

THE SUGARLOAF COUNTRY CLUB REAL ESTATE REPORT

2013 – 2014 Edition



**BERKSHIRE
HATHAWAY**
HomeServices
Georgia Properties

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Sugarloaf Country Club Real Estate Report

2013 - 2014 Edition

By Mary Floyd, Published December 27, 2013

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This real estate report is provided to give our clients insight into the results for 2013 and the trends for 2014. We will be sharing facts and perspective that have been compiled from a variety of local, regional and national sources. This report is organized into the following sections:

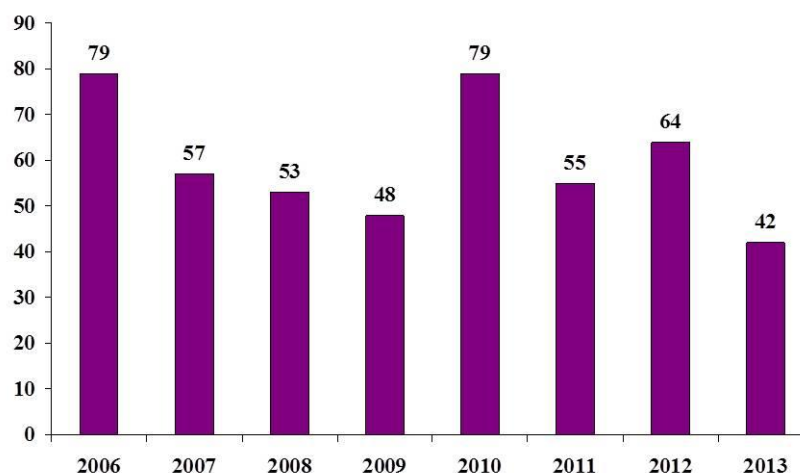
- **2013 Year In Review.** This is an overview of the real estate market for Sugarloaf Country Club in 2013.
- **2014 Real Estate Trends.** We will share relevant trends that allow our clients to draw insightful conclusions about what is most likely to happen in 2014 and beyond.

Get The Latest Sugarloaf Country Club Real Estate Report Each Month At MaryFloyd.com!

2013 Year In Review

First, let's take a brief look at what happened in 2013. There were 42 Sugarloaf luxury homes sold in 2013. This compares to 64 properties in 2012, 55 properties in 2011, 79 properties in 2010, 48 in 2009, 53 in 2008, 57 in 2007 and 79 in 2006. The average is 60 properties which is more reflective of a normal market for Sugarloaf. In addition, there were 9 lots sold in 2013. This compares to 20 lots sold in 2012. See the chart below.

Sugarloaf Country Club Closings (Total Luxury Homes Closed By Year)

