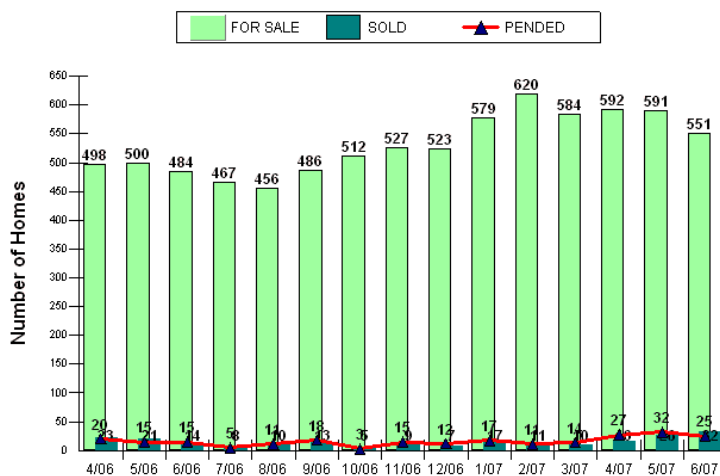


The Russell Report

Presented by Drew Russell, GRI

Neighborhood Update: Siesta Key Condominiums

The Siesta Key real estate market has had a turbulent run over the past 24 months. Condominiums have suffered the worst wounds as many complexes have active listings and have not seen a sale in the last 12 months. However, while inventory remains high there are many buyers out there waiting for the next bargain. My analysis shows that though inventory remains high, there is a definite upward trend in sales as the market equalizes. Compare June 2007 with October 2006- last month the market enjoyed heightened activity- 25 units under contract and 22 sold. While these numbers do not indicate full recovery, they do offer great hope as highly increased activity in the market is not usual for the summer season.



Market Profile: 2nd Quarter 2005-2007 Where is the Market going?

of Sales Between April 1 and June 30
 2005: 2812 % change from prior yr
 2006: 1553 - 45%
 2007: 1267 - 18%

Median Price of Homes Sold
 2005: \$359,000 % change
 2006: \$360,000 + .25%
 2007: \$348,250 - 3%

*All statistics are taken directly from the Sarasota MLS and are deemed reliable.

Summary: Simple economics would suggest that the correlation between the rapidly dropping number of sales and median sales price should be stronger. Though the number of transactions has dropped off drastically, median prices hover right around \$350,000 per deal over the past three years. The median figure is greatly influenced by the confidence that the upper class has in the Sarasota market. Though prices have declined in many residential neighborhoods, the value proposition in the market is strong enough that many multi-million dollar estates have changed hands and kept the median sales number stable.

Hot Topic: Real Estate Auctions The recent upward trend in listing inventory has had a profound impact on our local real estate in Sarasota. Those of you who know me and read local real estate blogs are familiar with my position on real estate auctions. I am a proponent of the mantra "action not auction." Real estate auctions seem like a great way to generate interest in a flat real estate market, but they do have a dark side. The seller's net proceeds are automatically reduced by a 15% buyer's premium which is paid to the auction company in addition to a winning bid. Auctions also have a knack for bringing out the true bottom feeders. Company research shows that listings sold at auction fetch an average of 40-44% below list price. Much of the damage to the seller can be avoided by hiring a proactive agent and pricing the property within or below the market. For more information on auctions, visit my blog at www.drewrussell.com/blog.htm or give me a call.