

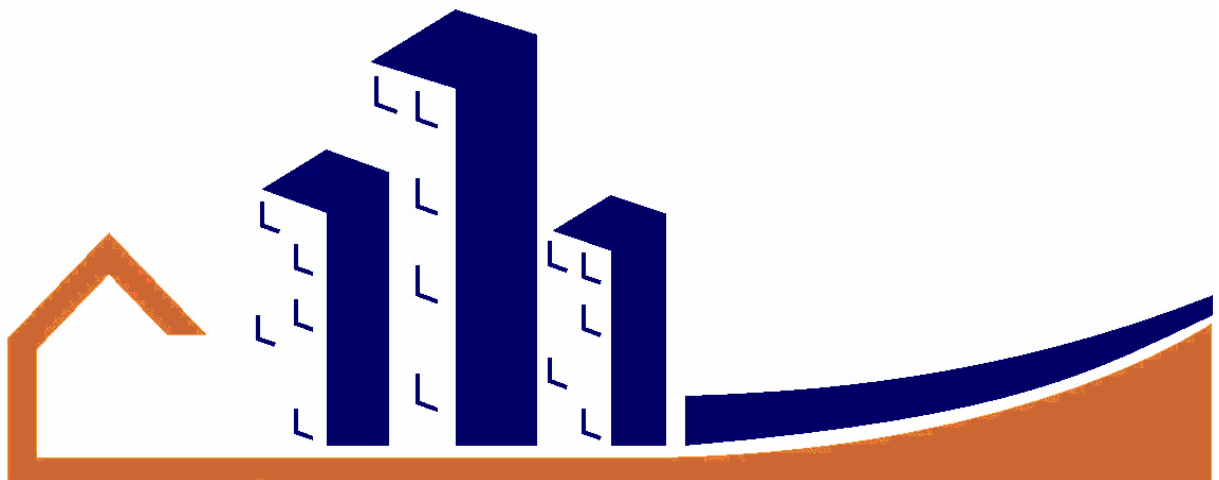


# HomeEncounter

## Residential Real Estate Report

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Hillsborough, Pinellas and Pasco Counties  
January 2008



## About This Report

*The Residential Real Estate Report is a monthly publication of Home Encounter, LLC. Prepared with the utmost care and attention to detail, this Report analyzes all agent-facilitated residential real estate transactions that have occurred within the past month and provides facts and opinions related to our findings. All data is extracted from Mid-Florida Regional Multiple Listing Services Data and is to-the-date accurate.*

*The purpose of this Report is to provide a timely and accurate picture of the real estate market for buyers and sellers of real estate as well as real estate brokers, mortgage bankers and appraisers who would benefit from our research.*

*This Report is prepared by Home Encounter Real Estate Consultants. Direct all questions to [info@homeencounter.com](mailto:info@homeencounter.com).*