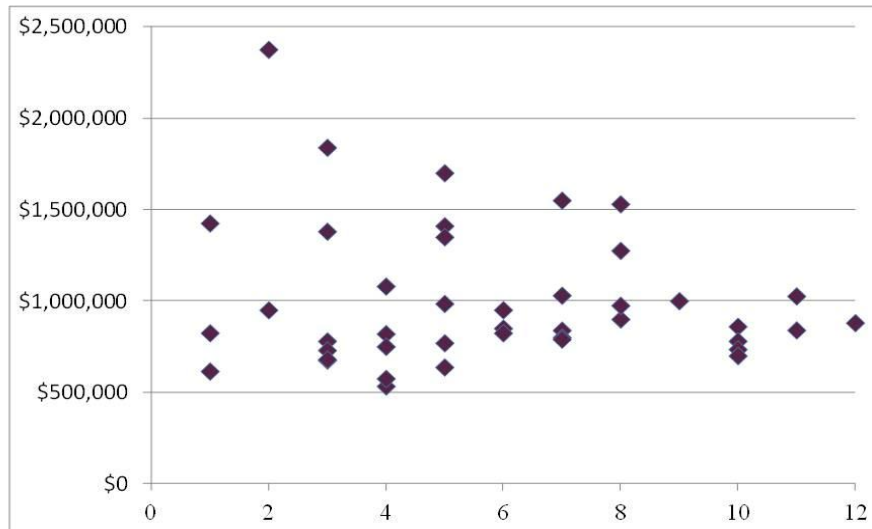


- **Average of 60 Closed Sales For Past Eight Years**

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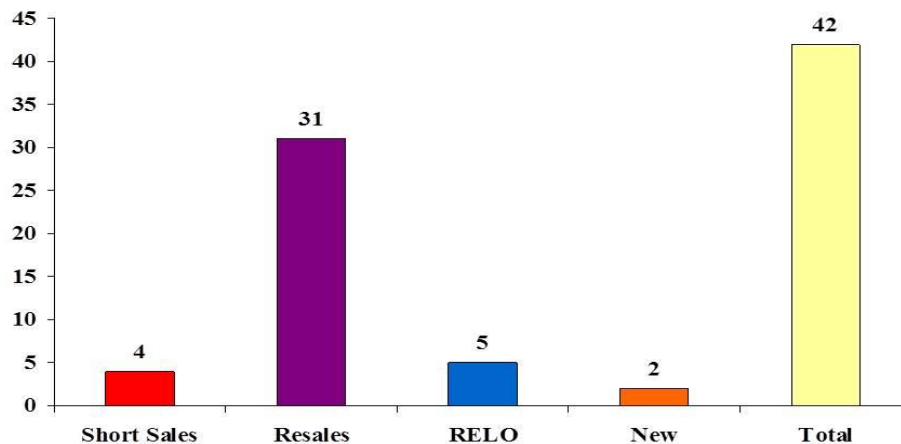
As we look at the distribution of properties sold, you can see that the majority of closed sales were in the \$500,000 to \$1.5 million range. There were only 5 properties sold above \$1.5 million and 14 above \$1 million. The lowest price sale was \$533,500 and the highest price sale was \$2,375,000. See the chart below to see the distribution of prices by month.

Sugarloaf Country Club Price Distribution (2013 Closed Properties By Price Range)



Of the 42 closed properties, 31 were standard resales with the remainder of sales coming from short sales, corporate relocation and new construction sales. Resales represented 74% of closed sales in 2013. Resales were 65% in 2012, 56% in 2011, 27% in 2010 and only 15% in 2009. That is a major move in the right direction as Sugarloaf Country Club cycles back to a more normal real estate market.

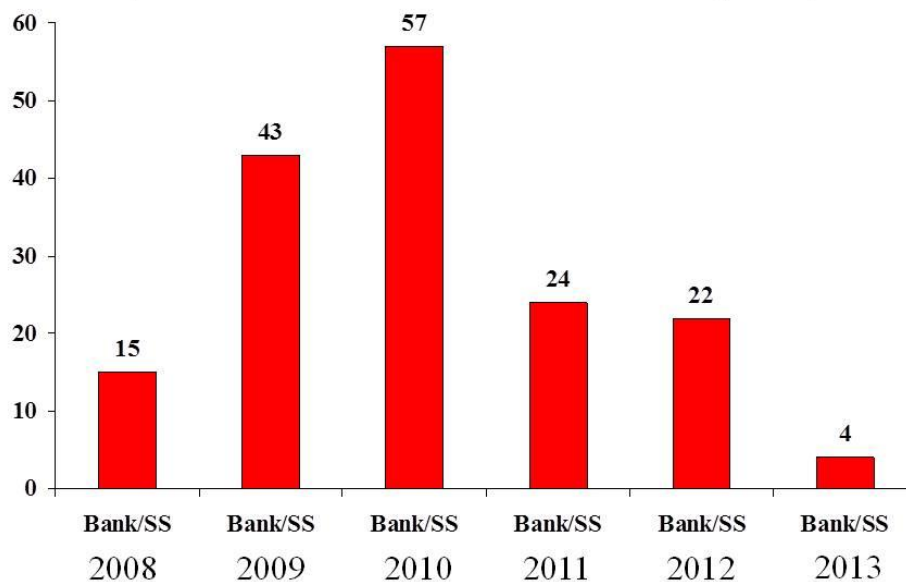
Sugarloaf Country Club Property Types (2013 Closed Properties By Type)



Distressed properties including foreclosures and short sales had a major impact on Sugarloaf in recent years. But that has subsided and we have moved back toward a more normal market. A few years ago, we saw an average of 8-10 notices of foreclosure each month. These were properties that were notified by the bank that they were at least 90 days behind on payments and their property was being scheduled for an upcoming auction. In 2013, we saw that pace drop to only 2-3 notices per quarter. There were only 4 short sale/ bank-owned closings in 2013. We can officially say that Sugarloaf Country Club has returned to a normal level of distressed properties. And that is great news for our community!

