

# 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**

Gallagher & Lindsey has represented Alameda and East Bay home buyers and sellers for over 43 years. Located in the heart of Alameda just off Park St, the firm's 40 agents know the neighborhood and specialize in everything from condominiums and townhomes to turn-of-the-century Victorians and waterfront residences. As a partner to many of Alameda's non-profits, Gallagher & Lindsey's investment in the local community helps future homeowners buy, sell invest and prosper for generations still to come.

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

Winter 2010

*Luxury*

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

Location has never been more important. Luxury homes in prime locations are attracting the attention of qualified buyers. The better the location, the less impact the market has had on values. Unique and special locations on the water are getting the most attention and are selling.

The luxury client for Santa Cruz County is coming from all over the Bay Area and Northern California, looking for the coastal lifestyle. The recent market conditions have rolled back the clock to 2000 price ranges. Properties on the sand, on the Monterey Bay, or steps to the sand are available between \$1.5 million and \$7 million – depending on size, amenities and location. There is a window of opportunity for luxury homes in Santa Cruz County on the coast.

The upper end market throughout the Bay Area is showing signs that it may normalize next year. We are seeing growing confidence in the market from buyers and sellers in all price ranges. This is a positive trend that will affect the values and create more luxury home sales in Santa Cruz County.

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

The good news from Lake Tahoe, Truckee and Reno is increased number of sales! Prices are still the key component for successful closings, and sellers realize this and have stepped to the plate. The Tahoe-Sierra MLS (North and West Shores of Tahoe and area through Truckee) had 1,020 residential sales in 2009; as of November 15, 2010, there were 1,035 closed escrows and 22 pending. Regarding lakefront activity, we will close the year with more single-family sales than ever before. We're not hitting the top-end prices of yore, but we're well ahead of last year's top price of \$7,775,000. This year we will have at least 6 closings between \$10 and \$12.4 million – with a few interested parties looking at properties well above that level.

Incline Village, Nevada, had 48 sales over \$1 million in 2009; as of November 15, there were 44 with 3 in escrow – about a wash for the two years. The East Shore of Lake Tahoe had 20 closings over \$1 million in 2009 and, as of mid-November, there were 24 with 3 in escrow.

The Truckee market (including Squaw Valley, Alpine Meadows and Northstar) had 78 sales over \$1 million in 2009; as of November 15, there were 71 closings with 7 pending. Additionally, there are 11 Ritz Carlton Residences in escrow waiting to close in the next few months.

The Reno market continues to address short sales and bank-owned properties. However, the large infusion of those challenged properties has subsided – at least for now. Inventory has been substantially reduced, giving those sellers with non-stressed situations a greater opportunity to market their homes at competitive prices. The high end in Reno continues to languish; however, great opportunities abound in the luxury areas of Montreux, Arrow Creek and South West Reno – historically “the” place to live. In 2009, there were 40 sales over \$1 million in Reno; as of November 15, 2010, there were 29 with 2 in escrow.

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

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

The East Bay luxury market – defined as properties over \$1.5 million in the communities of Alamo, Blackhawk, Danville, Diablo, Lafayette, Orinda and Pleasanton – continues to show signs of stabilization and tentative improvement. Comparing the first half of 2010 to the second half, there is a 57% increase in the number of sales – from 54 to 85. The average price per square foot has increased by 4%, from \$408 to \$427 per square foot. Days on the market has decreased from 89 to 69 and homes are selling 1% closer to list price at 93% versus 92% earlier in the year. All-in-all, this is a positive sign that the luxury market appears to be stabilizing.

The total number of current, active luxury listings is 195, with Alamo having the most at 44, followed by Pleasanton with 35, Danville with 32, and Lafayette at 29. The average price is \$522 per square foot with an average of 129 days on market. The pending properties total 40... with a list price of \$425 per square foot and averaging 84 DOM. The highest pending property is a Mediterranean-style estate in Pleasanton's Ruby Hill Country Club priced at \$7,490,000 – featuring a library, billiard room, home theatre, exercise room and pool. The sold properties (from July to mid-November) total 85 with an average price of \$427 per square foot and an average of 69 days on the market. The highest sale is a \$3.9 million estate home, also located in Ruby Hill Country Club, which was on the market for 557 days and sold for 29% less than its list price. Alamo boasts the greatest number of sold luxury listings at 24, followed by Pleasanton and Lafayette at 18 each, and Orinda with 14.

Reviewing the active, pending, and sold properties, it is clear that homes that are priced correctly sell relatively quickly, and buyers will generally wait for sellers to reduce their price before making an offer. The luxury market continues to be price-driven with cautious, selective buyers looking for exceptional homes with exceptional value and strong emotional appeal.

