

AUGUST
2010

Business Development Report

by Knight, McGuire & Associates, Inc ~ Consulting Engineers and Land Planners

GREAT SUBDIVISION DEALS, NOW WHAT?

What do you do with a great deal on a new subdivision? Investment groups are now actively purchasing fully improved subdivisions complete with paving, drainage, water, sewer, landscaping, street lighting, entry features, etc. for **\$10,000/lot**. This essentially means the land is free and they are paying ½ of the cost spent to develop the lots. Sounds like a great deal...but now what do you do with your investment? What about the **tax bills on**

each lot, HOA dues, permit compliance issues, maintenance costs, base utility costs, carrying costs, etc. How fast are you going to realistically sell lots? A traditional builder these days is not going to be interested in a take-down schedule for more than 1 – 2 lots a month...and that doesn't work for your investment group. You may be considering multiple builders and selling lots to individuals, or flipping all or part to another investor, but at some point lots need to be sold off or your great deal loses a lot of luster if you hold it too long. The creativity of your design professionals, awareness of upcoming trends, and your sales/execution is what will make your investment work.



What sells now? In the good ol' days – the **most square footage per \$** was a key part of the formula and used to compare products and models. But now, ask a potential buyer if they are interested in a smaller home with lower costs, smaller mortgage payments, more efficient appliances, better insulation, and designed for the orientation of the property with indoor/outdoor livability, natural light, low irrigation/yard maintenance requirements, and close to shopping/jobs/schools – YES! Instead of pulling the same plans off the shelf from the good ol' days, the right product geared for our *"new" housing needs* may be a bigger factor in the formula for selling at a higher velocity. Each property has its own potential specific to its location and particular attributes. **Our qualified team of professionals can help you formulate a game plan to best take advantage of your "Great Deal."**

DEVELOPMENT STATISTICS (PAGES 2 –3)



We are all trying to ascertain whether a recovery is truly beginning or whether the dreaded double dip recession could occur nationally or specific to Florida and some of the harder hit states. We have analyzed data including housing starts, commercial loan activity, and bank credits to see what trends are occurring both nationally and in Florida metropolitan areas. Please refer to page 2 –3 of

the newsletter for trends, graphs, and data.

RECENT REGULATORY RULINGS

Senate Bill 1752/Permit Extensions ~ Another bill passed allowing 2 year extension for all local, Water Management District, and DEP permits that expire between 9/1/08—1/1/2012. If you failed to take advantage of SB 360, now is your chance. If you were granted an extension under SB360, you are eligible for this bill, allowing a total extension of 4 years. Requests to the agency must be received by 12/31/10.

Development Incentives

Localities are beginning to offer incentives to business owners and developers to stimulate the local economy.

Tax abatements plans are under consideration by many local governments. Allowing qualified companies to grow into their new tax bill as they grow their company encourages new job growth and future tax support for the community. A little incentive now will pay off handsomely over time.

✓ yes—Ft. Pierce, Sebastian , Melbourne, Martin,
? (on Nov ballot) - Indian River, Fellsmere, Vero Beach, Stuart, St. Lucie
X no—Volusia County, Brevard County, Palm Bay

Impact Fee Waivers for temporary suspension of some fees

-Indian River, Fellsmere, Orchid, Sebastian, Vero Beach, Indian River Shores: until March 31, 2011

Knight, McGuire & Assoc., Inc.
Civil Engineers and Planners
80 Royal Palm Point, Suite 401
Vero Beach, FL 32960
(772) 569-5505