Sugarloaf Country Club Property Type

(Closed Bank-Owned and Short Sales By Year)



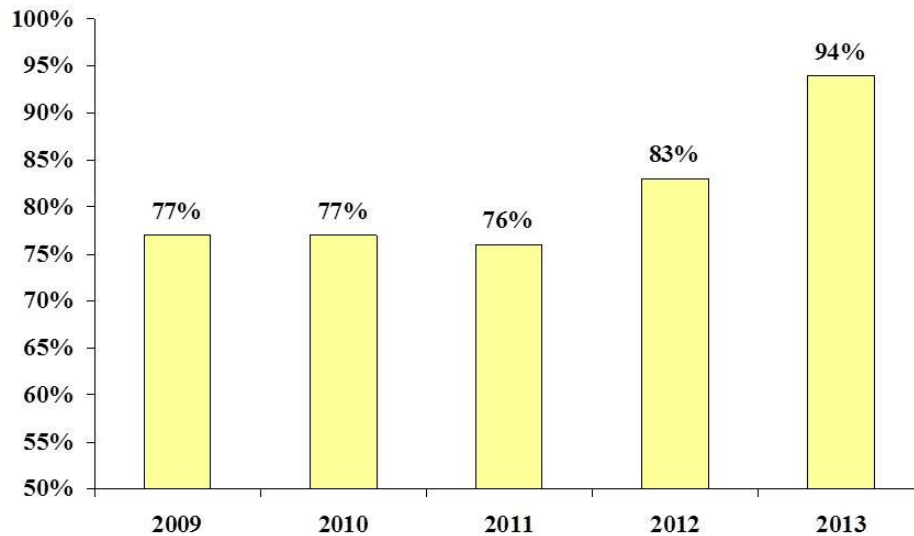
Now, let's look at Sugarloaf Country Club home values. Determining current market value today can be complicated. Websites like Zillow and others use automated valuation models to give you estimates based upon the general area. The accuracy of these tools is highly suspect. For luxury properties, there are many unique factors to consider that may be missed by even certified appraisers. And since most properties are financed, the appraisal is one of the critical factors. **This is why an agent who is truly a local expert and knows how to provide the right data to the appraiser gives you the best chance of achieving the highest value.**

There are two metrics that are the most useful in predicting local home value trends. The first is “closed sale price versus the previous closed sale price” ratio which we use for our **Sugarloaf Value Index**. This repeat sales method is also used by the popular Case-Shiller Index to report on Metro Atlanta and other major markets. ***We provide an updated Sugarloaf Value Index each month on MaryFloyd.com.*** The second approach is to look at “\$ per square foot” which is one of the major factors used by appraisers. These approaches are far more reliable than commonly used ratios like “list to sale” ratios, “average sales price” ratios or “median sales price” ratios. The chart below shows the Sugarloaf Value Index compared to previous years.

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Sugarloaf Country Club Value Index

(Closed Price Vs. Previous Purchase Price Ratio)



As you can see, Sugarloaf Home Values are moving in the right direction based upon both these charts. See the 2014 Trends section to learn what will impact our home values going forward.

