

Market Report – March 2009

for Naples, Bonita, Estero Market Areas



LISTED, PENDED, CLOSED YTD MARCH 2009

| YEAR | LISTED | PENDED | CLOSED | AVERAGE SALES PRICE | MEDIAN SALES PRICE |
|------|--------|--------|--------|---------------------|--------------------|
| 2009 | 7,450 | 3,547 | 1,640 | \$359,780 | \$190,000 |
| 2008 | 8,416 | 2,048 | 1,363 | \$612,011 | \$337,500 |
| 2007 | 8,834 | 2,084 | 1,328 | \$721,272 | \$390,000 |
| 2006 | 9,517 | 2,378 | 1,716 | \$713,976 | |
| 2005 | 5,348 | 5,022 | 2,966 | \$616,011 | |
| 2004 | 5,422 | 4,264 | 2,441 | \$478,662 | |

LISTED, PENDED, CLOSED MONTH OF MARCH 2009

| YEAR | LISTED | PENDED | CLOSED |
|------|--------|--------|--------|
| 2009 | 2,448 | 1,466 | 671 |
| 2008 | 2,955 | 713 | 574 |
| 2007 | 2,473 | 785 | 575 |
| 2006 | 2,949 | 839 | 684 |
| 2005 | 1,842 | 1,819 | 1,194 |
| 2004 | 1,786 | 1,685 | 1,076 |

BREAKDOWN BY PRICE CATEGORY YTD MARCH 2009 (This chart shows the percentage of the market represented by each price segment.)

| RANGE | LISTED | | PENDED | | CLOSED | |
|-------------|--------|--------|--------|--------|--------|--------|
| | UNITS | % | UNITS | % | UNITS | % |
| 0-\$250 | 3,207 | 43.05% | 2,343 | 65.05% | 1,042 | 63.54% |
| \$250-\$500 | 2,093 | 28.09% | 765 | 21.57% | 352 | 21.46% |
| \$500-\$750 | 778 | 10.44% | 174 | 4.91% | 111 | 6.77% |
| \$750-\$1M | 434 | 5.83% | 81 | 2.28% | 35 | 2.13% |
| \$1-\$2M | 532 | 7.14% | 110 | 3.10% | 55 | 3.35% |
| \$2-\$5M | 330 | 4.43% | 63 | 1.78% | 38 | 2.32% |
| \$5M+ | 76 | 1.02% | 11 | 0.31% | 7 | 0.43% |

CLOSED SALES

- March closed sales units are up 17% over March 2008.
- Year-to-date March closed units are up 20% over YTD March 2008. Volume is down 29%.
- 64% of units closed in March are under \$250,000.
- Median Sales Price year-to-date March is down 43.7% the same period in 2008. (Translate: Great Buying Opportunities!)

PENDED SALES

- Pended sales units in March 2009 are up 106% in March 2008!
- Pended sales units year-to-date March are up 73% over the same period in 2008.
- 67% of year-to-date pended sales are under \$250,000.

NEW LISTINGS

- Number of new listings taken year-to-date March is down 11% over prior year period, and the lowest for the period since YTD March 2005.
- Number of new listings taken during the month of March 2009 is also the lowest for the month since March 2005.
- Active listing inventory on April 1, 2009 was 13,973 (6,915 condominiums and 7,058 single family). This represents an 5% decrease from April 1, 2008.

This report represents the combined Naples, Bonita Springs, Estero market. Numbers may vary among neighborhoods so be sure to research individual market segments carefully.

Disclaimer: All information from Sunshine MLS. Accuracy is deemed correct but not warranted.