*Audited and Approved by:*



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# Executive Summary

## Comparable Statistics Green Indicates Market Improvement, Red Indicates Market Deterioration

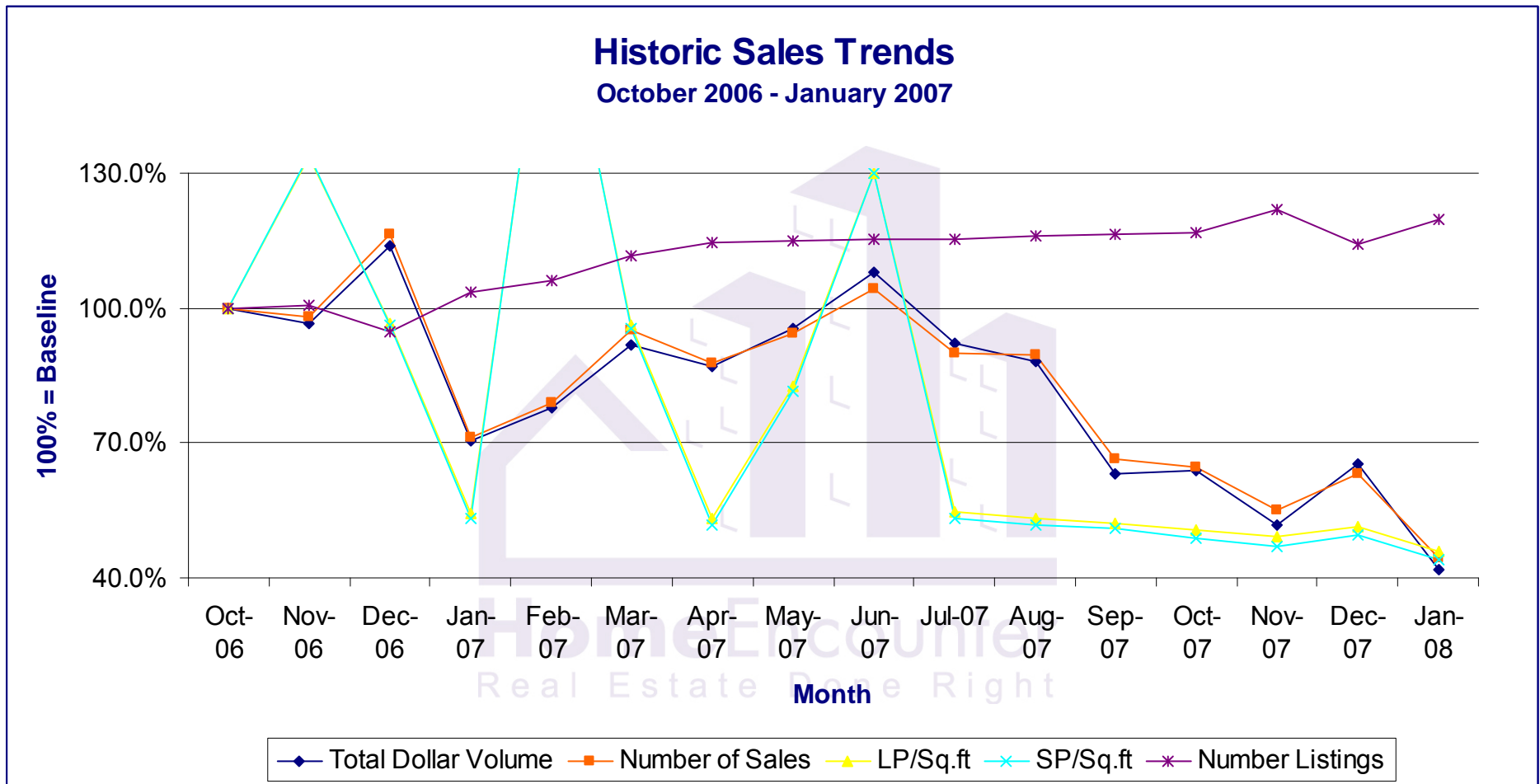
	Hillsborough			Pinellas			Pasco			Aggregate		
MarketTrack Projections	Jan	Dec	Δ	Jan	Dec	Δ	Jan	Dec	Δ	Jan	Dec	Δ
Projected Baseline Value (\$/sq.ft)	\$126	\$132	(4.8%)	\$145	\$141	2.8%	\$99	\$99	0.0%	\$130	\$130	0.0%
Market Rebound Date	Jan-10	May-10	4 mos	Nov-08	Feb-09	3 mos	Sep-08	Nov-08	2 mos	Mar-09	Jul-09	4 mos
<b>All Residential Sales</b>												
Total Sales	546	799	(46.3%)	521	671	(28.8%)	264	354	(34.1%)	1,331	1,824	(37.0%)
Average Sales Price per Square Foot	\$131	\$151	(15.3%)	\$160	\$158	1.3%	\$103	\$106	(2.5%)	\$137	\$145	(5.8%)
Average Negotiation Power (Amount Property Sells Below List Price)	4.8%	4.3%	10.4%	8.1%	8.1%	0.0%	6.3%	6.2%	1.6%	6.6%	6.1%	7.6%
Average Days Till Sale	162	168	(3.7%)	112	110	1.8%	127	117	7.9%	134	136	(1.5%)
Percent of Sales to Total Listings	3.7%	5.8%	(56.8%)	3.3%	4.2%	(27.3%)	3.4%	4.8%	(41.2%)	3.5%	4.9%	(40.0%)
Average Market Reasonability (Average Sales Price as a Percent of Average Active List Price)	78.0%	88.8%	(13.8%)	73.4%	72.1%	1.8%	76.0%	76.8%	(1.1%)	75.3%	78.8%	(4.6%)
<b>All Residential Listings</b>												
Total Listings	14,611	13,866	5.1%	15,875	15,901	(0.2%)	7,736	7,440	3.8%	38,222	37,207	2.7%
Average List Price Per Square Foot	\$168	\$170	(1.2%)	\$218	\$219	(0.5%)	\$136	\$138	(1.5%)	\$182	\$184	(1.1%)
Average Continuous Days on Market	184	176	4.3%	185	184	0.5%	178	177	0.6%	183	180	1.6%
<b>New Residential Listings</b>												
New Listings	3,157	1,880	40.4%	3,346	2,128	36.4%	1,534	1,017	33.7%	8,037	5,025	37.5%
Average List Price per square foot	\$155	\$155	0.0%	\$207	\$203	1.9%	\$128	\$129	(0.8%)	\$171	\$170	0.6%
Percent of New Listings to Total Listings	21.6%	13.6%	37.0%	21.1%	13.4%	36.5%	19.8%	13.7%	30.8%	21.0%	13.5%	35.7%

January was a slow month for sales and a strong month for new listings – a market depressing combination.

- 37% Sales decrease and a 37.5% Listing increase from December 2007
- There's a growing disparity between Average Sale Price and Average Active List Price – a 24.5% difference between the two numbers in January
- Buyers showed increased power over Sellers to negotiate down prices – 0.5% increase over December
- Pinellas County shows relative strength against Hillsborough and Pasco Counties. It's stronger in almost every indicator and illustrates improving market trends – a decline in total listings, an increase in "Market Reasonability" indicators and an increase in average Sale Price per Square Foot.
- An Increase in List Price per Square Foot for new listings could suggest growing consumer confidence in the housing market (see page 6 for more information).

# Executive Summary

## Sales Trends



The end of year exuberance that drove higher than expected sales results for December 2007 completely evaporated in January.

- Listings returned to November 2007 levels.
- Gains in List Price per Square Foot, Sold Price per Square Foot, Number of Sales and Dollar Volume of Sales were completely erased.
- Dollar Volume of Sales underwent a greater-than-proportional decrease from December to January, which was due to the combined impact of fewer home sales and lower sale prices.
- The gap between Sold Price per Square Foot and List Price per Square Foot widened, indicating further strengthening of Buyer-power.
- The fact that sales declined at a faster rate than price indicates that buyers are waiting for the market to reach bottom before they intend to buy.

# MarketTrack

## Market Decline and Recovery Projections Residential Real Estate Report – January 2008

This month, the data reported that new listings are entering the market at higher average price per square foot than in month's prior.