Sugarloaf Country Club Values

(\$ Per Square Foot)



**We have additional details and proprietary information
to help our clients make the best real estate decisions!**

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2013 Sold Luxury Homes For Sugarloaf Country Club

Month	Type	Address	Original List	Sold Price	Prior Sold Price	List-Sale Ratio	Sugarloaf Value Index
January	Resale	2878 Grey Moss Pass	\$1,799,000	\$1,425,000	\$2,049,500	79%	70%
January	Resale	2837 Major Ridge Trail	\$895,000	\$824,562	\$1,100,000	92%	75%
January	Resale	2554 Thurleston Lane	\$699,000	\$615,000	\$888,000	88%	69%
February	Resale	3665 Moye Trail	\$2,900,000	\$2,375,000	\$3,028,900	82%	78%
February	Short Sale	2691 Lovejoy Circle	\$950,000	\$950,000	\$1,715,600	100%	55%
March	Resale	3308 Bagley Trace	\$1,999,999	\$1,839,000	\$2,000,000	92%	92%
March	Resale	2844 Thurleston Lane	\$1,500,000	\$1,380,000	\$1,000,000	92%	138%
March	Corporate RELO	2621 Lovejoy Circle	\$826,210	\$780,000	\$930,000	94%	84%
March	Resale	3150 Cypress Pond Pass	\$649,900	\$675,000	\$975,000	104%	69%
March	Resale	3100 Cypress Pond Pass	\$749,900	\$730,000	\$666,800	97%	109%
March	Resale	2204 Taylor Grady Terrace	\$699,000	\$679,999	\$760,000	97%	89%
April	Resale	2311 Bransley Place	\$1,199,000	\$1,080,000	\$1,000,000	90%	108%
April	Resale	1720 Bonar Hall	\$899,000	\$820,000	New	91%	
April	Resale	2621 Nutwood Trace	\$799,000	\$750,000	\$660,000	94%	114%
April	Short Sale	2331 Grady Ridge	\$533,500	\$533,500	\$732,200	100%	73%
April	Resale	2504 Thurleston	\$719,000	\$575,000	New	80%	
May	Resale	3570 Moye Trail	\$1,495,000	\$1,410,000	\$2,045,000	94%	69%
May	Resale	2855 Darlington Pointe	\$1,999,900	\$1,700,000	\$2,523,100	85%	67%
May	Resale	3271 Lockett Trace	\$1,600,000	\$1,349,350	\$1,407,632	84%	96%
May	Resale	3225 Cypress Pond Pass	\$1,019,000	\$985,000	New	97%	
May	Resale	2331 Bransley Place	\$799,000	\$769,900	\$651,000	96%	118%
May	Short Sale	2341 Grady Ridge Drive	\$679,000	\$637,500	\$735,400	94%	87%
June	Resale	2740 Sugarloaf Club Drive	\$1,200,000	\$950,500	\$825,700	79%	115%
June	Resale	2706 Tarva Lane	\$899,000	\$850,000	\$737,500	95%	115%
June	Corp-Owned	2751 Calloway Court	\$1,099,000	\$824,250	\$840,000	75%	98%
July	Resale	3273 Broadfield Court	\$869,000	\$839,000	\$852,000	97%	98%
July	Corporate RELO	2580 Sugarloaf Club Drive	\$1,699,000	\$1,550,000	\$1,503,000	91%	103%
July	Resale	2723 Bonar Hall Path	\$1,085,000	\$1,030,000	\$1,091,500	95%	94%
July	Resale	2760 Sugarloaf Club Drive	\$949,000	\$800,000	\$627,500	84%	127%
July	Resale	2503 Thurleston Drive	\$799,900	\$790,000	\$830,000	99%	95%
August	New	2756 Eudora Trail	\$879,900	\$899,900		102%	
August	Resale	2254 Taylor Grady Ridge	\$1,175,000	\$975,000	\$1,045,000	83%	93%
August	Resale	2808 Major Ridge	\$1,385,000	\$1,275,000	\$1,500,000	92%	85%
August	Resale	3470 Moye Trail	\$1,750,000	\$1,530,000	\$1,494,500	87%	102%
September	Resale	2841 Lockerly Pass	\$1,095,000	\$1,000,000		91%	
October	Corporate RELO	2025 Sugarloaf Club Drive	\$999,000	\$860,000	\$1,100,000	86%	78%
October	Resale	2318 Grady Ridge Drive	\$829,000	\$780,000	\$772,300	94%	101%

