

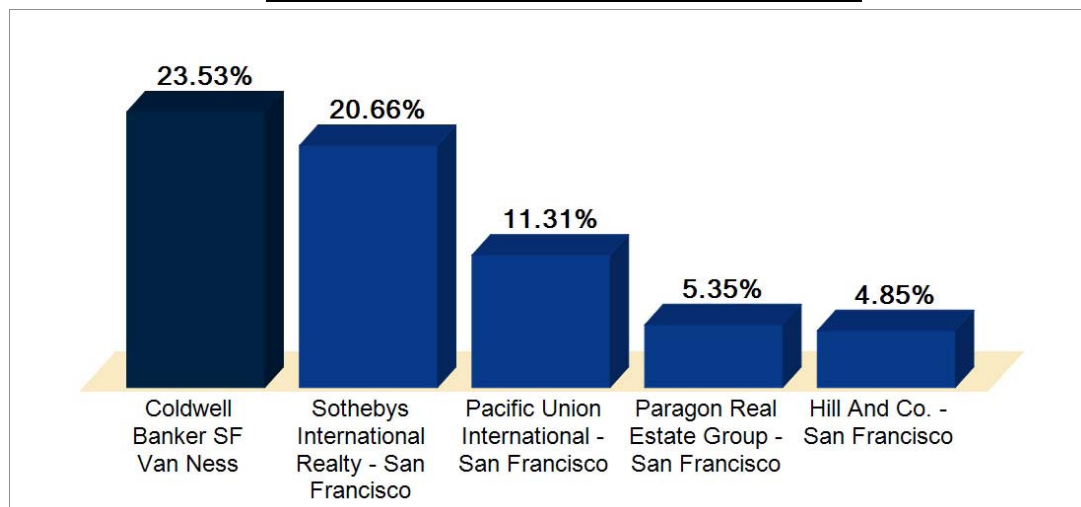
What a difference a year makes!

The first quarter of 2011 posted quite a contrast in sales of residential properties when compared to the same time period in 2010. Regardless of what Case-Schiller may report, our local market seems to be experiencing an upsurge in demand as demonstrated by substantially more closed sales and opened escrows. Although an informative index, Case-Schiller reports past sales activity and lags the current conditions. Simply put, it indicates where we have been. Case-Schiller statistics reflect homes and condominiums that went into contract at least 60 days ago.

There is evidence of a more robust market in San Francisco than may appear when reading national or state real estate trends. For TRI Coldwell Banker, the first 3 months of 2011 has surpassed by over 30% the number of units sold and total dollar volume for the same time period as 2010. Further, our overall market share in all price ranges for residential properties increased modestly from 2010, and quite significantly in the luxury home sales market. These statistics are based upon sales offered through the San Francisco.

Association of Realtors Multiple Listing Service, and does not include a number of high end private sales conducted by TRI Coldwell Banker agents.

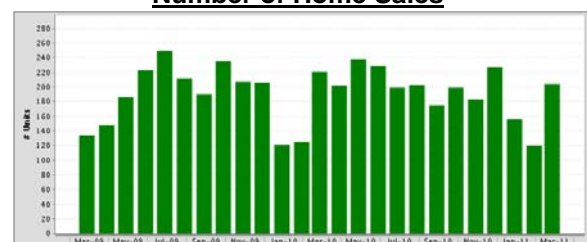
Luxury Homes Market Share First Quarter 2011



Monthly Supply



Number of Home Sales



Another phenomenon that seems to be returning is the occurrence of multiple offers for well positioned properties into all price ranges. While dissimilar to the exuberant past, it does indicate a resurgence of buyer demand. Interestingly, a much larger percentage of sales are all cash with no financing. In fact, the numbers reveal twice the number of cash sales than last year.

Buyers, however, still expect value and want to review comparable sales to reinforce their opinion of value. Sellers must also understand these comparables and be prepared to price their properties for today's marketplace. Preparing the home for viewing is equally important to a successful sale.

With the business cycle continuing to show strength, even though it hasn't completely translated to payroll growth, it is expected that we will continue to move steadily toward a recovery. It is hoped that lenders will come back into the market and provide more flexible underwriting. Healthy down payments, qualified buyers, and reasonable loan products will support the return to a more active real estate market.

Please remember that we greatly appreciate your repeat and referral business. We look forward to assisting you, your family, friends and colleagues when you have any real estate needs now or in the future.