As far as we can tell, there is no defensible economic reason for this trend. Inventory levels are at all time highs, sale prices continue to decline, and we can know for certain that the timing of the recent Fed interest rate cuts came too late in the month to have any impact on January closes.

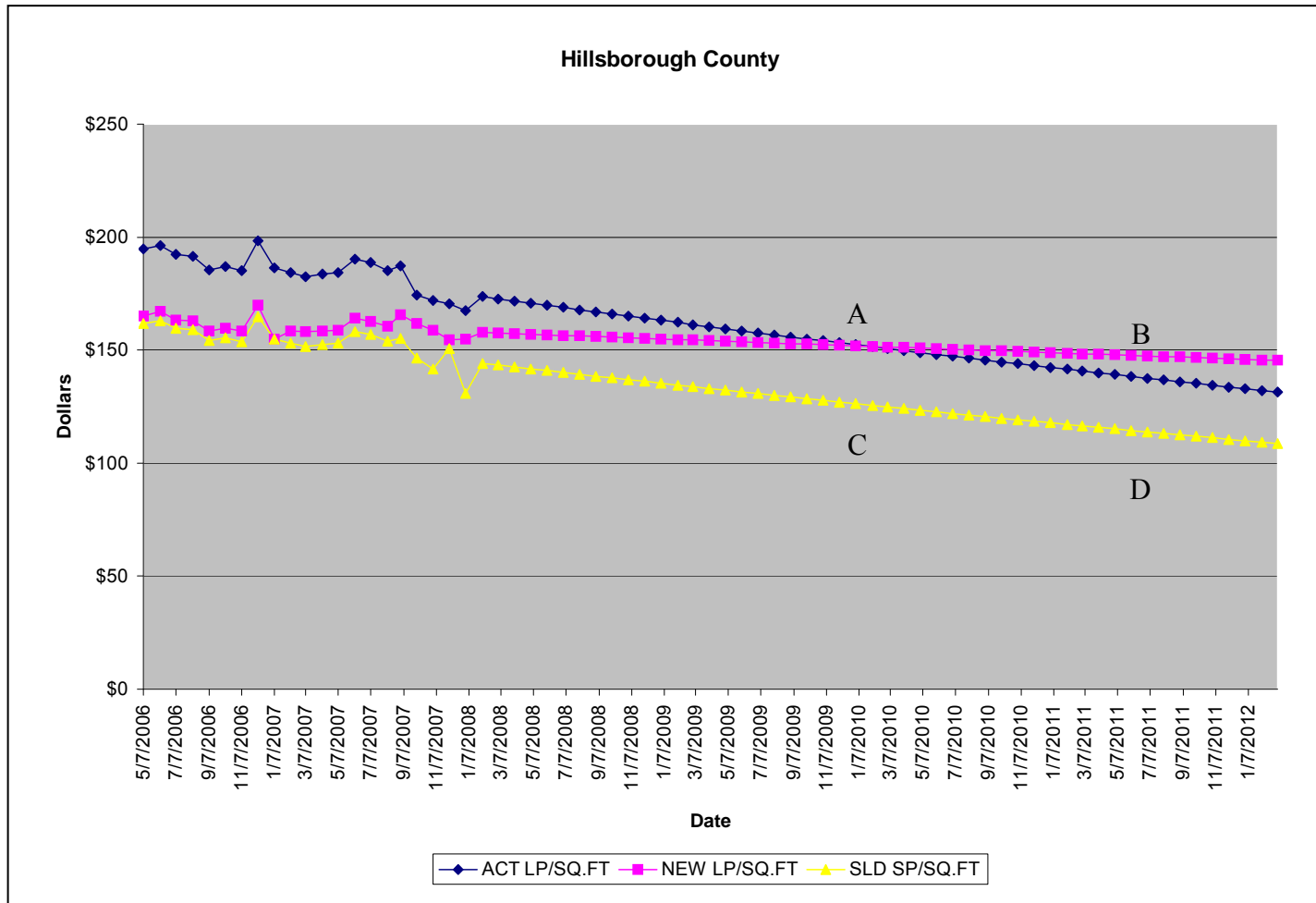
There are two plausible explanations for this improvement: #1, Either Seller or Realtor confidence eeked up enough in January to stop the decline in new list prices. If this is the case, we'll see a return to downward trending new listing prices very soon. #2, New properties entering the market are actually worth more than those listed in months prior. If this is the case, the upward trend will continue.

Only time will tell which of these factors is causing the up-tick in new listing prices. But in the meantime our projections are benefiting from the increase. Despite this month's slew of negative indicators, our regression analysis shows that the end of the market decline is four months closer than it was in December, on aggregate.

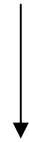


# MarketTrack

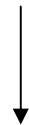
## Hillsborough County.



A. Average sales price per square foot – the truest measure of a property’s value – will continue to **fall until January 2010.**



B. After **January 2010**, new properties will enter the market at an average value that equals or is greater than the price of existing inventory.



C. Average sales price per square foot for new listings will bottom out at **\$126/sq.ft** and will flat-line or begin to increase, depending on the rate of consumption of existing inventory and the population growth rate.