### **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 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 upper end of the Alameda market year-to-date for 2010 is typified by low inventory and fewer sales, shorter market time and the return of a more balanced market for buyers and sellers of luxury properties. As of October 2010, year-to-date sales of luxury properties decreased 33% from the previous 10 months of 2009. Consequently, there were fewer sales of luxury homes – a decrease of 25% from the same months of 2009.

Luxury home sellers in Alameda priced their homes aggressively and homebuyers responded favorably. These

*Alameda & Surrounding Areas continued*

properties spent a shorter time on the market before going into contract in 2010. The average days on market was 26 days the first 10 months of 2010, compared to 49 days for the previous year. Luxury homes in Alameda also sold for near-original list price, on average. This year, these homes sold for 99% of original price as compared to only 95% of original price the year before.

Our research suggests that luxury home sales will increase in 2011 from the present levels. This is good news for homebuyers who will benefit from more selection of neighborhoods, unique home offerings and some of the best values in the East Bay.

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

Our marketplace of Oakland, Berkeley, Piedmont, Kensington, Albany and El Cerrito is a remarkably stable area compared to most other markets in California. And the luxury home market priced at \$2 million and above has weathered the current recession quite well.

From a historical perspective, the average price per square foot of luxury homes in this area has only fallen approximately 19% since the peak of 2007. However, the number of luxury home sales is dramatically lower than the peak of 2007. In the first 3 quarters of this year, we have seen only 21 closings in the luxury price range; more than 50% fewer than in 2007. Paradoxically, we are seeing some record sale and listing prices for certain special properties.

In Oakland, 2 homes sold for over \$3 million, including the Margarido House – a L.E.E.D. Platinum Certified home. Piedmont currently has several magnificent estates on the market. 11 Muir Avenue is a stately English Manor listed at \$6.5 million while another estate is asking \$12 million. The price envelope is even being pushed in the Berkeley Hills with a rare estate originally designed by John Hudson Thomas. Although it is in need of renovation, this mansion sits on 3 acres and is listed for nearly \$6.5million.

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

Luxury homes in our real estate market continue to attract buyers to the Monterey Peninsula and the Big Sur Coast. They recognize that current prices present an opportunity to live in one of the most beautiful areas in the world. Our high-end market, like most real estate, is being impacted by the current global financial climate. As a result we are seeing a once-in-a-lifetime opportunity to purchase extremely rare, luxury ocean front and other legacy properties, presenting incredible good fortune for discriminating, high-end buyers.

The price for short sale and foreclosure homes on the Monterey Peninsula has risen to the \$3 million mark. Currently in our focus area there are 35 escrows in the \$1 million+ price range with 102 sold in just the last few months. These numbers reflect an approximately 60% increased in closed escrows over the prior 6 months. There are still a significant number of cash sales in transactions over the \$2 million range.

The Big Sur and South Coast area continues to be strong for John Saar Properties, Inc. with our company participating in over 90% of the sales.

### **San Francisco | *Paragon Real Estate Group***

The San Francisco luxury home market continues to strengthen. So far this year, 170 single family homes over \$2 million have changed hands – ranging in price from \$2 million to \$13.5 million. The caveat is that while these houses are selling, close to 100 homes have not sold and have been withdrawn from the market. The luxury condominium and co-op market continues to struggle, with total sales off by 50% from 2008. Buyers are cherry-picking those homes they perceive as good values and leaving the rest to languish. However, if a property is priced well, multiple offers are often generated, and many of these are all cash since loans in the highest price ranges are still difficult to obtain. View properties, especially those with panoramic views of the Bay, the Golden Gate Bridge and the Bay Bridge, are still rare, coveted, and move quickly.

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

San Luis Obispo County's economy is beginning to show subtle signs of recovery. One leading indicator of the local economy is airport traffic that has shown a year-over-year increase of 19%. We saw median home prices climb from \$379,400 in the third quarter of last year to the current level of \$400,000. Economists predict that growth in the housing market will mirror that of the rest of the state, remaining much the same for 2011 as we've seen in 2010 with marked improvement in 2012.

There is some good news in the luxury market as well. From January to June of 2010, we had 150 active listings over a \$1 million in our county. From June to November we have 168 listings over \$1 million. The number of closed sales in the same price range increased from 29 to 48 respectively for the same period – a 65% increase in activity in the luxury market. We expect buyers to become more active in this market segment taking advantage of the phenomenal opportunity created by the culmination of record low interest rates, increased availability of "jumbo" financing and currently deflated pricing.

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