

Oceanside Homes Market Activity in 2008

Oceanside Homes – Q2 2008 Sales and Current Listings

| Address | Bedrooms | Bathrooms | Year Built | Date Sold | List Price | Sales Price |
|---------------------|----------|-----------|------------|-----------|-------------|-------------|
| 7 Green Heron | 6 | 5.5 | 2007 | 5/23/2008 | \$2,549,000 | \$2,350,000 |
| 24 Black Skimmer | 5 | 4.5 | 1999 | 5/23/2008 | \$5,195,000 | \$4,800,000 |
| 8 Spotted Sandpiper | 4 | 3 | 1961 | 5/30/2008 | \$1,475,000 | \$1,385,000 |

| Address | Bed/Bath | Year Built | List Price | Address | Bed/Bath | Year Built | List Price |
|---------------------|----------|------------|-------------|--------------------|----------|------------|-------------|
| 8 Laughing Gull | 3/3 | 1985 | \$1,295,000 | 17 Oyster Catcher | 4/4 | 1985 | \$2,399,000 |
| 16 Canvasback | 3/2 | 1972 | \$1,325,000 | 12 W Beach Lagoon | 3/3.5 | 1971 | \$2,495,000 |
| 2 Green Heron | 4/3.5 | 1973 | \$1,429,000 | 9 W Beach Lagoon | 3/3.5 | 1978 | \$2,500,000 |
| 10 Oyster Catcher | 4/3.5 | 1972 | \$1,495,000 | 1 Surf Scoter | 4/5.5 | 1989 | \$2,999,000 |
| 10 Ruddy Turnstone | 4/5 | 1965 | \$1,499,000 | 19 Atlantic Pointe | 5/5.5 | 1988 | \$3,250,000 |
| 1 Sandhill Crane | 4/4.5 | 1991 | \$1,565,000 | 15 Green Heron | 6/6.5 | 2007 | \$3,495,000 |
| 8 Black Skimmer | 6/6.5 | 1973 | \$1,585,000 | 10 Beach Lagoon | 5/6.5 | 2007 | \$3,995,000 |
| 7 Whistling Swan | 4/4 | 1981 | \$1,590,000 | 22 E Beach Lagoon | 5/5 | 1973 | \$4,775,000 |
| 14 Canvasback | 4/4 | 1988 | \$1,595,000 | | | | |
| 3 Duck Hawk | 4/4.5 | 1990 | \$1,695,000 | 8 E Beach Lagoon | 5/5 | 1967 | \$4,990,000 |
| 3 Spotted Sandpiper | 4/4 | 1986 | \$1,695,000 | 2 E Beach Lagoon | 5/5 | 1962 | \$4,990,000 |
| 16 Oyster Catcher | 4/4 | 1970 | \$1,695,000 | 36 E Beach Lagoon | 4/5 | 1968 | \$5,250,000 |
| 1 Duck Hawk | 4/4 | 1983 | \$1,699,999 | 206 N Sea Pines Dr | 7/8.5 | 2006 | \$5,350,000 |
| 25 Baynard Cove | 4/3.5 | 1993 | \$1,795,000 | 9 S Beach Lagoon | 4/3 | 1964 | \$5,602,500 |
| 8 Surf Scoter | 5/4 | 1979 | \$1,795,000 | 19 Red Cardinal | 5/4.5 | 1985 | \$6,499,000 |
| 167 N Sea Pines Dr | 4/4.5 | 1961 | \$1,799,000 | 43 S Beach Lagoon | 5/5.5 | 1997 | \$9,000,000 |
| 121 N Sea Pines Dr | 5/5.5 | 2003 | \$1,975,000 | | | | |
| 11 Sandhill Crane | 6/6 | 2001 | \$2,049,000 | | | | |

This information is derived from Hilton Head MLS electronic data and is believed to be accurate, but not guaranteed.

Bob Clark & Associates Analysis

COMMENTS ON 2008 ACTIVITY

Currently, 31 homes are for sales in the Oceanside area of Sea Pines (starting at the Ocean Gate and moving along Sea Pines Drive to South Beach Lane). In the second quarter of 2008, 3 homes sold, as compared to 6 in Q2 2007, and 8 in Q2 2006.

The Sea Pines market so far in 2008 has seen 73 transactions versus 72 in 2007. The average sale price, as well as the total dollar sales, are off, due primarily to 6 oceanfront sales in 2007 as compared to only 1 in 2008, accounting for over \$26 million in reduced sales.

The 2008 market also continues to shift from the Oceanside area to the interior plantation areas, again contributing to lower total sales volume so far in 2008. This movement seems to be fueled by buyers looking for retirement and second homes, as opposed to investors primarily looking for maximum rental potential.

Buyer inquiries this year have significantly increased for properties priced below \$1.5 million.

Investor-driven prospects for near-ocean properties have become more rare. With the relatively flat four year performance of the S&P 500, you would think that the future appreciation potential for our homes would make investors move to a great investment that they can use and enjoy.

In summary, home Buyer inquiries remain relatively strong, particularly in light of the economic reports and real estate conditions nationally. The willingness to actually buy has been strongest among those looking for a second or retirement home.

Our investment in internet advertising and positioning, coupled with our aggressive mail and print media advertising campaigns continue to generate many Buyer inquiries. Contact us to see how you can take full advantage of our marketing efforts.