



The Real Estate Informer

From Bernard Gibbons, "The English Agent"
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San Ramon Valley Market Update - Quarter 4, 2007

Which way is the market going? Have we passed the bottom yet or will prices decline further? These are all questions that I am constantly asked as I talk to people who plan to buy and/or sell a home but are unsure as to when they should be making their move. The answers are hard to find, due in no small part to the media who seem incapable of providing accurate local information. And make no mistake, Real Estate is LOCAL, but an analysis of data compiled by the Contra Costa Multiple Listing Service should help to

Sold \$/Sq.Ft. - Detached Homes (% Change Relative To Dec 2006)			
	Dec-06	Jun-07	Dec-07
Walnut Creek	441	456 (3.4%)	445 (0.91%)
Alamo	513	525(2.34%)	518 (0.97%)
Blackhawk	427	441 (3.28%)	435 (1.87%)
Danville	405	436 (7.65%)	431 (6.42%)
San Ramon	373	392 (5.09%)	369 (-1.34%)

put things into perspective.

By the middle of last year, it was apparent that we were already seeing signs of recovery. Then came all the Bad News about the Sub-Prime Scandal with the resulting foreclosures and short-sales. In reality, this affected a very small percentage of homeowners in our area but the message was out there and negative news resulted in lack of confidence.

The result is clear to see in the December figures. Home prices declined although the percentages were very small compared with other parts of the Bay Area. Our part of Contra Costa County benefits from its own micro-economy which is extremely healthy and the figures here demonstrate the resilience of our local real estate market. In fact looking at such small percentage changes in our part of the East Bay, the indication is that we have either passed the bottom of the market or we are very close to it.

Yes, 2007 was a challenging year in Real Estate but the figures here indicate that recovery is in sight, at least in our area. That is not to say that we will experience price increases like we saw in the early 2000s but it does suggest a return to normalcy in 2008 with prices holding steady, then perhaps a return to moderate increases in home values in early 2009.

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Restaurant Review:

Forbes Mill Steakhouse, 200 Sycamore Valley Rd W., Danville, CA 94526



I have to admit that when Forbes Mill opened its doors in Danville last year, I wondered if it would be a success. Certainly this Los Gatos based restaurant is extremely successful in its original South Bay location but people who live in Danville, although not short of a dollar or two, expect good value for money regardless of price. And The Price is the first thing that strikes you when you look at the Forbes Mill menu.

Situated in the Danville Livery, in premises formerly occupied by Tony Roma's, Forbes Mill has a high profile location right next door to Piatti and with lots of parking spaces. The transformation from Tony Roma's took a considerable length of time and although the outside looks the same apart from signage, the inside was stripped back to the studs and it shows.

On entering, the main restaurant area is to the left, with a large, very traditional style bar area to the right. The bar is very popular with the after-work crowd most nights of the week and is a pleasant place for a pre-

dinner drink while waiting for your table in the restaurant.

Sylvia and I visited Forbes Mill on a Friday evening, early in December. I took the precaution of making a reservation, although I doubted the necessity, but it was just as well that I did. Without a reservation we would not have had a table that evening.

The menu is fairly typical steakhouse fare apart from the fact that in addition to what is already high quality Angus beef, they have Kobe beef on their menu. I have heard that people travel a long way to the Los Gatos location for this but I have to report that we passed at these prices.

For a starter, we shared a portion of Dungeness crab cakes, a dish that often disappoints, unfortunately. But not on this occasion I am pleased to say. They were not

the best crab cakes I have tasted but they were still very tasty and I would have them again.

For main courses, Sylvia had the prime rib (ordered medium) and I had the Ribeye Steak (medium rare) with a demi-glace sauce. We also had some creamed spinach (my favorite).

Sylvia's prime rib arrived rare and had to be returned to the kitchen. On being re-presented, it was still rather underdone although she elected to accept it rather than endure a further wait. My Ribeye was nicely cooked but the sauce was less than impressive.

We are not generally super-critical of restaurants, having been in that business ourselves in a former life and being well aware of the challenges of coping with a full restaurant, but at these prices, one tends to expect everything to be on the nail. Our observant waiter picked up on our slight feelings of disappointment and I was impressed, when by way of recompense, he presented us with a dessert sampler without charge. This is a platter with a small portion of a number of their desserts including a crême brulee, cheesecake, chocolate torte and gelato. We are not big

dessert eaters but we had to agree that this was outstanding.

We accompanied our meal with a bottle of Rombauer Chardonnay from their extensive wine list. Wine aficionados should plenty to interest them on the Forbes Mill wine list with a number of interesting wines rarely found in the East Bay.

So overall, we came away with mixed feelings. We liked the ambience a lot and the service was faultless. The fact that the kitchen had so much of a problem with Sylvia's steak was amazing, especially considering that this is a steak house. I think we would have been more impressed if the prices had been a little lower.

See them on the web at forbesmillsteakhouse.com.

