

SANTA FE'S MARKET LEADER

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NEIL LYON GROUP

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2011 CLOSED TRANSACTIONS

77 Calle Ventoso West (S)	\$1,795,000
52-B Paseo del Pinon (B)	\$795,000
31 Calle Ventoso West (S)	\$1,895,000
8 Morning Glory (B)	\$699,000
144 Gonzales #9 (B)	\$389,000
2910 Rufina Court (SB)	\$200,000
4 La Vida Court (S)	\$865,000
49 Rancho Escondido (SB)	\$13,500,000
43 Rancho Escondido (B)	\$659,000
13 Chestnut Circle, Lot 919 (B)	\$475,000
3337 Paseo Segunda (SB)	\$950,000
22 Piute Road (B)	\$695,000
8 Lavadero Road (S)	\$1,050,000
14 Plazuela Intimo (S)	\$635,000
12-A Deans Court (S)	\$317,000
2232 Wilderness Arroyo (SB)	\$1,975,000
535 Douglas Street (B)	\$850,000
20 Lamy Drive, Lot 20 (S)	\$299,000
64 Paseo del Conejo (B)	\$950,000
14 Vista La Esperanza (S)	\$649,000
31 Graythorn (S)	\$925,000
36 Sierra Rosa Loop (SB)	\$850,000
24 Tano Escondido (S)	\$1,650,000
290 Circle Drive (S)	\$2,750,000
35 Entrada Descanso (SB)	\$1,050,000
704 Calle del Resplandor (B)	\$695,000
18 Paseo del Rancho (S)	\$580,000
1121 West Ridge Road (B)	\$550,000
50 Mustang Mesa, Lot 867 (S)	\$175,000
560 Piedmont (S)	\$1,495,000

UNDER CONTRACT

524 Camino del Monte Sol (B)	\$1,450,000
15 Calle Ventoso East, Lot 799 (S)	\$60,000
1055 Old Santa Fe Trail (S)	\$1,350,000
1054 Encantado Drive (B)	\$1,595,000

Prices shown are listing prices at time of sale. S = Seller, B = Buyer

January 1, 2012

I hope everyone reading this letter had a great holiday season. Retail sales and home buying activity were strong as we ended 2011, which indicates that many are now experiencing a comfort and confidence that we had all come to question in the past few years. We should all take this as a positive sign as we head into 2012.

A complex set of circumstances created a bit of a surprising outcome in 2011. As we all know, property values have been declining significantly from their highs of 2006/2007. In some segments of our local market...very significantly. What defined 2011 was most buyers seemed to have reached the collective belief that Santa Fe home prices had finally reached their low point, or were very close. This conclusion, combined with incredibly low interest rates, encouraged many previously on-the-fence buyers to finally complete their purchases. But there is more to the story: In the past 3-4 years I have observed a very cautious attitude on the part of affluent consumers resulting in their being extremely careful with their assets. This circumspection allowed them to maintain (or build) financial strength so that they were in a position to comfortably take advantage of the extraordinary buying opportunities that were (and still are) available in Santa Fe. It is also worth mentioning that many who finally purchased in 2011 had been considering a move to Santa Fe or a Santa Fe vacation home for many years. Their patience was rewarded when all of the above factors came together, allowing them to move forward with confidence.

The results of the above dynamics caused there to be an interesting end result. The higher-end segment of the market (\$1,000,000+) saw a 21% increase in the number of sales in 2011 as compared to 2010. Contrast this to the number of sales below \$1,000,000, which saw less than a 1% increase as compared to the previous year.

The successes the Neil Lyon Group experienced last year were due to some very important partners. We worked with property owners who were realistic about the (usually painful) realities of the market and allowed us to be their guides as we successfully marketed and sold their properties. In some cases we completed our assignments in weeks or months, in other cases it took us a year or two. We thank all our sellers for their trust and patience.

We also had the pleasure of working with many buyers who were genuinely excited about purchasing in Santa Fe. Very few purchase in Santa Fe because of a "have to". Almost all do so because of a "want to". This single fact injects a very different and wonderful dynamic into our business. We worked with buyers who came from many states and a couple of foreign countries, making our transactions interesting, challenging and rewarding.

I also want to thank the 2 outstanding professionals who comprise the "Group" in the Neil Lyon Group.

Evelyn Spiker, who joined my team in the summer of 2010, was rock-solid in her professionalism, her analytical skills, her diligence and a dedication to getting things done for our buyers and sellers, with their interests as priorities one, two and three.

Vanessa Rios y Valles, who has been with me since the fall of 2004, has a role of such importance that it is difficult to reduce her value to the written word. Her diligence, extensive knowledge, skills and attention to detail are all unique qualities that combine to make her an incredible asset to our sellers, buyers and the Group.

I am extraordinarily grateful to both Evelyn and Vanessa and our many buyers and sellers for helping make 2011 one of the most productive years I have experienced in my many years in the residential brokerage business.

We begin 2012 with gratitude for the many successes we participated in last year, while feeling the weight of the work that lies ahead. Of the dozens of sellers and buyers we are now working with, we'll be thanking many of them a year from now. That gives us plenty of incentive to go after the new year with great energy and enthusiasm.

My thanks to all who are involved with the Neil Lyon Group, and I wish each of you a new year filled with good health, happiness and success.



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