



THE
K2 VIEW
WINTER 2012 MARKET REPORT



New Clubhouse Opens at Lost Tree

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NEW CONSTRUCTION ON THE RISE

FOR SALE



833 TURTLE BEACH ROAD

UNDER CONSTRUCTION



12195 WEST END

UNDER CONSTRUCTION



1084 PALM WAY

UNDER CONSTRUCTION



11587 LOST TREE WAY, COTTAGE 15

2011-2012 - LOST TREE TWO YEAR SALES HIGHLIGHTS

K2 REALTY CONTINUES TO DELIVER EXCEPTIONAL RESULTS AS EVIDENCED BY THE FOLLOWING SALES IN THE PAST TWO YEARS

- **THE HIGHEST AND ONLY SALE ON OLD HARBOUR ROAD**
- **HIGHEST (2) LAND SALES ON LITTLE LAKE WORTH**
- **HIGHEST GOLF COURSE LAND SALE**
- **HIGHEST CONDOMINIUM SALE**
- **HIGHEST GOLF COURSE HOME SALE**
- **K2 HAS CLOSED MORE SALES IN LOST TREE VILLAGE IN THE LAST TWO YEARS THAN ALL OTHER PARTICIPATING REAL ESTATE FIRMS COMBINED**

The data represented here is based on best estimates, and collected information deemed reliable but not guaranteed. This information is subject to errors and omissions.

Welcome to the 2012 Winter K2 Realty Lost Tree Newsletter. We hope you find it useful in providing you with an update on the state of the real estate market in Lost Tree, a summary of current activity, and themes we are seeing in our community. In the real estate market, data is often mischaracterized and misunderstood. One of the best resources we can offer our clients is an objective and neutral market analysis.

Summary:

The real estate market has enjoyed relative stability to date this year. Recorded sales are marginally lower year over year. Inventory, which is the total number of properties listed for sale, continues to track at a normalized rate of approximately 10% of the total market, and is close to the historical average for the last ten years. Inventory is no higher than at the end of 2007, which was a record year in terms the number of transactions and dollar volume for the Lost Tree Market. As a submarket, there are no direct-oceanfront homes available and K2 recently sold the last two available lots on Little Lake Worth. Additionally, condominium listing inventory has increased, but is still less than 10 % of the total condominium market, there are only three golf cottages available and only one vacant lot for sale in the entire community.

Trends:

New construction is on the rise with 12 projects well under way, and several more in the planning phase, as the market has been absorbing more of the older listing inventory. We are pleased to report that there is a strong resurgence of interested buyers this Fall. We attribute this to the general improvement in the market, with sellers and buyers moving closer together and the completion of the new Clubhouse. We already see the positive impact the new Clubhouse and new Beach Club is having on a demographic shift toward younger families (i.e., 45yrs & younger) looking at Lost Tree property. This group has been mostly absent during the past several years. As a recent Palm Beach Post Article, which highlighted the real estate recovery and the participation by younger buyers in Palm Beach County area states, "They've been out of the market for several years but are starting to come back. You're seeing second-home buyers who don't have the high level of trepidation toward depreciation that they had in the past because they're seeing home prices on the rise."

Facts:

Our broad based marketing efforts have been productive in that of the last 100 real estate transactions, K2 has brought more than 70% of all new buyers into Lost Tree (i.e., a buyer who is not currently a member of the Lost Tree POA). We have also sold more homes than all other real estate firms combined in the last six years. We at K2 believe there has never been a more exciting time to become a resident and member of Lost Tree and our steadfast commitment has never been greater. We can't thank you enough for continuing to entrust your real estate needs to K2.

WHO IS REPRESENTING THE NEW BUYERS IN LOST TREE

