

South Beach Villa Market Activity in 2007

South Beach Villa 2007 Sales Activity and Current Listings

| Villa Complex | Active Listings -28 | Sold in 2007 -22 | Selling Price Range in 2007 |
|-------------------------|---------------------|------------------|-----------------------------|
| Beachside Villas | | | |
| 4 bedroom | 1 | 2 | \$1,180,000 - \$1,350,000 |
| Beachside Tennis Villas | | | |
| 1 bedroom | 1 | 7 | \$880,000 - \$1,210,000 |
| 2 bedroom | 5 | | |
| Bluff Villas | | | |
| 1 bedroom | 4 | 1 | \$390,000 |
| 2 bedroom | 4 | 5 | \$460,000 - \$520,000 |
| 3 bedroom | 1 | 0 | |
| Lagoon Villas | | | |
| 2 bedroom | 1 | 0 | |
| Lands End | | | |
| 3 bedroom | 3 | 3 | \$950,000 - \$1,425,000 |
| 4 bedroom | 1 | 0 | |
| Port Villas | | | |
| 2 bedroom | 1 | 2 | \$553,000 - \$555,000 |
| 3 bedroom | 0 | 1 | \$670,000 |
| South Beach Club | | | |
| 3 bedroom | 3 | 0 | |
| 4 bedroom | 2 | 0 | |
| 5 bedroom | 1 | 0 | |
| Sound Villas | | | |
| 3 bedroom | 0 | 1 | \$1,895,000 |

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 2007 ACTIVITY

Currently, 23 villas are for sale in the south end of Sea Pines (starting at the intersection of South Beach Lane and Sea Pines Drive and going to the end of the island). There were 17 units sold in 2007, 16 in 2006; off from a high of 39 units sold in 2005. If the 2007 sales rate continues, the current inventory level represents a little over a one year supply.

We compared the price paid for properties of similar type and condition in 2007 versus prior years and found that in most Sea Pines neighborhoods, selling prices were relatively constant in 2007 versus 2006, and even modestly increased in some cases. That said, selling prices were less than the prices produced by the overheated 2004-5 market, ranging from marginal differences to over 10% in some cases.

The market does present opportunities for Buyers and Sellers, though, and particularly for Sellers who are thinking about "moving up" - buying larger and/or newer properties. They are selling their current property at today's somewhat reduced prices and at the same time buying the new property at today's lower prices as well. The "savings" on the new property can more than compensate for any reduction in proceeds from the sale of their current property.

Homes that are properly priced to the market have been selling well and we believe that will continue into 2008. The sales process will continue to take longer than it did in the 2004 and 2005 markets, but with proper pricing, and the appropriate marketing, a property will sell.

Please contact us to learn more about the value of your home in today's market, and how we would propose to market your property for maximum exposure and results.

www.WeSellSeaPines.com