Reviews such as the ones on this page are included as a service to introduce people to interesting restaurants in the San Ramon Valley. They should not be taken as any form of recommendation. We have no connection with any restaurateurs in the area and all opinions expressed are strictly those of the writer. Any comments or feedback is welcomed and encouraged. If you have a particular restaurant that you would like to see reviewed, email bernard@bernardgibbons.com and I will do my best to oblige.

The highest compliment you can pay me is to recommend my services to your friends and associates

Who do you know that may be thinking about buying or selling a home this year? Much of my real estate business comes to me as a result of referrals from people just like you. If you know of someone who would benefit from the services I provide, please call me with their name and number and I promise to treat them like family. Call me anytime on (925) 997-1585 or send an email to bernard@bernardgibbons.com.

Real Estate is Still The IDEAL Investment

Despite what you may read in the financial press, real estate has always been and continues to be, the IDEAL investment. The best real estate most of us will ever own is the real estate we bought yesterday (or last year, or ten years ago, or even longer ago). Everyone you talk to wants to own real estate. Few people will tell you they purchased more real estate than they should have. In fact, just the opposite is true. Most people will tell you that they wish they had purchased, and held on to, more real estate over their lifetime. The major drawback of real estate as an investment in years past has been its liquidity. For the most part, and particularly with technology and the Internet, that is no longer much of an issue. Properly priced property sells and real estate can be turned into cash should the need arise. The secret of course, is not to be forced to sell but to sell when the market will yield the greatest return to you, the investor. "Buy low, sell high" is sage advice, but when it comes to real estate. "Buy, hold for a long time, sell" will almost always yield fantastic overall investment results.

Real Estate Investment Objectives:

Income - Real estate investments structured with enough down payment, will generate a positive cash flow. As time passes, in most markets, even a highly leveraged, negative cash flow property can turn into a positive cash flow investment.

Depreciation - Theoretical Depreciation is the tax deduction one can use against the income real estate produces. Depreciation is a "non cash expenditure." Residential income property is usually depreciated over 27.5 years. Only the improvements are depreciable, not the land.

Equity Build-up - This results from the periodic pay down of the principal amount of the loan, usually through monthly payments on an amortized loan. Even if there is no appreciation over the life of the loan, the property owner would end up with a free and clear property at the end of the loan payment period on a fully amortized loan. This is usually a 30 year period on residential property.

Appreciation - While the amount of appreciation varies from market to market, real estate is a growth asset and often the largest part of the return on an investment in real estate is the equity gained through appreciation. Even small amounts of appreciation year after year can be considerable. Usually, the longer you hold on to a property, the better. The effect of appreciation is greatly magnified by the use of leverage.

Leverage - Through the use of borrowed money (OPM - Other People's Money), combined with a small amount of money of your own, you can control real property. The best leverage most of us can obtain in the stock market is 50%. In real estate, it is not unusual to obtain 80%, 90%, and even 100% leverage. With leverage usually comes risk, and with risk comes potential for investment reward.

In addition to the **IDEAL** as stated above, real estate investments have potential additional tax benefits - Investors are allowed to write-off (within income limitations) all operating expenses, interest on loans secured by the property, and property taxes. Also, Gain from the sale of real estate is treated as capital gain and investors also have the option of exchanging which, if done in accordance with the tax laws (IRC 1031), can result in partial to no recognized gain, which effects the immediate cash tax consequence.

Interest Rate Update:

30 Year Fixed (Conforming) - 6.0%
30 Year Fixed (Jumbo) - 6.875%
(Source: Wells-Fargo - January 1st, 2007)

January Dates:

Jan 1 - New Years Day
Jan 21 - Martin Luther King Day

WHO IS J.ROCKCLIFF?

Sharp eyed readers will have noticed that the logo and contact information on the front cover now shows me to be affiliated with J. Rockcliff Realtors.

J Rockcliff was formed in March 2007, when Jeff Sposito, East Bay Regional Vice President of Intero Real Estate, bought all of Intero's East Bay offices from the parent company, renaming the new brokerage J. Rockcliff Realtors. With the highest concentration of top real estate agents in the East Bay, J. Rockcliff Realtors is the premier East Bay real estate company.

There is no doubt that the East Bay real estate market will soon be dominated by J. Rockcliff Realtors and as part of this organization, I will be in a perfect position to continue to provide the highest level of service to buyers and sellers in the East Bay. My contact numbers, email address and web site are all unchanged. Please do not hesitate to contact me with any questions related to real estate.

THE NO-RISK WAY TO GET YOUR HOME SOLD

If you want to get your home sold but you are concerned about getting locked into a long-term listing agreement with an agent you don't know, we should be talking to each other.

When I list your home for sale I will make sure that it is prepared, presented and promoted in such a way that it will have the best possible chance of achieving the highest sale price in the shortest time possible. And I won't lock you in to a long-term listing agreement.

Call Bernard Gibbons any time on (925) 997-1585 and I promise I will do whatever it takes to make your move go smoothly.

