



Caroline Nelson

DRE # 01405267

60 Belvedere Dr.

Mill Valley, CA 94941

415.380.2146

caroline.nelson@pacunion.com

www.carolinenelson.com

*"Specializing in Selling
Your Home"*



MARIN COUNTY

Luxury Real Estate

A Member Of Real Living

Second Quarter 2010



MARIN COUNTY

Luxury Real Estate

Second Quarter 2010



Caroline Nelson

DRE # 01405267

60 Belvedere Dr.

Mill Valley, CA 94941

415.380.2146

caroline.nelson@pacunion.com

www.carolinenelson.com

*"Specializing in Selling
Your Home"*

The Big Picture!

Is now the time to make your next "move"?

We have multiple economic drivers and underlying fundamentals that impact our local real estate markets. Housing prices, interest rates, job growth and inflation/deflation are significant variables in the Bay Area housing market. While we could not predict either the economic shift that began in August 2007 or the duration of the economic volatility caused by the shift, we do have a few very positive fundamentals present today.

Interest rates for conforming mortgages (\$729,750) and jumbo mortgages are currently at historic lows since Freddie Mac started recording in 1971 – see rates in the mortgage rate table on page two. Housing prices remain 20% - 40% off the 2006 / 2007 peak. Inflation is constrained mainly via Federal Reserve policy and finally, the San Francisco Bay Area job market, while at a 20-year high for unemployment has stabilized (10.5%) and may be illustrating signs of stability / modest growth.

Investing in a home where both the asset and its debt (mortgage) are "on sale" in a pre-inflationary, recovering job market environment may present opportunities whether you are a first time home buyer, you are trading-up for family/quality or trading to provide for a new lifestyle. Our view is the right purchase/sale decision in the next 6 – 18 months will be revered five years from now as brilliantly executed and reflected upon as opportunistic. Certainly if you believe inflation and rising interest rates are in our future, you will want to own real estate and finance it at interest rates that represent historic lows.

Whether cyclical, seasonal or "bouncing across the bottom", our real estate markets remain volatile and somewhat unpredictable but they are showing early signs of demand returning to the market versus the 2006 / 2007 peaks. Many of our indicators have turned positive ("green") for the first time in nearly two years. The most encouraging indicator is volume (units and \$) returning to the market. Although we are comparing statistically to Q2 2009 which was arguably the second worst quarter we may have seen in recent history; the increasing volume is a reflection of client confidence and a precursor to long term stability and ultimately appreciation. The charts on the inside pages provide more specifics on the local markets.

I see opportunity in our real estate markets every day. My efforts are always focused on balancing your priorities for a home, your investment and budget tolerances versus the dynamics in each local market we serve. I strive to match these investment criteria with my experience, market knowledge and timing to provide the best advice to you and your family. Please call on me to review your thoughts on our real estate markets.

30 Year Fixed Mortgage Rate (Jan 1971 to Jun 2010)



MARIN COUNTY \$1 MILLION AND UNDER - SFH Homes Sold Comparison

| Time Period | Apr - Jun '08 | Apr - Jun '09 | '08 - '09 % Change | Apr - Jun '10 | '09 - '10 % Change |
|---------------------|---------------|---------------|-----------------------|---------------|-----------------------|
| Volume | \$164,185,601 | \$198,920,570 | 21% | \$245,379,142 | 23% |
| Homes Sold | 229 | 305 | 33% | 362 | 19% |
| Avg. Days on Market | 77 | 105 | 36% | 77 | -27% |
| Median Price | \$729,000 | \$680,000 | -7% | \$676,499 | -1% |
| Average Price | \$716,968 | \$652,199 | -9% | \$677,843 | 4% |
| Max Price Sold | \$1,000,000 | \$1,000,000 | 0% | \$1,000,000 | 0% |

Source: BAREIS, as of June 30, 2010

MARIN COUNTY \$1 MILLION AND HIGHER - SFH Homes Sold Comparison

| Time Period | Apr - Jun '08 | Apr - Jun '09 | '08 - '09 % Change | Apr - Jun '10 | '09 - '10 % Change |
|---------------------|---------------|---------------|-----------------------|---------------|-----------------------|
| Volume | \$519,272,558 | \$235,284,700 | -55% | \$362,715,419 | 54% |
| Homes Sold | 270 | 136 | -50% | 196 | 44% |
| Avg. Days on Market | 63 | 81 | 29% | 82 | 1% |
| Median Price | \$1,515,906 | \$1,487,500 | -2% | \$1,550,000 | 4% |
| Average Price | \$1,923,232 | \$1,730,035 | -10% | \$1,850,000 | 7% |
| Max Price Sold | \$9,570,000 | \$5,200,000 | -46% | \$7,800,000 | 50% |

Source: BAREIS, as of June 30, 2010

Just Listed!

31 Bayview Drive, San Rafael



Spectacular water, bridge, and Mt. Tam views from this peaceful, private estate-quality property situated amidst tropical flora on an acre with pool site! Sunny single story three bedroom two bath ranch-style home with family/dining room, living room, skylights, hardwood floors, fireplace, decks, patio, hot tub, and attached two-car garage on the main level; the lower level offers a huge unfinished space. This well maintained home has been in the same family for 43 years. Rare opportunity with incredible upside potential! Close to the Loch Lomond Marina, shopping, transportation, parks, nature trails, China Camp and the award-winning Glenwood Elementary School.

Offered at \$1,195,000

www.31BayviewDr.com