

ESHENBAUGH *Report*

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"Inside the Pound"
 New Listings
 REO (Bank Owned)



"Buy Land-They're not making it anymore." (Mark Twain quote)

(This article was printed in the Tampa Bay Business Journal and written by Bill Eshenbaugh)

What a difference a few years makes in the land business. When I first entered real estate brokerage 25 years ago, my licensing instructor repeated the mantra, "Location, location, location" as a basic rule for all real estate licensees and developers to follow. I learned over the years, however, that maybe even more important for land brokers is the adage, "Timing, timing, timing" as being equally, if not more important as a guiding principle.

In 2004, I wrote an article entitled *"The Land Business-What a Wonderful Time"*. My, how times have changed here in the fourth quarter of 2008. The land market has fundamentally shifted from a

seller's market to a buyer's market and the buyers with cash set the price and terms. Land pricing, especially for residential land, has fallen back to levels of about the 2002 or 2003 markets, long before the huge spike-up in pricing that peaked in 2005-06. In 2008, and headed into 2009, the capital markets have paused when it comes to participating in Florida developments for apartments, retail, industrial, and office. At a symposium of lenders in June, over 20 lenders indicated they will not provide any land loans for land speculation and only for land if it is with a leased development, experienced developer, lots of equity in the deal, and personal guarantees required.

On the residential side, virtually no financing is available for condominium projects because lenders are foreclosing on existing projects, developers are

filing bankruptcy petitions, and auctions are being scheduled for failed projects.

Single family builders have had three years of a major downturn and have dramatically curtailed their land positions, sold off undeveloped land, retrained sales and customer service representatives, and right-sized their products to today's buyer profile.

Unfortunately, smaller residential land developers have had their loans called by banks or the loans have fallen into non-performing categories and investors are attempting to buy the loans at significantly discounted values.

Some land owners want to sell but are still thinking about the offers or prices they heard back in 2005. Others find themselves in a position today that they must sell (perhaps a loan is due) and are finding that the buyer's market is willing to pay (continued on Page 4)

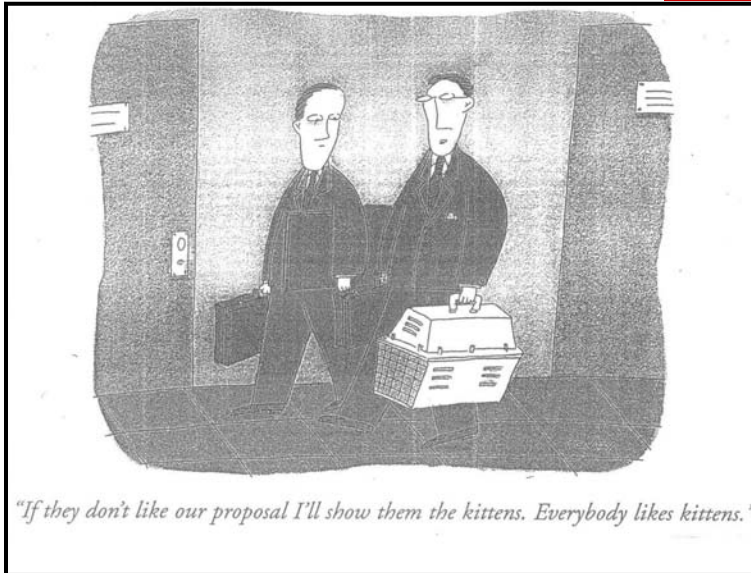
Bailouts and Silver Bullets

Some of you may recall that I ran sales for the RTC Tampa Sales Center in 1990- 92. As I look back on that era and compare it to the financial crisis and the bailout plan known as TARP, I recall that it took the RTC from August 1989 to the middle of 1991 to really geared up, hire staff, open offices, evolve disposition policies, inventory S & L product, and finally get

a disposition plan in place. The mandate then was to wrap up the liquidation of failed saving and loans by December 1996. The RTC holds the distinction of actually completing its mission a year early in Dec. 1995. Looking back, the S&L problem was really a Sunshine State issue with most of the failed savings and loans based in Florida, Texas, Arizona and California. We think the Treasury Department will move fast to set up this time.