October	Resale	2440 Sugarloaf Club Drive	\$765,000	\$735,000	\$571,000	96%	129%
October	Short Sale	2815 Eudora Trail	\$699,000	\$700,000	\$890,000	100%	79%
November	New	2911 Grey Moss Pass	\$829,900	\$1,026,337	New	124%	
November	Corporate RELO	2638 Bonar Hall Path	\$1,050,000	\$840,000	\$646,000	80%	130%
December	Resale	3086 Glen Mary Walk	\$999,000	\$880,000	New	88%	
						92%	94%

**Data compiled from a variety of sources including tax records.
Information deemed to be reliable but not warranted.**

If you are considering listing your Luxury Property, please contact us to learn about our **Advanced Property Marketing System** and the new **Berkshire Hathaway HomeServices Luxury Collection**. We specialize in advanced luxury marketing and personalized service to achieve the highest values for our clients. Better marketing produces better results!

Berkshire Hathaway was the No. 1 company in Barron's annual ranking of the world's 100 most respected companies, and we are proud to be entrusted to use the world-renowned Berkshire Hathaway name. Berkshire Hathaway HomeServices has the resources to innovate faster and bring a new level of quality to real estate. Contact us to learn more.

"A home is one of the most important assets that most people will ever buy. Homes are also where memories are made and you want to work with someone you can trust."

WARREN BUFFETT

Chairman

Berkshire Hathaway Inc.

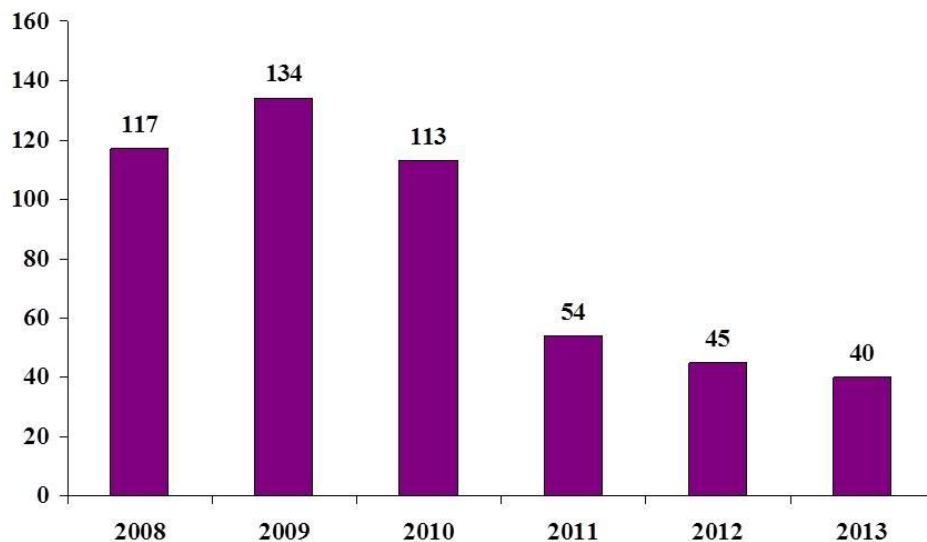
2014 Sugarloaf Real Estate Trends

Now, let's explore the major trends for 2014 and discuss what is likely to happen. The traditional laws of supply & demand plus mortgage rates, the economy and demographic changes continue to have big influences on the Sugarloaf housing market. Plus there are a few wild cards that may come from new legislation and regulatory changes including negotiations over the fiscal cliff, debt ceiling, federal deficits and actions by the Federal Reserve. This information is organized in the following categories:

- Listing Inventory Trends
- Sugarloaf New Homes
- Georgia Economic Trends
- Mortgage Rate Trends
- Impact of The Greater Gwinnett Championship

Listing Inventory Trends. The listing inventory remains historically low for Metro Atlanta but that is moving back toward more normal levels as the new homes market continues to build momentum. Inventory has also been down for Sugarloaf Country Club. In 2008, listed inventory averaged 117 listings. In 2009, the average was 134. In 2010, the average was 113. In 2011, the average dropped to 54 listings. In 2012, the average was 45 listings and down to 40 in 2013. We expect to see inventory levels in 2014 that are similar to 2013. Our new homes market cannot grow fast enough to make a significant impact. These levels will become the “new norm” for the next few years in Sugarloaf Country Club.