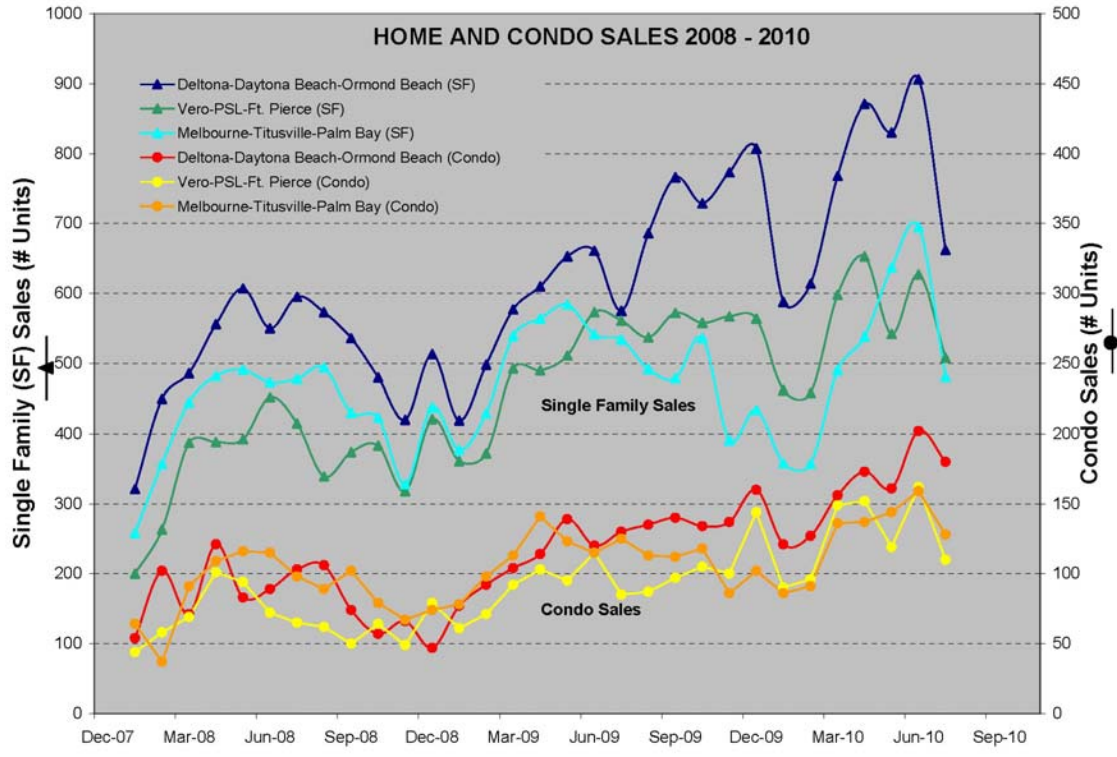
info@knightmcguire.com
NEW WEBSITE!!
www.knightmcguire.com

AUGUST
2010

Business Development Report

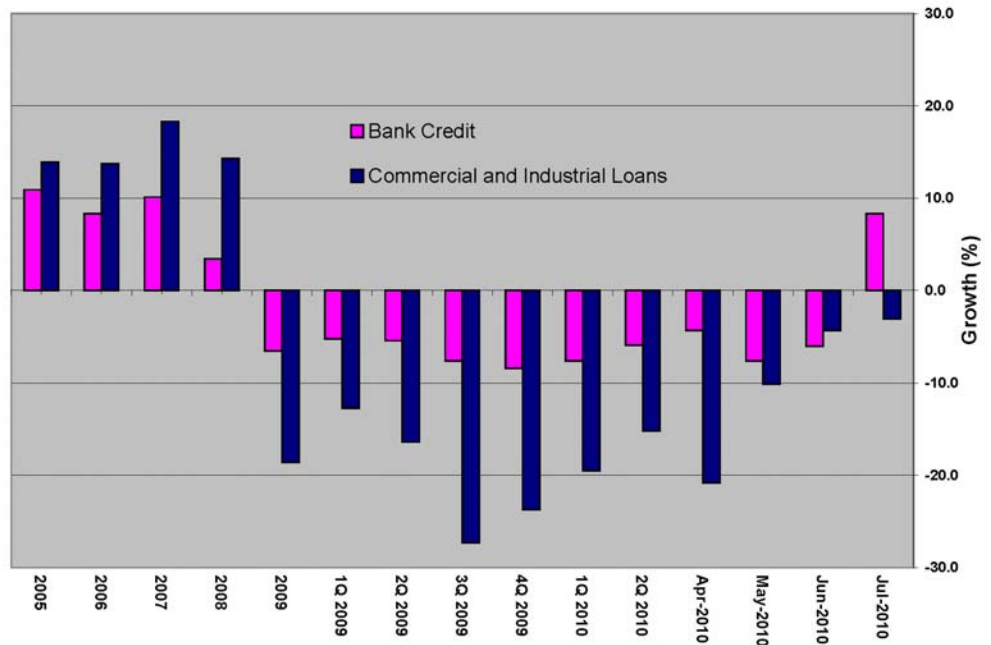
by Knight, McGuire & Associates, Inc ~ Consulting Engineers and Land Planners

