

July, 2007

Dear clients, neighbors, and friends,

Informed homeowners are always interested in how the housing market is doing. They make it a point to keep abreast of both current and past home values in their community.

As a long-time resident of Sun City Grand and because a large portion of my real estate business is concentrated in this community, I track home-value trends in Sun City Grand very closely. Over the years, I have compiled data about the home-sales market using the Multiple Listing Service (MLS).

The following data and analysis describe current and historical home values in our community. They do not include for-sale-by-owner homes nor homes sold by discount brokers not listed on the MLS.

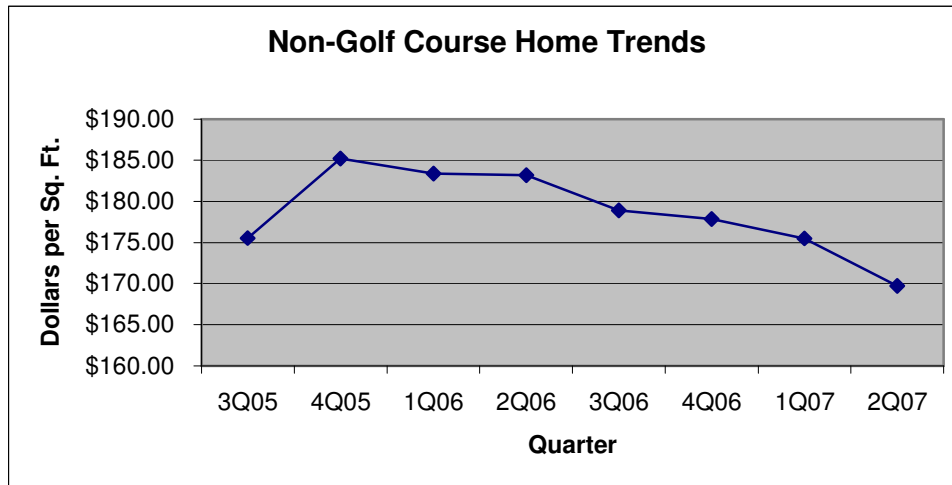
The analysis shows property values, trends, and comparative sales vs. asking prices over the last eight quarters (two years) for the following:

- Homes not situated on golf course lots
- Homes on golf course lots
- The condominiums of La Solana

This report is updated on a quarterly basis.

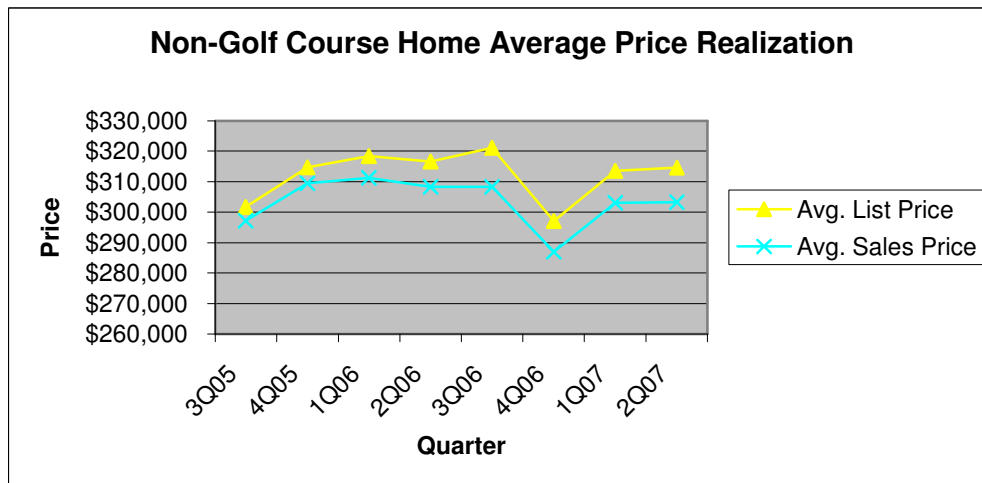
## Homes Not Situated on Golf Course Lots

This graph shows the average price per square foot of non-golf course homes over the last 24 months.



