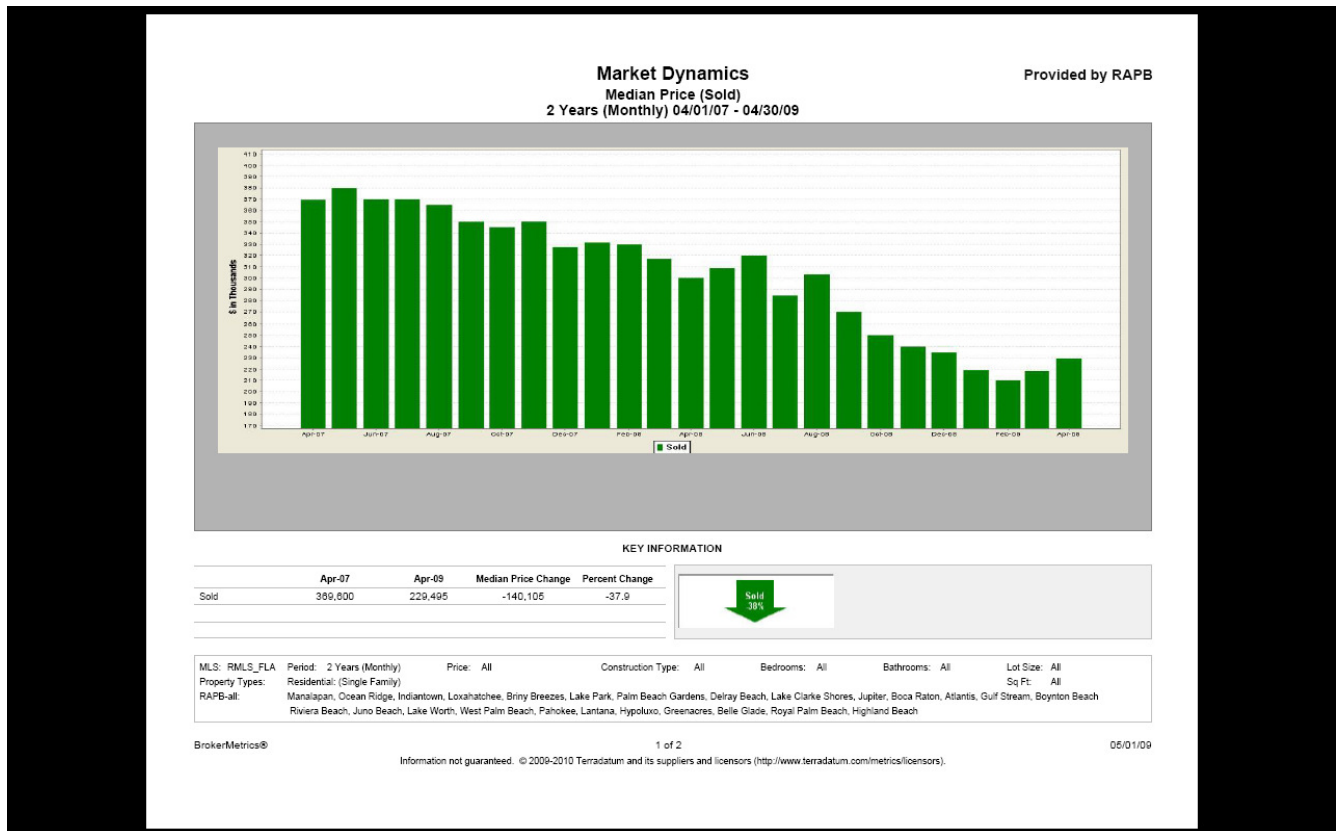


# Bottoms Up!

The question that I have been asked more than any other over the last 2 years has been “When are we going to hit the bottom?” This is usually followed by “How low do you think prices are going to go?”

That question can now be answered. We have hit the price bottom. The question now needs to be, “WHEN did we hit the bottom?” Everyone in the real estate business in South Florida felt a change in mid February 2009. We felt it, but now we have the numbers to confirm it. Take a close look at the graph below.



Median prices actually increased in March and April 2009. I believe economists will look back and identify February 2009 as the PRICE bottom in Palm Beach and Broward County. Finally. From Wilma in late October 2005 to February 2009. That's a long time.