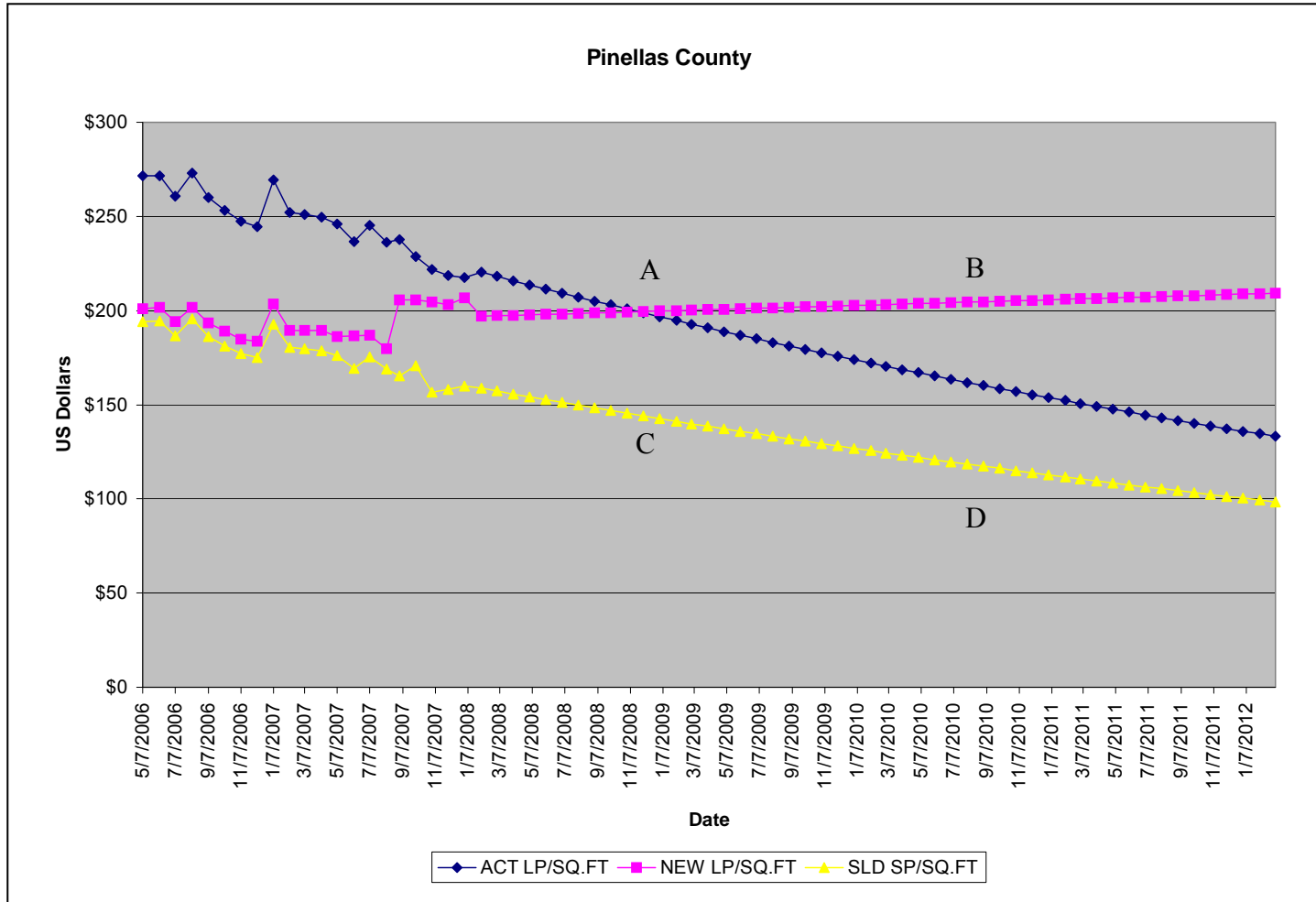
E. This trend will continue until inventory levels return to a healthier supply rate of 2-4 months of supply

D. However, the **9+ month supply of existing inventory** will continue to sell at prices below \$126/sq.ft and will drag down the aggregate average sales price.



# MarketTrack

## Pinellas County



A. Average sales price per square foot – the truest measure of a property’s value – will continue to **fall until November 2008.**

B. After **November 2008**, new properties will enter the market at an average value that equals or is greater than the price of existing inventory.