While the rules are being promulgated as we write this, look for Wall Street firms and asset managers to emerge with the contracts to manage the bailout. Look for banks to unload their bad loans by year's end wherever possible. One school of thought says lenders will no longer need to mark loans to market value if they put them to the "bad" bank and they will have up to 5 years to sell assets. We do think a number of investors will be able to buy land loans and REO over the next 15 months or so at values that will represent great opportunities.

Capitol Hill During the Financial Debates and Wall Street Debacle



Inside the "Dog Pound"

Plans were divulged in local newspapers that T. Rowe Price plans a major employment center of 50,000 S.F. initially, and up to 450,000 S.F. eventually. While this was a well kept secret for months, we hope the premature article by the two writers doesn't hurt the negotiations or derail the site selection. If this new employment center comes to fruition, it will create a new "ground zero" epicenter at SR 54 and Sunlake Boulevard. Already, a new Publix is set to open in December, 2 new schools are already open there, and a major apartment project is planned.

It is refreshing to see these positive events occurring while the headlines are filled with nothing but doom and gloom economic news.

Nancy Surak, ALC and Broker-Associate with Eshenbaugh Land Company was honored by the **Florida Real Estate Journal** and **CREW** (Commercial Real Estate Women) when she was one of



(Nancy Surak, ALC)

only 21 women in Florida selected as, "**Outstanding Women in Commercial Real Estate**". Nancy has been active in her profession as well as a board member of PEDC (Pasco Economic Development Council). She is married to Brian Surak, P.E., a professional engineer at Heidt & Associates in Tampa. They are the proud parents of Emily and Luke and the family resides in Land O'Lakes.

Bill Eshenbaugh completed the education requirements and passed the final examination for his Utah real estate broker's license in August. He plans to remain quite active in Tampa, while looking at opportunities in Utah as well.

Thanks Bill Eshenbaugh,

from

Ryan Sampson, and

Nancy Surak



New Opportunities and Closings

New Listings

Grey Pines, 150 unit entitled single family project on 57.1 ac, Tampa, REO listed for **\$2,225,000**

Foxtail, 105 unit entitled single family project, located on US 301, Hillsborough County, for **\$1,700,000**

Clearwater Beach condo site for 18 units, foundation started, working on permits and docks. **\$3,000,000**

Summerfield Crossings -neighborhood commercial, Big Bend Road, Riverview, 9.27 acres. **\$1,800,000**

12.11 Ac, Multi-family land, Progress Blvd and Valledale Dr, Riverview off I-75. **\$3,250,000**

8.84 ac. Industrial, Maple Lane off of US 301 and I-4. **\$1,650,000**

100.78 ac Industrial, Plant City, \$5,900,000

15.28 ac. Industrial, Plant City, \$1,590,000

6 ground leases for bank branches in Pinellas and Hillsborough Counties- **Call for details**

Westshore land- 2.39+- acres on Laurel St. in the Airport area. **\$2,590,000**

Closings

- Thanks to Leslie Land Company and the Frankel family for the sale of a day care site at the Highland Park Community.
- Congratulations to Ryan Sampson and thanks to the Richman Group for the sale of a bank branch site to 5th 3rd Bank.

Please call us at **813-287-8787** if we can help with a listing proposal on your property.

Bill Ext. 1, Ryan Ext. 4, Nancy Ext. 5

www.TheDirtDog.com

Featured Properties



100.78+- Acres-Plant City, (left)



Laurel St.(above)



15.28+- Acres -Park Rd Plant City (above)



King's Mill Retail

Featured Properties

100.78 +- Acres in Plant City

Industrial land on Robert Ranch Rd.

