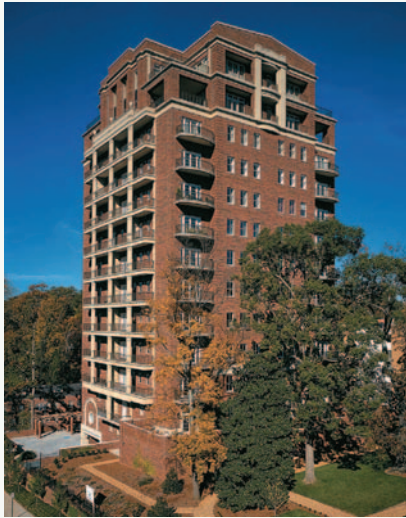


## Atlanta's Condominium Market



**WE CONTINUE TO BE ACTIVE WITH SALES AND PURCHASES AT THE WAKEFIELD**

For the first time since 9/11 condo prices are actually going up. The number of closed sales was up only 2% for the end of second quarter over the same period a year earlier. This marks the end of 24 months of double-digit increases in number of sales of condo's and town homes. Demand is finally reasonable compared to supply. Lots of new inventory looms and this market is very job and interest rate sensitive. There is still plenty of opportunity to pick up a great deal especially in the resale market. Buy one to live in; don't make speculative investments in this prod-

uct. It is unknown how much pent up new supply or resales is pending. We are concerned about small investors that paid retail prices that may soon dump inventory on the market as we move towards stabilization. I am not expecting a go-go Condo market anywhere on the horizon. If you have a condo - hold. Be prepared to hold long term, to do so refinance and rent it.

### Second Quarter 2005

#### Condominium Market Summary

##### Overall Condo Market

Sales Price / Average asking price = 97.5%.  
Highest price / SF paid in 2005 = approx. \$770 per foot.  
All time high of over \$900 / SF was several years back

##### Buckhead (FMLS Area 21) has

1,316 active listings, with 294 new listings  
193 pending sales and 128 sales  
Sales Price / Average asking price = 95.6%  
96.3 Average days on market.

##### Intown has

918 active listings,  
252 new and 187 pending sales and 142 sold.  
Sales Price / Average asking price = 97.7%

### How's BUSINESS (JUNE 2005)

- ◆ The Heery Brothers are ranked fifth out of Coldwell Banker Residential Brokerage's 1,889 Agents.
- ◆ 29 Closed Deals
- ◆ 42 Listings



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## Our Team

Since my brother, George Heery, Jr., joined Coldwell Banker, we have achieved record performance levels.

George expanded our capabilities by bringing new marketing expertise, commercial real estate capabilities, and more financial

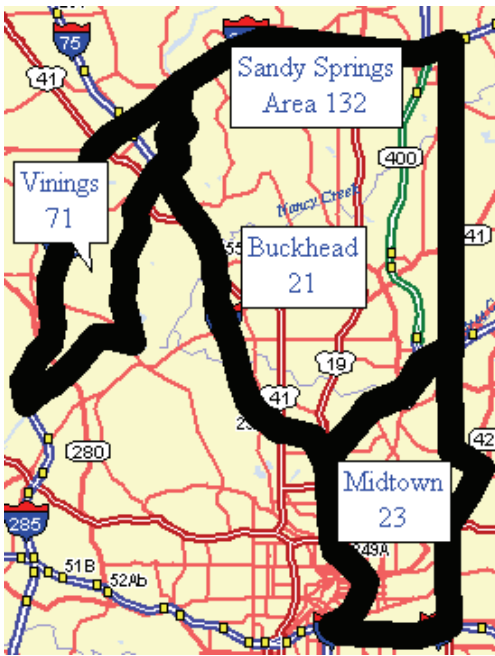
expertise to the business.

Recent deals from 3 lots on Windsor Parkway to the successful marketing and sales in Brookwood Hills and TheWakefield underscore George's energy and commitment.

