

**PRIVATE ESTATES DIVISON**  
**2010—MID YEAR LUXURY MARKET REPORT**  
**LA WESTSIDE—TRIANGLE AREA\***

AREA	PRICE RANGE	SOLD -2009 1/09—6/09	SOLD-2010 1/10—6/10
Beverly Hills (City)	\$2M—\$5 Million	23	<b>32</b>
	\$5M—\$10 Million	12	<b>12</b>
	\$10 Million & over	<u>3</u>	<u>4</u>
	Total Sales:	38	<b>48</b>
Beverly Hills (PO)	\$2M—\$5 Million	14	<b>20</b>
	\$5M—\$10 Million	4	<b>3</b>
	\$10 Million & over	<u>3</u>	<u>5</u>
	Total Sales:	21	<b>28</b>
Bel Air/Holmby Hills	\$2M—\$5 Million	11	<b>16</b>
	\$5M—\$10 Million	3	<b>3</b>
	\$10 Million & over	<u>0</u>	<u>4</u>
	Total Sales:	14	<b>23</b>
Hancock Park	\$2M—\$5 Million	9	<b>23</b>
	\$5M—\$10 Million	1	<b>0</b>
	\$10 Million & over	<u>0</u>	<u>0</u>
	Total Sales:	10	<b>23</b>

<b>BEL AIR Sales Volume Up 163%! Transactions Up 64%</b>
<b>BEVERLY HILLS Sales Volume Up 45%! Transactions Up 26%</b>
<b>HANCOCK PARK Sales Volume Up 37%! Transactions Up 130%</b>
<b>BHPO Sales Volume Up 12%! Transactions Up 33%</b>

**Total Sales Volume\***

June 2009	June 2010	2009 To Date	2010 To Date	SP/OLP Original	SP/LP Final
<a href="#">Beverly Hills</a>	<b>\$52,593,904</b>	\$183,349,000	<b>\$267,022,414</b>	90.04%	<b>94.93%</b>
<a href="#">Beverly Hills PO</a>	<b>\$28,723,000</b>	\$161,968,787	<b>\$181,962,180</b>	78.04%	<b>92.49%</b>
<a href="#">Bel Air</a>	<b>\$22,882,182</b>	\$69,404,500	<b>\$182,692,482</b>	90.71%	<b>92.87%</b>
<a href="#">Hancock Park</a>	<b>\$27,038,000</b>	\$82,096,452	<b>\$113,070,062</b>	88.27%	<b>94.42%</b>

\* All information from CLAW/MLS is deemed accurate but not guaranteed.

## STATE OF THE MARKET—JULY, 2010

By Greg Moesser, ACA

The luxury Westside—Triangle communities (over \$2 Million) of Beverly Hills, Beverly Hills-Post Office, Bel Air and Hancock Park continued to show positive sales growth for the Mid-Year Report from January 1, 2010 to June 30, 2010. Bel Air sales volume was up a whopping 163% and Beverly Hills City was up 45% when compared with the same time period a year ago. While Hancock Park (up 37%) and BHPO (up 12%) sales volume was also higher, the number of sales transactions was up 130% in Hancock Park and 33% for BHPO.

A significant factor for the increase in sales activity is that sellers have become much more realistic about value. It's important to note that the average sold price was usually within 5%-7% of the final list price. This means it is even more important than ever to market your property at the correct price point. If it's overpriced, even by 10%, it will most likely just sit there and may even increase the chances of it selling below market value. I have included a repeat of my Perfect Pricing article in this market report. The increased demand, in turn, has demonstrated greater perceived value resulting in stronger buyer confidence.

Foreign buyers continue to make a strong impact in our luxury market. While not officially public information yet, the Wall Street Journal has reported that the recent Bel Air sale in the \$50 Million range, which would be the highest residential sale in the US this year, was purchased by an Indonesian buyer. A recent survey by the National Association of Realtors reports that foreigners made up for 7% of residential transactions and they were much more likely to be an All Cash purchase. Of course this is a national survey, it's important to note that international buyers tend to select top destinations such as California, Florida, Texas & New York, so our numbers may be considerably higher.

