

THE LAS CAMPANAS MARKET

It's that time again to look back on the past year, review our accomplishments and plan for the future. Below you will find results of 2011 home and land sales and my prediction for the state of the market and how it relates to Las Campanas. Enjoy!

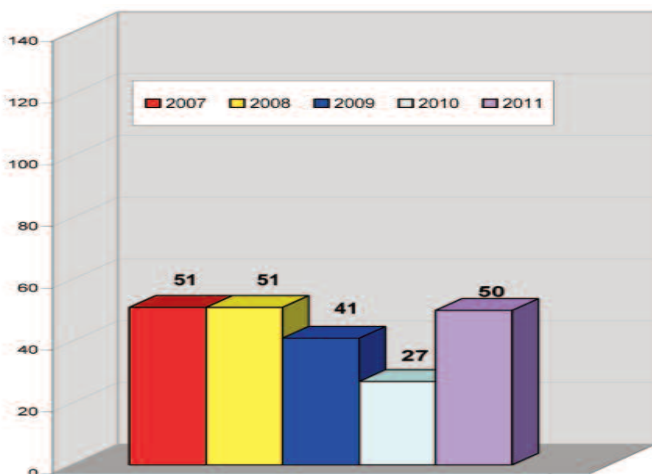
HOMES SALES

Wow! What an incredible year for homes sales in Las Campanas. With 50 homes sold this year we posted the best numbers since 2008. Our closed transactions in 2011 were just one less than the 51 sales during both 2007 and 2008, our peak sales years. As mentioned in last winter's newsletter, amid a storm of naysayers, I predicted that buyers would "see value in purchasing a Las Campanas home".

What was clear to me and to so many of our owners has definitely resonated with the buying public this past year. The list of accomplishments is long and our club and community stand proud. So many people in our community deserve thanks for this incredible turnaround. Not to be satisfied with this success, our club and community continue to make improvements every day that will assure its position as one of the finest private clubs in the country.

As a result, buyer interest in Las Campanas continues to strengthen. Inventory levels show signs of improvement. In the short term expect prices to decline, albeit at lower rates, as we clear out the exceptionally well priced excess inventory. There is now light at the end of the tunnel.

Total Residential Units Sold In Areas 24
(Las Campanas) 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.

LAND SALES

Lot sales in Las Campanas improved slightly with 14 sales this year compared with 13 sales in 2010. Lot inventory remains high with more than 100 active listings. The second half of the year saw an increase in sales and November/December saw a dramatic increase in activity with four lots moving under contract. I expect interest in land to pick up during 2012.

My projected increase in land sales is based on the lack of substantive new luxury construction in Santa Fe. At the same time existing newer homes, primarily bank owned properties, are being removed from the market by hungry buyers taking advantage of the best deals in luxury real estate of a lifetime. With the exit of below market newer construction and the limited supply of homes five years of age or less, look to see builders come back in to meet the demand. Some home buyers unable to find that perfect home will take on building in order to get the home they truly want. There is still a plentiful supply of older homes at incredible pricing, but I am seeing resistance to these properties by a select group of buyers. These buyers are looking for the perfect retirement or second home and finding that it may not exist anymore. These buyers do not want the hassle of remodeling or updating an older home and all the hidden problems that may arise. They want it turnkey and carefree.

This does not mean I see a stampede of buyers, but I do see a slow and steady build up. Many lots offering sweeping vistas have reduced 50 percent or more off the original price. The ability to obtain the most incredible lot you ever imagined at unheard of pricing is at your fingertips. This fact alone should induce more buyers and builders to consider the purchase of land. Add this scenario to the limited availability of newer product and I think we are setting a perfect storm for the removal of excess lot inventory during the years ahead.

For the past three years it did not make financial sense to build a home in Las Campanas when you could purchase an almost new home for less than the cost to build one. Well those days are drawing to a close and building new will once again return to favor.