\$5,900,000

Laurel St.

2.39 +- Acres in Westshore area for

\$2,590,000

15.28+- Acres Plant City

Part of Walden Wood DRI on Park Rd.

\$1,590,000

Featured Properties

- Industrial Sites
 - * Roberts Ranch Rd
 - * Laurel St.
 - * Park Rd.
- King's Mill Retail Pads

King's Mill Retail

Pictured above offers several opportunities for retail pads in an established commercial center. Located on busy SR 60 at Mulrennan Road in Valrico, this site already has a Dollar General, Arby's, and a Discovery Day Care Center. Available opportunities include a corner site at the light, strip center sites, medical and office, car wash, and other local neighborhood retail uses.

New REO Residential Offerings



Grey Pines is a residential subdivision of a planned 150 homesites on the edge of Temple Terrace off of Old Morris Bridge Road. This is a lender owner asset with a motivated seller.

Price \$2,225,000



This waterfront site in Clearwater Beach is approved for an 18 unit condo project. Initial groundwork started before lender acquired site. Docks applied for. Seller financing possible. **Price \$3,000,000**



Foxtail is a residential site on US 301 in Riverview area was zoned for 105 single family lots. Seller is bank who will consider financing and is motivated to get this one sold.

Price \$1,700,000

Eshenbaugh Land Company
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"The Dirt Dog" ©

Unleash The Dog



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Founded in 1992, Eshenbaugh Land Company specializes in site selection for residential communities, apartment development, assemblage, retail corners, and "hot" trends. For land brokerage, consulting, and specific assignments, please call Bill Eshenbaugh on his cell phone at 727-410-9595. Experience includes RTC Sales Center in 1990-92.

Bill is a Senior Instructor for the Realtor Land Institute (RLI) and is the co-author of their course "Site Selection".

Bill has decided to finish his teaching this year and turn over the classroom reins to others. His last class is set for November 2008 for Site Selection and it will be in Orlando, FL. To enroll, go to www.RLILAND.com and sign up under the education section.

Bill Eshenbaugh, ALC, CCIM, President, Ext. 1

Ryan Sampson, ALC, Land Specialist, Ext. 4

Nancy Surak, ALC, Land Specialist, Ext. 5

Properties For Sale: Call Bill Eshenbaugh, Cell 727-410-9595 or email: Bill@TheDirtDog.com

(Continued from page 1) far less than the 2005 pricing. Appraisers may have the toughest job of all real estate professionals today as they struggle to find values of land. Typically, they have used comparable sales of similar parcels as a good measurement of value but without adequate market activity and a lack of good comparables, they have a much tougher job. Recently, they have also been tasked to find two values- the value of a parcel of land as exposed to the market for 15-24 months, and the second value is a "liquidated" value if the seller had to sell and close in 30 to 60 days. While there are many investors with reportedly billions of dollars for Florida land, my experience is that for them to buy and close in 30-60 days, they expect a major discount of 60 to 80% of the current appraised value. While not many transactions have occurred at that level yet, I did read of a Wall Street fund that bought an \$80,000,000 bank portfolio of land loans for approximately 42% of the value. It is hard to get actual verification of these numbers as there is no recordation of land transfers when the loans are sold.

While credit likely will remain tight and financing tougher for some time to come, I believe there will be significant land buying opportunities in 2009. There will be a focus on the liquid acquisition funds acquiring bank portfolios of loans and foreclosed properties. I believe there will be a significant number of bank failures occurring into 2009, and that will also create opportunities to acquire their land assets on loans that were made on residential land.

As land brokers, we are working hard to find the right pricing of our listings, offering significant time-sensitive buyer's-broker bonuses, and focusing on sellers who "must" sell, not just "want" to sell. My associate-brokers Ryan Sampson and Nancy Surak and I have tried to be pro-active, not reactive to the market forces in 2008. We believe there will be land purchases made over the next year or so that will provide the buyers with some of the greatest potential for profit that we've seen in a number of years.

