

# The Artisan Group

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## WELCOME TO OUR EXTENDED FAMILY

*Having A Well-Connected Friend Is Good,  
But Having A Well Connected Family Is Golden.*

That's the concept behind The Artisan Group, a collaboration of high profile, independently-owned real estate companies located in Northern California and Nevada. This alliance covers seven specific areas – reaching from the picturesque San Luis Obispo to the beautiful Carmel and Monterey Peninsula, north to Napa and Sonoma, and from cosmopolitan San Francisco west to the high-alpine environment of Lake Tahoe. By joining together, these individual brokerage firms cast a greater net across California and Nevada, providing clients with expertise in many areas rather than just one. This collaboration also gives individual firms an edge over mainstream competition. The group maintains its personal service and dedication to catering to the luxury market. No matter where customers decide to buy or sell, The Artisan Group will be able to connect them with a professional that specializes in their targeted region.

At the Artisan web site ([www.ArtisanGroupRE.com](http://www.ArtisanGroupRE.com)), customers can email questions to an Artisan concierge who, in turn, connects them with an appropriate agent. This customized home-buying strategy assures that customers will be connected with agents that are current on local market conditions and knowledgeable about neighborhoods, schools, shopping, zoning, and commuting conditions in their communities. For sellers, the expanded network delivers additional exposure for their properties. Rather than just being listed by one firm, the listing will be shared with the family – eight real estate companies and a network of more than 1,000 agents.





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### **Bailey Properties**

Bailey Properties is the premier broker in Santa Cruz County, delivering upscale services to buyers and sellers of distinguished coastal properties. Established in 1974, the company currently offers four offices and a team of over 135 experienced professionals to assist the discriminating client with specific interests and concerns. Services include financing, property management, relocation services and asset management.

831.688.7434 | 831.426.4100 | 831.438.2300  
[www.BaileyProperties.com](http://www.BaileyProperties.com)

### **Chase International**

Chase covers the Lake Tahoe/Reno area with a team of 225 sales associates working from five offices around the Lake – one in Reno, Truckee/Timilick areas and Squaw Valley as well as an international office in London. Focused on luxury real estate, Chase offers a portfolio of homes ranging from lakefront estates to slope-side retreats.

866.233.7111 | [www.chaseinternational.com](http://www.chaseinternational.com)  
[www.ChaseNation.com](http://www.ChaseNation.com)

### **Empire Realty Associates**

Empire Realty, based in Danville and Walnut Creek, serves Contra Costa and Southern Alameda Counties. Its nearly 100 full time agents specialize in property sales ranging from condominiums and single family homes to multi-million dollar estates. Empire's agent-partner ownership believes the consumer is best served by a locally-owned company with deep roots in the community.

925.217.5000 | 925.465.2000  
[www.EmpireRealty.com](http://www.EmpireRealty.com)

### **Gallagher & Lindsey**

At Gallagher & Lindsey, our work environment is collaborative, sharing knowledge and connections so every client benefits from our collective expertise. When you work with a Gallagher & Lindsey Realtor, you work with our entire team, all dedicated to helping you buy, sell, invest and prosper.

510.521.8181 | 888.521.8181  
[www.GallagherAndLindsey.com](http://www.GallagherAndLindsey.com)

### **The Grubb Co.**

This full-service boutique agency has served families in Piedmont, Berkeley, Oakland, and Kensington since 1967. A dedicated team of 60 agents are based in two offices – Oakland and Berkeley.

510.339.0400 | 510.652.2133  
[www.GrubbCo.com](http://www.GrubbCo.com)

### **John Saar Properties**

John Saar Properties, Inc. is the premier marketing team of extraordinary properties on the Monterey Peninsula and Big Sur. As a locally-owned company of dedicated professionals, we can react to the market rhythms more quickly and with more flexibility than a real estate conglomerate. Even the most recognizable properties deserve a unique focus. Communicating the essence of each property stimulates the imagination and captures the attention of key buyers. A purposeful combination of services and creative marketing solutions breathes life into each property that we represent – the hallmark of John Saar Properties.