Market Review – First Quarter 2009 for Naples, Bonita, Estero Market Areas

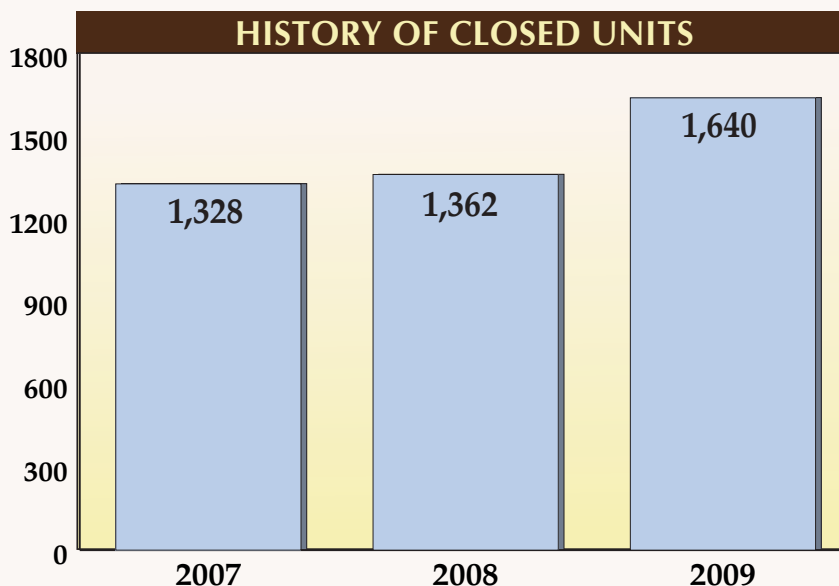


First quarter 2009 posted some very exciting changes when compared with the past two years. The real estate recovery in southwest Florida is definitely well underway, and barring any unexpected national or international issues, is expected to continue to gain momentum in the coming months.

CLOSINGS AND INVENTORY

Closings have taken a major upturn with a 20% increase over first quarter 2008, and the highest first quarter number since 2006. With the exception of the banner years of 2004, 2005, and 2006, this is the second highest first quarter in the past 10 years. The price segment under \$250,000 accounts for 63% of these closings. Despite the high level of closing activity, it continues to be the only price category to show an increase over 2008 in currently available inventory. As you can see by the second chart below, all other categories show reduced or stable supplies when compared with prior years. This trend is expected to continue as foreclosures and short sales, most of which fall into this segment, continue to work their way through the market from listings to closed sales.

Current inventory in the combined Naples, Bonita Springs Estero market stands at 13,973 single family homes and condominiums (April 1, 2009), representing approximately a two year supply. This is down substantially from 2008, when at the end of the first quarter total inventory was at an approximate three year supply.



| PRICE SEGMENT | 2007 | 2008 | 2009 |
|---------------------------|-------|-------|-------|
| \$0 – \$250,000 | 1,984 | 3,742 | 4,706 |
| \$250,000 – \$500,000 | 6,500 | 5,955 | 4,268 |
| \$500,000 – \$750,000 | 2,454 | 2,226 | 1,672 |
| \$750,000 – \$1,000,000 | 1,174 | 1,204 | 1,090 |
| \$1,000,000 – \$2,000,000 | 1,361 | 1,354 | 1,299 |
| \$2,000,000 – \$5,000,000 | 730 | 764 | 788 |
| Over \$5,000,000 | 131 | 150 | 150 |

Market Review – First Quarter 2009 for Naples, Bonita, Estero Market Areas



NEW LISTINGS / CLOSED SALES AND PENDED SALES

New listings being placed on the market in the first quarter of 2009 continued to decline over prior years. The number of new listings taken in any quarter during the years 2004 through 2009 peaked in the first quarter of 2006, when 9,507 new listings were placed in inventory. The largest drop over prior year first quarter occurred this year when new listings fell by 11% over first quarter 2008.



The ratio of closed sales compared to the number of new listings taken stands at one closing for every 4.5 new listings coming on the market. This is a substantial improvement over first quarter 2008 when the number was one closing for every 6 new listings. Pended sales, the leading market indicator, shows an even stronger improvement. At the end of the first quarter 2008, *one pended sale* was recorded *for every four new listings taken*. At the end of first quarter 2009, this ratio was *one pended sale for every two new listings*.

| YEAR | PENDED | Ratio: New Listings: Pended Sales |
|------|--------|--------------------------------------|
| 2006 | 2,378 | 4:1 |
| 2007 | 2,084 | 4:1 |
| 2008 | 2,048 | 4:1 |
| 2009 | 3,547 | 2:1 |

Pended sales have shown increases over prior year on a monthly basis for the past 12 months. First quarter 2009 posted a 73% increase in pendings over the same period in 2008.

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SUMMARY

There is no doubt that the real estate market in southwest Florida is at its most robust level since the correction began in 2006. Average sales price has fallen 50% overall since its peak in 2007. This is an obvious effect of the number of lower priced properties selling, and the fact that in the first quarter of 2007 there were 92 closed sales in the over \$2,000,000 price segment, compared with 45 for the first quarter 2009. However, March 2009 showed a slight increase over March 2008 in pended sales for this category. Showing activity and inquiries on specific properties in this price range indicate a high level of interest, and several very large sales which will be reported in the second quarter may indicate a turning point for this segment. We will continue to carefully monitor supply and absorption over the coming months.

Conditions remain favorable and improving for sellers willing to price to the current market, and for buyers looking for unprecedented opportunities. Contact your John R. Wood agent for information that is specific to your areas of interest.