OVERALL MARKET TRENDS

Nationally, most real estate industry experts predict continued depreciation throughout the first half of the year. The range of depreciation varies but most estimates are somewhere between three and seven percent. Some regions of the country will decline more while others will see stabilization; some will even

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NEW HOME LISTINGS



41 SUNFLOWER

\$845,000

Adobe built by Buzz Bainbridge. Extraordinary 4700 sq ft home and guest house, the best opportunity in Las Campanas! Never has a home of this quality been available at this price. 4 BR, 4 BA, 4-car garage
201105242



6 PUMA CIRCLE

\$1,485,000

Enter through the grand foyer of this magnificently renovated 4 bedroom, 6 bath residence including a one bedroom, one bath attached guest house with full kitchen. Located on a private cul-de-sac with breathtaking Sangre and Jemez mountain views.
201102960



23 TECOLOTE CIRCLE

\$1,495,000

This absolutely beautiful home in the Pueblos at Las Campanas sits on the first fairway on the Sunset golf course. Walk out from your 700sf portal, equipped with state-of-the-art outside kitchen/infrared grill and fireplace to practice your swing or just enjoy the fabulous views.
201101815

NEW LAND LISTINGS



18-A VIA PAMPA, LOT 16

\$79,900

Bank Owned. Beautiful mountain view lot. Easy build site with natural gas, electric, water, sewer, cable at lot. Paved roads. Membership in Las Campanas is available at addition cost. Club membership includes spa, tennis center with weight room, indoor and outdoor pools.
201004912



50 GRAYTHORN DR #129

\$150,000

A great lot with full western sunset/Jemez mountain views and ski basin/Sangre mountain views. A large and level 2.13 acre, easy build lot. In Estates 1 with easy access to town. Priced to sell.
201101519



3 BASIN VIEW COURT

\$199,000

The best lot money can buy! Located in prestigious Estates 5.2 in Las Campanas. The views are spectacular, Sunrise or sunset, you decide as this property offers full vistas of the Sangre de Cristo and Jemez mountain ranges. At 2.7 acres the lot has a large building site to maximize privacy and views!
201200017

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see slight appreciation. At the end of the day no one really knows when we will hit bottom and how long we will bounce along the floor until normal appreciation returns. Bottom line: It will depend on the consumer. How quickly they come back to real estate will determine how long this lasts.

There has been a lot of talk regarding Shadow Inventory. It is real but as it relates to Las Campanas I believe the effects will be limited. Most foreclosed homes have already been released for sale in Las Campanas also a good number of owners made substantial down payments or purchased with cash. In other parts of Santa Fe this inventory will continue to drag on the lower and middle market segments as loss of equity force more homeowners into foreclosure.

Sellers in Las Campanas have been able to price competitively to attract buyers. As a result inventory levels continue to move in a positive direction. Good news for Las Campanas!

DEMOGRAPHICS:

This is my favorite. I love demographics! See the chart at the bottom of this page. The majority of the home-buying population in the United States is 50 years or older and will be the majority for the next 10 years. If you haven't noticed, 50 plus pretty much describes our typical buyer of luxury homes in Santa Fe! More good news for Las Campanas.

NEW CONSTRUCTION

Buyers will continue to move to Santa Fe. We have very few new homes to sell them. Short term, buyers will take what is available off the market. Long term, many of the buyers we expect to see in the next 10 years will choose new construction. New con-

struction will come back to the market. It will assist in stabilizing pricing and elevating existing home values. Long term, I believe owners who invested in Las Campanas will benefit. Still more good news for Las Campanas.