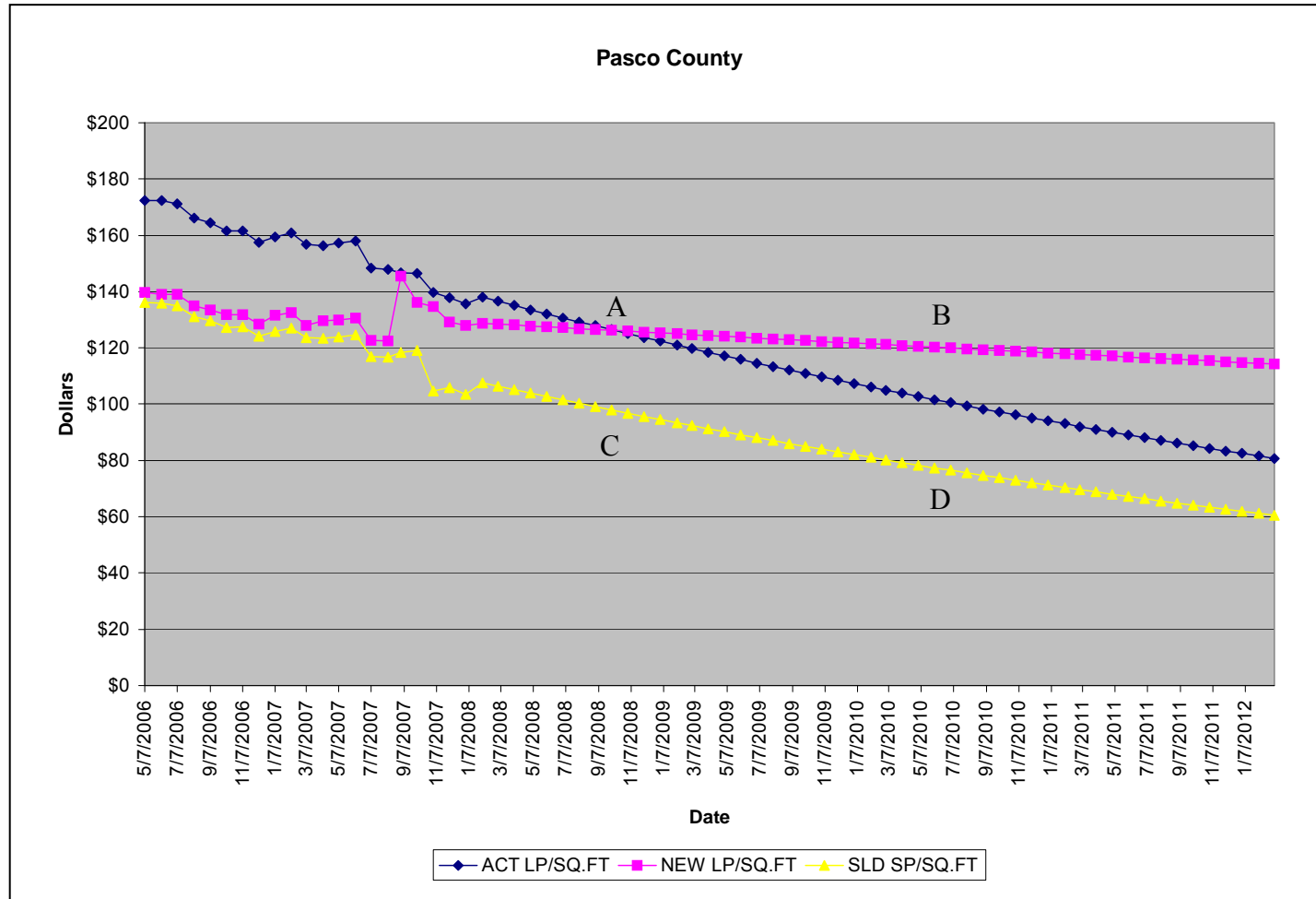
C. Average sales price per square foot for new listings will bottom out at **\$145/sq.ft** and will flat-line or begin to increase, depending on the rate of consumption of existing inventory and the population growth rate.

D. However, the **9+ month supply of existing inventory** will continue to sell at prices below \$145/sq.ft and will drag down the aggregate average sales price.

E. This trend will continue until inventory levels return to a healthier supply rate of 2-4 months of supply

# MarketTrack

## Pasco County



A. Average sales price per square foot – the truest measure of a property’s value – will continue to **fall until September 2008**.

B. After **September 2008**, new properties will enter the market at an average value that equals or is greater than the price of existing inventory.

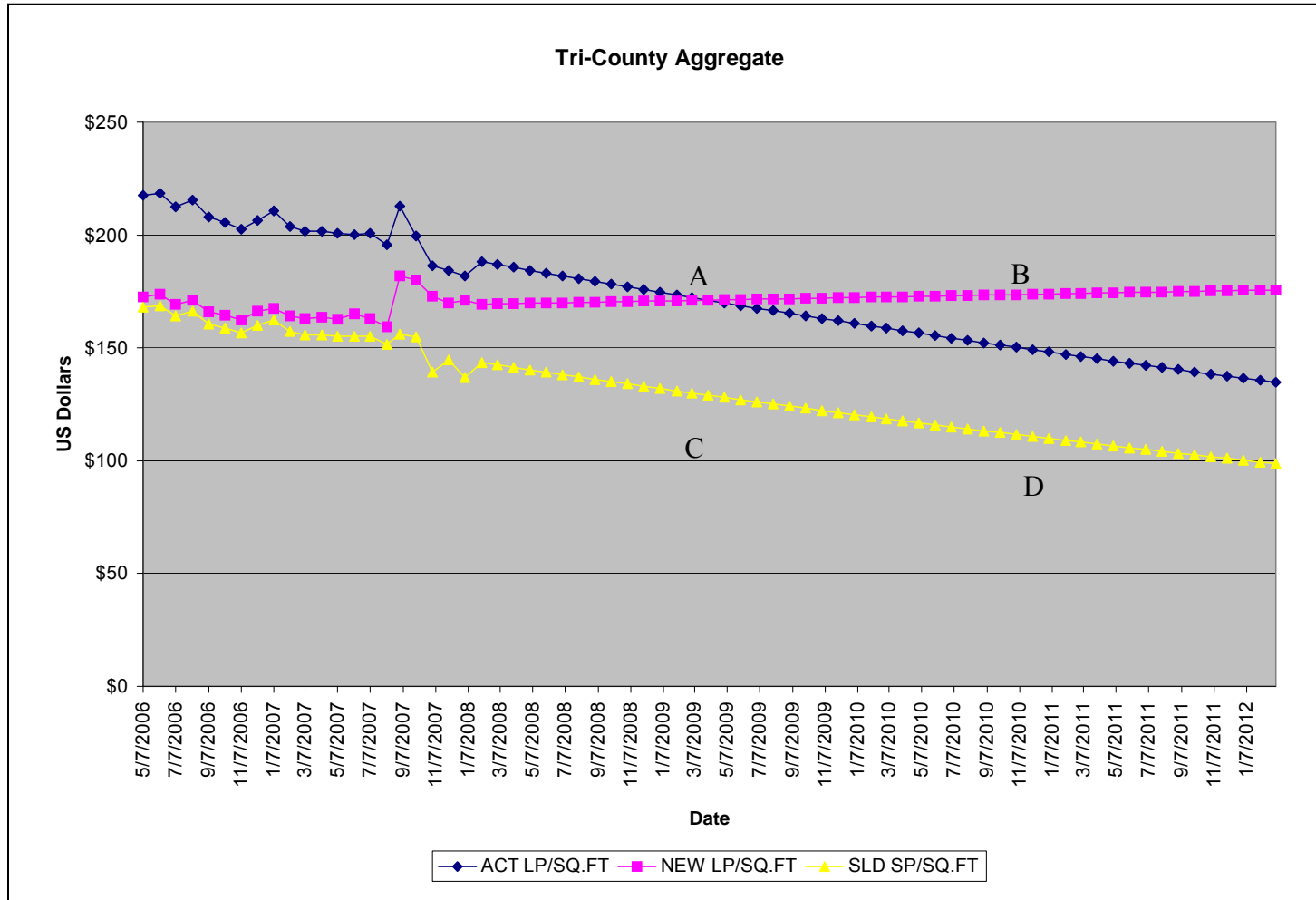
C. Average sales price per square foot for new listings will bottom out at **\$99/sq.ft** and will flat-line or begin to increase, depending on the rate of consumption of existing inventory and the population growth rate.