Sugarloaf Country Club Listed Inventory (Average Number Of Active Listings For Each Year)



Sugarloaf Country Club New Homes. Yes, there are new homes under construction again in Sugarloaf! That is more good news for our community. There are two reasons that new homes are good for our community. First, the “\$ Per Square Foot” cost for building new homes are higher than the current market values. These sales will help drive up the overall values of the community. Second, there are a limited number of desirable lots left. The faster these are absorbed, the better for the remaining resales.

Several builders have a small number of specs under construction and other buyers are purchasing custom homes. We have approximately 80 lots left to build. In 2013, there were 9 lots sold and two new construction closings. We would expect that to increase to 5-10 new construction closings in 2014. It will likely take 3-5 years to build out the most desirable remaining lots.

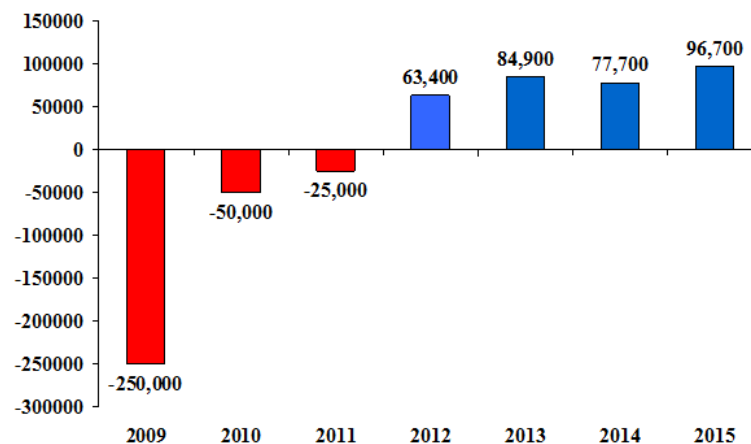
There are no large tracts of land available in close proximity to build a community like Sugarloaf Country Club. Even if that were the case, the costs would be much higher. If you are interested in a New Home, contact me quickly to learn about these opportunities. Sugarloaf New Homes will go fast as many buyers are willing to pay a premium for new construction.

Georgia Economic Trends. The Georgia economy will out-perform the national economy again in 2014. That was not the case in 2008 – 2012. Here are some highlights:

- **More Jobs In Georgia:** After losing 325,000 jobs from 2009-2011, employment in Georgia is growing again. In 2014, analysts predict that Georgia will add 77,900 jobs and get back to pre-recession levels by 2015.

More Jobs In Georgia!

(2013 Reports From UGA Terry College of Business/ Georgia State Economic Forecasting Center)



- **Georgia Lost 325,000 Jobs In The Great Recession.**
- **2012 Restarted Positive Job Growth Trend!**

- **Companies Moving To Georgia:** Group moves from corporations are rising again. Our company is the leader for Corporate Relocation in Metro Atlanta. In 2013, we saw the largest increase in corporate moves since the recession. Metro Atlanta offers a very low cost of doing business versus other metropolitan areas. Our transportation network (rail, ports, trucking, airport) and economic development incentives should keep this trend very positive for the coming years.
- **New Residents Relocating To Georgia:** New residents are moving to our area in larger numbers. In 2014, net in-migration will add 61,000 new residents to our area which is more than double recent years. The migration patterns from the Rustbelt to the Sunbelt are coming back and Georgia will benefit.
- **Baby Boomers Are On The Move:** The Metro Atlanta area is home to one of the largest populations of young people of any major metro area. Atlanta ranks #2 in 25-39 age group and #5 in population under 20. There is a huge trend of boomers moving to be closer to their children and grandchildren. Baby boomers are already the 2nd largest group of home buyers in our market!

