



Pacific Union International Luxury Real Estate Report

SONOMA

Denise Jones

50 E Street
Santa Rosa, CA 95404

707.349.1734

E-Mail: Denisejones2008@comcast.net
<http://www.heyrealestatelady.com>

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SONOMA

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Dear Client,

The new year is upon us and so instead of reflecting back only on the last quarter of the year, it seems more relevant – especially considering the market and the economy of the last few years – to review how the entire bygone year compares to 2009.

There are a number of interesting statistics and data facts presented here in our newsletter, but it might be worthwhile to highlight just a few. For example, in reviewing sales of all single family homes in Sonoma Valley (Sonoma, Glen Ellen and Kenwood) which were reported to the Bay Area Real Estate Information Service (BAREIS) our regional MLS system, in 2010, the news is very positive. In breaking down the data by price range, we find that in 2010 for all residential properties (including single family homes, condos and farms/ranches) under \$1 Million, the total volume of sales rose by 22% in '10 and the number of closed transactions was also up considerably. While this is good news, it is especially encouraging to note that the average price was also up – 10% over the 2009 sales in the same price range.

Although the over \$1 Million price range did not perform quite as well in terms of number of closed sale transactions, dropping from 52 closed sales in '09 to 47 in '10, this year did show an increase in average sales price over the previous year by almost 10%. Keeping in mind that these are only sales which have been reported to BAREIS. Some transactions – for a variety of reasons – are not included in this data and may alter these statistics one way or the other.

While some might believe that this data shows an end to the price depreciation we have experienced over the past few years – along with most of the rest of the nation – it is important to acknowledge that we are basically not out of the woods yet. Anecdotally, in Sonoma we are seeing multiple offers on well-priced properties and homes selling for “over asking price”. On the flip side, absolutely fabulous homes, in great condition, in great locations and at seemingly great prices aren't moving. It is this dichotomy that causes buyers and sellers (not to mention the Realtors®) to find this market not only difficult, but frustrating indeed. Attempts to help a seller properly price a property for sale, or to counsel a buyer on structuring an offer in this market have become a challenge and the angst of all Realtors®.

Add to this the complexity of the short sale scenarios (which seem to change continuously) and the REOs (real estate owned) foreclosures and one finds a truly stressful market. We recognize that both buyers and sellers are struggling with how to deal with what is going on. Buyers still believe it is a “buyers market” and that they can negotiate the lowest price. Unfortunately, many buyers have ended up losing their desired property as multiple offers put the advantage back on the seller's side. Sellers hear of instances where neighbors or friends have sold their homes with multiple offers in only a few days and then have an expectation of achieving the same, but ending up with very different results often selling after many price reductions and many days on the market – or not selling at all.

So, as we enter this new year and this continually challenging economy and industry, we move forward with guarded optimism and enthusiasm. It may sound a bit self-serving, but I believe there has never been a time when the guidance and experience of a good Realtor® was needed more. Please feel free to call me to discuss your specific real estate or mortgage needs.

Sincerely,

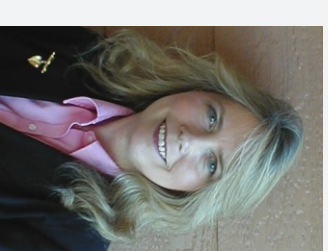
Denise Jones

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Broker Associate/Realtor

707.349.1734

E-Mail: Denisejones2008@comcast.net
<http://www.heyrealestatelady.com>
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HOME COMPARISON

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SONOMA VALLEY* \$1 MILLION & UNDER

SINGLE FAMILY HOMES

TIME PERIOD	2009	2010	'09 - '10 % CHANGE
VOLUME	\$133,010,901	\$161,958,805	22%
HOMES SOLD	316	350	11%
AVG. DAYS ON MKT	114	110	-4%
MEDIAN PRICE	\$373,750	\$419,500	12%
AVERAGE PRICE	\$420,921	\$462,739	10%

*Sonoma, Glen Ellen & Kenwood

Source: BAREIS, December 31, 2010

SONOMA VALLEY* \$1 MILLION & HIGHER

SINGLE FAMILY HOMES

TIME PERIOD	2009	2010	'09 - '10 % CHANGE
VOLUME	\$93,137,525	\$91,700,510	-2%
HOMES SOLD	50	45	-10%
AVG. DAYS ON MKT	128	175	37%
MEDIAN PRICE	\$1,637,500	\$1,775,000	8%
AVERAGE PRICE	\$1,862,751	\$2,037,789	9.4%
MAX PRICE SOLD	\$6,476,025	\$7,662,250	18%

*Sonoma, Glen Ellen & Kenwood

Source: BAREIS, December 31, 2010

We look forward to serving you in 2011.

HOME COMPARISON & CITY STATS

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NAPA & SONOMA COUNTIES \$1 MILLION & HIGHER

SINGLE FAMILY HOMES

TIME PERIOD	2009	2010	'09 - '10 % CHANGE
VOLUME	\$356,962,414	\$389,677,610	9%
HOMES SOLD	211	222	5%
AVG. DAYS ON MKT	146	178	22%
MEDIAN PRICE	\$1,351,089	\$1,400,000	4%
AVERAGE PRICE	\$1,691,765	\$1,755,305	4%
MAX PRICE SOLD	\$6,476,025	\$7,662,250	18%

Source: BAREIS, December 31, 2010

SONOMA CITY STATS 2009 VS 2010

SINGLE FAMILY HOMES

CITY	# SALES 2009	# SALES 2010	% CHANGE # SALES	AVG PRICE 2009	AVG PRICE 2010	% CHANGE AVG PRICE	AVG DOM 2009	AVG DOM 2010	% CHANGE AVG DOM
SONOMA	326	350	7%	\$586,396	\$634,334	8%	113	115	2%
GLEN ELLEN	23	26	13%	\$804,261	\$620,936	-23%	118	132	12%
KENWOOD	16	16	0%	\$967,824	\$872,863	-9.8%	160	140	-13%
PETALUMA	555	558	1%	\$434,014	\$444,829	2%	97	92	-5%
ROHNERT PARK	273	243	-11%	\$321,038	\$319,866	0%	82	77	-6%
SANTA ROSA	2,218	1,840	-17%	\$364,841	\$382,161	5%	96	99	3%
HEALDSBURG	143	142	-1%	\$766,601	\$792,631	3%	151	135	-11%
WINDSOR	337	317	-6%	\$375,646	\$375,203	0%	104	196	88%
SEBASTOPOL	192	206	7%	\$598,868	\$587,504	-2%	106	103	-3%

Source: BAREIS, December 31, 2010