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Dear Real Estate Investors:

Over the last month or so, we have received numerous requests for a more detailed analysis of the Panama City Beach gulf-front condominium market. So, to your benefit, this month's newsletter provides an in-depth report on gulf-front condo sales in PCB for the current year. Since we promote (almost exclusively) new modern PCB condo developments, we are focusing only on the newer condominiums that have recently been built between the years 2003 and 2007.



As we have written about in the past, Panama City Beach is undergoing a massive makeover transforming it into a real estate investor's prize location for potential and significant upside appreciation. New market changing developments include a brand new international airport that is expected to transform our entire region. In addition, corporate America is investing millions of dollars in new shopping centers, entertainment, retail, and restaurant establishments. The local city government has established new road renovation projects, including fast access public trams, multi-modal centers, and beautifully landscaped, expanded, roadways to accommodate the expected increase in tourism.

Panama City Beach is an economy that is on the verge of breaking out. As one of the #1 drive to vacation destinations in the southeast, PCB is anticipated to soon become a favorite vacation destination to baby boomers all across the nation and internationally. When the PCB makeover, new corporate investments, and new international airport are established, economists are predicting a booming economy.

Panama City Beach – The Active Statistics (Year Built 2003-2007)

This report is based on actual data that has been obtained from the Panama City Beach MLS. All data is representative of listings and sales between January 1, 2007 and June 30, 2007. The data is limited to new gulf-front condos completed during the years 2003-2007. In addition, the Emerald Coast MLS (ECAR) was used to obtain active and sold listing data for the Destin and South Walton East areas.

Panama City Beach Gulf-Front Active Condos

Panama City Beach Active Statistics (Yr. Built 2003-2007)		
Description	Condos For Sale	Avg. List Price per Sq. Ft.
Active Condos as of 6/30/07		
1 Bedroom Units	188	\$406
2 Bedroom Units	326	\$398
3 Bedroom Units	134	\$420
4 Bedroom Units	32	\$428
Total	680*	
*Total does not include 26 studio units.		

Panama City Beach Condo Sales

Sold Statistics Gulf-Front Condos (Yr. Built 2003-2007)	
Description	Condos Sold
1 Bedroom Units	86
2 Bedroom Units	118
3 Bedroom Units	41
4 Bedroom Units	9
Total Sales Since 1/1/07	254
Total Pending Contracts as of 6/30/07	189

Emerald Coast Active Condos (Outside of PCB)

Emerald Coast Gulf-Front Active Statistics (Yr. Built 2000-2007)		
Description	Condos For Sale	Avg. List Price per Sq. Ft.
*Active condos as of 6/30/07		
Ft. Walton	177	\$521
Destin	99	\$717
SanDestin	49	\$810
South Santa Rosa	43	\$836
South Walton East	93	\$927
Total	461*	
*Total as of 6/30/07		

Panama City Beach Sales and Inventory History

The following Sales and Inventory Report includes:
 All PCB Condos (Including those that are not gulf-front)
 Year Built 2003-2007
 Price Greater Than \$200,000

Sales and Inventory History

Sunday, July 01, 2007

Category - Residential / PropType: CND / Area: 03 - BB-Bay County-Beach

Month	Year	Monthly Sales	Avg List Price	Avg Sale Price	% Diff Sell/list	Avg DOM	Curr Inventory	Months Inventory
January	2006	7	\$429,257	\$412,129	96.01%	167.0	1126	160.86
February	2006	11	\$440,671	\$414,423	94.04%	340.0	1180	107.27
March	2006	218	\$362,561	\$351,204	96.87%	662.0	1219	5.59
April	2006	233	\$341,955	\$336,019	98.26%	823.0	1340	5.75
May	2006	106	\$354,866	\$348,109	98.10%	761.0	1404	13.25
June	2006	58	\$405,442	\$385,293	95.03%	331.0	1415	24.40
July	2006	21	\$403,940	\$391,413	96.90%	402.0	1487	70.81

Month	Year	Monthly Sales	Avg List Price	Avg Sale Price	% Diff Sell/list	Avg DOM	Curr Inventory	Months Inventory
August	2006	20	\$484,925	\$433,370	89.37%	225.0	1446	72.30
September	2006	18	\$582,334	\$529,923	91.00%	264.0	1410	78.33
October	2006	17	\$547,147	\$510,437	93.29%	204.0	1347	79.24
November	2006	127	\$377,090	\$363,246	96.33%	221.0	1287	10.13
December	2006	60	\$441,767	\$410,772	92.98%	315.0	1231	20.52
January	2007	51	\$492,577	\$457,340	92.85%	237.0	1129	22.14
February	2007	33	\$454,082	\$425,938	93.80%	126.0	1143	34.64
March	2007	90	\$366,092	\$346,368	94.61%	509.0	1148	12.76
April	2007	39	\$386,295	\$367,726	95.19%	216.0	1028	26.36
May	2007	32	\$410,862	\$384,365	93.55%	223.0	1029	32.16
June	2007	32	\$447,462	\$422,734	94.47%	164.0	991	30.97

If one studies the above tables, several key statistics can be derived:

1. 254 new, gulf-front Condos (those built during 2003-2007) have sold in the first half of this year.
2. The PCB list prices (avg. price per square foot) for new, gulf-front condos are significantly less than surrounding areas.
3. Average List and Sale prices dipped between March and May 2007. However, June, experienced a significant positive bounce.
4. Since July 2006, Inventories have steadily declined.
5. There is a limited supply of 4 bedroom gulf-front units.

