Market Report – December 2008

for Naples, Bonita, Estero market areas

John R. Wood REALTORS EST. 1958

LISTED, PENDED, CLOSED YTD DECEMBER 2008

YEAR	LISTED	PENDED	CLOSED	AVERAGE SALES PRICE	MEDIAN SALES PRICE	
2008	26,103	8,710	6,207	$500,970	$284,500	
2007	27,488	6,551	5,151	$668,040	$378,500	
2006	30,176	7,096	5,762	$686,015		
2005	21,510	14,203	11,234	$620,273		
2004	16,784	13,883	10,035	$478,163		

LISTED, PENDED, CLOSED MONTH OF DECEMBER 2008

YEAR	LISTED	PENDED	CLOSED			
2008	1,918	731	497			
2007	1,774	387	378			
2006	2,084	421	393			
2005	2,737	645	563			
2004	1,217	942	829			

BREAKDOWN BY PRICE CATEGORY YTD DECEMBER 2008 (This chart shows the percentage of the market represented by each price segment.)

RANGE	LISTED		PENDED		CLOSED	
	UNITS	%	UNITS	%	UNITS	%
0-$250	9,129	34.97%	4,148	47.62%	2,605	41.97%
$250-$500	9,422	36.10%	2,691	30.90%	2,003	32.27%
$500-$750	3,065	11.74%	763	8.76%	690	11.12%
$750-$1M	1,543	5.91%	369	4.24%	282	4.54%
$1-$2M	1,790	6.86%	449	5.15%	383	6.17%
$2-$5M	954	3.65%	246	2.82%	212	3.42%
$5M+	200	0.77%	44	0.51%	32	0.52%

CLOSED SALES

- Closed sales units for 2008 are up 20% over 2007. Volume is down just under 10%.
- Closed sales units for the month of December 2008 are up 31% over December 2007.
- Median sales price for 2008 is down 24.8% from 2007. Average sales price also down 25%, as properties under $500,000 have driven the market for the entire year.
- 74% of all closings in 2008 were for properties under $500,000.
- Closed units priced at $2 million and higher are down 20% for the year.

PENDED SALES

- Pended sales for December are up 89% over December 2007.
- Properties priced under $250,000 comprise 65% of December pended sales.

LISTINGS

- New listings taken in 2008 are down 5% from 2007.
- Active listing inventory on January 1, 2009 was 13,396 in the combined Naples, Bonita Springs, Estero markets (6,901 single family homes and 6,495 codominiums). This represents a 7% decrease from January 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.

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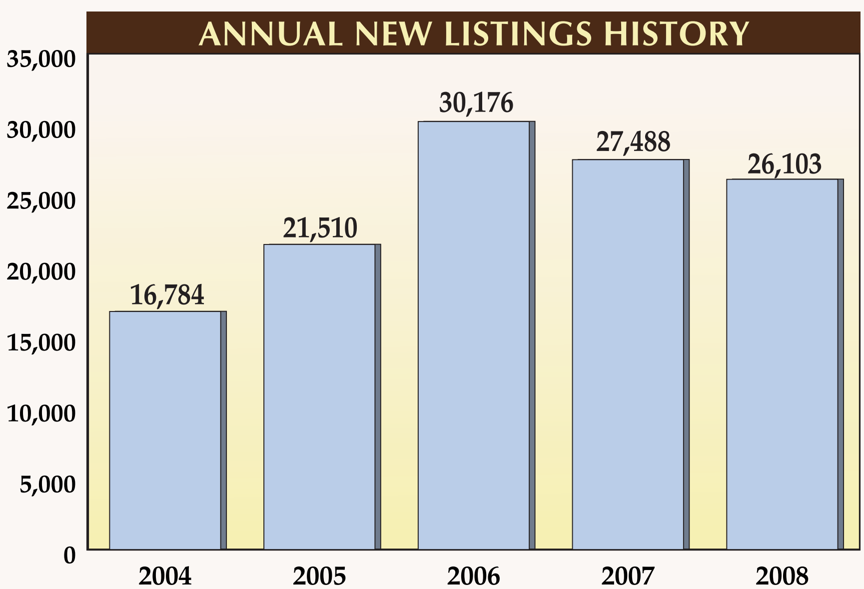
CLOSED SALES

Total closed sales units in 2008 increased by 20% over 2007. This upward trend continued through the year with most months showing increases over prior year month. In fact, as you can see from the graph below, 2008 is very close to 2002, the year that preceded the run-up in units and volume experienced during 2003 through 2005. Volume for the year is down 9.6% and almost on par with 2003 volume, the third highest year during the nine year reporting history.

The highest number of closed sales occurred during May with 695 sales recorded, and the lowest number in January with 372.

