



Prudential

Prudential Waterfront Properties

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Smith Mountain Lake II Quarter 2011 Update

July 1, 2011

Hello from beautiful Smith Mountain Lake! The first half of 2011 has quickly passed and we are entering into the busy summer season of activities on and around the Lake. The early summer weather has been somewhat warmer than normal, but good rainfalls have helped keep the lake essentially full and green grass growing in lawns. Franklin County's real estate tax re-assessment process continues and we have now heard that new assessments will be published in early September, just before our next report. Forecasts are that Franklin County waterfront property owners may see their average property tax assessments reduced 20-30% lower than current values. Bedford County's average tax assessment values last year were ~17% below their previous levels. Many had hoped that Franklin County's assessments would be reduced about the same as Bedford County's but it appears the values could be lower. Tax assessors use comparable recent sales as one factor to adjust property values. Continued low sales prices coupled with slow sales volume may result in assessors reducing their assessment value. Normally, lower tax assessments would be considered good, but in current economic conditions, it can undermine real estate values, confidence and net worth. Once the new assessments are released, it will be interesting to see what the impact of the new assessments may have on our real estate market.

The current real estate market **remains flat with little significant improvement or decline.** It continues to be a difficult time for sellers due to limited showing activity, very few real buyers, lending challenges and uncertain economic conditions. Buyer interest and traffic is spotty while inventories continue to grow for waterfront property in all market segments. Many believe that there is additional, potential inventory that may be poised to enter the market once sales volumes and prices begin to improve. As we have said repeatedly in our recent reports, **we are in a Buyers Market and waterfront real estate is one of the best investment choices available today!** The attached recent article from the National Association of Realtors is a positive indication that on a national scale, homes sales may be beginning to see some improvement.

The attachments summarize the **Smith Mountain Lake** real estate market since 2001 with updated data to reflect II Quarter of 2011. The overall sales chart shows the dramatic sales volume reductions in waterfront property we have seen in recent years. Buyers continue to focus on properties in the lower priced ranges in every market segment although we have seen a slight increase in average selling prices in all market segments during the II Quarter of 2011. Now is the time to consider investing in a waterfront property. Contact **Eric or Tom** to help you evaluate what property may be right for you. You can obtain valuable information from our website at **TEAMFANSLER.com**. We work to provide unmatched service to all our clients through high integrity, flexibility, knowledge, professionalism and client loyalty. We look forward to working with you on all your **Smith Mountain Lake Real Estate** needs.

Have a Wonderful Summer!

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Fine Homes Specialists

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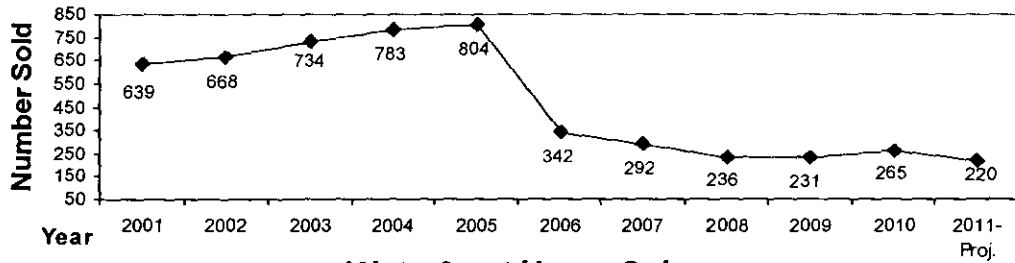