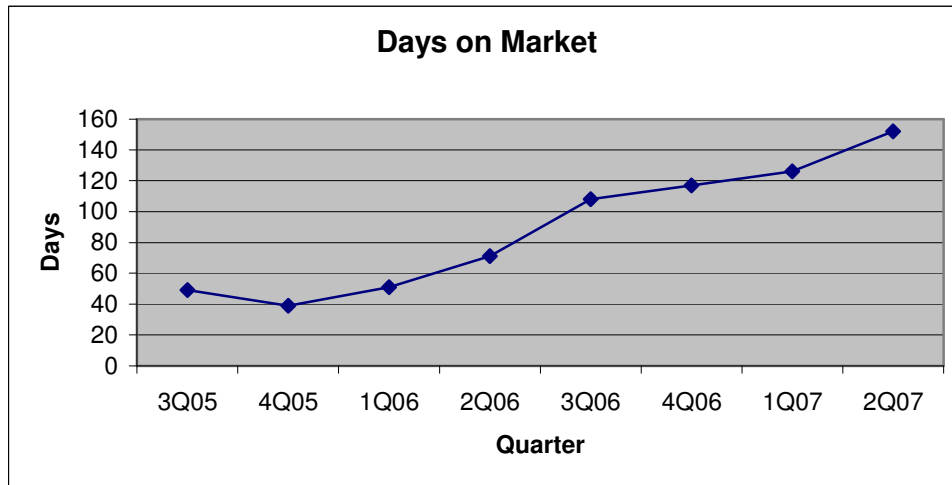
- From an all-time average high of \$185.20 per square foot, prices have dropped 8.4% to the current average price of \$169.72.

This graph shows the average selling price of homes compared to the asking price, or list price, over the same period.



- By the end of the 4th quarter of 2006, prices started to recover.
- Sellers who priced their homes to the market realized about 97-98% of asking price.

This graph shows the average length of time it took for non-golf course homes to sell.



- Homes took an average of 44 days to sell in the last half of 2005, 81 days in 2006, and 138 days in the first half of 2007.

Below are the data from the MLS for the 24-month period

Non-Golf Course Homes

<u>Quarter</u>	<u>Units Sold</u>	<u>Avg. List Price</u>	<u>Avg. Sales Price</u>	<u>% Realized</u>	<u>DOM</u>	<u>\$/SF</u>
3Q05	145	\$301,745	\$297,155	98%	49	\$ 175.52
4Q05	113	\$314,743	\$309,475	98%	39	\$ 185.20
1Q06	81	\$318,323	\$311,274	98%	51	\$ 183.36
2Q06	112	\$316,554	\$308,271	97%	71	\$ 183.17
3Q06	62	\$321,088	\$308,270	96%	108	\$ 178.91
4Q06	55	\$297,094	\$286,905	97%	117	\$ 177.87
1Q07	93	\$313,554	\$303,058	97%	126	\$ 175.48
2Q07	100	\$314,636	\$303,296	96%	152	\$ 169.72

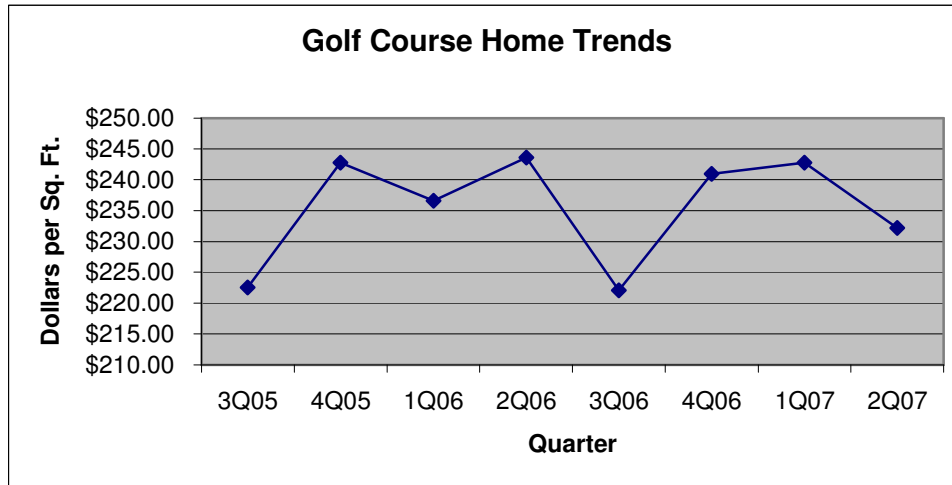
Non-Golf Course Summary

7/1/05-12/31/05	257	\$307,740	\$302,911	98%	44	\$ 179.66
1/1/06-12/31/06	308	\$314,908	\$305,659	97%	81	\$ 181.62
1/1/07-6/30/07	193	\$314,503	\$303,588	97%	138	\$ 172.49

