



LEE, COLLIER & CHARLOTTE COUNTIES

MARKET TRENDS 2011



Quarter 3, 2011

POPULATION, DEMOGRAPHICS, RESIDENTIAL
BUILDING PERMITS & COMMUNITY STATISTICS

PREPARED BY
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Randy E. Thibaut
President and CEO

Welcome



Welcome to the Land Solutions Third Quarter 2011 Market Trends report. We are pleased to offer this fourth edition electronically to our subscribers through our new website, where you can access quarterly reports, anytime and anywhere! We are offering our paid subscription service for just \$100 per quarter. Nowhere in southwest Florida can you receive such a comprehensive collection of factual data and statistics for such a low price! Whether you are a new subscriber, or a regular recipient of Market Trends, you can visit our website at www.landsolutions.net to get the latest information on the new home building industry.

The third quarter of 2011 continues to present positive trends with all the sectors of the Southwest Florida residential home building market. In the second quarter, Together with Doug Meschko, we forecasted that total new home single and multi family permit activity in Lee, Collier and Charlotte counties would reach approximately 3,800 permits at year end. If all goes well, we will come close to hitting it! Although this doesn't bring sustainability to our market, it gives us the confidence that we are headed in a positive direction.

In preparation for this quarter's Market Trends, I spoke with several national, regional and local builders about their thoughts of the market and their company's performance levels year-to-date. They also shared with me how they felt about the 2011-2012 selling season. It was unanimous...they all felt cautiously optimistic, but the jury is still out as to how the year will end up for builders. Proof of their enthusiasm is clearly evident, as new model activity gets into high gear and the once stalled projects begin to see new signs of life. Lennar, Pulte/Centex, Taylor Morrison, GL Homes, WCI Communities, DR Horton, Stock Development, Harbourside Homes, and many others are all positioned to take advantage of ready, willing and able consumers seeking a great buy in the southwest Florida market. The small and regional builders who survived the downturn of the market have recapitalized or repositioned with new equity and are seeking out opportunities that the national builders do not have the capacity to handle. This is the first time in over six years that we are seeing this level of activity and interest for builders considering re-entry into the market.



Doug Meschko
Director of Research

Third quarter land purchases and vacant developed lot inventories slowed, as many key pieces that were available at distressed prices had already been spoken for. Several lender's distressed assets had not yet hit the market, since they experienced little to no pressure to take hits to their pricing. We expect that the fourth quarter will be positive for land transactions as lenders and builders with remaining inventory on their books, attempt to sell off assets before year end.

As foreclosure pricing gets closer to the per-square-foot price of new homes, we expect many buyers this season to make the choice to build and take advantage of new technologies, warranties and attractive financing that competing foreclosures and resales can't offer.

Early cold weather across the country has brought tourists to southwest Florida early, interest rates remain low, and airport traffic is up - all the ingredients for what could be a very busy season.

As our industry comes out of hibernation and the new home building market begins to heat up, now is the best time to get accurate and up-to-date information on the market. Lenders, builders, private equity firms, and developers are now seeking statistics to validate new purchases and development. The Land Solutions Market Research department provides lenders, investors, builders and developers with a variety of custom real estate market research and reporting. Please consider Land Solutions to provide your organization with Market Studies, Valuation Services, Litigation Support, Target Market Analysis, and Feasibility Studies.

