



A QUARTERLY MARKET REPORT FROM SANTA FE'S LARGEST LOCALLY OWNED AND MANAGED REAL ESTATE BROKERAGE

Winter's last snowstorm dumped over a foot of new snow at higher altitudes just before Easter and winter sport enthusiasts were jazzed. There was a scant inch in town. The snowpack in the Sangre de Cristo Mountains was about normal this year and now, in May, the runoff has filled the reservoir and energizes the Santa Fe River on its run through the City. It's a beautiful year for the lilacs. Glorious blue hedges adorn historic neighborhoods and punctuate the scenery in mountain villages making indelible colorful memories. The apricot buds came early and were nipped off in a late spring freeze, but the apple, pear, cherry and plum blossoms were so nice that we are grateful to Bishop Lamy who brought them to us.

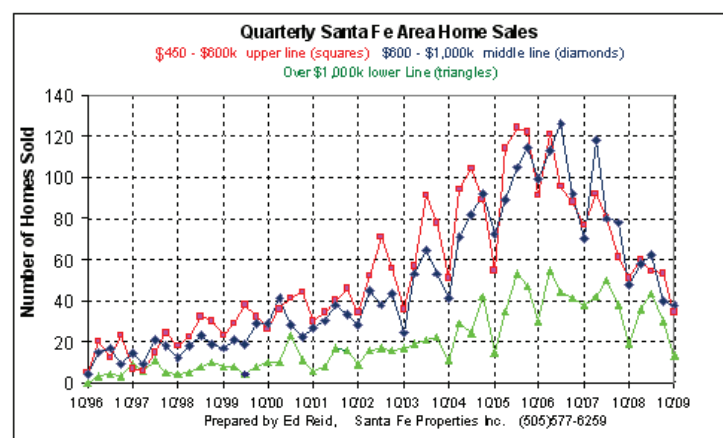
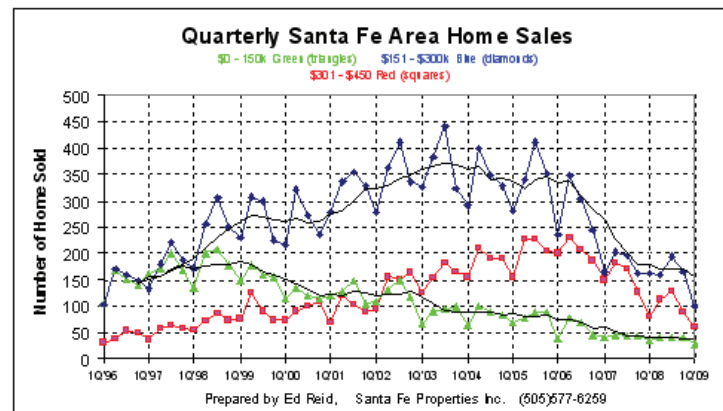
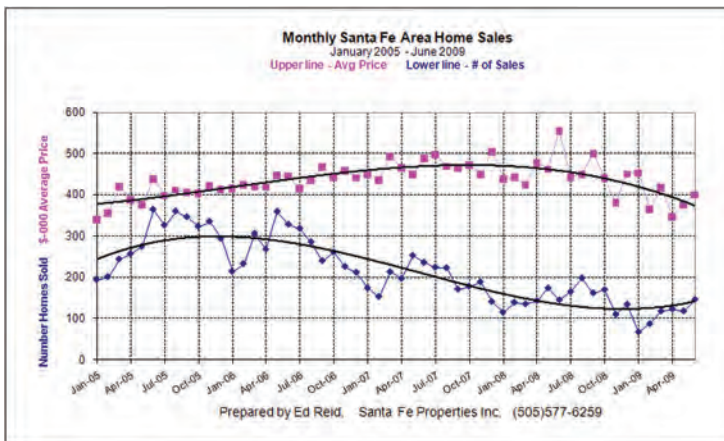
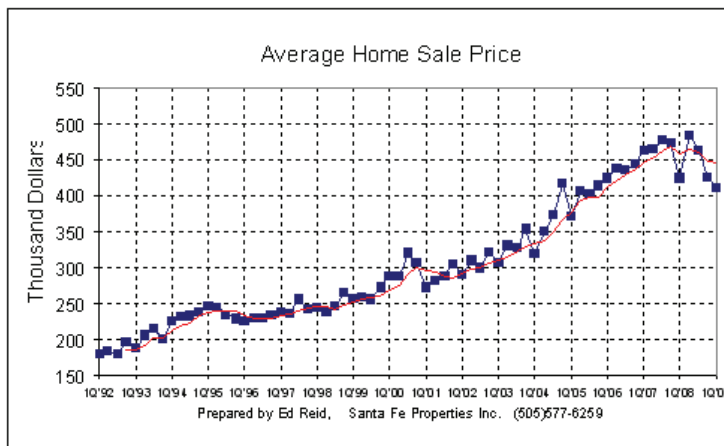
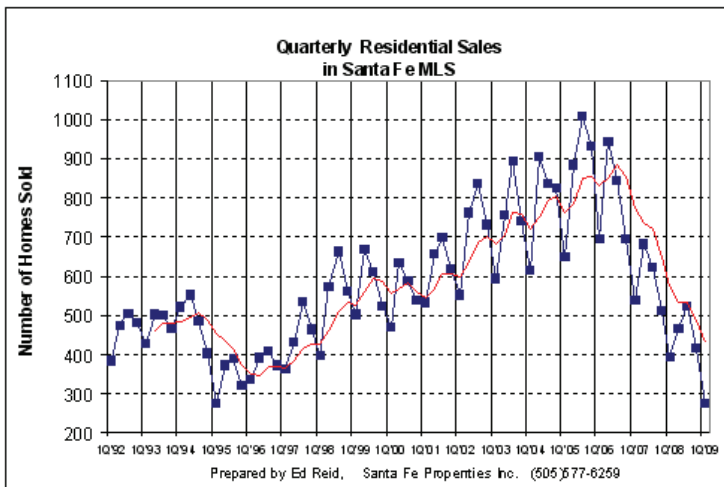
Soon the State will give in to the children and stock the Santa Fe River with rainbow trout for a weekend of "promiscuous" fishing, during which youngsters can try however they like to catch them with no need for a license. And soon midsummer's night will draw out the faeries and priests to celebrate the turn of the solar clock: traditions ingrained in the many cultures and religions that are settled hereabout.

