

WEEKEND WAVE

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Friday Economic Roundup

Year-end housing review draws raves

By GARY ROBERTS STAFF WRITER CHARLOTTE SUN

SOUTHWEST FLORIDA - With Sarasota County enjoying a record-setting number of home sales in 2014 and Charlotte boasting a banner year as well, local Realtors are ecstatic about the performance and potential of the local housing market.

A flurry of closed sales in December in Sarasota County propelled the annual total to an all-time high of 11,550 closed transactions, topping the 2004 total of 11,482, according to the Realtor Association of Sarasota and Manatee. December saw 659 closed sales.

"This is truly historic news, and clearly demonstrates our region is experiencing a remarkable success story in real estate," said association president Stafford Starcher.

Similarly, Charlotte County was witness to a booming 2014, building on successes seen the previous year.

Charlotte's single-family-home sales in 2014 totaled 4,221, an increase of 12.4 percent from the year before, based on My Florida Regional MLS data. Meanwhile, the median sale price of homes stayed relatively stable, dropping 2 percent from \$150,000 to \$147,000 over the same period.

"It was a very good year, but 2013 was a good year too," said Jim Quinn, Punta Gorda-Port Charlotte-North Port Association of Realtors president.

Another encouraging note is that two-thirds of transactions were cash sales, reflecting a strengthening of consumer confidence in the economic recovery, he said. And with this buoyed optimism, more buyers are moving up in price range, with the most dramatic improvement in the \$350,000 to \$400,000 home category, which experienced an 87.5 percent increase from 80 sales in 2013 to 150 in 2014.

"This year it's pushed up a little higher," Quinn said. "Buyers realize they have to step up another notch to get what they're looking for."

Meanwhile, Charlotte saw the same trend in the 2014 townhouse-condo market, where sales were up but prices were down.

With the number of units sold up 3.9 percent, from 915 in 2013 to 951 last year, the biggest jump was at the high end. Closed sales in the \$400,000 to \$500,000 range doubled from 19 to 38 units, while condo sales at or below \$100,000 actually decreased by 22 units, MFRMLS reported.

And the median sale price for condos in Charlotte saw a much greater fall-off than the slight decrease for single-family homes. In December 2013, the median sale price was \$131,500, compared to \$116,350 in December 2014, an 11.5 percent reduction.

During that same period, the median days to sell condos decreased from 68 to 55. For single-family homes, the months supply of inventory went from 7.6 months to 5.8. Florida Realtors consider a balanced market to be 5.5 to 6.0 months supply of inventory.

In Sarasota County, the median sale price for condos dipped 2.5 percent to \$177,500. In contrast, the price for single-family homes climbed 2.9 percent to \$195,500.

In North Port, single-family home sales were up 14 percent, from 1,575 in 2013 to 1,797 last year. The median sale price finished at \$129,950 in December, just \$50 higher than a year earlier.

Inventory dropped by 30 percent, from 640 in December 2013, to 493 in December 2014, which represents a supply equal to 3.3 months and a sellers market, Quinn said. Days on the market fell to 39 days by the end of 2014.

"North Port is right in there with the rest of Sarasota County," he said.

Punta Gorda Waterfront Hotel refinances with \$7.5 million loan

By MICHAEL BRAGA STAFF WRITER HERALD-TRIBUNE

A Punta Gorda company headed by Amer T. Asmar, has obtained a \$7.5 million loan from Ladder Capital Finance.

The loan replaces \$6.15 million in funding from the now defunct Peninsula Bank and a \$750,000 loan from the U.S. Small Business Administration.

Asmar's company used the Peninsula loan to finance its \$7.12 million purchase of the two-building PG Waterfront Hotel & Suites at 300 W Retta Esplanade in downtown Punta Gorda in June 2004.

The larger 64,175-square-foot building was built in 1968, while the slightly smaller, 55,863-square-foot building went up in 1989.

Nearly a year after Peninsula Bank failed in June 2010, its successor bank filed to foreclose on Asmar's loan. But Asmar quickly took action to get the lis pendens lifted and the suit dismissed.

PG Airport passes audit with flying colors

By GARY ROBERTS STAFF WRITER CHARLOTTE SUN

PUNTA GORDA - Charlotte County Airport Authority finances for 2014 have been favorably reviewed by a just-completed audit.

Jeff Tuscan, who heads up the airport's outside auditing firm, told board members at Thursday's meeting that staff complied with all requirements and the airport is on sound financial footing.

"Overall, a very good audit report," Tuscan said. "There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements."

However, with the amount of capital development now going on at the airport, he said there is a need to build up reserves.

"You put a lot of money into the airport last year, and it's basically come out of your cash," he said.

The facility expansion at Punta Gorda Airport comes as it becomes one of the fastest-

growing airports of its size in the country. In 2014 passenger traffic topped a half-million travelers, marking an 88 percent increase from calendar year 2013.

"That is just awesome," said Gary Quill, airport executive director.

The growth in demand for services required a major building program. After expanding its parking facility and car rental services in 2013, the airport broke ground on an \$8 million expansion of Bailey Terminal, three times larger than before.

But this investment has increased debt, from a total of \$1.19 million in 2013 to \$1.74 million last year.

And there are other increased costs, stemming all the way back to Hurricane Charley in 2004. While the airport was able to rebuild after Charley, the once-new facilities are depreciating as they get older. These depreciating expenses, or the rate that assets deteriorate, are a benchmark to financial health, Tuscan said.

In 2014, the operating income loss before depreciation was \$1.2 million. After depreciation, the operating income loss for the airport was tabbed at \$1.6 million, according to the audit.

"We had a lot done here," said Sandy Cauley, airport finance director. "It's really increased our depreciation expense."

While maintaining the airfield does not take a lot of resources, the upkeep of the facilities does.

"Our main concern is finding money to cover the maintenance of buildings," Quill said. "It's a challenge."

The good news is that since Hurricane Charley a decade ago, much of the airport development has been covered by grants.

"We've talked for years that the airport has been very fortunate in that a lot of its assets have been replaced with grants over time, so it hasn't had to come out of reserves or your internal funding, Tuscan explained.

Commissioner Kathleen Coppola also cited the importance of grant money. For example, the Federal Aviation Administration awarded a \$5.7 million grant for renovating the airport terminal.

"FAA doesn't give grants to airports that do not spend their money wisely and complete projects," she said.

For Punta Gorda Airport, the ultimate solution to any money worries is generating more revenue. Because the airport is a self-supporting authority, operating without the benefit of ad valorem tax money, it relies heavily on charging for services rendered.

"In general, cutting costs is a short-term fix. The real long-term goal should always be increasing airport revenues," Tuscan said. "That's the goal the airport should have."

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