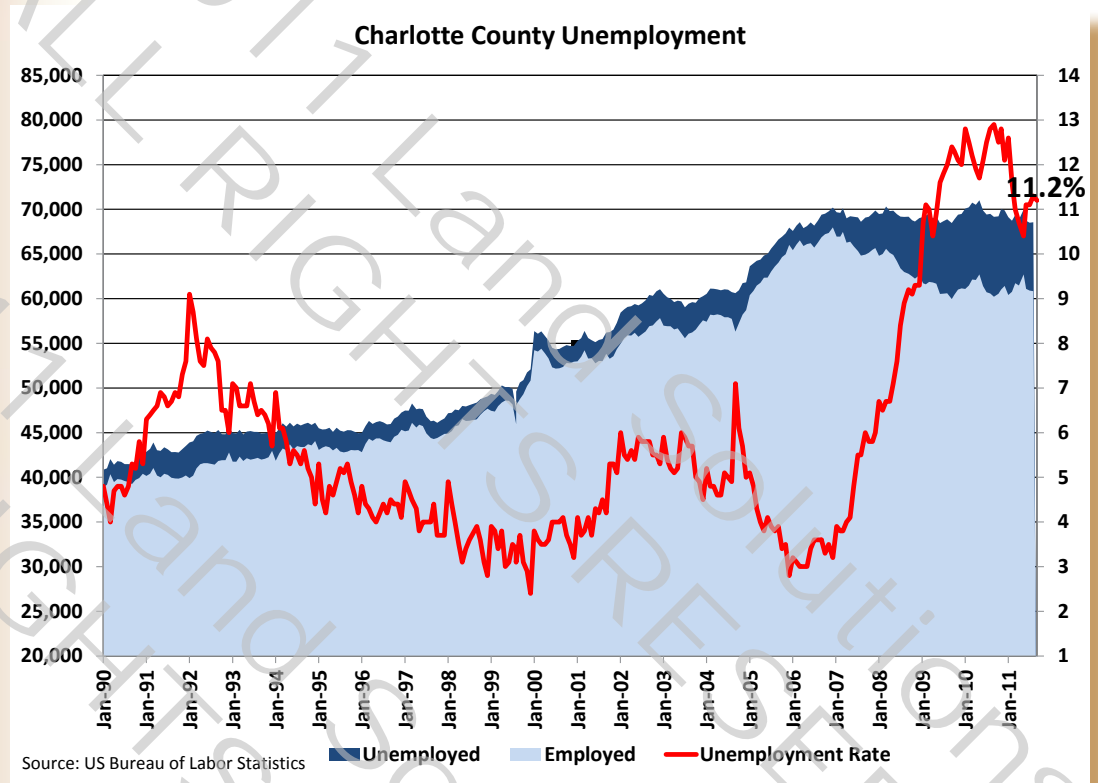


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Charlotte County Employment

As of September 2011, Charlotte County was experiencing an unemployment rate of 11.2%; down from 12.9% in September 2010.



The following chart indicates the largest employers within Charlotte County.

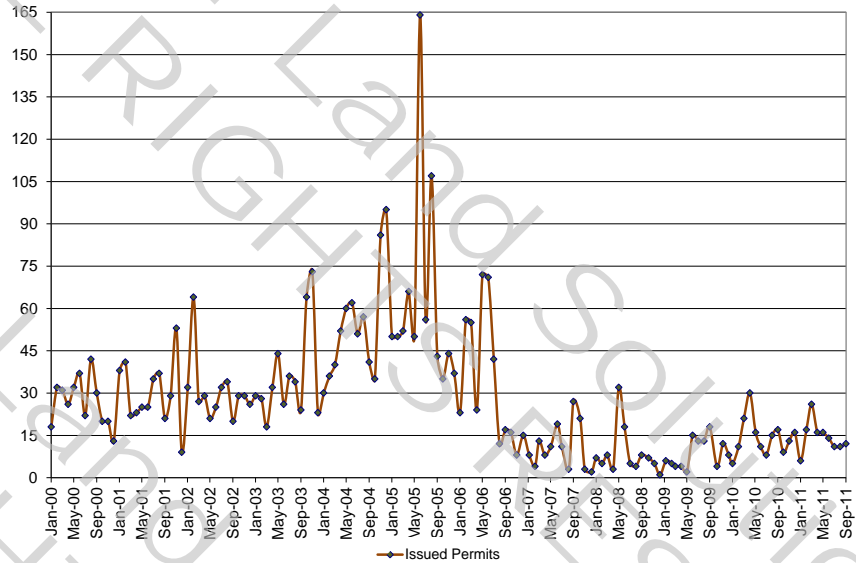
Charlotte County			
Rank	Company	Industry	Employees
1	Wal-mart	Retail	1,525
2	Publix Supermarket	Grocer	1,405
3	Fawcett Memorial Hospital	Healthcare	865
4	Port Charlotte HMA	Healthcare	750
5	Punta Gorda HMA	Healthcare	680
6	Home Depot	Retail	500
7	Winn-Dixie	Grocer	424
8	Charlotte County School Board	Education	260
9	Palm Chevrolet - Oldsmobile	Retail	230
10	Punta Gorda Associates	Healthcare	230

Source: Charlotte County Economic Development Office

Bonita Springs Submarket

Single family permit figures for Bonita Springs were included in Lee County Unincorporated figures up until June, 2008. Beginning July, 2008, Bonita Springs started to report their figures separately. The City of Bonita Springs issued a total of 167 single family home permits over the past twelve months ending on 9/30/2011. This was a 5.7% increase from the preceding twelve months.