Legend: DOM is Days on Market, SF is Square Foot

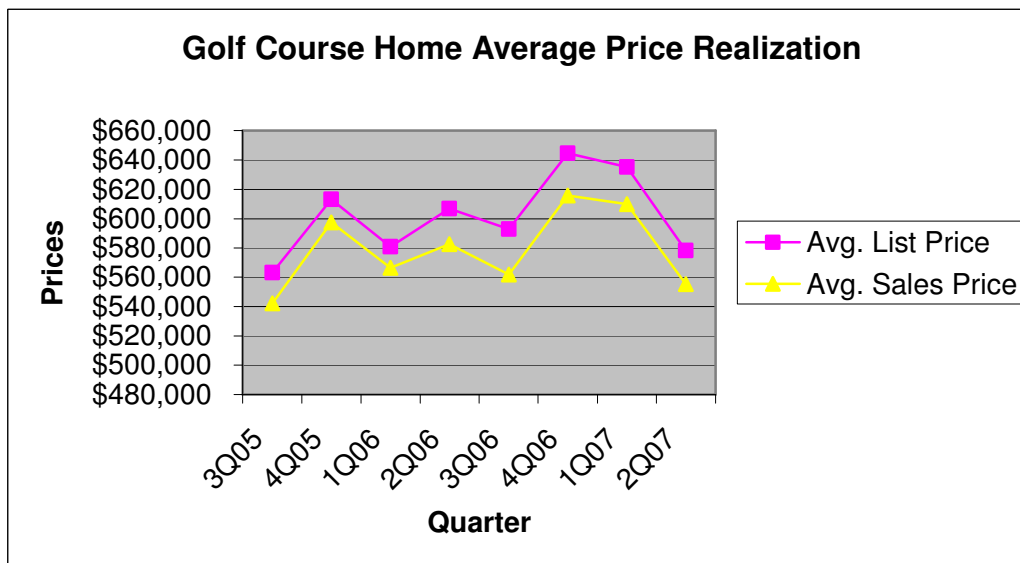
## Homes Situated on Golf Course Lots

This graph shows the average price per square foot of golf course homes over the last 24 months.



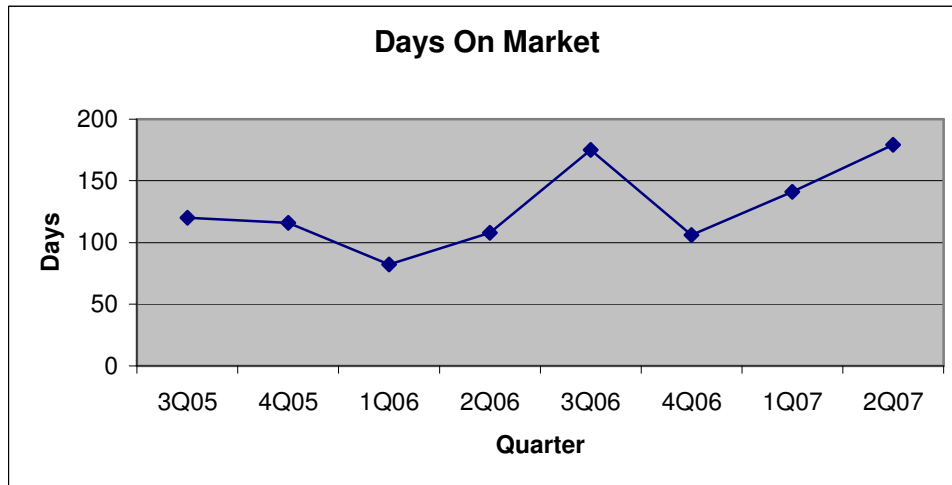
- Since the end of the 3rd quarter of 2006, golf course homes have recovered somewhat, with prices dropping from the all-time average high of \$243.57 per square foot to the current average price of \$232.18, a modest 4.7% decline.
- Golf course homes sustained a decline that was slightly over half that experienced by non-golf course homes.

This graph shows the average selling price of homes compared to the asking price, or list price, over the same 24-month period.



- By the end of the 3rd quarter of 2006, prices started to recover, but dropped again in 2007.
- Sellers who priced their homes to the market realized about 96-97% of asking price.

This graph shows the average length of time it took for golf course homes to sell.



- Homes took an average of 118 days to sell in the last half of 2005, 105 days in 2006, and 113 days in the first half of 2007.