If you are a buyer.....1rst time buyer, move up buyer, investor with cash and decent credit....

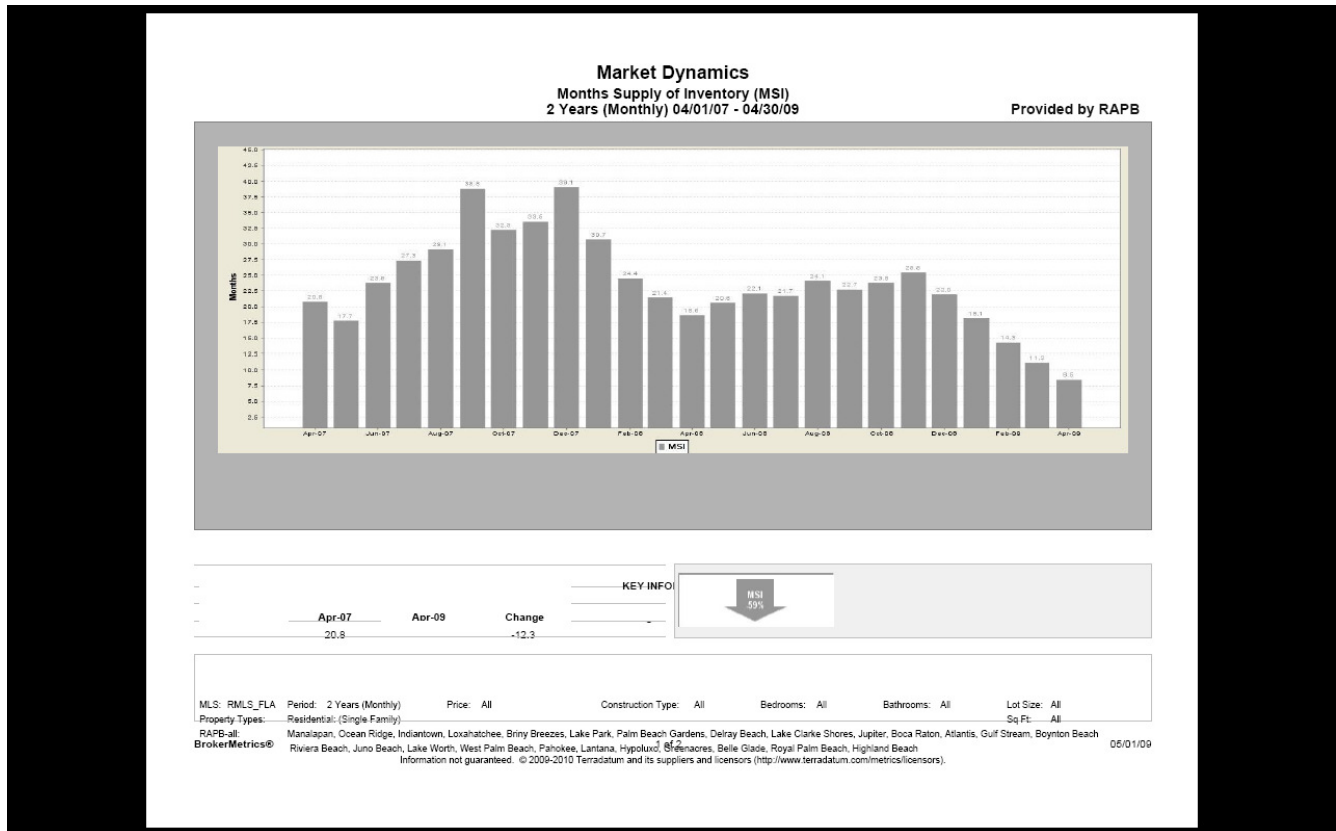
**WE ARE HERE!!!!!! NOW IS THE TIME TO BUY!!!!!!**

Why are we there? 3 real reasons.

1. Prices – As evidenced by the chart above, prices on single family homes (condos too) have dropped dramatically over the last 2 years. They finally dropped to the point where buyers came back to buy. 1rst time home buyers are buying now with the help of an \$8,000 tax credit

from the federal government! This credit is due to expire on December 1, 2009. You need to act now! Investors are back. Everyone knows that you can make a FORTUNE in real estate if you buy LOW and sell HIGH. Demand for well priced properties is back!