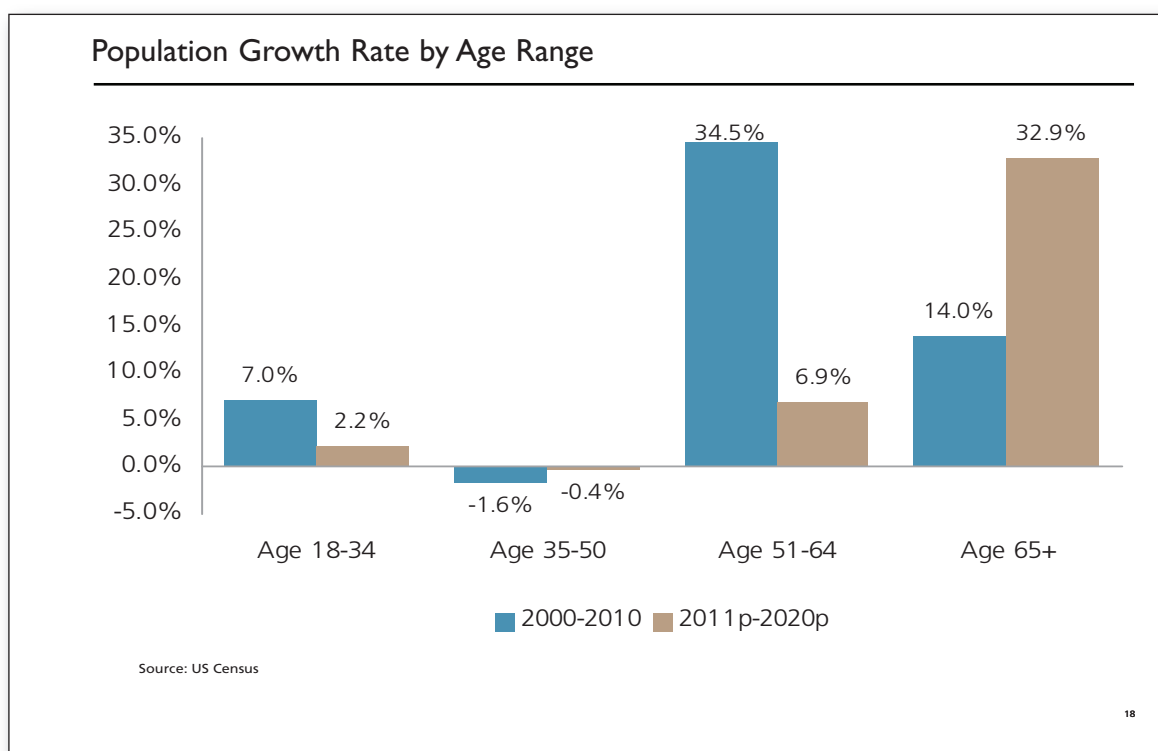
IN CLOSING

Nothing is going to happen overnight, but slowly and surely the improving market trends along with demographics will favor Las Campanas. Santa Fe remains a highly sought after retirement/second home destination. There is only one Las Campanas. Be patient and positive, we will come out of this standing. I expect Las Campanas to have another good sales year. As lower priced inventory recedes, remaining sellers could choose to come down in price or buyers may move up their purchase price. I expect to see a little of both.

When looking to buy or sell choose a partner/market expert who truly believes in our community—one who understands how to communicate the unparalleled opportunity that exists living the Las Campanas Life. Please do not hesitate to contact me with any real estate questions, I am always happy to assist. I look forward to being your real estate partner for success.

My family and I had a wonderful year. Another fantastic summer in Santa Fe, plus a great opera season. With fresh snow on the slopes a great start to the ski season is upon us! My son turned four in December. Trying to keep up with him is a challenge—one made easier thanks to an exceptional trainer at our Spa. I am in the best shape in 30 years and ready to chase my son all over town. Yes, it truly is an ideal life in Santa Fe! HAVE A GREAT NEW YEAR!

—Bob Burbic



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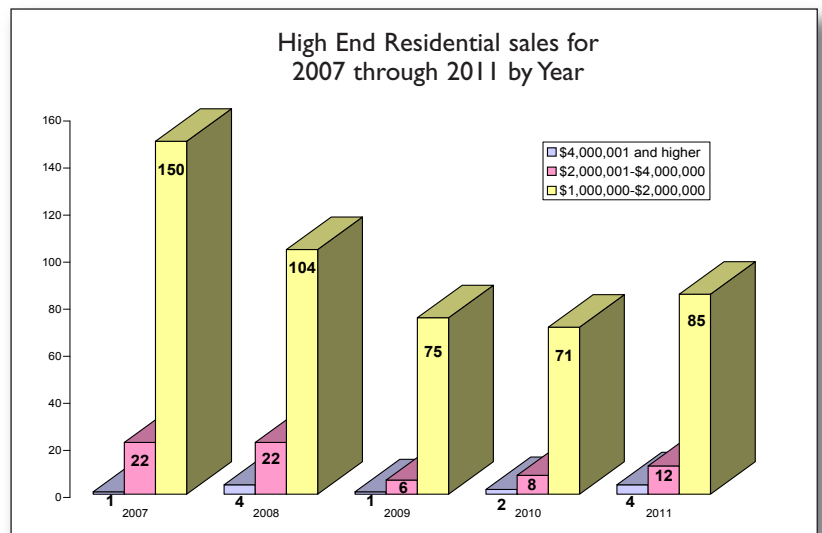


THE LAS CAMPANAS LIFE

In this issue:
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Land sales
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“ As a member/owner, I truly appreciate and understand the unparalleled value Las Campanas represents within the community. ”

- Bob Burbic



Santa Fe luxury home sales increase 25%

Visit thelascampanaslife.com for news and info on living in the premier golf community of Santa Fe.

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