Smith Mountain Lake Real Estate Data

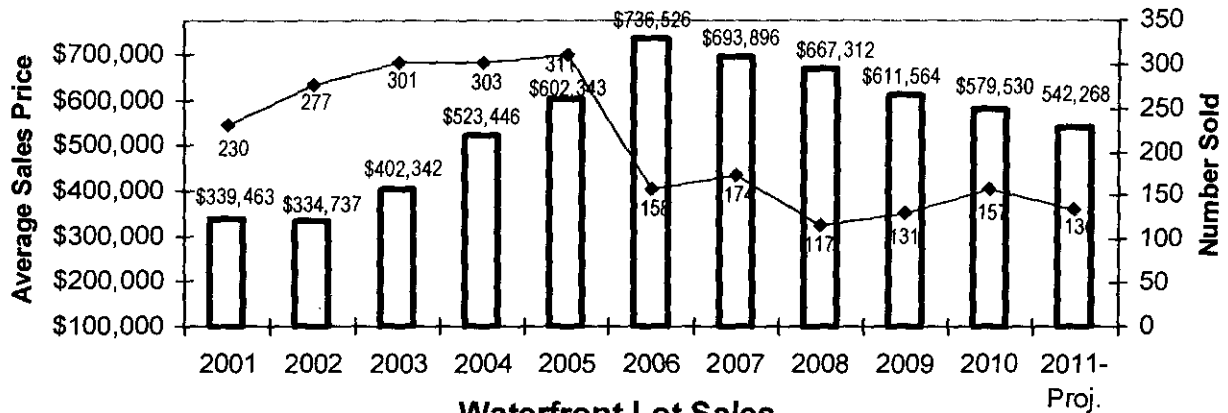
Prepared by TEAMFANSLER.com

June 30, 2011

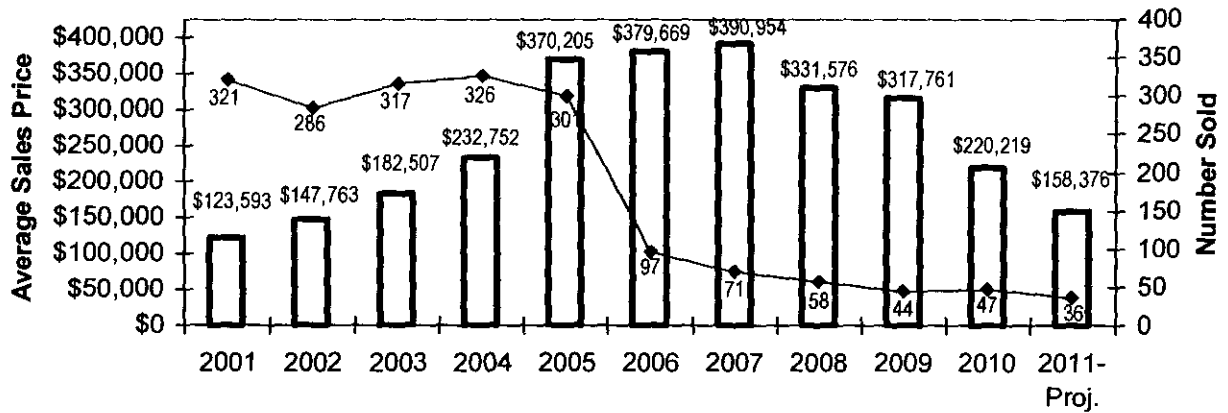
Total Waterfront Properties Sold



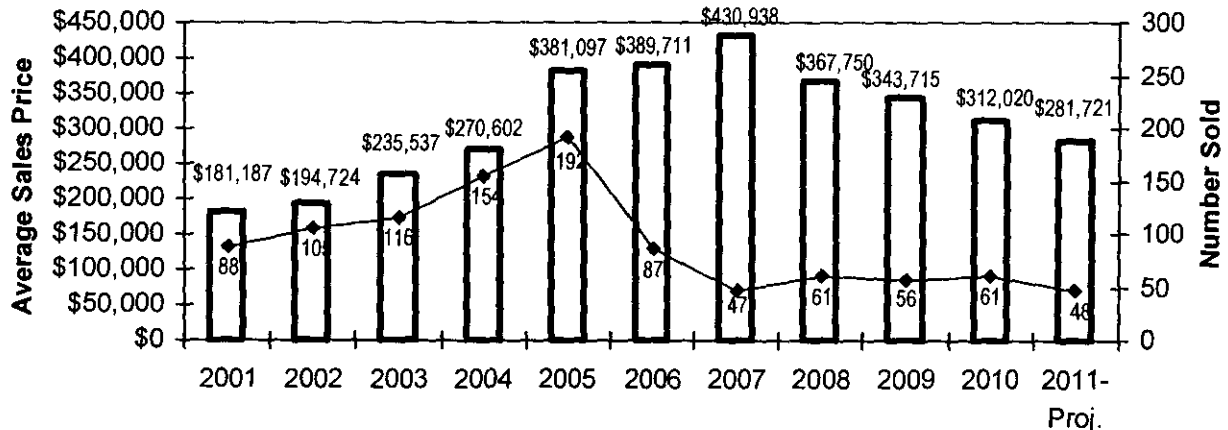
Waterfront Home Sales



Waterfront Lot Sales



Waterfront Condo/Townhouse Sales



Pending Home Sales Turn Around in May

Washington, DC, June 29, 2011

Pending home sales rose strongly in May with all regions experiencing gains from a year ago, pointing to higher housing activity in the second half of the year, according to the National Association of Realtors®.