A visit with Bill Eshenbaugh, ALC, CCIM

Eshenbaugh
 LAND COMPANY
You Can't Stop the Dirt Dog.™

Headed Toward Lot Equilibrium?

While our lot sales reports continue to reflect very few transactions, the market is seeking that delicate balance between supply and demand at the happy place called, "equilibrium". Builders tell us they are closing more units than they start, dropping their inventories of finished vacant homes significantly, and buying fewer lots than they start. All of this is helping reduce the inventories of both finished homes and vacant lots. While some report over a 60 month supply of vacant lots, that of course is calculated on the current absorption of lots so it may be a bit misleading as we get into 2009 if there is even a small increase in the number of lots absorbed. Builders continue to struggle against the inventory of product offered by investors, lenders and short sales. Newland Communities is betting that the well located project of "Waterset" (located at I-75 and Big Bend Rd. in south Hillsborough County) will come up a winner with over 200 new homesites ready to go. We recently listed a commercial site at the entrance please call for details.

3RD QUARTER 2008 - LOT SALES

Eshenbaugh Report								
Community	Area/Description	Seller	Builder	Date	Lot Size	Price	# of Lots	Total
HILLSBOROUGH CO.								
FishHawk Ranch	L1-3/47;1-3/48	Newland Communities	D.R. Horton	Aug-08	T/H	\$15,400	6	\$92,400
	L1-3/30	Newland Communities	D.R. Horton	Sep-08	T/H	\$15,400	3	\$46,200
	L1,2,24/1	Newland Communities	Weekley	Jul-08	55'	\$50,000	3	\$150,000
	L25,26,36/1	Newland Communities	Weekley	Aug-08	55'	\$50,000	3	\$150,000
	L5/GG-6	Newland Communities	Cardel	Jul-08	60'	\$66,000	1	\$66,000
	L57/103	Newland Communities	Cardel	Aug-08	80'	\$114,800	1	\$114,800
PASCO CO.								
Lone Star Ranch		Standard Pacific of Tampa	Pasco Lone Star	Aug-08		\$24,000	21	\$504,000
Summer Chase		Taylor Morrison	Maronda	Jul-08	70'	\$27,500	17	\$467,500
Zephyr Ridge	Zephyrhills/Apts	Zephyr Ridge of Pasco	Providence One	Sep-08	Apartments	\$11,707	208	\$2,435,047
SARASOTA CO.								
Stillwater		Standard Pacific	KC Stillwater LLC	Sep-08		\$11,000	104	\$1,140,000
BULK SALES								
	Hillsborough County	D.R. Horton Inc.	So. Investment	Jul-08				\$1,986,285
	Hillsborough County	Taylor Morrison	KC GrandHampt.	Jul-08	Grand Hamptons			\$757,428
	Hillsborough County	Walden Woods Residential	Central Site Dev.	Sep-08				\$1,500,000
	Hillsborough County	Leslie Land Corp.	Learning Found.	Sep-08				\$725,000
	Hillsborough County	Meridian Commercial LLC	Fifth Third Bank	Sep-08				\$1,300,000
	Manatee County	Sandbox Partners LLC	Mullins	Aug-08				\$2,500,000
	Pasco County	Cardel Master Builder Inc.	Landmark Inv.	Jul-08	Multiple lots - Greens at Hidden Creek			\$1,068,000
	Pasco County	McCar Homes Tampa LLC	Larry Lampinen	Aug-08				\$1,000,000
	Pinellas County	Lake Hamilton Investments	PH Citrus LLC	Aug-08				\$4,037,571
	Polk County	Highland Cassidy LLC	PH Citrus LLC	Aug-08				\$18,297,285
	Polk County	Roger Wright	Ruthven 1-4 LLC	Aug-08				\$6,885,000