Expired 1 July 2011
Asking price $599,000
Rental income = ($2,500/mo) x (5% vacancy rate)
= $2,375/mo … or $28,500/yr
Taxes + Insurance = (2.5%) x ($599,000) = $14,975/yr
ROI = (income – expenses) ÷ (selling price)
= ($28,500 - $14,975) ÷ $599,000
= $13,525 ÷ $599,000
= **2.3 %** (if it had sold at full price)

315 William St **3-4 Unit**

4-bedrooms, 3-baths, 2500 living sqft, lot = 3,144 sqft
Conventional sale
Listing Expired 1 July 2011
Asking price = $899,000
Rental income = ($4,800/mo) x (5% vacancy rate)
= $4,560/mo … or $54,720/yr
Taxes + Insurance = (2.5%) x ($899,000) = $22,475/yr
ROI = (income – expenses) ÷ (selling price)
= ($54,720 - $22,475) ÷ $899,000
= $32,245 ÷ $899,000
= **3.6 %** (if it had sold at full price)

917 Grinnell St **duplex**

4-bedrooms, 4-baths, 2034 living sqft, lot = 4,220 sqft
Conventional sale
LISTING EXPIRED 1 July 2011
Asking price = **$745,000**
Rental income = ($3,800/mo) x (5% vacancy rate)
= $3,610/mo … or $43,320/yr
Taxes + Insurance = (2.5%) x ($745,000) = $18,625/yr
ROI = (income – expenses) ÷ (selling price)
= ($43,320 - $18,625) ÷ $745,000
= $24,695 ÷ $745,000
= **3.3 %** (if it had sold at full price)

Residential versus Commercial SALES:

(As of 1 July 2011 … half-way point in the calendar year)

# of Realtors:	315
# of "sides" per sale:	2
Avg RE Comm % per side:	3%

Residential sales on the island of Key West:

# of Sales:	251
Avg Days-on-Market:	144
Avg Listing Price:	$ 566,443
Avg Selling Price:	$ 519,721
Ratio SP-to-LP:	91.8%
Avg $-per-Sqft:	354
Total Volume:	$ 130,500,000 approx

Commercial sales on the island of Key West:

# of Sales:	11
Avg Days-on-Market	196
Avg Listing Price:	$ 1,813,030
Avg Selling Price:	$ 1,610,894
Ratio SP-to-LP:	88.9%
Avg $-per-Sqft:	429
Total Volume:	$ 17,720,000 approx

Other:

Approx 300 Realtors work residential properties and 15 Realtors work commercial properties.
In each specialty area (residential and commercial), 20% of the Realtors get 80% of the sales.

FUN with the numbers:

					annualized:
(1) Avg income YTD 2011 all Realtors:		((3%)x($148,220,000))/(315)	=	$ 14,116	$ 28,232
	Residential only:	((3%)x($130,500,000))/(300)	=	$ 13,050	$ 26,100
	Commercial only:	((3%)x($ 17,720,000))/((15)	=	$ 35,440	$ 70,880
(2) Top 20% all Realtors income YTD:		((3%)x($118,576,000))/(63)	=	$ 56,464	$ 112,929
	Residential only:	((3%)x($104,400,000))/(60)	=	$ 52,200	$ 104,400
	Commercial only:	((3%)x($ 14,176,000))/(3)	=	$ 141,760	**$ 283,520**
(3) Bottom 80% all Realtors income YTD:		((3%)x($29,644,000))/((252)	=	$ 3,529	$ 7,058
	Residential only:	((3%)x($26,100,000))/((240)	=	$ 3,263	$ 6,525
	Commercial only:	((3%)x($ 3,544,000))/(12)	=	$ 8,860	$ 17,720