831-625-0500 | 831-622-7227  
[www.JohnSaar.com](http://www.JohnSaar.com)

### **Paragon Real Estate Group**

From two locations, 1160 Battery Street (Levi's Plaza) and 1400 Van Ness Avenue, Paragon agents help customers navigate San Francisco's many neighborhoods. Passionate about their city, they offer expertise in all areas – from the desirable Pacific Heights to the up-and-coming South Beach.

415.738.7000 | 415.565.0500  
[www.Paragon-RE.com](http://www.Paragon-RE.com)

### **Patterson Realty**

Over the past three decades, Patterson Realty has been a leader in sales and service, producing one of the largest repeat clients and referral businesses in the county. Countless satisfied customers have enjoyed the benefits of this leading-edge approach. Serving the Paso Robles & San Luis Obispo areas.

805.544.8662  
[www.PattersonRealty.com](http://www.PattersonRealty.com)

# Luxury Marketing Report

Summer  
2010

## **Santa Cruz & Surrounding Cities | *Bailey Properties***

May showers brought more than Spring flowers in Santa Cruz County. We are seeing growing confidence in the market from buyers and sellers in all price ranges. There are fantastic opportunities in the luxury home market and smart consumers are responding. Unique, one-of-a-kind properties and locations on the water or in the mountains that are priced correctly are getting the most attention.

The luxury client is coming from throughout the Bay Area and Northern California area to Santa Cruz looking for the coastal lifestyle. The recent market conditions have rolled back the clock to 2003 prices.

The upper-end market in Santa Clara and San Mateo areas, just across the hill from Santa Cruz, for properties going pending is up 15% and sales are up much more dramatic (April 2009 vs. April 2010). This is the beginning of a positive trend that is affecting the Santa Cruz luxury home market.

## **Lake Tahoe, Reno & Truckee | *Chase International***

From the first of the year, we are pleased to report an uptick in higher-end activity in both the Reno and Lake Tahoe single-family markets. Since the first of the year, there have been 12 completed sales over \$1 million and four currently in escrow in Reno. There are 26 listed over \$2 million in the Reno MLS area and 146 over \$1 million.

For Lake Tahoe, lakefront activity appears to have more interesting life than last year – so far. There have been three sales over \$10 million in the Incline/Crystal Bay area, and currently there are four lakefront solds for the North and West shore, with three in escrow...all under \$5.5 million except for one pending (an almost five-acre parcel with four lots with older improvements listed at \$16.6 million). The east shore has had two lakefront sales so far and South Lake Tahoe had one in the Tahoe Keys. For single family sales over \$1 million, the Tahoe Sierra MLS (north/west shores, Squaw, Alpine, Truckee, Northstar, etc.) show 34 closings. We are seeing increasing sales results, in most cases reflecting discounted prices from last asking, including some short sales and REOs over \$1 million.

At this time of year, we are all gearing up for summer and the expectation that we'll see greater interest in the more expensive properties, reflecting the activity we understand is happening with our affiliates in the greater Bay Area. The Reno-Tahoe Sierra region continues to be attractive to urbanites who want the elevated experience....and now is a great time to consummate that sale!

## **Diablo, Lamorinda & Tri-Valley Areas | *Empire Realty Associates***

Analyzing our marketplace is not an easy task -- real estate can differ greatly from neighborhood to neighborhood.

Generally speaking, our communities are experiencing an increase in sales and quicker market times compared to last year. Looking at April 2010, closed sales for all price points were up an average of 71% in 11 of 15 communities compared to this time last year. However, we are seeing price declines in upper-end communities compared to last April; Alamo down 20%, Blackhawk 19%, Lafayette 5%, Moraga 16 %, and Pleasanton 7%. In addition, many upper-end markets are experiencing distressed sales which affects pricing of all sales.

Luxury Marketing Report 

Summer 2010

[www.ArtisanGroupRE.com](http://www.ArtisanGroupRE.com)

*Diablo, Lamorinda & Tri-Valley Areas (continued)*

In communities of Alamo, Blackhawk, Danville, Lafayette, and Pleasanton, total active listings are 669 with nearly 40% in the luxury price range of \$1.5 million and over. There are currently 444 total pending sales with 13% at the luxury price point. Sold properties (YTD to 5/15/10) total 548 with 10% luxury. Properties average 89 days on the market and sell at an average of 92% of list price. Year-to-date, there have been 54 luxury sales compared to 33 YTD this time last year.

