



**A MESSAGE FROM OUR
MANAGER: JEFFREY GIBSON**

The second quarter of 2013 continued to show a robust market for Wine Country real estate, according to Bay Area Real Estate Information Services (BAREIS) and as demonstrated in the following charts.

Both Sonoma Valley and Napa Valley continue to see a shortage of residential inventory, which has led to overbidding on homes and an increase in prices in these regions compared to 2012.

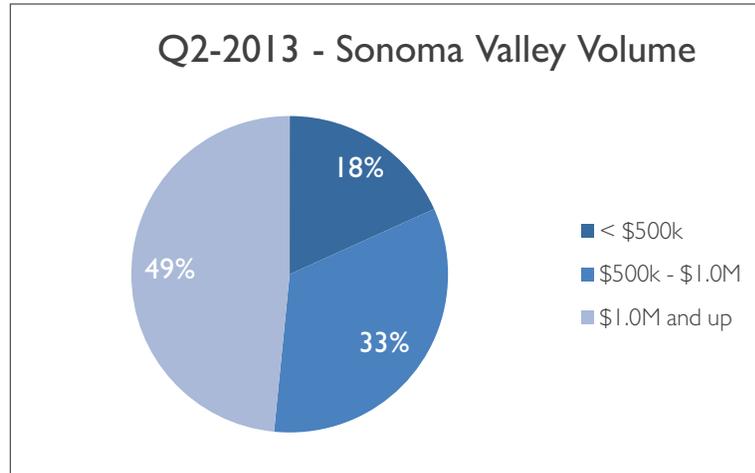
The average sale price for single-family homes in Sonoma Valley increased by \$117,943 to \$790,403, compared to the second quarter in 2012. The average sale price in Napa Valley increased by \$105,989 to \$581,946.

The big news is that the high-end properties (above \$1 million) in Sonoma Valley have sprung to life with a 33 percent increase in sales volume this quarter over the second quarter of last year.

WINE COUNTRY BROKERAGE

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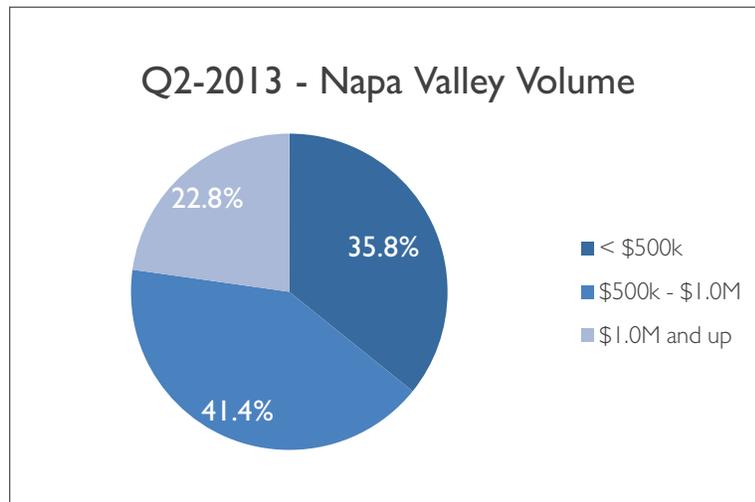
SONOMA VALLEY MARKET SUMMARY (SFH)



Source: BAREIS

In Sonoma Valley, the average sales price of single-family homes has increased from \$672,460 to \$790,403 – an 18 percent increase in year over year comparisons. The total number of closed units sold throughout Sonoma Valley has remained consistent from 2012 to 2013, but there has been a 52 percent increase for listings in the \$1,000,000+ price range. The \$1,000,000+ listings consisted of nearly half of the total sales volume, which had a 19 percent increase compared to the sales volume in the Second Quarter of 2012.

NAPA VALLEY MARKET SUMMARY (SFH)



Source: BAREIS

In Napa Valley, the average sales price for single-family homes rose 22 percent in comparison to the Second Quarter of 2012. Homes in the \$500,000-\$1,000,000 price range experienced more than a 50 percent increase in the total number of closed units and volumes. Prices increased by 20 percent for homes selling for less than \$500,000, but there was a reduction in the total number of closed units and volume. Homes in the \$1,000,000+ price range demonstrated a 19 percent drop in the average sales price, but saw a growth in the total number of closed units and closed volume sales.

SONOMA VALLEY



ABOUT SONOMA VALLEY

Approximately 40 miles north of San Francisco, Sonoma real estate is perfectly situated to maximize residents' quality of life. Although world-renowned as a wine mecca, Sonoma maintains the tight-knit feel of a small community, with a charming downtown. In 1846, the California Republic declared its independence from Mexico, with Sonoma named the capital of this short-lived sovereign state. Consequently, Sonoma is known as the birthplace of California, a town rich in history surrounded by breathtaking natural beauty.

