

# ESHENBAUGH *Report*

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### "Inside the Pound"

#### New Listings

#### REO (Bank Owned)

## Whew! More Than a Quarter Through 2009

Our homebuilder clients have dug in to survive and that means staff cuts, division closings and consolidation of operations from Orlando to Tampa, Tampa to Orlando or simply shutting down Florida operations altogether.

Retail clients started to experience the nasty part of this real estate chaos in 2008, and in 2009 find that many tenants cannot or will not pay rents agreed to in 2005. The credit-worthiness of almost any retailer is being challenged in 2009. The values of retail centers have declined as appraisals come in dramatically under previous values. Appraisers are then increasing the vacancy factor to adjust for the retailers credit. This coupled with cap rates rising from the 7 ½ - 8% range to 10 - 11%

range has crushed values significantly. At the same time, lenders, if they will lend on retail at all, have reduced the LTV (loan to value) ratio by 10-15%, thus requiring significant more equity. Most developers believe retail development will take 3 to 5 years before we see much new development.

Right behind retail, look for office and industrial problems to begin. Vacancies have increased dramatically and will continue to do so while new requirements for space are being filled by sub-let of space for 50-60% of new asking rates.

I think the one-story suburban office parks will be especially hard hit. Historically, rents and sales prices of that product soared, but today there are thousands of vacant square feet in all suburban markets.

While I have no statics to prove it, we can't help but think that overall the hotel market is

also due for major adjustments as tourism and business travel is curtailed. We have been in Orlando where hotel personnel tell us they have experienced 10% occupancy without conventions and over 90% when there are conventions in town. Most hotel operators need 60+% occupancy for break-even.

The "golden nugget" in all this pile of bad news continues to be the opportunity for the Tampa Bay area to emerge as a much more affordable place to live and work. When I look back over my 45 year career, jobs and affordability of homes have always been key to recovery. We have sustainability when workers can afford to rent and own. Land pricing continues to seek a level that investors feel comfortable with, and many are still awaiting the perceived bottom before making a move.



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## Pulte Homes Mergers With Centex

On April 8th, Pulte announced plans to merge with Centex Homes in a stock for stock swap. As you may recall from past newsletters, I had predicted some consolidation in the homebuilding industry.

Over the past 4 to 6 months, both companies locally had been busy reducing and combining Tampa and

Orlando operations by selling off land assets. The operations in the Tampa area should be in good shape to come out of this market ready to do business.

Pulte said this is a \$3.1 billion dollar transaction that will result in \$1.8 billion of net debt. The combined 2008 closings were 39,000 and revenue was pegged at \$11 billion, making Pulte

the country's largest homebuilder.

Locally, Centex had been active in both south Hillsborough and northwest Hillsborough County, while Pulte had communities as far north as Hernando County. No local changes were announced prior to this publication.

# Changes in Lives

2009 is a year of major changes in employment for most of the real estate industry. It is hard to believe that only a year or so ago (early 1<sup>st</sup> quarter 2008), our State was reporting unemployment still under 4%; a year later, they are now reporting 9-10%. Granted that these are trailing numbers, but I think it feels more like 12 to 14%. We are also finding lots of under-employment with friends and acquaintances making a lot less money, experiencing a cut back in hours and pay or taking jobs they would have disdained in 2005.

A wonderful help organization has sprung up called, "Real Estate Lives" and the website is [www.realestatelives.org](http://www.realestatelives.org). This organization was founded to help reach out to those in all aspects of real estate who have found themselves without a job in today's world. The organization strives to help with counseling, resumes, and job support from across the marketplace. There are already success stories so if you either need help or can offer help, jobs, or financial support, please get in touch with Pam Winchester at 813-785-5916 or [PWWinchester@tampabay.rr.com](mailto:PWWinchester@tampabay.rr.com).

## Inside the "Dog Pound"

We at Eshenbaugh Land Company have focused a lot of energy and time over the past 15 months on reviewing and revaluing listings to reflect today's market. We are also working with lenders as the amount of troubled and foreclosed assets has increased dramatically. The foreclosure and disposition process slowed for lenders last fall as they focused on TARP funding, federal "bad bank" possibilities, and other issues. Here in 2009, the process of lenders acquiring title and listing assets has accelerated and we are actually listing and selling bank REO assets. Some of you readers may recall that in the 1989-92 meltdown, I was hired to run the sales center for the RTC (Resolution Trust Corp.) for the State of Florida. In this 2009 cycle, I have decided there is an opportunity to participate in the recovery. I have put together a group of owners in USAsset Management and Disposition Corp. and we have an exciting plan of securing assets from lenders and uploading foreclosures directly to our website. There, we facilitate and manage the process from cleaning, rekey-

ing, lawn and pool service through assigning the asset to a listing broker, managing the sales offers, contracts and closings. The real key is that the lender has a single point of contact at USAsset Management. They can monitor all activity on line at any time and watch as we effectively and timely manage the process of taking foreclosed properties from the day of foreclosure through settlement. We believe this will be a very effective way of handling residential assets initially and as the commercial foreclosures occur, we have the platform and team in place to handle them as well. We have also formed strategic alliances with experienced commercial and land brokers in other Florida sub-markets and can handle nationwide assignments.

