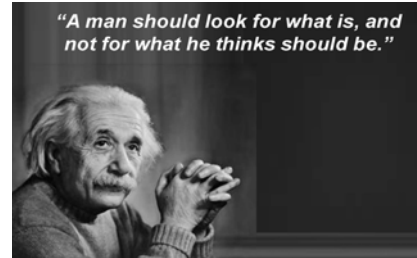


January 2010

Dear valued clients:

As broker/owner of Balistreri Realty, I am writing first to extend our best wishes for a blessed and happy 2010. While we have many challenges to face as a nation and as a community – we also have many blessings for which to be thankful.

On the business side, I am writing to share with you a current, clear and concise market report. While we hope things will be better, we must make our decisions based upon the way things are and what can be best projected for the future. My primary focus is to see that your property is sold in the next 120 days for the most money. Locally, month in and month out, over 70% of the properties sell with a market time of 120 days or less. If your property has been on the market for more than 120 days – we need to seriously visit the pricing and market activity. To wait and “test the market” almost guarantees a lower sales price and fewer dollars in your pocket.



Inventory in South Florida has significantly declined over the last 24 months and yet we still have 10 to 12 months worth of active properties – if no new listings are added. According to historic trends,

Inventory vs. Price

Months Supply	Pricing
1-2	Double digit appreciation
3-4	Single digit appreciation
5-6	The Norm
7-8	Single digit depreciation
9+	Double digit depreciation

markets with more than 9 months supply experience double digit depreciation and we are at 10+ months of supply. The bigger issue we face is the mountain of foreclosed properties that the banks have held (numbering seven (7) million units across the US) that will be released to market starting in the first half of 2010 pushing prices lower.

src: KeepingCurrentMatters.com 01/10

Fortune Magazine

“The chief economist of Moody's Economy.com, Mark Zandi has some sobering predictions: Home prices are going to fall 5% to 10% more -- and over 30% in places like Miami -- between now and this time next year. Then they might start turning around. (Emphasis on "might.")

Zandi estimates that 2.4 million homes will find their way into foreclosure next year. He expects banks to start putting those properties on the market more aggressively during the first half of the year, resulting in a flood of cut-rate inventory that will drag prices down.”



Source: KeepingCurrentMatters.com 01/10

Fortune Magazine 12/09

This problem continues and may be growing. According to the Federal Reserve Bank of New York's latest numbers, Palm Beach and Broward Counties have a 90 day Mortgage Delinquency Rate of 13.9% and 16.25% respectively.

(<http://data.NewYorkFed.org/CreditCnditions/>) Furthermore, according to Amherst Securities Group, 99% of those delinquent mortgages will end up in foreclosure with the highest default rate now in mortgages over \$1,000,000.

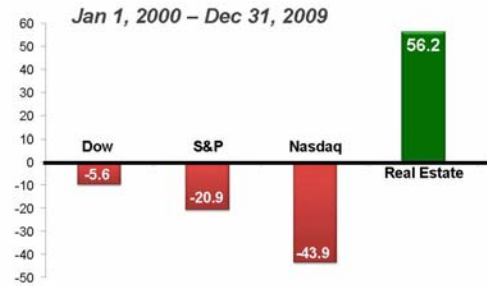
The point isn't to get alarmed and overreact but to be sure that your property is priced

correctly today so that it gets sold. If you want to sell – waiting is not the right strategy. Moody's chief economist, Mark Zandi, states prices are going to fall by over 30% in Miami in 2010 – and that's not far from home. **Wells Fargo's chief economist, John Silva, was quoted as saying the housing price will decline another 10% in 2010 and the real estate market will continue to weaken.** The Wall Street Journal reported on November 24, 2009 that one in four borrowers is “under water” in this country and 45% are under water in Florida.

While some are hopeful that the Federal government's *Making Home Affordable Program* for loan modification would help – the numbers show that of the 3,000,000 people that requested help only 31,000 received permanent modifications. In short – the program is doing little to stabilize homeownership.

Real estate continues to be one of the best long term investments out performing the Dow, S&P and the Nasdaq over the past 10 years. We encourage people to buy now before interest rates spike and spike quickly. However, if you need to or really want to sell, you should sell now too and maximize the dollars in your pocket.

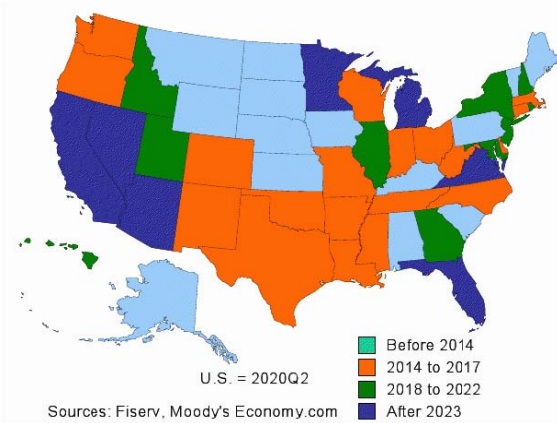
Return on Investment



Source: KeepingCurrentMatters.com 01/10

MSN Money.com, Case Shiller

When will prices rebound to recent peak?



Source: KeepingCurrentMatters.com 12/09

According to Fiserv and Moody's Economy.com, Florida's prices will not rebound to the peak until sometime after 2023. Again, real estate is and has always been an excellent long term play and a great hedge against inflation.

In closing, over the next couple of weeks, I have asked our agents and sales managers to reach out to you via phone or in person to be sure we clearly understand your objective in having your property listed for sale. I have asked them to

review the current market days for your property and to recommend a pricing strategy that will cause your property to sell within the next 120 days. While no one can guarantee a sale – we want to be sure that your property has the best possible opportunity to be sold.

Most sincerely,

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PS – Should you be facing a short sale or other financial difficulty with your property, please inform your listing agent or contact me directly. Our short sale department will be able to assist you with this matter.