Below are the data from the MLS for the 24-month period

Golf Course Homes

<u>Quarter</u>	<u>Units Sold</u>	<u>Avg. List Price</u>	<u>Avg. Sales Price</u>	<u>% Realized</u>	<u>DOM</u>	<u>\$/SF</u>
3Q05	18	\$563,207	\$542,305	96%	120	\$ 222.53
4Q05	10	\$613,180	\$597,450	97%	116	\$ 242.77
1Q06	17	\$580,805	\$566,370	98%	82	\$ 236.58
2Q06	27	\$606,924	\$582,611	96%	108	\$ 243.57
3Q06	5	\$592,920	\$561,800	95%	175	\$ 222.06
4Q06	13	\$644,465	\$615,792	96%	106	\$ 240.92
1Q07	18	\$635,266	\$609,972	96%	141	\$ 242.73
2Q07	28	\$578,251	\$555,371	96%	179	\$ 232.18

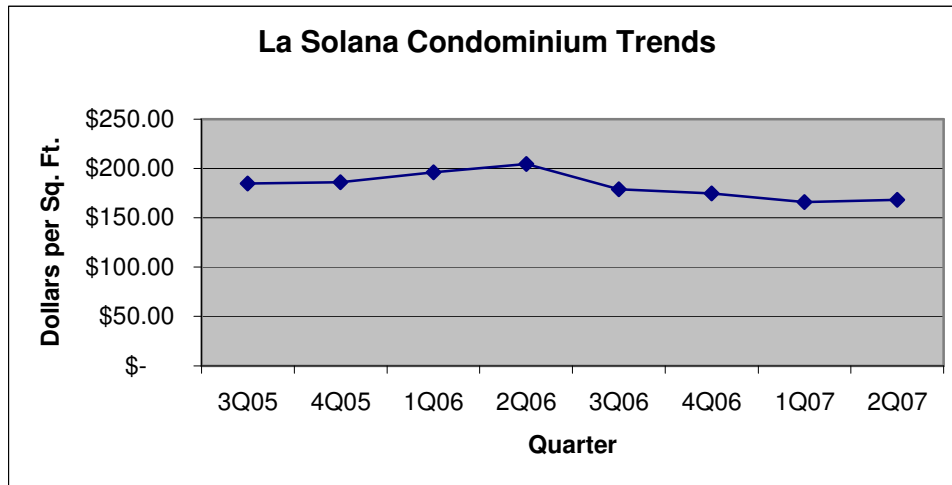
Golf Course Summary

7/1/05-12/31/05	28	\$581,054	\$562,000	97%	118	\$ 229.76
1/1/06-12/31/06	62	\$606,504	\$584,437	96%	105	\$ 239.31
1/1/07-6/30/07	46	\$600,561	\$576,736	96%	163	\$ 236.46

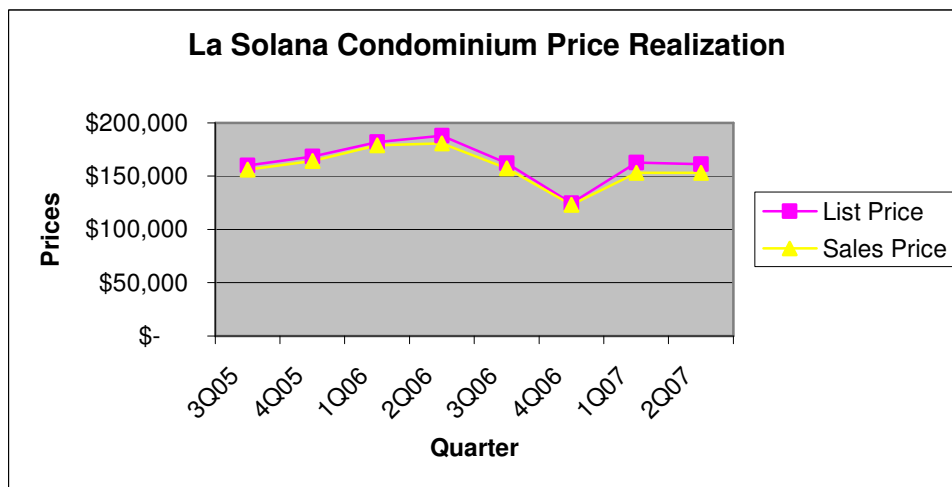
Legend: DOM is Days on Market, SF is Square Foot

