

January 2012

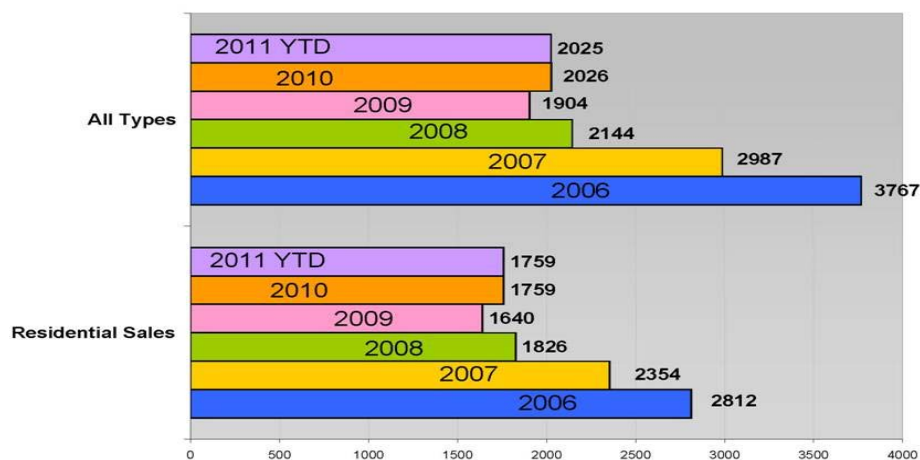
Dear Friends,

Greetings and Happy New Year! We enjoyed a snowy white Christmas in Santa Fe and welcomed the New Year with good skiing and sunny skies. It is encouraging to step into 2012 with more positive national economic news than we have had the past few years, particularly the increases in the number of pending homes over the past few months as well as residential price stabilization across many markets.

We have also been pleased with the resiliency of Santa Fe's real estate market as seen in the following bits of data:

- The number of residential sales essentially equaled that of 2010
- The average sales price rose slightly (the median price was down slightly)
- The number of currently listed properties has dropped
- The number of high end sales \$1,000,000 + improved over the numbers sold in 2009 and 2010.
- The number of homes sold in Las Campanas essentially doubled from 27 homes in 2010 to 50 in 2011.
- The number of homes sold in the Historic Eastside is rose back to 2008 levels.
- The absorption rates in all price ranges, while still elevated, have continued to nudge downward, indicating that the time to absorb current inventory has improved.

Total Number of Units Sold Comparing
2006, 2007, 2008, 2009, 2010 and 2011



Statistics and numbers are obtained from the Santa Fe Association of Realtors Multiple Listing Service. They are deemed reliable but are not guaranteed and are subject to change. They may not reflect all real estate activity in the market area.

Sotheby's

INTERNATIONAL REALTY

Grant Avenue Office – 326 Grant Avenue, Santa Fe, NM 87501

Fax: 505.988.4492 / Phone: 505.988.2533 / 800.322.9852

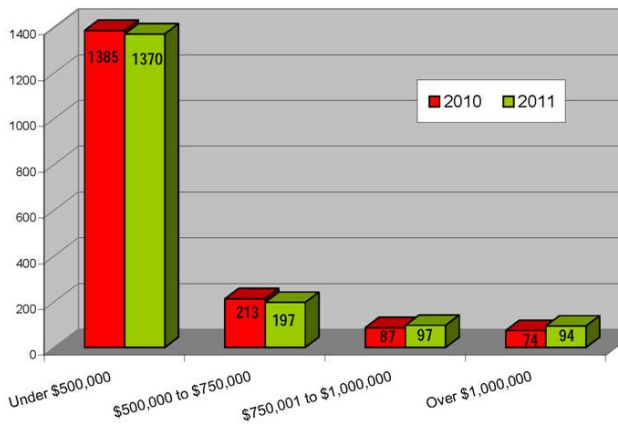
EQUAL HOUSING OPPORTUNITY

Here is a snapshot of the where the residential market now stands:

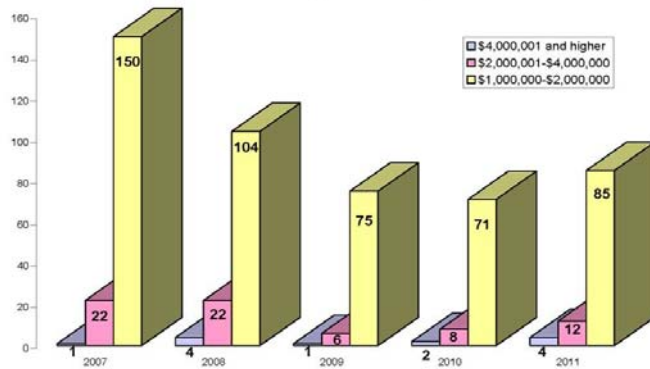
**Residential Home Inventory and Sales
4th Quarter 2011
Santa Fe City and County**