While the summer market sometimes slows down since many of us are traveling, we anticipate a continuation of the same trends for the upcoming third quarter. Interest rates have remained historically low and availability of financing seems to be opening up. The upper-end properties should continue their strong demand. While there is no 'business as usual', at least there are signs that we are returning to a market that we can understand.

This is not a solicitation if your property is currently listed with another broker. All information is deemed accurate but not guaranteed.

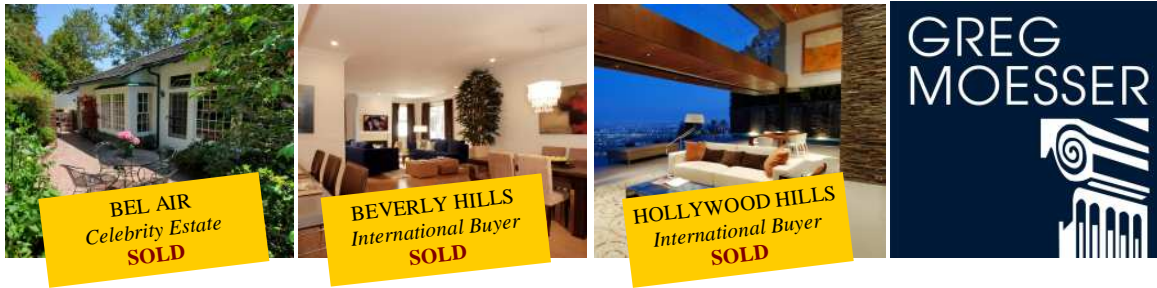


*Greg Moesser,  
Vice President  
of Rodeo Re-  
alty's Private  
Estates Divi-  
sion.*

*He is a specialist in the inter-  
national marketing of luxury  
homes, architectural & historic  
properties and mega estates.*

*For a confidential evaluation  
of your property please call  
310-770-9014 or email at  
greg@laclassicestates.com.*

**www.LAClassicEstates.com**



## To Sell or Not To Sell . . .

Earlier this week I was selected by a new client to market their luxury residence. The property had been previously on the market for almost 2 years and was always priced a little higher than market value. In the end, I declined to take the listing as I felt the price, not the agent, was the main problem. But the agent's website and global marketing was minimal and not very user friendly. The seller had not even looked at the agent's website but had relied solely on the fact that the agent had another listing in the neighborhood (which also had not sold). So I began to complicate the important facts that a real estate owner should ask before hiring an exclusive agent.

- 1) Go immediately to the agent's website. In today's market, it's a well known fact that over 80% of potential Buyers begin their search on the internet, and for international Buyers, the number jumps to over 95%. Is the site easy to navigate? Does each Exclusive it have multiple professional photos and detailed description? Does the site demonstrate that the agent is up-to-date with our daily fluctuating market? Are recent market reports posted? Does the site provide information that will invite both local and global Buyers?
- 2) You should ask how many unique visits does the site receive on a monthly basis? How do they drive traffic to the site? Do they also offer an exclusive, customized website for the property itself? You should ask the same questions for this site as well, user friendly? how traffic is driven? tracking number of visitors, etc...
- 3) While almost every agency today claims to be "international", in most cases this just means that they have website or affiliate offices with little personal interaction. You should ask; Does your agent have "in-person" relationships with foreign agents? Is your agent CIPS certified (Certified International Property Specialist)? Does your agent have a direct association with any international consortiums?
- 4) In general, print advertising is fairly outdated. I mean really, how many of you would wait until the weekend paper to see the limited properties advertised if your are serious Buyer? So why is it still used? It's primarily for agent branding and for Seller's to see their own property in the paper. You'll also notice that the agent with the most properties advertised, is often the one with the most overpriced listings that will never sell, but this "large inventory" presence is often a tactic to recruit a new potential Seller that may be more realistic.

Unless your agent can offer a strong internet and global marketing program, and is up to date with latest market trends, your property is at a disadvantage. An overpriced listing really may be more of an opportunity for an agent to recruit a realistic seller, and in the end, result in the property not selling or selling at even lower price. In today's ultra competitive market you want every advantage you can get!