See [www.nheery.com](http://www.nheery.com)

For our listings

Call us anytime to discuss your house and market



**Our Markets**  
 We Specialize in FMLS Market Areas 71, 21, 23, 132. This Includes Buckhead, Vinings, Sandy Springs and other areas of North Atlanta inside the Perimeter. We also work in Areas 121, 51, 52 and 24.

## New Development Lots Needed

As many of you know, we specialize with a number of builders and investors. In Our Markets (See Map), if your house is a tear down or your land will subdivide, you should be experiencing appreciation well in excess of 7%. There is no reason for this to slow down. Builders and first time homebuyers are in competition for this aspect of a Seller's market.

Speculative homebuilders and investors are still experiencing gains as high as 30%. The Sandy Springs zoning process is currently stalled until the new city is up and running. Single building permits and administrative variances can still be pulled though Fulton county (so we are told). Between now and Spring may be a great time to sell your single scrape, as the effects of the new city are still a little unknown and supply is hampered by zoning slow downs. This may be just the beginning of a go-go market caused by a shining example of new urban planning and government efficiencies. Good news in Atlanta permitting - Starting August 1st, drawings stamped by an architect will be expedited through the plan review portion for renovations and construction of single-family detached homes. This has been the slowest and most costly portion of the permitting process and should shave 60 days or more and lots of headaches for builders and renovators. We expect to see plenty of new home sales in the spring over \$1m in the Virginia Highlands, Morningside, and Midtown areas—particularly in Morningside elementary school district. Builders holding lots in inventory are in an envious position.

Despite the healthy new construction market, this is not an arena for amateurs. Overpaying for lots, bad design, permitting mishaps, or over zealous pricing can derail the best laid investment plan. Before you invest in a development deal, partner with an experienced builder and don't try to save money on design. You can pick up equity by purchasing during the presale period and avoid many of the risks builders incur during construction.

## Performance Summary of Our Markets

### Market Areas 71, 21, 23 and 132

Price Range	Active	Pending Sale	Sold YTD	% of Asking Price	Days on Market
<\$500	469	123	625	97%	63
\$500-\$1m	539	97	463	97%	69
\$1m-\$1.5m	196	29	119	95%	104
\$1.5m-\$2.5m	172	24	59	93%	132
\$2.5m>	82	9	17	88%	136



NEAL HEERY (LEFT)  
AND  
GEORGE HEERY, JR.



### THE HEERY BROTHERS

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**O.K. LOOK HERE—MY DISCLAIMER. I AM NOT SURE OF ANY OF THIS AND IT IS ALL OPINIONS IN THE FIRST**

**PLACE. I GET MOST OF MY NUMBERS FROM THE FIRST MULTIPLE LISTING SERVICE, AND WHAT I HEAR ON THE STREET. I DON'T DO LOTS OF RESEARCH AND SOME OF MY MATH HAS GOT TO BE WRONG. EVERY PROPERTY NEEDS TO BE LOOKED AT INDIVIDUALLY. SEEK OPINIONS FROM PROFESSIONALS; REALTORS, HOME INSPECTORS, APPRAISERS, AND ANY ONE YOU HAPPEN TO BE MARRIED TOO. PLEASE MAKE YOUR HOME A HAPPY ONE; WE WILL TRY TO FIND YOU A GOOD HOUSE.**

Price Range	Comments
<\$500	Excellent Appreciation - Less listings are expiring without sale, but interest rate increases are expected to keep this in check. Before you remodel look at the cost vs. rewards of rebuilding. New construction often gets more bang for the buck, and is much more predictable than renovation budgets and time frames. You can't force a ranch house to look traditional.
\$500-\$1m	Similar performance to below \$500,000 price range as this segment includes more housing for the median income population.
\$1m-\$1.5m	Good Appreciation - This price range is indicative of most of our business and new construction.
\$1.5m-\$2.5m	Good Appreciation - Speculative construction in this price range needs to be well positioned and executed. There is a lack of inventory of sizable lots outside the city limits. Interest is still cheap, buy up, lock your rate and plan to stay for a while.
\$2.5m>	Below Average Appreciation - There are only 10 listings over \$5m and 5 sales. If you look at the sold it's the ones with a lot of acreage that get to the closing table.