

FEATURED OPEN HOME

OPEN SUNDAY 1-4PM
9190 Winery Terrace, Kenwood

**ARCHED ELEGANCE
 AT KINNYBROOK ESTATES**



Sophisticated Contemporary with a Mediterranean flare, this nearly 5000 sq.ft. single level estate provides an entry and soaring Gallery that spans the entire length of the residence in arched cathedral like fashion leading to the rear patios, pool and spa. An abundance of sky lights at 25 foot heights and floor to ceiling windows cause a true sense of a continuum of the outdoors throughout the interior. Located in the beautiful hills of Kinnybrook Estates, this gated community of less than two dozen homes spans hundreds of acres on the eastern slopes of Kenwood.

This single level residence has 9 rooms including 3 bedrooms, living rm./dinning rm., sun room with outdoor fountain and fireplace, family rm., office/den and a recreation room for guest. There are 3 full and 1 half baths on the first floor and a half bath at the 3 car garage level. This lower level also houses the wine cellar and climate controlled "fur" storage room. A truly elegant residence.

Offered at \$3,195,000

presented by
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Has the "Bottom" Formed?

by Jill Silvas, Branch Executive, Pacific Union International

The third quarter of 2010 may prove to be the turning point in the most volatile real estate market in recent history. Sonoma Valley sales in Q3, while not record breaking, certainly seem to have recovered beyond the same quarter in the previous year and have even bettered sales from the third quarter of 2008. While it could be anticipated that this would have been the case in the under \$1 million price range, the surprising and exciting change is that the same is true in the over \$1 million price range as well.

While the median and average prices are primarily indicative of the prices of properties that are generally selling in any given price range, the actual total volume and number of sales suggests a much more accurate reflection of the increase or decrease in the overall activity. The 30% increase of sales volume in Q3 2010 over Q3 2009 in the under \$1 million range is indeed dramatic and might be somewhat expected based on lower interest rates, government assistance programs, number of short sales, REOs and other factors that generally influence a more moderate price range and market.

However, the 51% and 45% increase in median and average sales prices respectively in the over \$1 million range is far more unexpected based on broad-spectrum news reports. In addition, the 45% increase in sales volume in the over \$1 million property sales might truly reflect a higher level of confidence by buyers generally not as dependent on interest rates, short sales or foreclosure properties.

This is not to say that mortgage money is not having an influence at this level. In fact, one of the most

interesting buying opportunities today is the increasing availability of mortgages at historically low interest rates. Buyers in today's market have the unique good fortune of acquiring real estate when both the home itself and the mortgage are "on sale". This combination of stabilizing prices and extremely low interest rates provides a unique affordability factor for those in the market.

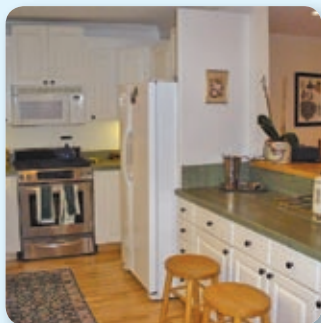
In this mortgage environment, we are seeing jumbo loans, up to \$2 million in loan value, 80% loan-to-value (or \$2.5 million purchase price), priced at 5% for a 30 year fixed loan and no points paid at closing. And, while this presents a great opportunity for buyers now, we also recognize that it is only a matter of time before mortgage interest rates and real estate values begin to rise together. And, when they do, a 1% increase in interest rates generally equates to a \$100,000 drop in the price of a home that a borrower can afford.

Looking forward through Q4 2010, we expect stability in pricing and the number of units to remain relatively flat. When the number of units sold in local markets increase, the negotiating leverage between buyers and sellers will likely move towards an equilibrium – we do not expect this buyers' market to maintain its strength in the foreseeable future. The ultimate opportunity seems to be stable housing prices, excellent inventory levels and exceptional mortgage interest rates.

If you are considering the purchase or sale of a home, I welcome the opportunity to review specifics with you.

Jill Silvas, Branch Executive for Pacific Union International can be contacted at 707.939.9500 or online, jill.silvas@pacunion.com.

225 2nd Street East #15



Elegant condo that has been tastefully remodeled. 2bd/2ba on Sonoma's Eastside. Large great/living room with fresh paint and new roof.

www.225secondstreeteast#15.com
Offered at \$395,000

179 Temelec Circle



Tastefully upgraded 2bd/2ba Temelec home. Located on the vineyard side of a quiet street. Open kitchen with new cabinets, stainless appliances, lighting and new floors. Private courtyard with lush green plantings.

www.179temeleccircle.com
Offered at \$379,800

162 LaMancha Drive



Large 3bd/2ba end unit townhouse. Vaulted ceilings, arched doorways and balcony. Large master bedroom with view. Close to Sonoma Plaza.

www.162LaManchaDrive.com
Offered at \$339,000

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 Producing Agent since 2002**



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