Significant Events That Should Influence This Market

The Panama City – Bay County International Airport is underway! The airport is the first new international airport to be built in the U.S. in the past 20 years. The airport is larger in land mass (4,000 acres) than the Hartsfield – Jackson Atlanta International Airport! The anticipated completion date is late 2009. The estimated cost for the new airport is \$300-\$400 million dollars.

Market Influences:

1. We anticipate that this market will respond positively once construction crews break ground and start physically building the airport.
2. We anticipate positive responses to forthcoming announcements as each new airline is announced along with major U.S. and International destinations.
3. We anticipate positive responses to forthcoming announcements regarding the arrival and use of the world's largest airliners.
4. We anticipate positive responses to forthcoming announcements of projected tourism increases to our area.

We anticipate that this airport will completely transform the Panama City Beach area and open our market to multiple millions of new investors and vacationers from locations around the world.

Road Renovation Projects – www.PCBOnTheMove.com

The Panama City Beach Community Redevelopment Agency was formed to improve pedestrian, parking and transportation infrastructure and to improve the overall aesthetics of Panama City Beach. This effort is underway. We anticipate amazing results. Roadways will be expanded, beautiful streetscapes will be created, tram lanes will be developed, and multimodal center gateways are planned for the eastern and western entrances to Front Beach Road.

Largest Tax Cuts In Florida History – http://www.flgov.com/pdfs/family_tax_cut.pdf

Governor Christ signs legislation providing the largest tax cut in Florida's history. Upcoming voter legislation could provide even deeper tax savings.

**Pier Park and Multi-Million Dollar Commercial Investments - – www.PierParkRetail.com
http://pcbdaily.com/email/pierpark/071707_newsletter_3.html**

Corporate America is investing heavily in Panama City Beach. Corporate developers, retailers, restaurants, and recreational businesses understand the upcoming potential of the new PCB. Major developers, retail companies, and restaurants are building in Panama City Beach.



Simon Property Group, Inc., the developer of Mall of America (the largest shopping mall in America) and other retail developments across the U.S., is investing heavily in Panama City Beach with the development of Pier Park. Pier Park will include approximately 1.1 million square feet of retail space. New retailers, restaurants, and entertainment venues are continually joining the Pier Park development.

Exclusive Investment Opportunities**TROPIC WINDS CONDOMINIUMS PRE-CONSTRUCTION – Location, Location, Location**

Tropic Winds Condominiums is a 23 floor 164 unit beach front development located on the preferred west end of Panama City Beach. Tropic Winds offers private assigned parking directly within the building, 2 to 4 bedroom units, extra large balconies, and magnificent views of the gulf. Check out the web site for all the details. The estimated completion date is Summer 2008 and coincides almost perfectly with the completion of other major developments. This is a 1st tier offering (not a resale) and you will be purchasing directly from the developer.

**OCEAN REEF CONDOMINIUMS PRE-CONSTRUCTION – Offering 4 Bedroom Condos!
(The #1 Most Aggressively Priced Pre-Construction on the Beach)**

Ocean Reef Condominiums is a 23 floor 161 unit Panama City Beach gulf-front development. Ocean Reef offers large floor plans, extra large balconies, parking within the building, and magnificent views of the gulf. The estimated completion date is Summer 2008. The Ocean Reef structure is completed and all 23 floors are built. This is a 1st tier offering (not a resale) and you will be purchasing directly from the developer.

Summary

Panama City Beach, the “Next American Boom Town”, boasts beautiful sandy beaches, perfect emerald waters, romantic sunsets, and attracts millions of visitors each year. Today, luxurious new condominiums, an upcoming International Airport, new shopping centers, and new entertainment venues are attracting discriminating real estate investors, new condominium owners, and beach lovers from all across the U.S.

Condominium ownership, along Florida’s Emerald Coast, has never been better and now includes all the new amenities our area has to offer. Panama City Beach is undergoing a complete vitalization transformation including new developments that provide priceless family fun, exquisite lifestyles, and of course our #1 preconstruction investment opportunities at both Ocean Reef and Tropic Winds Condominiums.

Four Reasons to Purchase Now

- ❖ CNNMoney.com ranks Panama City #1 in the U.S. projecting 72% gains in home prices.
- ❖ The Travel Channel ranks Panama City Beach as the #5 Family Beach Destination in America.
- ❖ The New and Exciting Pier Park (1.1 million sq. ft.) complex is to be completed in 2008.
- ❖ Accommodating the world’s largest airliners, the New International Airport is scheduled for completion in late 2009.

Plus Two More...

- ❖ It’s a Buyer’s Market, prices have recently declined and our offerings can be purchased with No Money Down.
- ❖ Tropic Winds and Ocean Reef Condominiums, two of the newest and latest preconstruction projects in Panama City Beach, and are located “On the Beach” in prime locations with an estimated completion in Summer 2008.

Perhaps the Most Important Reason is PRICELESS Family Fun!

If not now, then when?

Sincerely,

John L. Skinner
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As an Emerald Coast Investment Professional, I market exclusive beach front condominium developments to investor representatives and power agents all across the U.S. I have resided in this area for over 10 years and I personally invest in beach front condominiums up and down the coast. As an investor myself and as an experienced advisor, I continually research and analyze market conditions on a daily basis. I would be honored to represent your investment club and to provide you with expert information regarding the emerald coast area from Destin to Panama City Beach. By working together, we can live the American dream of prosperity and enjoy a successful lifestyle.