And the economy labors forward. Bank deposits are at the highest level since data were first collated in 1958. The shocks we have felt in the economy continue to reverberate. Northern New Mexico is set a bit apart from the American mainstream consumption with a native slightly introverted, partly agrarian mindset.

Home sales in the "City Different" dropped to new lows, equaling the bottom set in the first quarter of 1995. The loss of liquidity has deterred many would be Santa Feans as they scrutinize more constrained budgets. The number of homes sold in January dropped to 68, and subsequent months were only modestly better. The inventory of homes for sale remains around 2,900 with about 240 of those under contract.

Overall, homes sold in the last six months, November 12th through May 11th, have fallen 54% from the same period two years ago. Some neighborhoods fared better than others. The lowest drop in sales came in two very different areas. Las Campanas sales dropped only 24%, confirming that affluent buyers are not deterred by the economy. The next best, with a 33% sales drop, is a group of more traditional neighborhoods including Pecos, Glorieta, and La Cienega. These neighborhoods are near the other end of the price spectrum, and perhaps not as highly mortgaged. The east side of the City is also better than the average, with the number of sales falling by 47% since two years ago.

Prices dropped also, and this is a good sign. Stabilization and recovery begin when prices adjust down to balance the change



first 3 months sales will not turn out to have been the very bottom of our real estate market. There is certainly a wealth of fine and unique properties available even in Santa Fe's most desirable neighborhoods. We haven't had such a fine choice of rare homes on the market since the 90's.

New openings continue to expand our amenities in Santa Fe. In the Railyard, the Flying Star Restaurant has opened, and on the Plaza. The Palace of the Governors History Museum celebrates the grand opening of its new space Memorial Day weekend with a members-only preview, lowriders, dances, drums, mariachis and free ice cream. St. Francis Basilica has been renovated too, and will soon be ringing new bells from its tower. The long evenings are cool with luminous skies, and the days are warm and the air is clear. ITE ("in this economy to text messagers"), we are very lucky to be in Santa Fe.

in supply and demand. As more buyers enter the market, sales in the insulated top price range become less dominant and the average price comes down. Bargains are out there for the buyers who are ready to make their move. Are we at the bottom? Many of us think so, and many of those who were waiting are coming back into the market.

The median price of homes in the six months ending May 12 has fallen 16% from the same period 2 years ago. Eldorado has held up best, recovering from last year to a 2% price drop over the 2 year period. The new neighborhoods of the southwest quadrant of the City are next best with an 8% drop. These moderately priced homes reflect a reasonably healthy demand and, where new construction is a viable alternative, competitive cost-based pricing. Price stability was better than average also in the Southeast quadrant of the City, Tesuque, and the Northwest "La Tierra" area.

Realtors report high showing activity, though purchase agreements are still scarce. To a degree, this is a normal seasonal pattern with new listings coming on the market, and buyers looking for the right match in advance of the peak selling season in summer and fall. It's hard to imagine that the

1ST QUARTER 2009 SANTA FE COUNTY STATISTICS

HOMES SOLD

Total Number of Homes Sold.....	210 Homes
Average Days on the Market	191 Days
Average Asking Price	\$485,945
Average Sales Price	\$451,843
Range of Sales Prices	\$14.9k to \$2.35M
Average Price Per Sq.Ft.	\$230.06/Sq.Ft.
Average Sales Price as a % of Average Asking Price.....	92.98%

*Data for all residential sales reported. Data provided by the Santa Fe Association of Realtors is deemed reliable but is not guaranteed.

Around the Corner or Right On-Line...

Our Listings Are Everywhere!

- ReloHomeSearch.com
- Homes.com
- Frontdoor.com
- Realtor.com
- SantaFeProperties.com
- LuxuryRealEstate.com
- LuxuryPortfolio.com
- WallStreetJournal.com
- ChristiesGreatEstates.com

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