DEVELOPMENT STATISTICS



The news this week gloomily reported drastic decreases in sales for July 2010. It is apparent that there is quite a drop from June to July, but you can see the overall trend lines are positive. Florida's summer months are also typically slower for sales as well.

Commercial and industrial loan activity in late 2009 and early 2010 was disastrous. The last four columns of the chart to the right depict some positive indications of improvement in the May, June, and July months of 2010.



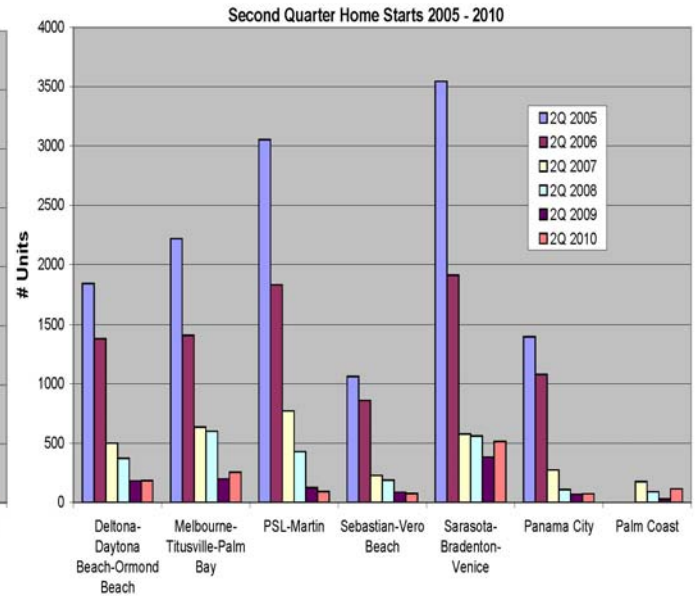
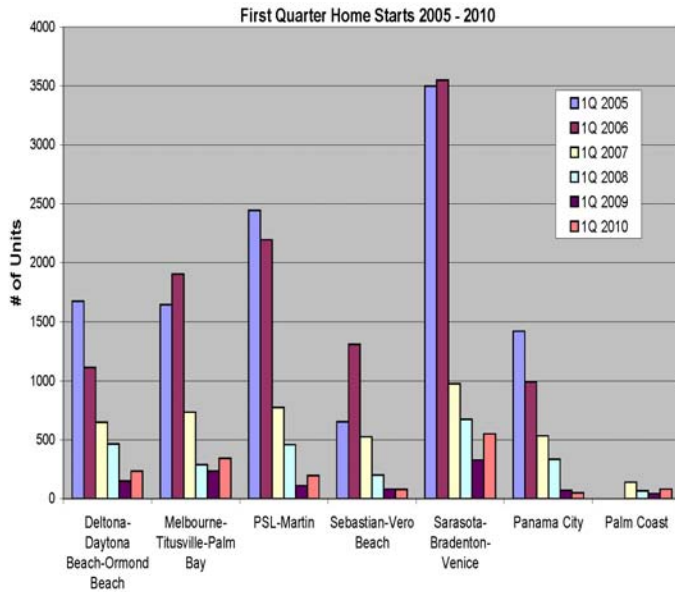
Knight, McGuire & Assoc., Inc. ~ Civil Engineers and Planners
 80 Royal Palm Point, Suite 401 Vero Beach, FL 32960
 (772) 569-5505 info@knightmcguire.com
<http://www.knightmcguire.com> (NEW!!)