## The Condominiums at La Solana

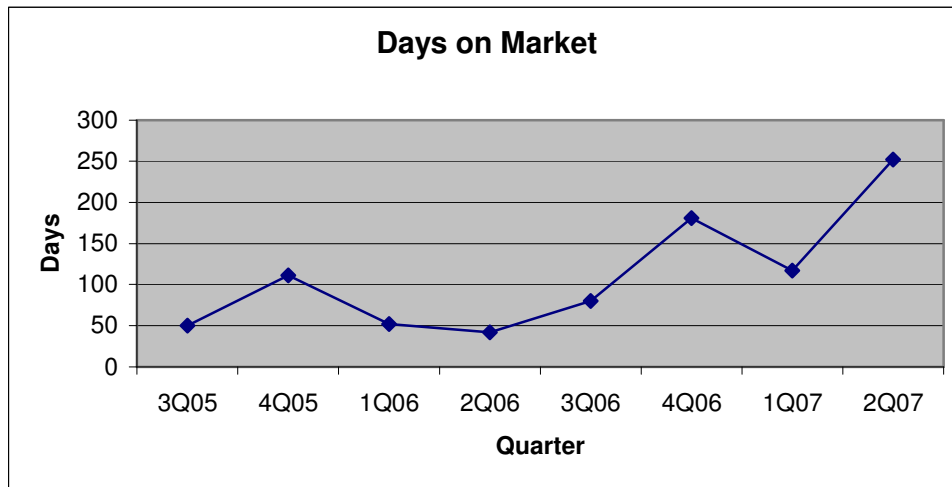
This graph shows the average price per square foot of condominiums over the last 24 months.



- Since the end of the 2nd quarter of 2006, condominium prices have dropped from the all-time average high of \$204.39 per square foot to the current average price of \$168.06, a decline of 17.8%.
- Over the last four quarters, the decline of condominium prices seemed to have slowed.



- By the end of the 4th quarter of 2006, prices started to rise again and have remained above the \$150,000 level since the beginning of the year.
- Sellers who priced their homes to the market realized about 94% of asking price.



- Homes took an average of 71 days to sell in the last half of 2005, 79 days in 2006, and 162 days in the first half of 2007.

Below are the data from the MLS for the 24-month period

La Solana Condominiums

<u>Quarter</u>	<u>Units Sold</u>	<u>Avg. List Price</u>	<u>Avg. Sales Price</u>	<u>% Realized</u>	<u>DOM</u>	<u>\$/SF</u>
3Q05	14	\$159,821	\$156,028	98%	50	\$ 184.65
4Q05	7	\$168,342	\$163,971	97%	111	\$ 186.12
1Q06	4	\$181,850	\$178,875	98%	52	\$ 195.92
2Q06	5	\$187,740	\$180,680	96%	42	\$ 204.39
3Q06	6	\$162,083	\$157,133	97%	80	\$ 178.97
4Q06	3	\$124,600	\$122,966	99%	181	\$ 174.67
1Q07	10	\$162,525	\$153,000	94%	117	\$ 165.76
2Q07	5	\$160,960	\$153,100	95%	252	\$ 168.06

La Solana Summary

7/1/05-12/31/05	21	\$162,661	\$158,676	98%	71	\$ 185.15
1/1/06-12/31/06	18	\$167,355	\$162,811	97%	79	\$ 189.76
1/1/07-6/30/07	15	\$162,003	\$153,033	94%	162	\$ 166.52

Legend: DOM is Days on Market, SF is Square Foot

## SUMMARY OF THIS ANALYSIS

- Using non-golf course homes as an example, we see that prices increased 4% for 2003, 25% for 2004, and 68% for 2005. The correction in the market began in 2006. That year, non-golf course homes experienced an 8.4% decline in price per square foot, and golf course homes experienced a 4.7% decline in price per square foot. Condominiums experienced a decline of 17.8% per square foot. This decline was really not too severe, given the rate and scope of the price increases since 2003.
- We are beginning to see positive changes in the market. The homes-for-sale inventory is going down in Sun City Grand. Some experts suggest that the market has bottomed out and may be headed for a period of sustainable growth. In 2007, the second-quarter sales in Sun City Grand almost equaled those during the same quarter last year.
- This is a great time to buy! The market offers a large selection of homes. Sellers are motivated, and interest rates remain low.
- Sun City Grand continues to be a unique community that will attract a large number of Baby Boomers, the single largest generation in the United States. In addition, the passage of the age initiative allowing 45-year-olds to purchase and live in resale properties in SCG will surely increase demand.

If you have any questions regarding this report or would like me to discuss the implications to your individual situation, please don't hesitate to call.

Bob Rein, GRI, ABR

Associate Broker

602-738-6191 or toll-free: 1-877-469-7431

[bob@bobreinhomes.com](mailto:bob@bobreinhomes.com)

[www.BobReinHomes.com](http://www.BobReinHomes.com)