Price Range	# Current Listings	Total Units Sold/year to date	Pending	Average DOM**	List/Sale	Ask \$/sqft	Sold Av \$/sqft
Under \$250,000	316	449	79	217 / 263	92.95%	\$165	\$154
\$250,000 - \$500,000	409	477	52	220 / 286	94.17%	\$189	\$206
\$500,001 - \$750,000	237	172	19	243/352	93.76%	\$239	\$254
\$750,000 - \$1,000,000	135	95	16	279 / 372	90.66%	\$277	\$275
\$1,000,001 - \$2,000,000	152	85	12	302 / 380	90.51%	\$345	\$358
\$2,000,001 and Above	55	15	2	411 / 546	83.03%	\$512	\$476
TOTAL OF ALL RANGES	1304	1293	180		90.85%	\$288	\$287

**Residential Sales by Price Range (All Areas)
Comparing 2010 to 2011
January 1 through December 31**



**High End Residential Sales for
2007 through 2011 By Year**



While the number of units sold has held steady, it is important to note that average sales prices have continued to drop - especially in Las Campanas where average sold price/square foot was \$363/sqft in 2008 versus today's \$241/square foot. The positive, however, is that at current valuations in Las Campanas, buyers have been recognizing good values and reducing inventory.

Sotheby's

INTERNATIONAL REALTY

Grant Avenue Office – 326 Grant Avenue, Santa Fe, NM 87501

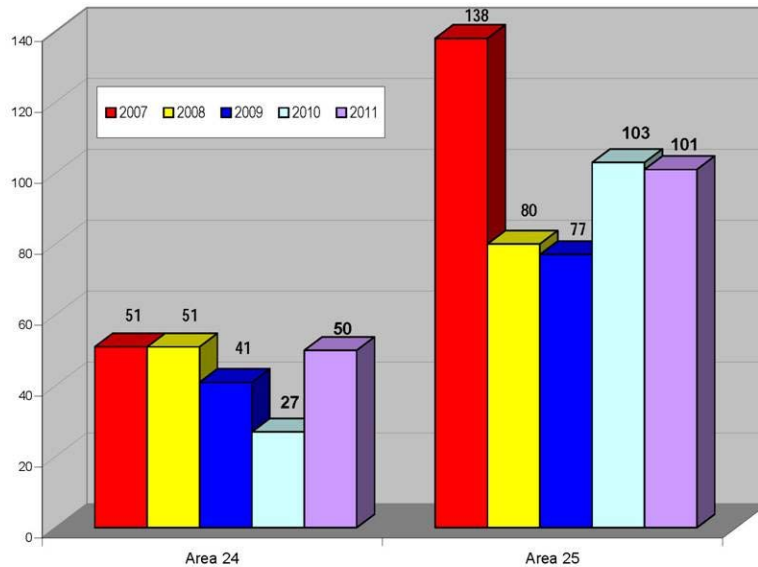
Fax: 505.988.4492 / **Phone:** 505.988.2533 / 800.322.9852

EQUAL HOUSING OPPORTUNITY

Las Campanas Year Over Year Comparison

Year	Units Available	Total Units Sold Year To Date	Pending	Average List Price	Sales Price	Average DOM**	List/Sale	Ask \$/sqft	Sold Av \$/sqft
2011	77	50	4	1,347,893	\$926,081	357 / 492	89.64%	\$303	\$241
2010	140	27	0	\$1,293,791	\$1,083,000		88.50%	\$325	\$283
2009	148	41	0	\$1,345,000	\$1,066,000	173	96.00%	\$356	\$296
2008	Unknown	51		\$1,487,000	\$1,438,510	298	97.30%	366	\$363

**Total Residential Units Sold In
Areas 24 (Las Campanas) & 25 (Northwest of City Limits)
by Year 2007-2011**



Statistics and numbers are obtained from the Santa Fe Association of Realtors Multiple Listing Service. They are deemed reliable but are not guaranteed and are subject to change. They may not reflect all real estate activity in the market area.

The Historic Eastside held its sales volume about even with 2010 although average prices continued to slip.

Historic Eastside Year Over Year Comparison

Year	Units Available	Total Units Sold	Pending	Average List Price	Sales Price	Average DOM**	List/Sale	Ask \$/sqft	Sold Av \$/sqft
2011	47	33	10	\$1,179,421	\$957,743	313 / 366	92.34%	\$421	\$394
2010	67	35		\$1,314,000	\$834,000	271/311	93.50%	\$449	\$406
2009	67	21		\$1,444,000	\$1,091,003	220	88.40%	\$475	\$346
2008	Unknown	36		\$1,917,000	\$991,000	217	90.50%	\$562	\$504

Sotheby's

INTERNATIONAL REALTY

Grant Avenue Office – 326 Grant Avenue, Santa Fe, NM 87501

Fax: 505.988.4492 / **Phone:** 505.988.2533 / 800.322.9852

EQUAL HOUSING OPPORTUNITY

Despite the positive news tidbits in our market, sellers still have headwinds to over come as reflected in current absorption rates. Although having improved from peak rates in 2008 and 2009, absorption rates remain high keeping pressure on prices - a definite sign of a buyer's market.