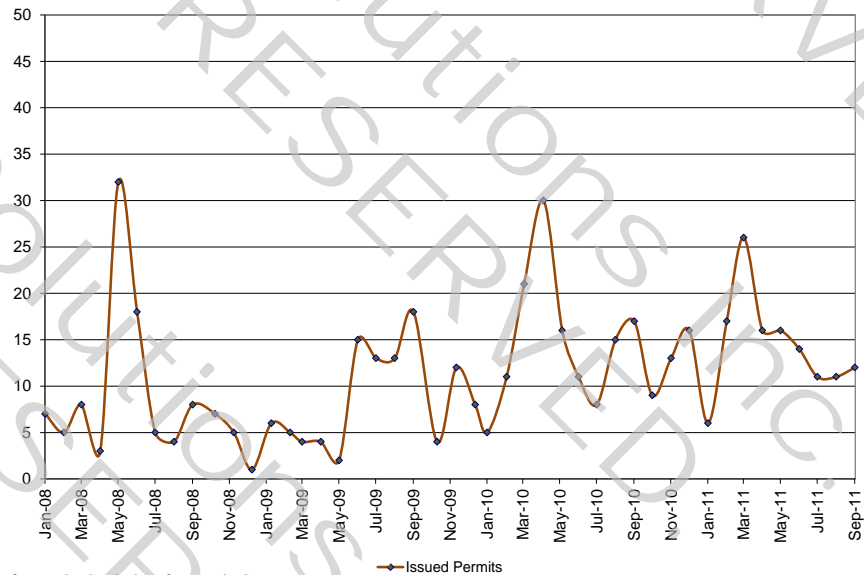
Bonita Single Family Detached Issued Permits Per Month



Source: Bonita Springs Community Dev.

The following chart shows new single-family detached home permits issued per month in Bonita Springs beginning with January, 2008.

Bonita Single Family Detached Issued Permits Per Month



Source: Bonita Springs Community Dev.