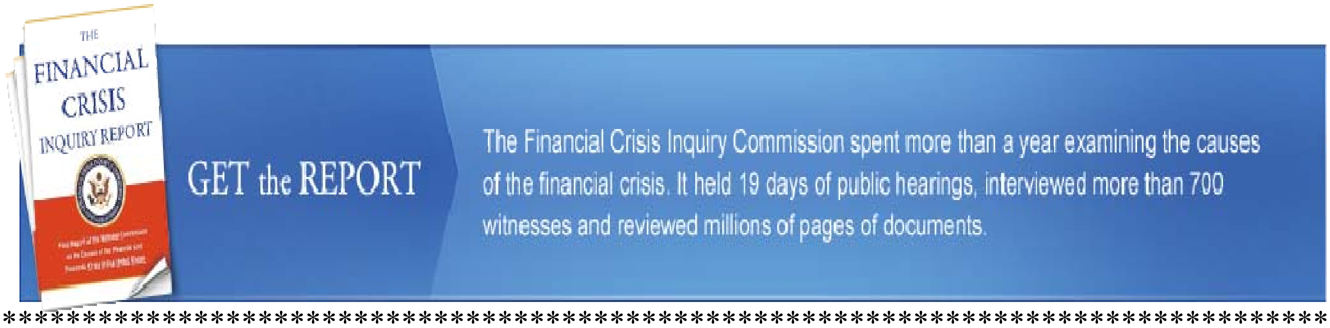
Conclusions: **Try to be in the Top 20% of commercial Realtors**!

Caveats:

(1) There is crossover between residential and commercial … not *totally* one-or-the-other.
(2) Many Realtors earn additional income from rental Property Management and referrals.
(3) Approx 10% of actual sales are not reflected in the MLS statistics.
(4) An unknown percentage of Realtors are part-time … more during recessions.
(5) The analysis makes a LOT of assumptions.
(6) Every Realtor has a chance one day to hit the Grand Slam Home Run!

Financial Crisis Inquiry Commission

post #6



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

SHADOW BANKING: Long ago the US government stepped-in to support financial markets:

1913: Congress created Federal Reserve System to stabilize financial markets.

1933: Congress passed Glass-Steagall Act, establishing the Federal Deposit Insurance Corporation. With tax dollars now at risk, Congress restricted bank activities to discourage taking excessive risks.

1970s: Merrill Lynch, Vanguard, Fidelity and others introduced money-market mutual funds, not protected by FDIC, yet business boomed. "Shadow banking" paralleled traditional banks, but less regulated.

► These funds invested in two booming "hot money" markets:

Commercial Paper … unsecured corporate debt for short-term financing

Re-purchase Agreements … trading in Treasury Bonds, with built-in profit margins

► Shadow banking's popularity came at the expense of highly regulated banks and thrifts.

► Wall Street non-banks began taking deposits and making loans … acting like banks without the banking regulations. Banks argued that their problems stemmed from the Glass-Steagall Act restrictions.

► Wall Street non-banks could employ far greater leverage, increasing returns but also risk.

► Critics claimed that regulatory constraints on *all industries* discouraged competition and restricted innovation, and the financial sector was a prime example of such a handicapped industry.

1980s: Congress, under pressure, began repealing banking regulations to level-the-field. Banks were permitted to hold and sell securities. The Fed weakened or eliminated other firewalls. Bank regulators allowed bets and hedges, known as dereivatives.

► Banks expanded into higher risk (and higher return) loans. Consequences appeared quickly in the form of a real estate bubble.

► It burst. 3,000 banks failed in the "S&L Crisis", and over 1,000 bank executives were convicted of felonies. The cost of the government clean-up was over $160 billion.

► Ironically, the pressure to deregulate continued. The Treasury Dept published an extensive study calling for the elimination of bank regulation and repeal of Glass-Steagall, fully supported by big banks.

► Congress became concerned about high-profile bank bailouts caused by high-risk lending at First Chicago, Manufacturers Hanover, Continental Illinois, etc. The Comptroller of the Currency stated: "Federal regulators would not allow the 11 largest money-center banks to fail." Within moments, it had a catchy name … TBTF, or *Too Big To Fail*.

1990: Wall Street investment bank Drexel Lambert failed. The government did not step in. The failure rattled the economy but did not create a crisis. It seemed only banks (not Wall Street) were deemed TBTF. A nervous Wall Street successfully lobbied the Fed to extend TBTF to them, also.

The possibility of bailouts for the biggest financial institutions (commercial banks and Wall Street "shadow banks") was an open question … until the next crisis, beginning in 2007. And the deregulation fervor continued as regulators relaxed, allowing financial institutions to police themselves.

