



Steve Bohner
Broker-Owner



SEWALL'S POINT MARKET REPORT FIRST HALF OF 2008

The overall market continues to be negatively impacted by the increase in foreclosures and short sales. As you will see for the various sectors, the amount of inventory in Sewall's Point has peaked. This is also the case throughout Martin County. However, the percentage of foreclosures and short sales within the inventory has increased dramatically – at all price ranges! Due to regulations, banks are extremely motivated to dispose of inventory when a loan is in default. Therefore, the downward pressure on prices has continued. The number of foreclosures continues to grow virtually every month and is expected to peak sometime in late 2009. This will effect our market well into 2010, when we hope to get past the current cycle so that the “normal” forces of supply and demand will again drive the market. The next factor, in 2010, will be dealing with the pent up seller demand from those parties that have been waiting to sell.

The current situation: our clients and the market have demanded increased expertise. I am proud to say we have risen to the challenge! With our experience, effective marketing, and the best office location in Martin County from which to sell your property, we lead the market for the 21st consecutive year!

SEWALL'S POINT SOLD PROPERTIES 1/1/2008 - 6/30/2008*

Premier Realty Group	\$20,336,000
Closest Competitor	\$10,125,000

We couldn't have done it without you. Thank you very much for your continued loyalty and support. To review the market results for your particular category, see the enclosed report. As always, we appreciate all the feedback and inquiries, so please feel free to contact me with any questions or comments. (Steve@PremierRealtyGroup.com or 772-287-1777)


Warmest Regards,

Stephen E. Bohner
Broker/Owner

*Sales and listings sold (all closed transactions) from January 1, 2008 until June 30, 2008 according to information obtained from the Realtor Association of Martin County.


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NON-WATERFRONT HOMES

Sales				Inventory		
Date	Units	Average Price		Date	Units	Average Price
1/1/98-12/31/98	32	\$247,860	12/31/98	23	\$304,570	
1/1/99-12/31/99	39	\$288,051	12/31/99	31	\$302,194	
1/1/00-12/31/00	60	\$299,438	12/31/00	20	\$375,434	
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	
1/1/08-06/30/08	13	\$567,462	06/30/08	39	\$764,026	

The number of sales has stabilized since 2006 at about 26 per year – far below a healthy pace given our quantity of inventory. The inventory of 39 homes for sale has an average asking price of \$764,026—an increase of 8% since year end. The average sales price declined 14% in spite of our new home sale on Mandalay Road at \$1,350,000. Overall, our values are holding up better than most areas which have already adjusted to 2002/2003 prices. With an average of only two non-waterfront homes selling per month and 39 available, it is very important to have patience as well as a properly positioned offering. The next key is aggressive marketing which our office is in a unique position to accomplish. We are able to utilize all the latest tools and maximize the advantage of our office location!! As mentioned in the cover letter, the number of foreclosures is very strong in both Martin and St. Lucie Counties. This will have a continued effect on prices over the next several years. If one is considering selling a non-waterfront home in Sewall's Point in the next couple of years, I believe the time is now rather than chasing a declining market. On the other hand, if time is not an issue, we live in paradise and one day things will surely rebound.


NON-WATERFRONT LOTS

Sales				Inventory		
Date	Units	Average Price		Date	Units	Average Price
1/1/98-12/31/98	14	\$91,785	12/31/98	26	\$91,080	
1/1/99-12/31/99	29	\$86,603	12/31/99	3	\$103,500	
1/1/00-12/31/00	12	\$98,390	12/31/00	8	\$110,675	
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	
1/1/08-06/30/08	0	\$0	06/30/08	10	\$450,580	

I have written this report for over 20 years and this is the first time we have ever experienced zero lot sales in this category. It is indicative of the times. There are incredible values available in the non-waterfront home sector. As such, with home prices declining more rapidly than building costs, people are choosing to purchase a home rather than build a new one. There are a few fabulous lot values available for someone considering an investment or even contemplating a land bank for the future. Our inventory is at a nine year high in this category! Downward pressure on prices is expected to continue for non-waterfront lots.


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WATERFRONT HOMES

Sales				Inventory		
Date	Units	Average Price		Date	Units	Average Price
1/1/98-12/31/98	21	\$725,050	12/31/98	26	\$1,007,850	
1/1/99-12/31/99	22	\$832,182	12/31/99	13	\$1,304,846	
1/1/00-12/31/00	27	\$1,109,592	12/31/00	15	\$1,702,726	
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	
1/1/08-06/30/08	7	\$2,100,000	06/30/08	18	\$3,916,500	

There was quite a flurry of activity as buyers took advantage of the largest selection of waterfront homes on Sewall's Point in almost ten years. Four homes sold on the Indian River and three on the St. Lucie. We have been very successful in all price ranges — even those homes pushing the high end. We have another property under contract that had an asking price in excess of \$7,000,000. The buyers in all price ranges view our current economic climate as one of opportunity. If they are in a position to take advantage of the market, they are doing so while interest rates remain favorable. The inventory remains solid and values are strong. Again, top flight marketing and proper positioning of the property in the market remain critical to achieving success. Values in this sector of our market have not declined at near the rate of the non-waterfront. The waterfront inventory - especially deep water - is limited.

WATERFRONT LOTS

Sales				Inventory		
Date	Units	Average Price		Date	Units	Average Price
1/1/98-12/31/98	9	\$453,111	12/31/98	9	\$708,330	
1/1/99-12/31/99	8	\$548,710	12/31/99	5	\$801,280	
1/1/00-12/31/00	5	\$364,500	12/31/00	5	\$1,719,000	
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	
1/1/08-06/30/08	0	\$0	06/30/08	5	\$1,733,980	

As vacant property sales struggle in our current market, this is the first time in over 20 years that I have been monitoring the Sewall's Point lot market where we have zero lot sales in any six month period. In contrast, last year's sales activity was rather brisk. In spite of the asking price continuing to decline, there have been limited buyers. In drilling down to the market forces, a wide variety of waterfront homes are available – with 18 currently on the market. In today's climate, people are choosing to purchase an existing waterfront home rather than build a new one. A strong first half in waterfront home sales in 2008 is evidence of this trend. A further decline in building costs will help this sector.

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