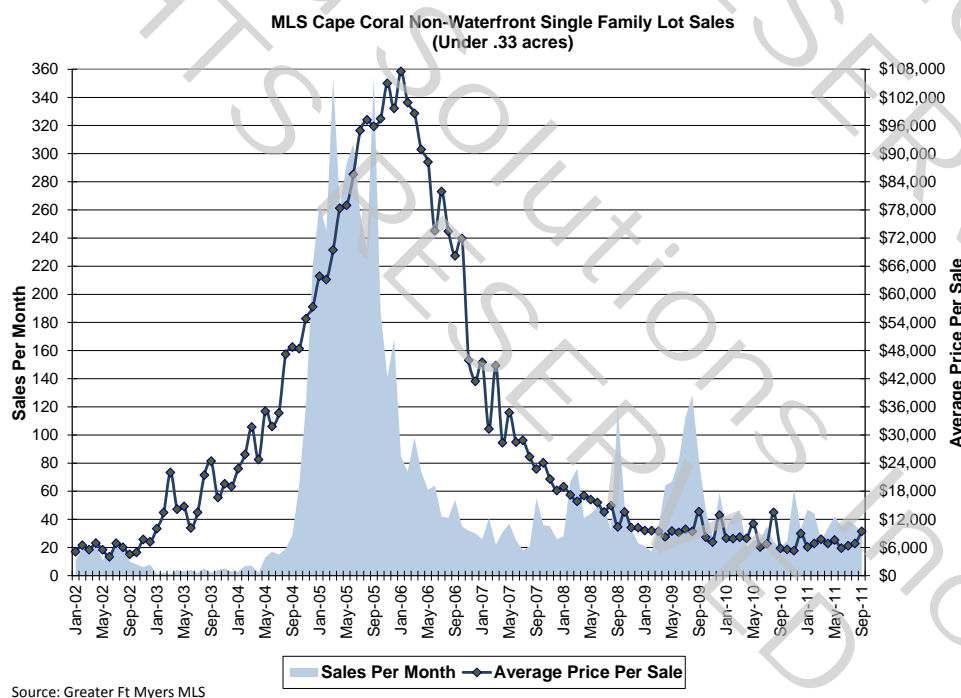
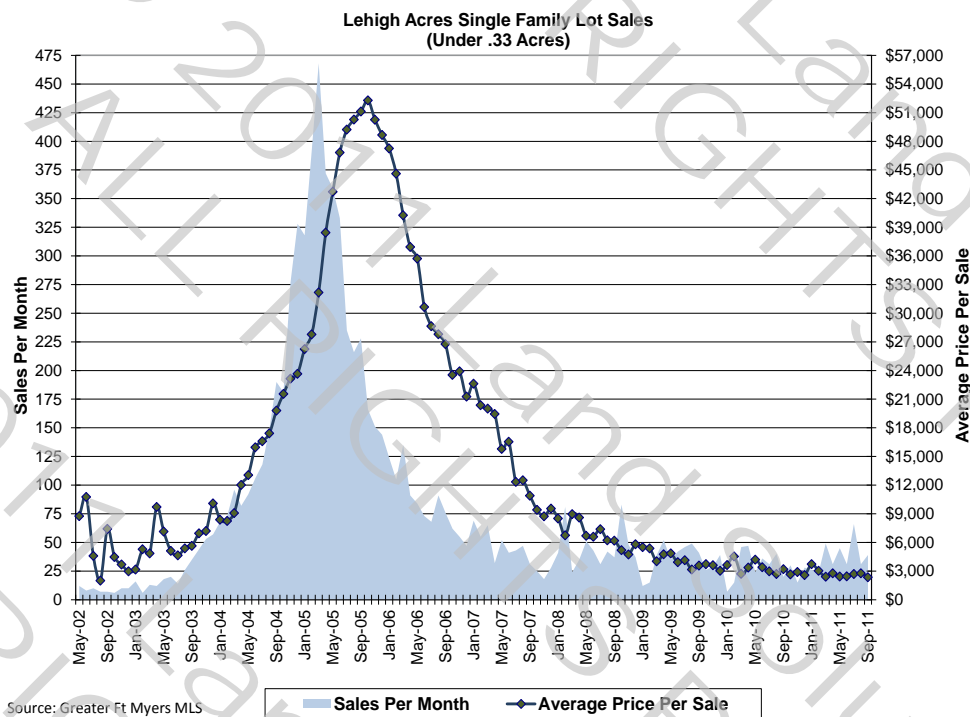
The top communities measured by single family detached permit issuance in the City of Bonita Springs over the past twelve months ending on 9/30/2011 are as follows:

Rank	Community	SF Permits
1	Village Walk	96
2	Hawthorne	31
3	Palmira	10
4	Quail West	9
5	Mediterra	5