AUGUST
2010

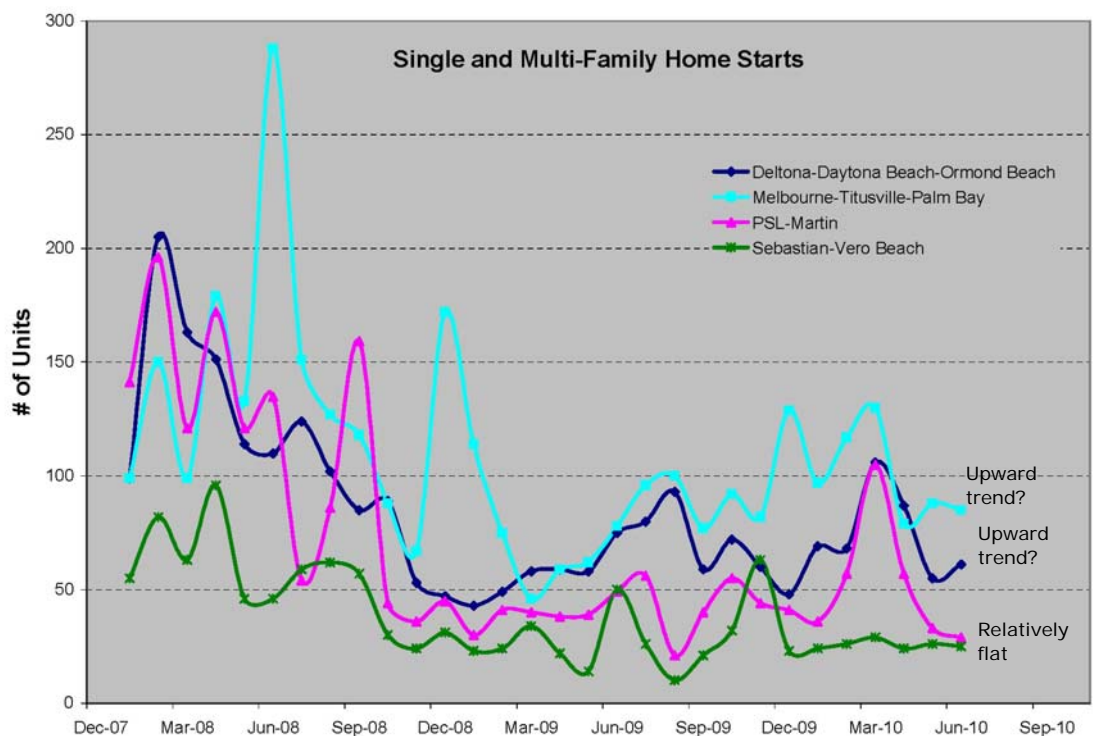
Business Development Report

by Knight, McGuire & Associates, Inc ~ Consulting Engineers and Land Planners

DEVELOPMENT STATISTICS



The April end to the incentives for first time homeowners are evident in most areas, as we expected. June/July home start data is potentially promising, particularly for areas north of the Treasure Coast. We will continue to watch these numbers, as well as other economic indicators, and report our perspectives on how housing trends change over the next few months.



Knight, McGuire & Assoc., Inc. ~ Civil Engineers and Planners
 80 Royal Palm Point, Suite 401 Vero Beach, FL 32960
 (772) 569-5505 info@knightmcguire.com
<http://www.knightmcguire.com> (NEW!!)