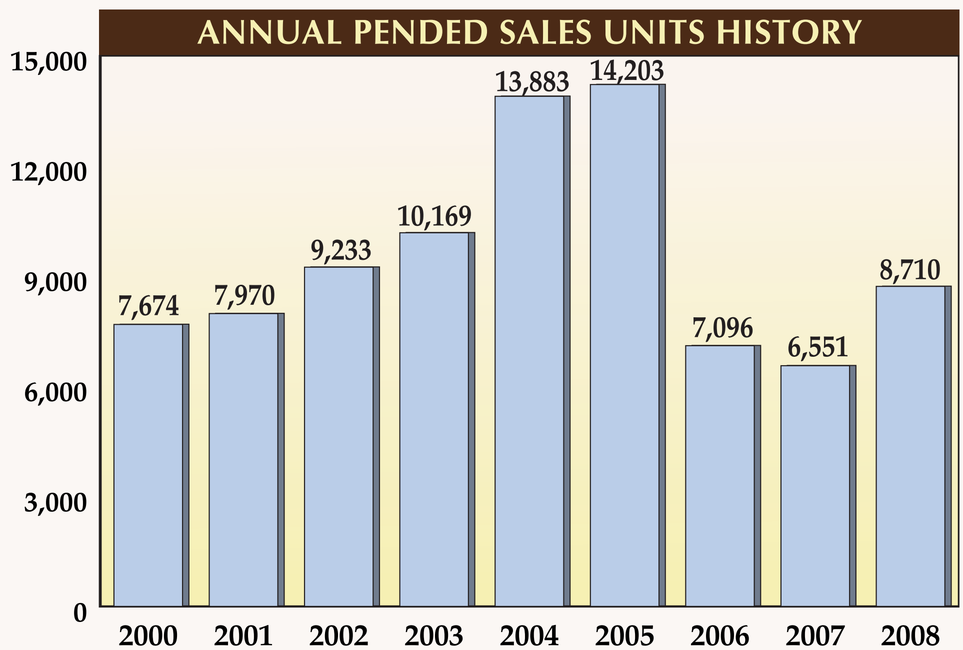
The unit growth was driven by the sale of properties priced under $250,000, with this segment posting a gain of 130% over prior year. Overall, active listing inventory was reduced by 7% during the year, and the number of new listings taken was the lowest since 2005.



Inventory levels based on closed sales are down from approximately a 3.1 year supply in February 2008 to a 2.1 year supply on January 1, 2009. Absorption levels are increasing, while supply levels are decreasing in the overall market, creating an increasingly balanced situation in many market segments. This has already occurred in a number of areas which are currently showing a one year or less supply of product.

PENDED SALES

Pended sales are the best indicator of current market conditions. Commencing October 2005, pended sales began showing a significant decrease on a monthly basis when compared to same month, prior year. This decline continued, almost uninterrupted, for 28 months, until February 2008 when pended sales began posting increases over prior year. Although January and March 2008 were down slightly from prior year, all other months recorded increases. The month over prior year month increases ranged from 6% in April (the lowest monthly increase for the year) to 107% in September (the highest monthly increase in 2008). Actual fourth quarter increase was almost 68% over 2007 fourth quarter.



The ratio of pended sales to new listings taken (on a monthly basis) was one pended sale for every 2.6 new listings at the end of December, vs. the high of one pended sale for every 6 new listings recorded in January 2007.

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SUMMARY

The increases in both closed and pended sales throughout most of 2008 indicate that a steady and strengthening recovery is underway. The reduction in inventory, along with decreasing numbers of new properties coming on the market, should bode well for real estate activity in 2009. A key to the strength of the recovery lies with what happens in the market segment of properties priced above $2,000,000. This segment has been comparatively quiet during 2008, posting a 20% decline in sales units from 2007. Although not quantifiable at this point, activity in this segment has increased significantly over the past three weeks, based on the number of showing appointments scheduled. The next 30 days should indicate whether there will be a full recovery of this segment in 2009.

Prices have fallen in virtually every price segment and property type across the market. Existing median price is almost 25% below 2007, but we expect this to begin to move upward again in some areas where supply and demand have balanced. Be aware that some areas are still over supplied and will require further price adjustments. However, these are diminishing, and prudent buyers and sellers will insist on specific neighborhood and/or building information upon which to base a buying or pricing decision.

John R. Wood Realtors continues to be a market leader in today's market. As the "Symbol of Local Knowledge" in real estate, we attribute our success to:

- The delivery of timely, reliable information to the customer.
- Well educated and informed agents who can communicate and interpret market indicators.
- Highly targeted marketing designed to reach a maximum number of buyers and sellers.

This focus enabled us to sell more of the properties listed with our firm in 2008 than any other local broker, and achieve an enviable position at the top of the market.