Cape Coral and Lehigh Acres Lot Sales Trends



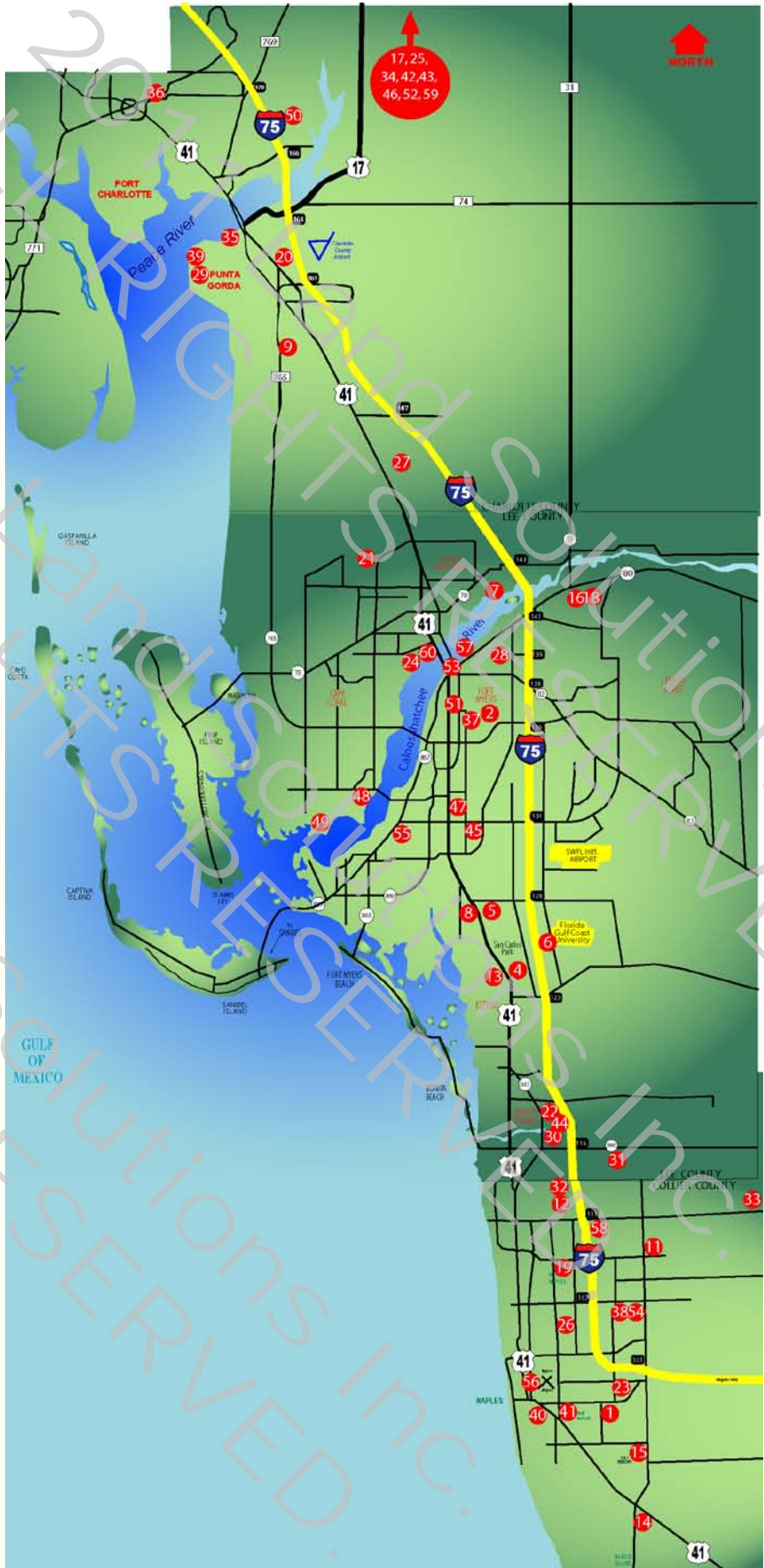
The severely depressed new home market in Lehigh Acres and Cape Coral, indicated in the previous section, have led to massive declines in single family lot prices in those markets. The average selling price for a lot in Lehigh Acres or Cape Coral has fallen 92%-95% from its peak. Through the first nine months of 2011, lots were selling on average for around \$6,964 in Cape Coral and \$2,668 in Lehigh Acres. The following charts indicate average lot trends in those markets.



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Notable Transactions Map

Q3 - 2011 Market Trends



Lee County			
#	Road Projects	Start Date	Estimated Completion Date
1	Replacement of Matlacha Bridge	October 2010	October 2012
2	Four-laning of Six Mile Cypress Pkwy from Daniels Pkwy to south of Winkler Road	October 2010	December 2011
3	Six-laning Daniels Pkwy from Chamberlin Pkwy to Gateway Blvd		February 2012
4	Metro Pkwy Extension from Six Mile Cypress to US 41		July 2012
5	Six-laning of Bonita Beach Road from Old 41 east to Lime Street	August 2011	February 2013
6	Six-laning of I-75 from Colonial Blvd to Lockett Road	August 2009	September 2011
7	Six-laning of US 41 from Corkscrew Road north to San Carlos Blvd	August 2011	August 2013
Infrastructure & Public Works			
8	New Veterans Hospital at Diplomat Pkwy and Corbett Road	January 2010	August 2012



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