Even more exciting news for us is that my wife, Lynda Keever has wrapped up her 18 year career as Publisher of *Florida Trend* and joins us as an owner and Executive Vice President at USAsset Management. Lynda, who is also known as "Keever" will focus on business development for the firm.

## Thanks from

**Bill Eshenbaugh**

**Ryan Sampson**

**Nancy Surak**



## Land Opportunities

### Closings

**We closed a site in Oldsmar for a potential new hotel.**

**We closed a site in the Westshore area for an additional expansion of future office development.**

### New Listings or Pricing

**Grey Pines, 150 unit entitled single family project on 57.1+ ac, Tampa, REO listed for **\$1,350,000****

**Plant City Retail- 7.4 Acres on Park Rd, just north of I-4. Seller financing available. Zoned C-1A and asking **\$1,950,000****

**Symmes Road- 148 Acres off Symmes Rd zoned for 418 single family units. **\$2,090,000****

**US 19 Hudson- 42.8 acres on US 19 in Hudson zoned MF-2. Asking only **\$950,000****

**Sligh Ave- 1.46 Acres zoned RSC-6 on Sligh Ave, just east of Dale Mabry. Seller financing available. Asking **\$255,000****

**US 301- 31.75 Acres on US 301 in Riverview, FL. Zoned and permitted for 195 townhomes and has a cell tower lease that generated over \$26,000 annually. Asking **\$1,100,000****

**Please call us at **813-287-8787** if you would like a proposal to sell your property.**

**Bill Ext. 1, Ryan Ext. 4, Nancy ext. 5**

**[www.TheDirtDog.com](http://www.TheDirtDog.com)**

**To contact USAsset & Management, check out [www.USAssetManagement.com](http://www.USAssetManagement.com) or call 813-287-0000**

# Featured Properties



1.46 Acres on Sligh Ave, just east of Dale Mabry in Tampa. Zoned RSC-6

**Asking \$255,000**



31.75 Acres on US 301 zoned and permitted for 195 townhomes. Over \$26,000 annual income from existing leases.

**Asking \$1,100,000**



7.4 Acres on Park Rd in Plant City, just north of I-4 zoned C-1A. Seller Financing Available.

**Asking \$1,950,000**



49th Street Site, Pinellas Park  
1.13 Acres at lighted intersection. Currently a parking lot.

**Asking \$750,000**



3.4 Acre Office Site zoned for 45,000 SF building in Highland Oaks of MLK and I-75 in Tampa.

**Asking \$1,350,000**



71.4 Acres on I-75, just north of MLK Blvd. in Tampa, Zoned for 775 multifamily units or 299,000 SF of office and 370,000 SF of industrial.

**Asking \$8,500,000**

## REO Listings Offerings



38.20 Acres on US 301 in Riverview, FL zoned for 105 single family units.

**Asking \$750,000**



42.80 Acres on US 19 in Hudson zoned MF-2. Was planned for 191 single family homes.

**Asking \$950,000**



148 Acres off Symmes Rd in Riverview, FL with proposed 418 single family homes.

**Asking \$2,090,000**

**Eshenbaugh Land Company  
Licensed Real Estate Broker  
Bill Eshenbaugh, ALC, CCIM**

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"The Dirt Dog" ©

*Unleash The Dog*



**1st QTR 2009**

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**Founded in 1992, Eshenbaugh Land Company specializes in site selection for residential communities, apartment development, assemblage, retail corners, and "hot" trends. For land brokerage, consulting, and specific assignments, please call Bill Eshenbaugh on his cell phone at 727-410-9595. Experience includes RTC Sales Center in 1990-92.**

**Focus has always been on "what's hot" trends. For 2009, this appears to be centered on the non-performing loans and bank owned real estate owned (REO) assets and our focus is to assist lenders and buyers in maximizing value in a strange new world for 2009.**

**Bill Eshenbaugh, ALC, CCIM, President, Ext. 1**

**Ryan Sampson, ALC, CCIM, Ext. 4**

**Nancy Surak, ALC, Ext. 5**

**Lynda Keever, EVP, USAsset Management**

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**Properties For Sale: Call Bill Eshenbaugh, Cell 727-410-9595 or email: [Bill@TheDirtDog.com](mailto:Bill@TheDirtDog.com)**

### **Community Development District Delinquencies**

Community Development District (CDD) debt and structure continues to heat up as a hot topic on many communities. As an example, local papers reported that a \$57.4 million bond payment was missed on a project in Ruskin recently. May 2009 is a crucial month for semi-annual payments and a lot of experts project a number of defaults as developments exhaust their interest reserves, developers are not able to make payments, and defaulted homeowners skip their payments. This becomes critical to the budgets set for the CDD districts as the obligations for street and other items need the maintenance but the coffers are empty. Another community that have made recent news is Belmont Community Development District in southern Hillsborough County where the District has filed a foreclosures suit against Belmont LLC, the developer for a homebuilder. This project had \$76 million in CDD bonds issued and the lawsuit alleges delinquency on the payments due to the District.