2. Interest Rates – are at or near historic lows...but underwriting guidelines are much more restrictive and require documentation of income, assets, and employment.
3. Inventory – Sky high inventories of properties have declined as unrealistic seller's have pulled their properties off the market. The basic supply and demand equation that caused the housing market crash.....sky high inventories with very few buyers....has slowly begun to reverse. Prices are low, demand is up, and inventory is down. Take a look at the graph below.

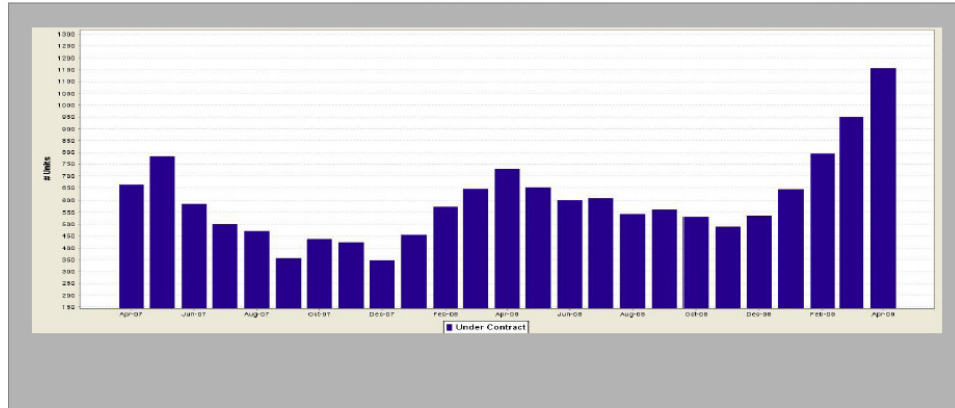


5 straight months of declining inventory.

And look at the corresponding HUGE increase in Pending Sales. (under contract)

**Market Dynamics**  
**Supply & Demand - # Units (UC)**  
**2 Years (Monthly) 04/01/07 - 04/30/09**

Provided by RAPB



Apr-07	Apr-09	# Units Change	Percent Change
600	1200	600	100%

UC ↑ 100%

MLS: RMLS\_FLA    Period: 2 Years (Monthly)    Price: All    Construction Type: All    Bedrooms: All    Bathrooms: All    Lot Size: All  
 Property Types: Residential (Single Family)  
 RAPB: All    Manalapan, Ocean Ridge, Indiantown, Loxahatchee, Briny Breezes, Lake Park, Palm Beach Gardens, Delray Beach, Lake Clarke Shores, Jupiter, Boca Raton, Atlantis, Gulf Stream, Boynton Beach  
 BrokerMetrics®    Riviera Beach, Juno Beach, Lake Worth, West Palm Beach, Pahokee, Lantana, Hypoluxus, Belle Glade, Royal Palm Beach, Highland Beach  
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Are we completely out of the woods yet? Probably not....but we have clearly turned the corner and have bounced off the bottom. We still are going to have REO's (bank owned foreclosures) and a large inventory of short sales to deal with. But I believe it's in the lender's best interest to not flood the market with foreclosures. I think they will release them in a more measured stream over time, rather than dump them on the market. Short Sales with folks upside down in their properties are being handled in a more orderly, streamlined fashion. The market has geared up and figured out how to deal with this issue more effectively. Not perfectly; and for sure a lot of issues remain, but it's getting better and more organized all the time.

Buyers.....the wait is over!

Sellers.....if you are willing to price your property to market.....the buyers will come.

**NOW IS THE TIME TO ACT! DONT MISS THE OPPORTUNITY!**

Bill Richardson is a District Sales Manager with The Keyes Company's Boca Blue Lake Office. He is a former President of the Realtor Association, a former Realtor of the Year, and currently a Director of both the Realtors Association of the Palm Beaches and The Florida Association of Realtors. He has been a Real Estate Broker in the Boca Raton/Delray Beach market since 1987. He can be reached at 561-702-3642 or billrichardson@keyes.com.