Current Absorption Rates

Price Range	# Current Listings	# Sold Past 12 Mo	# Sold/Month	Mo. Inventory
0- \$500,000	905	981	81.75	11.07
\$500,000 - \$1,000,000	431	267	22.25	19.37
\$1,000,000 +	239	88	7.33	32.61

In contemplating headwinds, Santa Fe's land sales remain the worst hit segment of our market. Inventory levels remain high and sales are slightly below last year's levels. Days on the market have also continued to increase. At this rate there is over a 7 year supply of residential lots within the City and County.

Residential Land and Sales Through 4th Qtr 2010 Santa Fe City and County

Price Range	Current Listings	Total Units Sold	Pending	Average DOM**	% List/Sold
Under \$100,000	171	47	5	384 / 487	84.6%
\$100,001 - \$199,999	272	42	8	431 / 598	82.57%
\$200,000 - \$299,999	127	19	3	593 / 719	80.18%
\$300,000 - \$399,999	45	5	1	374 / 497	86.15%
\$400,000 - \$499,999	12	3	0	395 / 500	0.00%
\$500,000 - \$749,999	17	0	0	484 / 991	0.00%
\$750,00 - \$999,000	4	0	0	628 / 669	0.00%
\$1,000,000 and Above	16	0	0	400 / 400	0.00%
TOTAL OF ALL RANGES	493	69	12		

Sotheby's

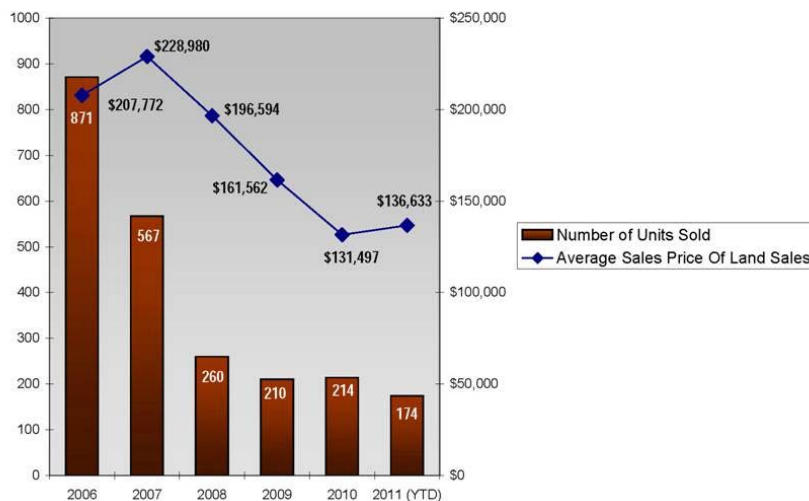
INTERNATIONAL REALTY

Grant Avenue Office – 326 Grant Avenue, Santa Fe, NM 87501

Fax: 505.988.4492 / Phone: 505.988.2533 / 800.322.9852

EQUAL HOUSING OPPORTUNITY

Number of Units Sold and Average Sales Price for Land Listings (All Areas) By Year Since 2006 and Through November 21, 2011



Statistics and numbers are obtained from the Santa Fe Association of Realtors Multiple Listing Service. They are deemed reliable but are not guaranteed and are subject to change. They may not reflect all real estate activity in the market area.

Moving forward into 2012, we anticipate Santa Fe's market will experience further price stabilization and modest growth pending improvement / stabilization in the general economy and national real estate markets. Certainly home affordability is now at its most attractive levels in years with interest rates at historical lows and prices at levels not seen since the early 2000's. In addition, as Santa Fe is not a market heavily affected by foreclosures, we do not have the threat of an unwieldy shadow inventory. Above all, there is no doubt the allure of Santa Fe remains strong and that there is demand for people to locate here. We are fortunate that our lovely city continually appears in articles and publications such as Conde Nast as one of the country's best places to live and retire. Yes, there are still headwinds to overcome depending on the national and global scene in 2012, although despite the uncertainties, Santa Fe's real estate market has been and should continue to be resilient.

As a team we are pleased to say 2011 was a very productive year and that we helped many buyers and sellers successfully buy and sell properties ranging in price from \$200,000 to \$2,400,000. Our team continues to provide depth of experience, coverage, and market expertise that is unique among Santa Fe Realtors. Please let us know if we can assist you with any of your real estate needs!

Sincerely,

Moo, Chris, and Jennifer

Sotheby's

INTERNATIONAL REALTY

Grant Avenue Office – 326 Grant Avenue, Santa Fe, NM 87501

Fax: 505.988.4492 / **Phone:** 505.988.2533 / 800.322.9852

EQUAL HOUSING OPPORTUNITY