In all five communities, there were significant increases in the number of sales, Lafayette seeing the greatest increase from six closed sales this time last year to 17 this year. Days on market of active listings and price-per-square-foot show that many sellers continue to be unrealistic about pricing. Pending sales indicate that homes priced correctly sell relatively quickly – 61 days on average versus 110 days currently for active listings. Price-per-square-foot of actives is \$514, versus \$429 for pending sales and \$408 for sold properties, indicating that active listings are priced too high and buyers typically wait for prices to be reduced before making an offer.

Overall, upper-end buyers recognize the great opportunities of this market and choose to buy with caution and with an eye to value! Executive transferees and local move-up buyers continue to be attracted by the excellent schools, picturesque topography, custom newer construction, and convenient commuting options.

**Alameda & Surrounding Areas | Gallagher & Lindsey**

Many are first drawn to Alameda for its nationally-recognized schools, plentiful parks, marinas, and thriving shopping districts. But with its close proximity to San Francisco, most agree that this quaint island town offers the unique experience of small town charm in the heart of the dynamic Bay Area.

Alameda's current luxury home inventory highlights the diversity of this small island community. Shoreline Drive features beachfront condos and modest mid-century homes. While Alameda's Gold Coast neighborhood features many impressive Victorians and Craftsman residences with significant architectural histories. Mediterranean-style villas, Tudors and charming bungalows can be found throughout the main island and the picturesque Fernside district. Finally, contemporary waterfront bay view homes with dramatic San Francisco views express the unique character of Harbor Bay.

The Alameda market started 2010 with some promising signs. While the sub-\$600k market continues to dominate the sold market (60% of total, Q1 2010), the \$600k-\$900k market regained ground from 26% to 36%. And the \$900k + market continues to remain stable at approximately 6% of the total market.

Overall, the mood of the Alameda housing market is gradually improving. Distressed properties (short sales and bank-owned) have decreased to less than 20% of total inventory. And months supply of inventory (MSI) for the luxury market has decreased significantly, signaling that high-end buyers are attracted to the more competitive prices of high end properties. Last year the luxury market MSI was 8.8 months. As of April this year, MSI was 2.7 – even lower than the overall Alameda market average of 2.8 MSI.

**Oakland, Piedmont & Berkeley | The Grubb Co**

We appear to have reached the bottom of this current real estate cycle in 2009. The Unit Sales volume hit an all time low in the first quarter of 2009 and has steadily grown since then. The price for all properties in the East Bay felt as though it was bottoming out in the third and fourth quarter of 2009 with a slight increase in pricing during 2010.

*Oakland, Piedmont & Berkeley (continued)*

The first quarter of 2010 saw a significant rebound in Buyer enthusiasm as well as a willingness of sellers to list their homes for sale. Unit Sales in our market of Kensington, Berkeley Hills, Piedmont and the Oakland rebounded over the lows of First Quarter 2009 with a 33% increase in sales with the most significant rise in sales volume of 200% in Piedmont. The Luxury Market of homes priced above \$1.5 million has experienced a healthy rebound. Piedmont has had many significant homes in \$2.0 - \$6.0 million range come to market. In addition, there are some prestigious homes in the Berkeley Hills coming to market over \$4.0 million, and the highest priced home in the Oakland Hills sold recently for \$3.2 million.

Prices have also experienced a healthy rebound from the lows of 2009. While it could be argued that a rebalancing of the market, with more homes selling across all price ranges has simply created a statistical shift in the median price index, actual sales price per square foot is a somewhat better indicator of pricing strength in the market. Across all price points from \$500,000 and above, first quarter of 2010 realized an 8.7% increase in price per square foot from \$413 in first quarter 2009 to over \$449 per square foot in first quarter 2010. The strongest gains were seen in the Berkeley Hills Market with a 26% increase in price per square foot. Surprisingly, our most expensive market, Piedmont, actually had an 8% decline in prices. Many high net worth individuals have taken advantage of the price declines over the last few years to trade into this market with either all cash or low leverage transactions. The reduction in pricing in Piedmont can be most easily explained by the demand of buyers to get a "low leverage discount" on the purchase price of their new home.