MARKET UPDATE

SAN RAMON VALLEY & LAMORINDA

Source: Contra Costa / MAX MLS

The 40 most recently Closed Sales of Single Family Detached Homes in Alamo, Blackhawk, Danville, San Ramon, Walnut Creek, Lafayette, Moraga and Orinda

(Sorted By City and Sold Price)

Address	City	Beds	Baths	½ Baths	Sq Ft	Lot Sq Ft	List Price	Sold Price	Sale \$/SqFt
1374 Danville Blvd	Alamo	3	2	1	1733	0	\$639,000	\$639,000	369
121 High Eagle Rd	Alamo	5	4	1	3570	49222	\$1,499,000	\$1,475,000	413
3357 Deer Hollow Dr	Blackhawk	5	3	2	5893	21000	\$2,349,000	\$2,200,000	373
63 Marques Ct	Danville	3	2	1	1470	5719	\$579,950	\$557,500	379
301 W Meadows Lane	Danville	3	2	1	1992	2700	\$699,950	\$685,000	344
226 Abigail Cir	Danville	4	2	1	2396	4000	\$799,950	\$799,950	334
5 Lodgehill Ct	Danville	4	2	0	1693	7488	\$845,000	\$845,000	499
315 Glasgow Cir	Danville	4	2	1	2813	4950	\$924,000	\$865,000	308
108 Shadow Creek Ct	Danville	4	3	0	3305	7800	\$925,000	\$900,568	272
516 Quivira Ct	Danville	4	2	0	2260	14490	\$1,135,000	\$1,135,000	502
67 Feather River Ct	Danville	4	3	0	3355	9170	\$1,199,000	\$1,138,500	339
1218 Sunrise Ridge Dr	Lafayette	5	3	0	2972	10235	\$1,249,000	\$1,115,000	375
21 Ruth Ct	Lafayette	3	3	0	2060	28800	\$1,200,000	\$1,230,000	597
3951 Woodside Court	Lafayette	4	2	2	2644	29000	\$1,799,000	\$1,568,500	593
2079 Ascot Dr	Moraga	1	1	0	713	0	\$275,000	\$260,000	365
119 Ascot Ct. #7	Moraga	3	2	1	1320	0	\$549,950	\$547,950	415
132 Whitethorne Dr	Moraga	4	3	0	1909	11000	\$1,020,000	\$1,000,000	524
516 Moraga Way	Orinda	4	3	0	2538	43080	\$1,149,500	\$1,025,000	404
208 Compton Cir	San Ramon	2	2	0	995	1081	\$369,000	\$353,000	355
2852 Bollinger Canyon Rd	San Ramon	3	2	0	1158	1440	\$443,900	\$416,000	359
610 Canyon Woods Ct	San Ramon	2	2	0	1031	0	\$425,000	\$420,000	407
9743 Broadmoor Dr	San Ramon	3	2	0	1202	7200	\$559,000	\$545,000	453
421 Pinenut Court	San Ramon	3	2	0	1346	7630	\$649,500	\$639,000	475
5329 Sherwood	San Ramon	3	2	1	???	1998	\$639,900	\$640,000	???
9675 Camassia Way	San Ramon	3	2	1	1623	0	\$639,900	\$650,000	400
9965 Alcosta Blvd	San Ramon	5	3	0	2013	7000	\$700,000	\$670,000	333
602 Fallen Leaf Cir	San Ramon	3	2	0	1735	5200	\$725,000	\$700,900	404
9635 Camassia Way	San Ramon	4	3	0	1811	3517	\$715,000	\$710,000	392
1953 Lambeth Way	San Ramon	3	2	1	1872	3172	\$818,670	\$710,894	380
3110 Pine Valley Road	San Ramon	4	2	0	1850	7500	\$739,000	\$739,000	399
16 Almond Orchard Ln	San Ramon	4	2	1	1995	2560	\$769,000	\$750,000	376
2520 Aranda Drive	San Ramon	4	2	1	2718	9288	\$850,000	\$838,888	309
153 Canyon Lakes Way	San Ramon	4	2	1	2360	7500	\$850,000	\$860,000	364
1637 Star Jasmine	San Ramon	5	3	1	3166	5000	\$1,098,000	\$1,000,000	316
5709 Wells Lane	San Ramon	5	3	1	3752	6000	\$1,238,800	\$1,002,670	267
7506 Balmoral Way	San Ramon	5	4	1	4411	8693	\$1,421,850	\$1,150,180	261
7556 Balmoral Way	San Ramon	5	4	1	4645	8508	\$1,455,600	\$1,156,764	249
9624 Velvet Leaf Cir	San Ramon	5	3	0	2958	9548	\$1,319,000	\$1,260,000	426
7562 Balmoral Way	San Ramon	5	4	1	4411	8560	\$1,444,500	\$1,344,500	305
816 Henley Ct	San Ramon	6	7	1	6100	18513	\$2,399,000	\$2,325,000	381
3031 Mayhew Ct	Walnut Creek	2	1	1	1240	0	\$399,000	\$393,000	317
2403 Stirrup Ct	Walnut Creek	3	2	0	2384	12100	\$929,000	\$915,000	384

How much did that home down the street sell for? For more detailed information on home sales anywhere in Contra Costa or Alameda County, call Bernard Gibbons on (925) 997-1585 or send an email to Bernard@BernardGibbons.com