



Florida Real Estate News

JUNE 24, 2005

VOLUME 1, NUMBER 1

Who we are

For those of you who don't know me, my name is Matt Whitnack. I am a business partner of Jules Roman, David Tischler, and AJ Todd. The four of us recently launched a Florida based real estate company called LeaseOptionProgram.com. We are also working on various development projects in Southwest Florida. The purpose of this newsletter is to inform you of our activities, the status of our market and to make you aware of the many investment opportunities we have available. If you would no longer like to receive this email or would like us to add someone to the distribution list, send me an email at mattw@leaseoptionprogram.com.



Letter from the CEO

Hard to believe I have been a Florida resident for three months already! We are enjoying the restaurants, beaches, shopping, our pool and having company. We miss our family, friends, schoolmates and I miss my coworkers from my old company, TechTeam. I don't miss the rat race, though! It's a lot of fun designing, launching and making adjustments to a startup company, especially when you have 3 great partners! I am also enjoying being a real estate developer. I can officially lay claim to that title now that my partners and I have finally landed our first major project. But more on that later...

The Florida Real Estate Market

The Florida housing market continues to outperform the rest of the country. We are continuing to see 20% or greater appreciation in all of the Southwest FL coastal counties and only a few places in Florida are below 10%. The top appreciating real estate market in the country, Bradenton, is just north of us in Sarasota. They saw appreciation of over 45% in the past 12 months. Most of the workforce is priced out of the coastal counties and they are being pushed inland, as are a lot of the new residents. The inland counties are starting to be overhauled with new subdivisions, condominiums, and commercial development. They have vast expanses of land to develop, something the coastal counties severally lack. No one is quite sure how the water supply is going to keep up. Outside of the lack of affordable housing, the water shortage is by far one of the most critical issues facing the state and county governments.

The continued rapid appreciation has been the result of three main factors; population migration into Florida, the 2004 hurricane season, and investor speculation. While the high rate of appreciation is unlikely to continue, the demographics support a sustained demand for housing for many years to come. Florida receives over 1,000 new residents per day which is forecasted to increase as the Baby Boomers begin to retire.

The current supply of homes in Florida is at an all time low. This was brought on by both demand and by the fierce 2004 hurricane season. While developers are scrambling to fill this

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shortage, in the absence of a repeat hurricane season, supply will likely begin to catch up with demand and result in more moderate appreciation rates. Hasn't started yet, though!

Investor speculation, which does not reflect occupant demand, has helped to boost appreciation rates to the highest in the country. A typical investor strategy is to purchase preconstruction homes and condos by putting 10-20% down and then trying to "flip" the units prior to closing. During the hold period, the prices usually increase significantly and the investor makes a nice profit without having to secure financing on the property. Local governments and developers concerned with the impact speculation has on today's median housing prices have pushed for mandatory hold periods on properties after closing. The legality of these restrictions is in questions and is not expected to be wide-spread. Most communities are enjoying the increased tax base now available to address their growing infrastructure needs.



"The company launch in May has been a success!"

The company launch in May has been a success! Our advertising effectiveness has exceeded expectations. Qualified customer demand (backlog of 20 as of publication date) currently exceeds our ability to acquire housing stock. While there are houses available, it has been exceedingly difficult to find quality housing in the sub-\$200,000 home value range. We have several homes under contract and our first closings are coming up quickly.

In June, the company expects to add two real estate agents to help cover the territory between Sarasota and Ft. Myers. Our marketing program, which was initially focused on newspaper advertising in Sarasota, will be expanded to include the Tampa/St. Petersburg and Ft. Myers areas. The company is currently in discussions with candidates to launch both the Las Vegas and Phoenix markets.



In the News...

LeaseOptionProgram.com was the subject of a feature article in the Business section of the Sarasota Herald-Tribune last week:

<http://www.heraldtribune.com/apps/pbcs.dll/article?AID=/20050613/BUSINESS/506130574/1007>

The traffic on our website has increased significantly as a result of this article. The site received 35,000 hits and 180 unique visitors the day after the article was published. The company's communication plan now includes authoring articles and leveraging periodicals to increase publicity.

Investment Opportunity...

For the many of you who have expressed interest in getting into buying rental properties in Florida, LeaseOptionProgram.com offers investment packages on a first come first serve basis.

We have added content specifically for investors (such as example financial data) along with a sign up form at www.leaseoptionprogram.com/investors. You can learn all about this completely hassle free way for you to buy rental properties in Florida. We find the lease option tenants, we help them find the right house, you buy the house, we manage the property, and the tenant takes care of maintaining the property.

There is no better way to get into rental housing in the top markets in the country! In order to reserve your place in line for upcoming opportunities, it is imperative that you sign up with us on the website at www.leaseoptionprogram.com/investors as soon as possible.

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Development Company Launched...

After many, many attempts at finding the right development project, a winner has been identified. Several tracts of land in Lehigh Florida have been acquired and a development company is being formed. Lehigh is a small, rapidly growing area due east of Ft. Myers. Lehigh is just starting to take off and is a more affordable location for the Ft. Myers workforce to live.

The initial project is in a part of Lehigh called Lehigh Acres. The land has been parceled by a very large Colorado based developer who has owned the entire area for years. Demand in the area is rapidly increasing. Many new homes can be seen going up in the area. Currently, there are no large-scale planned community developments underway. Our strategy is to develop high-quality lakefront single family homes branded as "The Lakes of Lehigh". Our developments are planned communities with a homeowner's association. We are the only development company in Lehigh Acres offering lakefront homes in HOA neighborhoods. This unique offering gives us a very significant competitive advantage.

You can check out the first of several developments, Lake Cadis Estates, at:

www.lakesoflehigh.com

Investment Opportunity...

We have struck a deal with the builder exclusively for our investors. Our investors will be able to buy lots and can delay starting construction on the home for up to 12 months. 12 months! That's a lifetime in this market and a great opportunity to buy an excellent lot, hold it, and then flip it when the timing is right, even before the first shovel hits the dirt. Most developers do not provide investors with an opportunity to flip their lot prior to closing. The investor has to first close on their purchase of the lot, incurring closing costs, and then close on the sale of their lot to the new buyer incurring a second set of closing costs. For our investors only, your buyer can enter into a new contract directly with us prior to your closing. You incur no closing costs and receive the proceeds of the difference between your original purchase price and your new buyer's price minus small administrative fees. No other developer offers this!

Please contact Jules Roman at 810-299-5387 or jules@leaseoptionprogram.com to learn more. This is an outstanding investment opportunity!

The development company is working on several other projects including a 162 unit condo development project in Fort Myers that is in the bidding stage. The market is rampant with many speculators and developers willing to overpaying for projects. Our approach is more conservative and based on strong fundamentals, so you can be assured that our projects will be some of the best investments we think you will find in Southwest Florida!

Please Note:

The information contained in this newsletter is based solely on the opinions of the authors. Real estate investments, like other investments, contain a high level of risk. Independent research should be conducted prior to making an investment. Actual investment results can and do vary.

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