KONK broadcasting network
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Hello, everyone …

This will be a recurring article each month, intended to convey meaningful information from my "Florida Keys Real Estate" radio show on KONK-AM, every THURs noon-to-1:00 PM. What happened in July?

Thursday #1: My guest was **Hope Solo**, no that's not right … Hope was a goalkeeper. But the S-O-L-O part is correct. No guest. So, I used the hour productively (?) to address some of the items in my July newsletter, which I had just prepared a week earlier. Good strategy: one preparation, two transmissions. Momma didn't raise no dummy ☺. I spent a lot of the hour on the Financial Crisis Inquiry Commission report 'cuz I just can't get over how we citizens were let down by the government, the Fed, the Too-Big-To-Fail Wall Street denizens, the rating agencies, and the wizards who thought they had conquered risk and proceeded to securitize and sell tons of bad mortgage loans. They almost brought down the *world*'s financial systems. And the carnage isn't over. And no one is responsible. No biggie. OK, I'll shut up now. Thanx for listening.

Thursday #2: My guest was **Linda Corbin**, Home Mortgage Consultant for Wells Fargo. In the past week, the Wachovia signs came down and the Wells Fargo signs went up! The transition is complete, and with very few exceptions, it was smooth and transparent to customers. Our topic for the show was Linda's specialty, Renovation Loans. There are many properties selling today needing work done to them! A Renovation Loan is 2-loans-in-1 … the 1st loan for the purchase and the 2nd loan for the renovation. It's based on an appraisal that calculates the *future* value of the property, after the renovations are complete. There are several different programs, and they are a little more complicated … but worthwhile for many of today's buyers.

Thursday #3: My guest was **Pat Labrada**, Senior Residential Mortgage Consultant for Capital Bank, the new incarnation of the former TIB Bank. Like last week when Wachovia became Wells Fargo, it also happened that TIB Bank became Capital Bank. It's been a tough coupla years in the Great Recession for banks, unless they are of the Too-Big-To-Fail variety. But don't get me started. Pat is a well-known businessman in Key West, highly trusted and once-his-client, always-his-client. Loyalty is a great thing. We discussed the Keys real estate market in general, the Capital Bank transition and mortgage loan products offered by Capital Bank.

Thursday #4: My guest was Attorney **Sam Kaufman**, owner of the Sam Kaufman Law Firm. The topic was the Florida Residential Landlord & Tenant Act. Most tenants and landlords are unaware of their rights and of procedures required to resolve disputes. There is much to know! And there is much information available via the internet. And there are many Realtors who do "property management" (not me!) and have developed expertise in this area.

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Current BUYERS in the Lower Florida Keys:

August 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: Washington DC – metro area family, frequent vacationers to Key West, looking in Key Haven for a waterfront single-family home, 4-bedrooms preferable. Fixer-upper or renovation project OK, looking for best value, will consider distressed properties. Very strong financially. Have offered $500,000 on a short-sale, but opted-out when lender acted stupidly. (Nothing new there, and the property is still on-the-market, unsold, after a year). Oh, well. May consider conventional sale as distressed properties decline in value and deteriorate in condition.

Buyer #2: Single male, Key West resident, stock market technician, author, musician and entrepreneur, looking for a Mid- Town property west of Riviera Canal/Salt Run, 3-beds preferred, 1100+ sqft. Fixer-upper OK, cost-conscious buyer searching for best value, short-sale or bank-owned properties considered. Will wait-and-observe during the early summer, then focus search in August time-frame. Duplex possible, or property with mother-in-law option preferred. Has made previous offer, but lost out on short-sale bidder war. Ready to launch!

Buyer #3: Military family relocating from Colorado, looking for permanent residence in the Lower Florida Keys, at least while daughters start-and-complete Key West High School. Desire to use VA eligibility for mortgage loan. Currently renting until their Colorado home sells, finances settle-out, VA entitlement is restored … all while US Army husband serves in Middle East. Need at least 2 bedrooms, waterfront preferred, may be partial to Key Haven area. Approximate $550,000 price range is doable. Colorado home is being actively marketed and soon to sell!