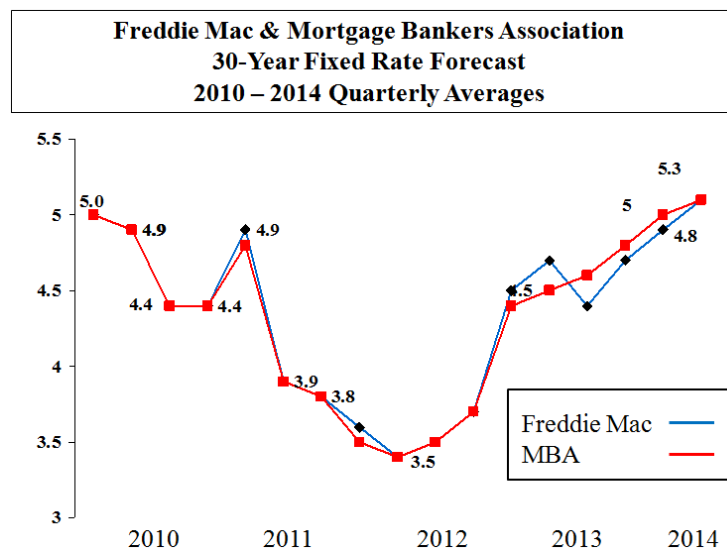
Baby Boomers are also moving locally to smarter living options. In luxury communities like Sugarloaf, there is growing demand for smaller and more energy efficient living. This will be a significant trend that drives our housing market in 2014.

Mortgage Rate Trends. There are a few buyers that pay with cash but the majority of luxury buyers still need a mortgage. This is clearly a great time to buy a luxury property in Sugarloaf

Country Club with attractive prices and historically low mortgage financing. But this scenario will not last forever. The Fed continues to maintain their purchases of mortgage securities which have kept mortgage rates artificially low. But they have announced their intention to slow or stop this program. **Remember the average mortgage rate for the past 50 years was 8%.** In 3-5 years, we

expect to see mortgage rates back up to the 6-7% range. There is a

decent chance that we could eventually see a scenario like the early 1980s where inflation drove rates well into the teens. Many potential buyers realize that this is an unusual “window of opportunity” to purchase the home of the dreams with very low financing that may not be available in the future. **We would be happy to connect you to one of our loan officers to learn more about your financing options.**



Impact of the Greater Gwinnett Championship. The new Greater Gwinnett Championship brings back a PGA tour event to Sugarloaf Country Club. For those that were around when we hosted the PGA events (BellSouth Classic/ AT&T Classic), you will recall that those events really energized the community and contributed positively to the demand for luxury homes. This is a great opportunity to re-introduce our community to the world! And the benefit is a positive impact to our home values. Those great golf course views and venues for entertaining will now be more desirable again. We are especially pleased that this is a Champions Tour event. We get to see some very recognizable names up close. And these guys know how to treat fans – unlike some of the PGA Tour players. We want to encourage everyone in our community to get involved and make this a special event that benefits our community!



Sugarloaf Country Club has an impressive set of advantages. The TPC at Sugarloaf golf course is one of the best around and will stand the test of time versus other local courses. Membership in the TPC Network affords many privileges and avoids costly assessments experienced by other club communities. Almost every other luxury club community in North Atlanta has gone through bankruptcy. The tennis and sports center complex are excellent facilities and offer many activities. The clubhouse is a classy venue for entertaining or enjoying a fine meal. The park is beautiful for every season of the year. Our community has quick access to I-85 in comparison to other luxury communities that are land-locked. Our proximity to shopping (Sugarloaf Mills, Mall of Georgia), major area attractions and entertainment (Gwinnett Arena), convention and meeting space (Gwinnett Convention Center, 1818 Club, TPC Clubhouse) make SCC an ideal location. The Gwinnett Park system is rated #1 in the nation. Our high school sports are known nationally and we have top feeder systems available for young athletes. There are excellent public and private school options. Sugarloaf Country Club is loaded with families and a diverse population that makes everyone welcome. Who wouldn't want to live here?

Stay Informed In 2014. As the market evolves, we will continue to watch the key indicators and report on the latest facts & trends for Sugarloaf Country Club. Each month, we provide a detailed report on my website – MaryFloyd.com. In addition, we have other details and insight that we provide to our clients.

Our Advanced Property Marketing System is specifically designed for this market. To compete effectively and get the best value, you need the best marketing available.

Summary:

We hope you have found the Sugarloaf Country Club Real Estate Report – 2013/ 2014 Edition helpful. Having better information, leads to better decisions!

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