With increased sales volume, increasing demand and a diversified and stable economy, the East Bay real estate market has exhibited greater resiliency than most other areas of California.

**Monterey Peninsula | John Saar Properties Inc.**

The high-end real estate market on the Monterey Peninsula has not been completely isolated from the current global financial climate. However the appealing prices of luxury properties continue to attract buyers seeking to take advantage of the present opportunities. Extraordinary luxury homes continue to attract buyers from around the world to the Monterey Peninsula and Big Sur Coast.

Our inventory of exceptional homes continues to expand, attracting even more attention to our office from various sources. An example of this attraction is that John Saar Properties, Inc. was recently contacted by CBS with a request to feature a compilation of our Big Sur listings for a segment on the CBS Sunday Morning television program. John Saar worked with the CBS crew completing the project the week of May 12th; it should broadcast in the next few months. Opportunities like this not only reflect the broad appeal of our world class properties but showcase the results of our extensive and unique advertising techniques. We continue to capture the attention of high-profile clients.

Our immediate market area is somewhat small geographically yet the appeal continues to be strong. Homes in the million+ price range are still selling. There are currently 43 in escrow in this price range with 65 sold in just the last few months. We are also currently in negotiations with contracts on several multi-million dollar homes, in some cases with multiple offers.

Monterey Peninsula owners continue to trust the creative marketing and the reputation of outstanding customer satisfaction offered by John Saar Properties.

## San Francisco | *Paragon Real Estate Group*

In San Francisco, the luxury home market - defined as homes above \$2 million - continues to show strength in the single family home segment while remaining sluggish in the condo/co-op segment.

A total of 54 single family homes sold for more than \$2 million during the first four months of 2010, up 54% from the same time frame in 2009 when the nation was nearing the bottom of the recession. This is great news until compared to the halcyon days of 2008 when 74 homes sold in that time period. The single family market is picking up speed but has not reached the velocity of 2008. One other encouraging sign was that homes continue to sell much faster, with the average sale occurring after 64 days during this time frame compared to 81 days a year ago.

In the luxury condominium/co-op market, in the first four months of 2010, 14 condos/co-ops sold. In 2009, 13 sold – practically flat year-over-year. Compare that to the same time frame in 2008, 29 condo/co-ops sold – a significant 50% drop since 2008.

Some other highlights:

- The most expensive sale in San Francisco was a four bedroom, six bath single family home in Pacific Heights that sold for \$13.5 million. All of the other 53 single family homes that sold were under 6.6 million.
- The most expensive stock co-op sold so far this year in San Francisco was a three-bedroom, four bath full floor co-op in Pacific Heights that sold for \$4.1 million
- Pacific Heights again boasted the most two-million-dollar + sales with 18 in the first four months of 2010, thirteen single family homes and five condos/co-ops.

## San Luis Obispo, Avila Beach, Morro Bay & Paso Robles | *Patterson Realty*

Cautious optimism may best describe the mood of the San Luis Obispo business community as it looks to the economy a year from now. That was the loose consensus of an informal showing of hands at the San Luis Obispo Chamber of Commerce's annual State of the City Economic Forecast held on May 4, 2010. A measure of the crowd's guarded confidence was revealed when two-thirds of the 250 business leaders attending the event said they'd rung up good first quarter numbers.

On the local level, Bill Watkins, executive director of the Center for Economic Research and Forecasting at California Lutheran University, said the county's coming challenge is how to deal with cuts to state jobs in light of California's budget deficit. With 20% of the county's workforce employed in government jobs – Cal Poly, Cuesta College, California Men's Colony, Atascadero State Hospital, for example – "the county hasn't seen the worst effects of state cuts yet," he said. "It will be a while before it (the economy) picks up."

Regarding real estate, the luxury market has been very sluggish with few showings compared to past years. However, in the last two months we have had more agents showing high end homes than in the previous six months. Currently we have 230 active listings over \$1 million in the county which includes the beach communities. We had 38 closings in the last six months with an average sales price of \$1,515,418. In addition there are 18 homes that are pending in this price range. It feels like somewhat of an improvement from the past year.