### **Auctions Are Back**

We have an auction scheduled on a 4-acre commercial site on Falkenburg Road and US 301 area for April 14th. For details, call Ryan Sampson at 813-287-8787, Extension 4. Part of our USAsset Management program also will feature auctions. We are working on the process of offering assets on-line in an EBay fashion so that the owner or asset manager can watch the progress of bids from their computer and decide when and whether to sell or hold. In the meanwhile, we are also developing business for the typical ballroom or on-site live auctions with affiliations from other auction companies.



### [Auction held on April 14, 2009](#)

This 4.04+- Acre site has about 505 ft. of frontage on US 301 is going to auction on April 14th. Property is zoned IPD-3 with RMU-35 land use in place. Site is directly across the street from a proposed Publix Center. For more information go to [www.AmericanHeritageAuctioneers.com](http://www.AmericanHeritageAuctioneers.com).

1ST QUARTER 2009 - LOT SALES								
Community	Area/Description	Seller	Builder	Date	Lot Size	Price	# of Lots	Total
<b>HILLSBOROUGH CO.</b>								
<b>Camellia Estates</b>		LawDevCo	WRH	Feb-09	75' x 140'	\$ 70,000	1	\$ 70,000
<b>FishHawk Ranch</b>	L1-3/10;1-3/28	Newland Communities	D.R. Horton	Mar-09	T/H	\$16,500	6	\$99,000
	L21,22,27/1	Newland Communities	Weekley	Mar-09	55'	\$50,000	3	\$150,000
	L5/2;1/4;19/5	Newland Communities	Cardel	Mar-09	60'	\$60,000	3	\$180,000
	L14/6	Newland Communities	Cardel	Mar-09	60'	\$61,500	1	\$61,500
	L3/GG-6	Newland Communities	Cardel	Mar-09	60'	\$66,000	1	\$66,000
	L7/4	Newland Communities	Centex	Mar-09	60'	\$62,138	1	\$62,138
	L3/5	Newland Communities	Centex	Mar-09	60'	\$60,638	1	\$60,638
	L15/7	Newland Communities	Centex	Mar-09	60'	\$55,638	1	\$55,638
	L52/103	Newland Communities	Sabal	Mar-09	80'	\$101,800	1	\$101,800
	L2/104	Newland Communities	Sabal	Mar-09	80'	\$97,700	1	\$97,700
	L34/100	Newland Communities	Sabal	Mar-09	110'	\$150,000	1	\$150,000
<b>Grand Hampton</b>		Land Mar	Minto Communities	Mar-09	60' x 130'	\$45,000	6	\$270,000
<b>Hammocks @ Kingsway</b>	L13,17/8	Archerd/Kingsway LLC	WRH	Jan-09	65' x 120'	\$50,000	2	\$100,000
	L27/8	Archerd/Kingsway LLC	WRH	Mar-09	65' x 120'	\$50,000	1	\$50,000
<b>Southern Oaks</b>		Chapman	M/I Homes	Mar-09	65'	\$18,285	50	\$775,000
<b>POLK COUNTY</b>								
<b>Bridgewater</b>	L11B6A,29B6A;30C6B	Bridgewater Lakeland	WRH	Mar-09	65' x 120'	\$45,000	3	\$135,000

Community	Area/Description	Seller	Builder	Date	Lot Size	Price	# of Lots	Total
<b>BULK SALES</b>								
	Hillsborough County	MJA Land Development	936 Cypress Creek	Feb-09				\$900,000
	Hillsborough County	Freemar Homes	MLBJ Holdings	Feb-09				\$500,000
	Manatee County	M. Pete McNabb Inc.	Investor Services	Jan-09				\$8,796,600
	Manatee County	LR Manatee LLC	Maronda Homes	Mar-01				\$1,140,000
	Pasco County	Equity Investments LLC	KB Home Tampa	Mar-09				\$837,428
	Pasco County	Kimball Hill Homes	Sawgrass Creek	Jan-09				\$4,100,000
	Pasco County	AG/PD Triple J Ranch	Martom Triple J	Feb-09				\$1,550,000
	Pasco County	Taylor Morrison	Investor	Nov-09	Was 350 res units; being rezoned to Ind			\$1,600,000
	Polk County	Highland Cassidy LLC	Dianter Investment	Jan-09				\$1,020,000