

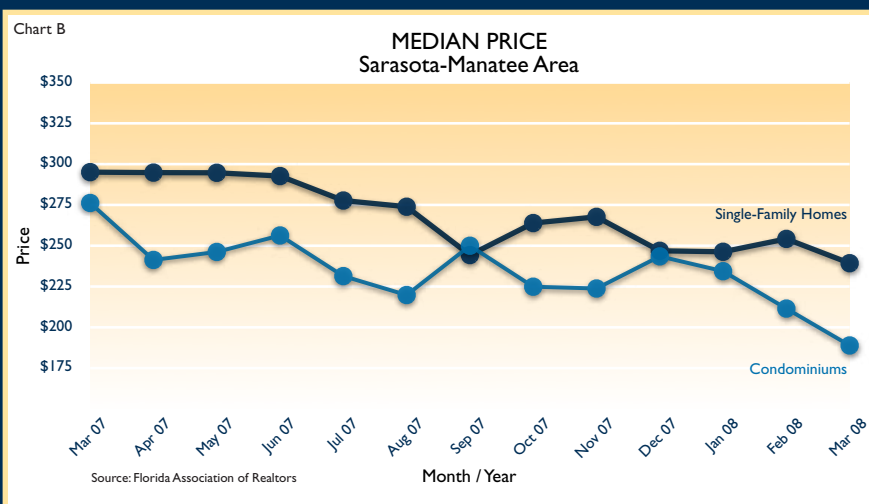
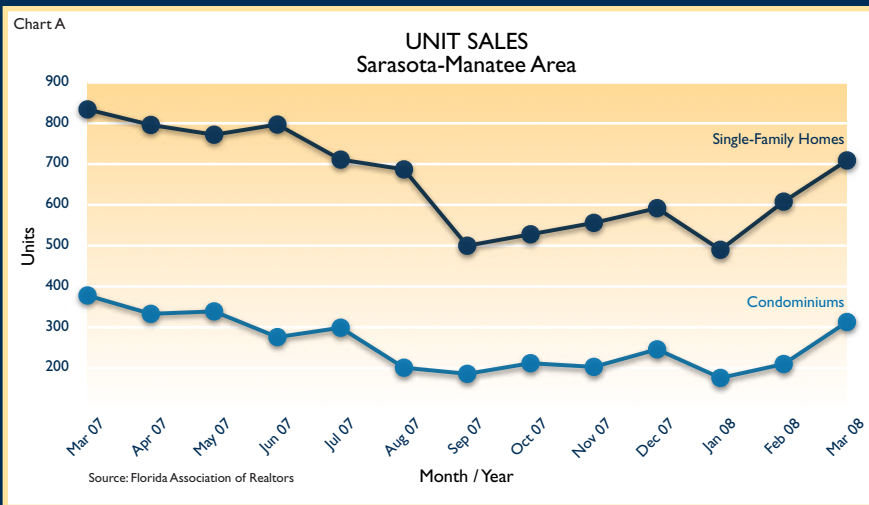
Michael Saunders & Company[®]

Licensed Real Estate Broker

EXCEPTIONAL PEOPLE, PROPERTIES & SERVICE

After MIDNIGHT

First Quarter Sales Reveal Positive Trends



Just as every ailing person must submit to the appropriate medical interventions to restore good health, so too must Florida's overstressed real estate market. Wherever prices inflated radically during the real estate boom of 2004/2005, there must now be a meaningful correction before healthy appreciation can resume anew. That's the sobering news facing every Florida market targeted by too many overconfident investors who bought at "high noon" during the boom.

There's good news too. Sarasota-Bradenton is the toast of Florida, having been the first market in the state to take the painful but appropriate initiative of convincing sellers to lower prices—mainly by tempering unrealistic profit expectations born of the boom. In doing so, we have already accomplished what many Florida markets are just now realizing must be emulated. As a result, for the first quarter of 2008, Sarasota-Bradenton has enjoyed a sustained upturn in unit sales of both single-family homes and condominiums; a trend that appears to be gaining traction as today's best opportunities become irresistible to previously uncommitted buyers.

Chart "A" tracks monthly unit sales for the past year in Sarasota-Bradenton. Since bottoming in January '08—with 490 single-family units sold—there have been three successive months of solid gains. These statistics show that March sales of existing single-family homes broke the 700 barrier for the first time since July '07—finishing at 709. The same trend

Continued on page 2

What's Your Opinion?

Log on to our blog at michaelsaunders.com to share your perspective on a range of topics.

Michael Saunders & Company[®]

Licensed Real Estate Broker

EXCEPTIONAL PEOPLE, PROPERTIES & SERVICE

holds true for condominiums, whose unit sales bottomed in January; then started upwards again, breaking the 300 barrier in March for the first time since May '07—finishing at 313. All of this in spite of the incessant drumbeat of doom and gloom surrounding mortgage defaults and foreclosures that has seized Wall Street and dominated coverage in the mainstream media during the same period. Clearly this increase in local sales, occurring as it has in defiance of persistently negative news regarding the broader market, speaks to a healthy resurgence of buyer confidence in our market.

In Sarasota, one of the continuing bright spots reflected by the March report was the strength in pending sales, which stood at 674—the highest level in the past year—and have been edging upwards since December 2007, when there were only 374. Pending sales represents the number of signed contracts in a month and are the leading indicator of closed sales to come. There is a direct correlation between pending sales and closed sales that are reported a month (or two) later.

Chart “B” tracks movement in the median price over the same period and its downward trend explains why unit sales are up. Median price represents the market’s midpoint; half the homes or condominiums sold for more, half for less. Having posted a 6.5% decline in the fourth quarter of 2007, followed by a 3% decline in the first quarter of 2008, buyers are now confident that today’s best-priced properties present an acceptable threshold through which to re-enter the market and make long-deferred purchases while interest rates are still low.

Although these rates are still hovering at historic lows, the general home buying public has yet to see the benefits of fresh cuts in the Fed’s prime lending rate manifested in even lower mortgage rates. Indeed, rates of late have inched upward as the supply of available money has steadily dwindled since 2004/2005. This is especially true involving jumbo mortgages—any amount over \$417,000—and loans for second homes. As well, some of the nation’s largest banks have shied away completely from offering loans for condominium purchases—although Wells-Fargo, our financially solid partner in lending through MSC Mortgage—still has loans available for creditworthy condominium buyers. With new and tighter restrictions cropping-up daily, it makes sense to borrow now and take advantage of today’s excellent buying opportunities rather than risk the possibility of slightly lower prices with greater restrictions on borrowing.

With tourism in Southwest Florida still humming along at record levels and local home prices back into realistic focus, buyers have rediscovered their confidence, are finding true value in the homes they want, and are ultimately succumbing to a lifestyle second to no other in Florida. Finally they’re starting to realize that the clock has ticked past midnight for the best buyers’ market in many years.

Be sure to click on “Best Opportunities” on our homepage at michaelsaunders.com for the absolute best values in today’s real estate market.

What’s Your Opinion?

Log on to our blog at michaelsaunders.com to share your perspective on a range of topics.