The Pending Home Sales Index,* a forward-looking indicator based on contract signings, rose 8.2 percent to 88.8 in May from an upwardly revised 82.1 in April and is 13.4 percent higher than the 78.3 reading in May 2010. The data reflects contracts but not closings, which normally occur with a lag time of one or two months.

This is the first time since April 2010 that contract activity was above year-ago levels, and the monthly gain was the strongest increase since last November when the index rose 10.6 percent.

Lawrence Yun, NAR chief economist, said the improvement bodes well for home prices. "Absorption of inventory is the key to price improvement, and this solid gain in contract signings implies that home values in many localities are or will soon be stabilizing as inventories get absorbed at a faster pace," he said. "Some markets have made a rapid turnaround, going from soft activity to contract signings rising by more than 30 percent from a year ago, including areas such as Hartford, Conn.; Indianapolis; Minneapolis; Houston; and Seattle."

Pending home sales have trended up unevenly since bottoming last June, rising in seven of the past 11 months. "Home sales still could be 15 to 20 percent higher," Yun said. "If banks would simply return to normal sound underwriting standards and begin lending to more creditworthy borrowers, we'd get a much faster recovery in the housing sector."

"In addition, a nonsensical situation has developed recently in some states with HUD unable to complete foreclosure deals because of insufficient funds to pay attorney fees at closing, even with buyers offering the full listing price," Yun added.

The PHSI in the Northeast rose 7.3 percent to 69.2 in May and is 4.4 percent above a year ago. In the Midwest the index jumped 10.5 percent to 82.8 and is 17.2 percent higher than May 2010. Pending home sales in the South increased 4.1 percent to an index of 95.0 in May and are 14.6 percent higher than a year ago. In the West the index surged 12.9 percent to 100.6 and is 13.5 percent above May 2010.

Yun cautioned that healthy job creation is necessary to ensure a solid recovery in both housing and the overall economy. "The job market has sputtered recently, and because variations in local job creation impact housing demand, markets will recover unevenly around the country," he said.

The National Association of Realtors®, "The Voice for Real Estate," is America's largest trade association, representing 1.1 million members involved in all aspects of the residential and commercial real estate industries.

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*The Pending Home Sales Index is a leading indicator for the housing sector, based on pending sales of existing homes. A sale is listed as pending when the contract has been signed but the transaction has not closed, though the sale usually is finalized within one or two months of signing.

The index is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. In developing the model for the index, it was demonstrated that the level of monthly sales-contract activity parallels the level of closed existing-home sales in the following two months.

An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined as well as the first of five consecutive record years for existing-home sales; it coincides with a level that is historically healthy.

NOTE: Existing-home sales for June will be reported July 20 and the next Pending Home Sales Index will be released July 28; release times are 10:00 a.m. EDT.

Information about NAR is available at www.realtor.org. This and other news releases are posted in the News Media section. Statistical data in this release, other tables and surveys also may be found by clicking on Research.

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Waterfront Single Family Homes Inventory and Sales Analysis
Franklin, Bedford and Pittsylvania Counties
June 30, 2010

<u>Year</u>	<u>Average Sales Price</u>	<u>Number Sold</u>	<u>Sold/Listing Price</u>
2011	\$ 542,268	68	93%
2010	\$ 579,530	157	93%
2009	\$ 611,564	131	92%
2008	\$ 667,312	117	92%
2007	\$ 693,896	174	94%
2006	\$ 736,526	158	95%
2005	\$ 602,343	311	97%
2004	\$ 523,446	303	97%
2003	\$ 402,342	301	97%
2002	\$ 334,737	277	96%
2001	\$ 339,463	230	97%

Total Waterfront Single Family Homes Currently Listed **391**
 Avg. List Price \$ 730,762 @ 307 DOM

Sold IIQ 2011	41
Sold IQ 2011	27
Sold IVQ 2010	50
Sold IIIQ 2010	51
Sold IIQ 2010	33
Currently Pending	16