Buyer #4: Military (retired) husband and senior school-system spouse (and children) have contracted on a beautiful Casa Marina residence, a short-sale with one of the Too-Big-To-Fail banks, now going on 8 months waiting on approval and closing. Family has been granted "early occupancy", renting from seller. Realtor literature warns this is a mistake that a Realtor will only make once! But I'm optimistic this will work. The Great Spirit of RE transactions knows all hands have been working except for TBTF lender, who's surely a target of Congressional investigation.

Buyer #5: Lower Florida Keys resident and successful Big Coppitt business owner, repeat customer, looking to expand his business into Key West and purchase a particular vacant, commercial lot with easy access to US#1. No hurry, accumulating the funds necessary for a loan-free purchase. Owns several properties. Master of low-overhead production of income from retail sales and financing, building equity and re-deploying assets.

By Jessica Dickler July 29, 2011

Debt Ceiling and your money: Now it's Personal

Credit agencies may downgrade the nation's credit. If the US loses its top AAA rating, the nation will no longer benefit from having the lowest lending risk and therefore, the lowest interest rates. That's where you come in. **Your money hangs in the balance**.

The government's borrowing rate is the base line from which other borrowing rates are determined. Without that AAA rating, all lenders will demand a higher rate of return on their investments -- and that means higher rates on credit cards, student loans, mortgages and car loans.

Credit Cards: Credit cards are the easiest form of credit, and about 75% of Americans have one. Most credit cards are tied to the prime rate, which is not likely to change. But issuers will raise the margin they charge above prime. Card issuers are very quick to mitigate their exposure to additional risk. The average credit card APR is now 14.08%, but could jump at the issuer's discretion, with 45 days notice.

When you'll notice: *Within two billing cycles*.

Mortgage rates: Fixed mortgage rates are priced in direct relation to the yields on 10-year Treasury notes, moving roughly in lockstep with them. Although that rate is still relatively low, no one would welcome a higher mortgage rate. Very low interest rates are currently providing support for the real estate market, and any increase in costs might cause some borrowers to rethink purchasing a home. In addition, fewer consumers would qualify and fewer mortgages would be issued, further depressing an already weak housing market.

When you'll notice: *For new loans, the impact will be immediate. Existing adjustable-rate mortgages will be impacted when those loans are scheduled for a reset.*

Student loans: The government rate for subsidized loans is 3.4% this year and 6.8% next year, regardless of market conditions. However, the interest rates on private student loans could rise, impacting those students. Most students don't fall into this category, however … only 14% of all undergrads receive private student loans.

When you'll notice: *Next year or never depending on the type of loan.*

Car loans: Most of the lenders in this business would have a fairly quick impact to their cost, so the movement of pricing would be very rapid. It doesn't have the same devastating impact as home mortgages because the payment differential is not as significant. But it does impact discretionary spending capabilities -- and that impacts consumer confidence.

When you'll notice: *Immediately*.

Money market and savings accounts: A credit downgrade and higher interest rates will be a hindrance to the economy and loan demand, not a boost to it. Banks don't need to pay you more to stash funds in deposit accounts. Those interest rates will stay put until the economy gets better and more people want loans. Only then, will banks pay you more for your money.

When you'll notice: *Never*.

Investment portfolios: With any type of downgrade, there would likely be an immediate sell off, sending prices for both stocks and bonds lower. Loss of confidence would only heighten the uncertain economic environment. Your stock or bond portfolio will be worth less than it was before.

When you'll notice: *Immediately*.

Bonus For Paying Mortgage On Time?

Diana Olick 7/11/11

Negative equity and strategic defaults. Loan Value Group offers lenders and investors a way to keep their non-delinquent, but underwater, borrowers current through cash incentives. It's called **Responsible Homeowner Reward**, and today one of the nation's largest mortgage insurers, PMI Mortgage Insurance, has joined in. See www.rhreward.com.

How it works:
(1) Borrowers sign-up with the program, and they pay nothing.
(2) Borrowers promise to keep current on their mortgages for 36 to 60 months.
(3) Afterwards, borrowers will be paid 10%-to-30% of the loan principal in cash.

If the borrowers stay current, they earn the payoff after the specified period and receive the cash at the end. To date, 38 states have approximately 10,000 borrowers enrolled in the LVG program. The largest number of borrowers are from the hardest hit states: California, **Florida**, Arizona, Nevada and Michigan. Over $100 million has been offered, but not paid out, so far. LVG says "All of those states have achieved greater than 50% reduction in default rates".