D. However, the **9+ month supply of existing inventory** will continue to sell at prices below \$99/sq.ft and will drag down the aggregate average sales price.

E. This trend will continue until inventory levels return to a healthier supply rate of 2-4 months of supply

# MarketTrack

## Tri-County Aggregate



A. Average sales price per square foot – the truest measure of a property’s value – will continue to **fall until March 2009.**

B. After **March 2009**, new properties will enter the market at an average value that equals or is greater than the price of existing inventory.

C. Average sales price per square foot for new listings will bottom out at **\$130/sq.ft** and will flat-line or begin to increase, depending on the rate of consumption of existing inventory and the population growth rate.

E. This trend will continue until inventory levels return to a healthier supply rate of 2-4 months of supply

D. However, the **9+ month supply of existing inventory** will continue to sell at prices below \$130/sq.ft and will drag down the aggregate average sales price.

# ZipData

## Residential Real Estate Report – January 2008

- *Zip codes without sales are excluded from the ZipData report.*
- *Data is sorted by zip code*
- *Zip codes are ranked by six comparative measures. Each measure is followed by a rank.*
  - *Average Active List Price Per Square Foot. The relative price of active listings*
  - *Average Days to Sale. The relative time required for listings to sell*
  - *Average Sold Price per Square Foot. The relative sales price on the open market*
  - *Negotiation Power. The percentage below list price for which a property sells*
  - *Market Reasonable Test. Percent difference between sales price and active list price*
  - *Market Strength. A revised indicator that takes into account the quantity and the price of sales to quantify market strength*
- *Individual ranks are combined to provide an overall rank for each zip code.*



# ZipData

## Hillsborough County

- Hillsborough zip codes are ranked 1-45
- Central and South Tampa continue to dominate the county marketplace and are tied for first-place in January rankings. These zip codes have a lasting ability to ask – and receive – top of the market prices. This keeps them on top of our rankings.
- Ybor City, Tampa Heights and Seminole Heights rank at the bottom of our January rankings. Distressed and REO sales are beating sales prices down in this part of the County, yet average list prices remain high. 33605 and 33604 are consummate Buyer's Markets.

Zip Code	Average ACT LP/sq.ft	Rank	Average Days to Sale	Rank	Average SP/sq.ft	Rank	Negotiation Power	Rank	Market Reasonable Rate	Rank	Market Strength	Rank	Overall Rank
33510	\$134	36	113	10	\$102	38	8%	40	76%	27	43	30	37
33511	\$134	37	107	7	\$126	16	4%	20	94%	6	53	7	7
33527	\$177	13	53	1	\$123	20	7%	36	69%	36	42	33	24
33534	\$138	33	192	37	\$97	40	4%	13	70%	34	37	42	40
33547	\$162	18	220	40	\$135	13	6%	30	83%	17	49	15	19
33549	\$216	9	75	2	\$114	29	8%	43	53%	44	37	41	35
33556	\$250	4	209	38	\$169	7	5%	24	68%	38	38	40	29
33558	\$160	19	258	42	\$114	30	11%	45	71%	32	41	35	44
33559	\$176	14	76	3	\$175	6	6%	28	100%	3	61	3	3
33563	\$126	43	175	34	\$108	35	5%	26	86%	13	53	5	32
33565	\$226	7	190	36	\$122	22	2%	6	54%	42	45	23	21
33566	\$136	34	139	24	\$112	31	4%	14	82%	18	51	10	18
33567	\$158	21	260	43	\$119	24	1%	2	75%	29	48	17	21
33569	\$129	41	123	17	\$108	34	4%	17	84%	16	53	8	19
33570	\$208	11	118	14	\$111	32	2%	9	54%	43	36	43	30
33572	\$198	12	150	27	\$139	12	6%	31	70%	35	40	36	31
33573	\$118	45	146	26	\$89	43	8%	41	76%	28	47	19	43
33584	\$136	35	124	19	\$109	33	4%	12	80%	22	46	21	26
33594	\$132	38	158	31	\$107	36	5%	27	81%	20	46	22	36
33598	\$172	16	177	35	\$154	8	3%	11	90%	9	87	1	5
33602	\$315	1	574	45	\$306	1	0%	1	97%	4	61	2	1
33603	\$153	24	116	11	\$117	26	1%	5	76%	26	43	31	15
33604	\$147	28	150	28	\$97	42	5%	25	66%	39	39	37	40
33605	\$142	30	316	44	\$79	45	6%	35	55%	40	35	44	45

