



NON-WATERFRONT HOMES

<u>Sales</u>			Sewall's Point	<u>Inventory</u>		
Date	Units	Average Price		Date	Units	Average Price
1/1/01-12/31/01	33	\$329,969		12/31/01	11	\$493,300
1/1/02-12/31/02	42	\$412,357		12/31/02	17	\$510,470
1/1/03-12/31/03	42	\$435,582		12/31/03	15	\$604,080
1/1/04-12/31/04	33	\$536,696		12/31/04	8	\$766,250
1/1/05-12/31/05	33	\$734,242		12/31/05	26	\$754,077
1/1/06-12/31/06	24	\$746,917		12/31/06	35	\$789,914
1/1/07-12/31-07	28	\$660,821		12/31/07	43	\$708,084
1/1/08-12-31-08	27	\$577,644		12/31/08	35	\$750,999
1/1/09-12/31/09	27	\$515,174		12/31/09	32	\$691,422
1/1/10-12/31/10	25	\$429,752		12/31/10	25	\$789,376
1/1/11-06/30/11	9	\$360,033		6/30/11	25	\$685,020

The inventory is stabilizing at a healthy level but look at the change in average asking price – down \$100,000! Simultaneously, the sales pace slowed to its lowest level in 10 years which resulted in an increased absorption rate. Based on the first half sales we have over a one year supply. However, in looking at the pending sales, the second half looks much stronger than the first; so our year should finish out much better than the first half. On current sales, we saw the trend of declining average sale prices continue. A portion of this is a decline in value and the rest is the sales mix as the lower end of the market remains strong. The average sales price is \$360,033 and we currently have only two homes for sale at or below this price point. On the other hand, there is a large supply of homes (over 50% of those on the market) between \$500,000 and \$600,000. Building costs have remained high so people are continuing to purchase existing homes (and perhaps remodel) over choosing to build new.


NON-WATERFRONT LOTS

<u>Sales</u>			Sewall's Point	<u>Inventory</u>		
Date	Units	Average Price		Date	Units	Average Price
1/1/01-12/31/01	16	\$131,125		12/31/01	3	\$172,667
1/1/02-12/31/02	5	\$142,000		12/31/02	2	\$297,000
1/1/03-12/31/03	6	\$217,150		12/31/03	5	\$270,040
1/1/04-12/31/04	12	\$319,333		12/31/04	4	\$507,250
1/1/05-12/31/05	6	\$384,500		12/31/05	7	\$550,000
1/1/06-12/31/06	2	\$437,500		12/31/06	10	\$490,000
1/1/07-12/31-07	3	\$301,000		12/31/07	8	\$420,880
1/1/08-12/31/08	2	\$320,500		12/31/08	11	\$444,717
1/1/09-12/31/09	2	\$250,000		12/31/09	10	\$319,600
1/1/10-12/31/10	1	\$265,000		12/31/10	9	\$260,400
1/1/11-06/30/11	3	\$197,600		6/30/11	9	\$313,433

The most activity in non-waterfront lots since 2005! The price point dropped to a level where a few buyers we were willing to step into the market. Until now sales have been virtually non-existent in the non-waterfront lot category since 2005. Outside of the new development – River Oak – there are only 5 non-waterfront lots on the market today. This category will remain very sluggish unless building costs dramatically decline (which is not expected) or prices of non-waterfront homes substantially increase (which will take some time). The market has reached a new bottom with the average price for sales under \$200,000. It was 2002 when we last saw this price point. There will always be some market for those that insist on building and moving into a new home!


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WATERFRONT HOMES

Sales			Sewall's Point	Inventory		
Date	Units	Average Price		Date	Units	Average Price
1/1/01-12/31/01	16	\$1,242,458		12/31/01	12	\$1,590,417
1/1/02-12/31/02	13	\$1,208,653		12/31/02	16	\$3,149,687
1/1/03-12/31/03	32	\$1,785,017		12/31/03	8	\$3,728,125
1/1/04-12/31/04	14	\$1,601,571		12/31/04	9	\$3,386,555
1/1/05-12/31/05	13	\$2,158,231		12/31/05	16	\$2,907,100
1/1/06-12/31/06	8	\$2,532,500		12/31/06	20	\$4,446,050
1/1/07-12/31-07	9	\$1,904,125		12/31/07	25	\$3,768,032
1/1/08-12/31/08	13	\$2,307,692		12/31/08	14	\$3,297,779
1/1/09-12/31/09	7	\$1,142,857		12/31/09	13	\$2,055,000
1/1/10-12/31/10	10	\$1,339,000		12/31/10	26	\$3,050,115
1/1/11-06/30/11	4	\$3,013,500		06/30/11	19	\$2,839,578

All four waterfront sales to date in 2011 were on the St. Lucie side. The prior 2 years, all sales were on the Indian River. The dramatic increase in average sales price is not a reflection of values dramatically changing – merely a change in the mix of sales. In fact, there was significant value in the properties which sold as sellers repositioned their price to accomplish their goals – reflecting the trend throughout the Treasure Coast since the peak in 2005. The inventory remains strong at 19 homes with an average asking price pushing \$3,000,000. Sales have slowed as many of the traditionally lower average priced Indian Riverfront parcels have been absorbed. Today almost all the waterfront homes available are on the St. Lucie side or deep water Indian River (Archipelago or High Point Isle Addition). In recent years many sales were under \$1,000,000. Today we only have two waterfront homes available in this range.

WATERFRONT LOTS

Sales			Sewall's Point	Inventory		
Date	Units	Average Price		Date	Units	Average Price
1/1/01-12/31/01	8	\$604,375		12/31/01	3	\$1,561,667
1/1/02-12/31/02	4	\$626,000		12/31/02	2	\$1,632,500
1/1/03-12/31/03	3	\$1,561,670		12/31/03	2	\$1,547,500
1/1/04-12/31/04	2	\$2,575,000		12/31/04	4	\$1,437,500
1/1/05-12/31/05	6	\$1,122,500		12/31/05	4	\$2,678,750
1/1/06-12/31/06	2	\$1,937,500		12/31/06	8	\$2,833,000
1/1/07-12/31-07	6	\$1,471,263		12/31/07	8	\$1,811,113
1/1/08-12/31/08	0	\$0		12/31/08	9	\$1,768,744
1/1/09-12/31/09	0	\$0		12/31/09	8	\$1,627,931
1/1/10-12/31/10	2	\$950,000		12/31/10	7	\$1,488,857
1/1/11-06/30/11	1	\$400,000		06/30/11	8	\$2,145,875

The waterfront lot market remains sluggish. The only fair market sale* occurred on the Indian River at \$400,000. Last year it was a choice lot in the Plantation that sold for only \$1,250,000 and one estate Indian Riverfront lot on South Sewall's Point for \$650,000. Quite a change in the volume and average sale price from previous years!! The issue remains value for the dollar. There are excellent waterfront homes for sale, so buyers compare that value against land plus building costs. For someone that wants to put away a building project, the vacant land option is there. For a current user, the market is showing greater value in purchasing existing homes. *Two auctioned properties are not included in this analysis.

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