From a purely business perspective, it makes sense. By targeting borrowers with the most negative equity and therefore at the greatest risk of strategic default, lenders and investors are cutting their losses by keeping the borrowers current. They stand to lose more in a foreclosure.

But does it sound slightly ironic to anyone else that a mortgage insurance company, whose business is to insure loans by charging borrowers premium fees, is now paying those very same borrowers back to stay current on the loans they're insuring?? Apparently we have hit that tipping point where strategic default is now so pervasive and so acceptable that companies are forced to pay borrowers to stop.

So what exactly is the difference between that and principal write-down, which the big lenders seem to abhor as a bigger moral hazard even for borrowers facing foreclosure?

I'm sorry, but why do we need loss-mitigation on current loans? Mortgage lenders and insurers are so afraid of their customers, or have so little faith in them, that they're paying them to pay up? They are literally willing to pay insurance on previously signed legal contracts?

I get that the housing market is still in big trouble and distressed borrowers need alternatives. No argument there. But current borrowers are current—plain and simple. Why do they need a bonus for fulfilling their financial obligations?? This program is, dare I say, enabling bad behavior.

(**JSmith note**: The author's opinion is not necessarily the view of station management! This program tells me that lenders are probably awash with cash. You can bet they are not losing money on this deal. And PMI insurance premiums are probably *way* too high 'cuz they are still making money, too.

Also, upon further research, it appears that LVG is very selective about which homeowners can take advantage of the program. A homeowner doesn't actually apply. LVG issues *invitations*.

Southernmost Stars: 1 August 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 #208	$149,000	2	1	831	179	Conventional
3312 Northside #204	$149,000	2	1	736	202	Conventional
408 Petronia St #B	**$149,000**	**0**	**1**	**270**	**552**	**Foreclosure**
408 Petronia St #A	**$159,000**	**0**	**1**	**280**	**568**	**Foreclosure**
1010 Grinnell St #B	**$159,900**	**2**	**1**	**573**	**279**	**Foreclosure**
3312 Northside #613	$175,000	2	1	736	238	Conventional
3312 Northside #111	$179,000	2	1	952	188	Conventional
409 Margaret St #B	**$219,000**	**2**	**1**	**643**	**341**	**Conventional**
3312 Northside #713	$225,000	2	2	856	263	Conventional
157 Golf Club Dr	$225,500	2	2.5	900	251	Foreclosure

Missing from July: 3930 S. Roosevelt #212N … under contract 1500 Seminary #1C … under contract
Northside #616 ……………. listing expired 3207 Pearl Ave …….. under contract
173 Golf Club Dr ………… under contract

* Units at 408 Petronia Street are two halves of a duplex, available together for $308,000.

Ten least expensive Single-Family Residences in Key West:

Address:	Ask Price:	#beds:	#baths:	Living Sqft:	$/Sqft:	Other:
1701 Johnson #1	**$269,000**	2	1	850	**317**	Conventional
2108 Harris Ave	**$269,000**	2	1	1266	**212**	Short-sale
1209 Margaret St	$275,000	3	1	864	318	Conventional
3 Hutchinson (rear)	**$289,000**	4	2	1304	**222**	Conventional
1312 William St	$299,000	3	3	864	346	Short-sale
912 Windsor Ln	**$299,900**	**3**	**2.5**	**1300**	**231**	**Foreclosure**
2425 Fogarty Ave	**$304,900**	2	1	838	**364**	Conventional
2113 Seidenberg	**$330,000**	**2**	**1**	**838**	**394**	**Short-sale**
2929 Patterson Ave	$344,000	3	2	1447	238	Conventional
1017 17th St	**$359,000**	**3**	**2**	**1824**	**197**	**Foreclosure**

Missing from July: 1133 Von Phister … listing expired 2009 Seidenberg … listing expired
1619 Seminary …… under contract

In order to find the 10 *least expensive*, I had to raise the search criteria to $225,000 for condos and townhomes, and to $375,000 for single-family homes. That's gotta be a good sign for the market!

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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