

We wrap up 2011 pretty much the way we were hoping to: *Bob won re-election* to the Corte Madera Town Council in November, and all three important tax measures to support our local public schools and emergency services passed easily.

We have broken ground on our new home project at 228 Madrone Avenue in Larkspur. For this beautiful new craftsman style home, we selected builder Tim Grogan of Sebastapol, who is known for doing excellent work on time and on budget! We are hoping to have it completed in time for the summer market.

Things are moving forward for the new community plaza and café project that we have been supporting in Corte Madera. The Corte Madera Community Foundation received excellent response to its recent fundraising mailing. The Corte Madera Lions Club is planning a Monte Carlo night to support the project, and other local civic groups and individuals are stepping up to create a beautiful new community gathering place on the corner of Tamalpais and Eastman Drives. To read more about this project, go to www.cortemaderacommunityfoundation.org and click on "plaza project". (See the rendering below!)

We are also excited that *The New Home Company* has finalized their purchase of the Niven property in Larkspur and will begin construction soon on new homes and senior condominiums.

Demand for "in town" living is strong, and demand for good quality retirement living is even stronger. Let us know if you are interested in one of these properties. They'll be built before you know it, and we'll help you make sure you don't miss out.

There is so much to be thankful for this holiday season: our health, our friends and family, and another good enough year in the real estate business. Bob and I love working close to home, and we thank you for your continued support. Please give us a call if you or someone you know plans to buy or sell property in Marin this year!

PREDICTIONS – (continued)

- Employment prospects in the Bay Area are projected to be strong, with Silicon Valley and San Francisco leading the way, both driven by technology.
- Expect a deal on immigration policy, as both parties now understand it is a vital driver of economic growth and needs to be resolved.
- Two of the top five markets for housing sales are in the Bay Area: San Jose and San Francisco.
- Rental prices are up 4.2% nationally, but last year was up 14% in San Francisco! Driven by the demand from the baby boomer's grown offspring, which is projected to be strong for the next four years.
- The Federal Reserve says they don't want inflation, but its monetary policy (expect QE3 to be announced next year) says otherwise. Expect 3-5% inflation in the next few years, which will affect home prices.
- Interest rates will gradually rise through 2012, but not dramatically.
- Home prices will rise about 3%, and then 3% for the next few years.

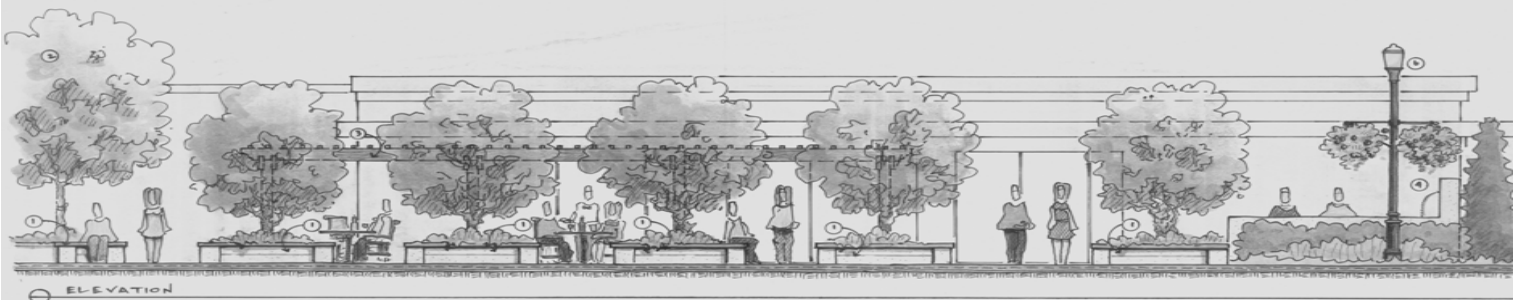
How Many Marin Homeowners Are Under Water?

We've noted many inaccuracies with Zillow data when we do listing presentations, and here is another one. According to data recently released by Zillow, 16.4% of Marin homes are "under water," an industry term that means the value of the house is now less than what the owner paid for it.

However, the 16.4% number is actually based on the number of mortgages in Marin County, not the number of homes. Not surprisingly, 25% of Marin homes do not have a mortgage. The owner owns the home outright. So the Marin County number is actually more like 12.5%, assuming the rest of the Zillow methodology is right.

We don't mean to minimize the problem here. It is disheartening to know that more than one in ten homeowners is facing this situation. Then again, in comparison, nationally the percentage of homes under water is estimated at 28.6%. So things could be much worse!

Town Park Plaza – A community dream about to come true!



Here's Polsky Perlstein's rendering of the new community plaza, which will be located on the corner of Tamalpais and Eastman Drives in Corte Madera. Construction will begin soon on the building in the background, the new Café Verde, by Benissimo. We are working to support a community fundraising effort for amenities to the plaza, including landscaping, shade structure, hanging flower baskets, bike racks, drinking fountain, bocce court, and maybe even a gas fire pit. Let us know if you would like to help!