0 - \$600k Priced Homes Currently Listed **205**

Sold IIQ 2011	23
Sold IQ 2011	17
Sold IVQ 2010	29
Sold IIIQ 2010	29
Sold IIQ 2010	22
Currently Pending	11

\$601 - \$1,000k Priced Homes Currently Listed **130**

Sold IIQ 2011	16
Sold IQ 2011	8
Sold IVQ 2010	14
Sold IIIQ 2010	16
Sold IIQ 2010	7
Currently Pending	5

\$1,001k + Priced Homes Currently Listed **58**

Sold IIQ 2011	2
Sold IQ 2011	2
Sold IVQ 2010	7
Sold IIIQ 2010	6
Sold IIQ 2010	4
Currently Pending	0

Prepared by Tom & Eric Fansler of Prudential Waterfront Properties on 6/30/11
 Authors do not Warrant the Accuracy of the Data Analysis Presented

Waterfront Lots Inventory and Sales Analysis
Franklin, Bedford and Pittsylvania Counties
June 30, 2011

<u>Year</u>	<u>Average Sales Price</u>	<u>Number Sold</u>	<u>Sold/Listing Price</u>
2011	\$ 158,376	18	86%
2010	\$ 220,219	47	82%
2009	\$ 317,761	44	89%
2008	\$ 331,576	58	83%
2007	\$ 390,954	71	91%
2006	\$ 379,669	97	93%
2005	\$ 370,205	301	95%
2004	\$ 232,752	326	96%
2003	\$ 182,507	317	96%
2002	\$ 147,763	286	94%
2001	\$ 123,593	321	88%
Total Waterfront Lots Currently Listed			490
Avg. List Price \$ 327,061 @ 660 TDOM			
Sold IIQ 2011			9
Sold IQ 2011			9
Sold IVQ 2010			15
Sold IIIQ 2010			14
Sold IIQ 2010			14
Currently Pending			6
0 - \$400k Priced Lots Currently Listed			370
Sold IIQ 2011			9
Sold IQ 2011			9
Sold IVQ 2010			13
Sold IIIQ 2010			13
Sold IIQ 2010			13
Currently Pending			6
\$401 - \$600k Priced Lots Currently Listed			78
Sold IIQ 2011			0
Sold IQ 2011			0
Sold IVQ 2010			2
Sold IIIQ 2010			0
Sold IIQ 2010			0
Currently Pending			0
\$601k - \$2,000k Priced Lots Currently Listed			42
Sold IIQ 2011			0
Sold IQ 2011			0
Sold IVQ 2010			0
Sold IIIQ 2010			1
Sold IIQ 2010			1
Currently Pending			0

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Waterfront Condo and Townhouse Inventory and Sales Analysis
Franklin, Bedford and Pittsylvania Counties
June 30, 2011

<u>Year</u>	<u>Average Sales Price</u>	<u>Number Sold</u>	<u>Sold/Listing Price</u>
2011	\$ 281,721	24	93%
2010	\$ 312,020	61	92%
2009	\$ 343,715	56	92%
2008	\$ 367,750	61	93%
2007	\$ 430,938	47	97%
2006	\$ 389,711	87	98%
2005	\$ 381,097	192	100%
2004	\$ 270,602	154	100%
2003	\$ 235,537	116	99%
2002	\$ 194,724	105	98%
2001	\$ 181,187	88	98%
Total Active Condos and Townhouses Currently Listed			208
Avg. List Price \$ 395,512 @ 405 TDOM			
Sold IIQ 2011			19
Sold IQ 2011			5
Sold IVQ 2010			11
Sold IIIQ 2010			19
Sold IIQ 2010			18
Currently Pending			9
0 - \$400k Priced Condos and Townhouses Currently Listed			151
Sold IIQ 2011			15
Sold IQ 2011			5
Sold IVQ 2010			10
Sold IIIQ 2010			16
Sold IIQ 2010			16
Currently Pending			5
\$401 - \$600k Priced Condos and Townhouses Currently Listed			35
Sold IIQ 2011			4
Sold IQ 2011			0
Sold IVQ 2010			1
Sold IIIQ 2010			2
Sold IIQ 2010			2
Currently Pending			3
\$601k + Priced Condos and Townhouses Currently Listed			22
Sold IIQ 2011			0
Sold IQ 2011			0
Sold IVQ 2010			0
Sold IIIQ 2010			1
Sold IIQ 2010			0
Currently Pending			1

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