# ZipData

## Hillsborough County

Zip Code	Average ACT LP/sq.ft	Rank	Average Days to Sale	Rank	Average SP/sq.ft	Rank	Negotiation Power	Rank	Market Reasonable Rate	Rank	Market Strength	Rank	Overall Rank
33606	\$292	2	216	39	\$271	2	10%	44	93%	7	50	13	12
33607	\$230	5	110	9	\$121	23	4%	18	53%	45	38	39	24
33609	\$229	6	124	18	\$228	3	4%	16	100%	2	52	9	1
33610	\$119	44	126	20	\$82	44	5%	22	69%	37	42	32	40
33611	\$211	10	164	32	\$184	5	7%	38	87%	12	48	16	13
33612	\$130	39	76	4	\$115	28	6%	32	89%	10	51	11	16
33613	\$148	27	246	41	\$154	9	5%	23	104%	1	57	4	10
33614	\$151	25	121	15	\$145	11	4%	15	96%	5	53	6	4
33615	\$153	23	116	12	\$123	18	1%	3	80%	21	44	27	9
33616	\$221	8	154	30	\$119	25	8%	39	54%	41	35	45	38
33617	\$128	42	108	8	\$101	39	3%	10	79%	23	45	24	27
33618	\$173	15	144	25	\$122	21	4%	19	70%	33	42	34	28
33619	\$130	40	97	5	\$97	41	5%	21	75%	30	44	26	34
33624	\$144	29	100	6	\$123	17	6%	29	85%	14	48	18	13
33625	\$149	26	118	13	\$134	14	2%	7	90%	8	51	12	5
33626	\$171	17	132	21	\$150	10	6%	33	88%	11	49	14	11
33629	\$261	3	166	33	\$201	4	8%	42	77%	25	43	29	21
33634	\$159	20	152	29	\$123	19	1%	4	77%	24	43	28	16
33635	\$154	22	121	16	\$129	15	2%	8	84%	15	44	25	8
33637	\$141	32	136	23	\$105	37	6%	34	75%	31	39	38	39
33647	\$141	31	133	22	\$116	27	7%	37	82%	19	46	20	32

# ZipData

## Pinellas County

- Pinellas zip codes are ranked 1-53
- Costal Pinellas County enclaves remain dominate in market strength.
- Markets with a 50% or lower Market Reasonable Rate represent the strongest Buyer Markets in the County. Homes in these zip codes sell for 50% of average active list price, on average.

Zip Code	Average ACT LP/sq.ft	Rank	Average Days to Sale	Rank	Average SP/sq.ft	Rank	Negotiation Power	Rank	Market Reasonable Rate	Rank	Market Strength	Rank	Overall Rank
33615	\$235	10	75	11	\$127	30	5%	5	54%	48	44	27	13
33647	\$125	49	80	13	\$91	45	1%	1	73%	32	116	1	17
33701	\$269	8	137	40	\$355	2	1%	2	132%	2	77	3	1
33702	\$168	25	57	4	\$133	22	7%	17	79%	24	45	23	7
33703	\$196	15	73	9	\$151	13	7%	20	77%	26	44	28	6
33704	\$267	9	59	5	\$176	11	5%	8	66%	41	41	34	5
33705	\$191	16	136	39	\$91	44	8%	26	48%	52	29	49	47
33706	\$395	4	118	32	\$261	6	10%	38	66%	40	38	40	31
33707	\$220	11	101	24	\$180	10	9%	34	82%	19	45	24	10
33708	\$331	5	170	47	\$291	5	15%	50	88%	10	47	17	15
33709	\$123	51	129	36	\$101	41	6%	13	82%	18	47	19	35
33710	\$160	31	80	14	\$123	34	6%	15	77%	27	43	30	26
33711	\$159	32	124	35	\$84	47	8%	27	53%	49	30	48	50
33712	\$130	47	82	16	\$62	52	8%	23	47%	53	29	50	51
33713	\$147	37	100	21	\$131	24	8%	28	89%	7	52	10	12
33714	\$131	46	97	20	\$105	40	7%	18	80%	21	50	12	30
33715	\$319	6	113	27	\$234	9	12%	44	73%	31	41	35	28
33716	\$186	18	65	6	\$121	35	4%	4	65%	42	36	42	23
33755	\$176	23	100	22	\$113	38	9%	37	64%	43	36	44	43
33756	\$198	14	184	49	\$138	17	12%	42	70%	37	40	37	41
33759	\$146	39	44	3	\$75	51	7%	21	52%	51	28	51	45
33760	\$149	36	23	1	\$138	18	12%	41	93%	5	49	14	7
33761	\$145	40	120	33	\$123	33	5%	11	85%	13	54	7	16
33762	\$166	27	207	51	\$135	21	13%	46	81%	20	48	16	36
33763	\$115	52	116	31	\$86	46	7%	19	75%	29	45	26	42
33764	\$206	12	140	43	\$113	37	5%	7	55%	47	32	46	38

# ZipData

## Pinellas County

Zip Code	Average ACT LP/sq.ft	Rank	Average Days to Sale	Rank	Average SP/sq.ft	Rank	Negotiation Power	Rank	Market Reasonable Rate	Rank	Market Strength	Rank	Overall Rank
33765	\$140	43	115	30	\$125	31	9%	35	89%	8	55	6	29
33767	\$455	1	137	41	\$327	3	14%	47	72%	33	37	41	32
33770	\$182	19	161	46	\$115	36	15%	49	63%	44	36	43	49
33771	\$140	42	92	19	\$97	43	5%	10	69%	38	41	33	37
33772	\$146	38	100	23	\$127	29	8%	29	87%	11	49	15	18
33773	\$152	34	110	26	\$128	28	6%	16	84%	16	45	25	18
33774	\$161	30	101	25	\$137	19	9%	36	85%	14	53	9	14
33776	\$177	22	87	18	\$261	7	11%	39	147%	1	76	4	4
33777	\$162	29	86	17	\$129	26	8%	30	79%	23	46	20	18
33778	\$156	33	81	15	\$80	50	14%	48	52%	50	31	47	52
33781	\$140	44	140	42	\$82	49	7%	22	59%	46	35	45	53
33782	\$141	41	79	12	\$98	42	12%	43	70%	36	39	39	44
33785	\$409	3	148	44	\$411	1	8%	24	100%	4	53	8	2
33786	\$446	2	156	45	\$313	4	15%	51	70%	35	39	38	34
34655	\$124	50	113	28	\$108	39	6%	14	87%	12	0	52	40
34660	\$128	48	198	50	\$159	12	17%	52	124%	3	0	52	46
34677	\$167	26	132	38	\$130	25	4%	3	78%	25	43	29	22
34681	\$271	7	285	53	\$247	8	29%	53	91%	6	46	22	24
34683	\$176	24	131	37	\$147	15	9%	33	84%	15	46	21	18
34684	\$151	35	123	34	\$124	32	9%	32	82%	17	47	18	33
34685	\$164	28	114	29	\$145	16	8%	31	88%	9	50	13	11
34688	\$199	13	73	8	\$136	20	5%	6	68%	39	42	31	9
34689	\$178	21	177	48	\$133	23	11%	40	75%	30	41	32	39
34690	\$134	45	31	2	\$83	48	5%	9	62%	45	81	2	26
34691	\$75	53	259	52	\$57	53	12%	45	76%	28	63	5	48
34695	\$189	17	74	10	\$150	14	6%	12	79%	22	50	11	3
34698	\$180	20	66	7	\$128	27	8%	25	71%	34	41	36	24

# ZipData

## Pasco County

- Pasco zip codes are ranked 1-23
- Dade City is a city with two personalities – on the low end, there's South Dade City ranking 19<sup>th</sup> out of 23. At the high end there's 33523 raking 1<sup>st</sup>. This illustrates how a region's ability to achieve its asking price impacts overall strength.
- Port Richey/New Port Richey is at the bottom of the Pasco County rankings. This is driven in part by the prevalence of old homes and high foreclosure rates in the City.

Zip Code	Average ACT LP/sq.ft	Rank	Average Days to Sale	Rank	Average SP/sq.ft	Rank	Negotiation Power	Rank	Market Reasonable Rate	Rank	Market Strength	Rank	Overall Rank
33523	\$183	2	144	18	\$144	6	2%	2	94%	4	61	2	1
33525	\$202	1	138	16	\$138	7	8%	19	52%	23	35	22	19
33540	\$139	8	36	1	\$36	23	1%	1	52%	22	32	23	13
33541	\$129	13	114	5	\$114	19	5%	9	85%	10	48	11	10
33542	\$117	18	132	13	\$132	11	4%	8	75%	15	43	16	15
33543	\$132	12	151	19	\$151	5	3%	4	88%	6	55	4	3
33544	\$129	14	138	16	\$138	7	6%	11	87%	8	49	8	9
33549	\$136	10	214	23	\$214	1	8%	18	103%	1	56	3	4
33559	\$128	15	137	15	\$137	9	6%	15	92%	5	71	1	6
33576	\$150	6	128	11	\$128	13	6%	12	73%	16	48	10	11
34608	\$108	23	153	20	\$153	4	6%	13	87%	7	53	7	12
34637	\$153	5	164	21	\$164	3	13%	23	95%	3	53	6	7
34638	\$133	11	180	22	\$180	2	3%	6	97%	2	54	5	2
34639	\$143	7	122	8	\$122	16	2%	3	83%	11	47	12	5
34652	\$158	3	131	12	\$131	12	11%	21	71%	17	40	18	17
34653	\$112	19	127	10	\$127	14	6%	14	80%	13	45	13	17
34654	\$121	17	105	4	\$105	20	7%	16	70%	18	39	19	22
34655	\$139	9	120	7	\$120	17	5%	10	86%	9	48	9	7
34667	\$154	4	116	6	\$116	18	12%	22	56%	21	35	21	21
34668	\$110	21	99	3	\$99	21	8%	20	65%	20	39	20	23
34669	\$124	16	69	2	\$69	22	3%	5	70%	19	41	17	15
34690	\$110	20	135	14	\$135	10	3%	7	82%	12	44	15	13
34691	\$109	22	125	9	\$125	15	7%	17	76%	14	44	14	20



# ClosingRemarks

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Residential Real Estate Report – January 2008

Real Estate Done Right



# ClosingRemarks

- **Market conditions Deteriorated from December to January**

- The low volume of sales activity in the midst of a continual decline in active list prices indicates that buyers are staying out of the market until they are sure that market conditions have reached rock-bottom.

- **Pinellas County Shows Strength**

- Pinellas County is benefiting from the reduced rate of development over the last 4 years and is showing signs of early strength.

- **Pasco County Shows Stability**

- Pasco County has lost much of its downward momentum and is starting to bottom out. Several markets in Pasco County have reached rock-bottom prices for average sold price per square foot.

- **Hillsborough County Shows Large Decline**

- Hillsborough County saw an increase in its rate of decline in January with Sold Prices per Square Foot dropping 15.3% from December.