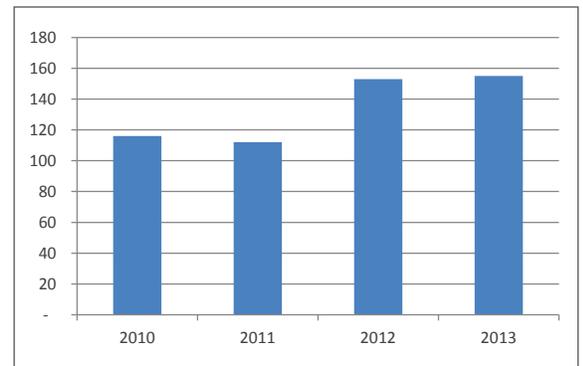
AVERAGE SALES PRICE (SFH)

PRICE RANGE	2010	2011	2012	2013	% CHANGE (2013 v 2012)
Up to \$500,000	\$355,867	\$320,230	\$315,904	\$360,401	14%
\$500K - \$1M	\$659,744	\$707,357	\$681,938	\$704,410	3%
\$1,000,000 and up	\$2,293,659	\$1,908,992	\$1,939,791	\$1,694,622	-13%
TOTALS	\$644,408	\$724,915	\$672,460	\$790,403	18%



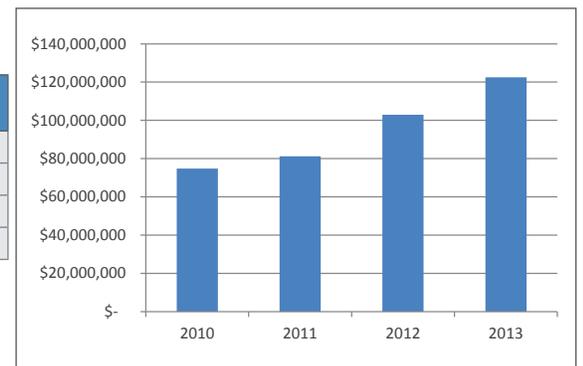
CLOSED UNITS: # OF SIDES (SFH)

PRICE RANGE	2010	2011	2012	2013	% CHANGE (2013 v 2012)
Up to \$500,000	65	57	83	62	-25%
\$500K - \$1M	40	35	47	58	23%
\$1,000,000 and up	11	20	23	35	52%
TOTALS	116	112	153	155	1%



CLOSED VOLUME (SFH)

PRICE RANGE	2010	2011	2012	2013	% CHANGE (2013 v 2012)
Up to \$500,000	\$23,131,327	\$18,253,125	\$26,220,072	\$22,344,843	-15%
\$500K - \$1M	\$26,389,748	\$24,757,500	\$32,051,075	\$40,855,808	27%
\$1,000,000 and up	\$25,230,250	\$38,179,842	\$44,615,200	\$59,311,770	33%
TOTALS	\$74,751,325	\$81,190,467	\$102,886,347	\$122,512,421	19%





ABOUT NAPA VALLEY

Napa County is a county located north of San Pablo Bay in California. It is officially one of the nine San Francisco Bay Area counties, and one of four North Bay counties. Napa County was one of the original counties of California, created in 1850 at the time of statehood. Parts of the county's territory were given to Lake County in 1861. Napa County, once the producer of many different crops, is known today for its regional wine industry, rising to the first rank of wine regions with France by local winery Chateau Montelena winning the "Judgment of Paris" in 1976.

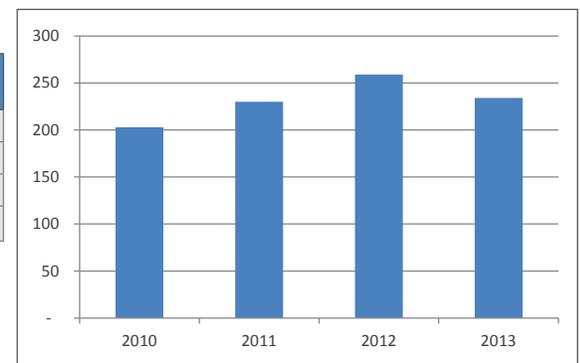
AVERAGE SALES PRICE (SFH)

PRICE RANGE	2010	2011	2012	2013	% CHANGE (2013 v 2012)
Up to \$500,000	\$318,972	\$303,220	\$312,263	\$375,061	20%
\$500K - \$1M	\$641,062	\$670,060	\$677,742	\$671,671	-1%
\$1,000,000 and up	\$2,318,750	\$1,485,545	\$1,904,786	\$1,549,850	-19%
TOTALS	\$419,000	\$473,019	\$475,957	\$581,946	22%



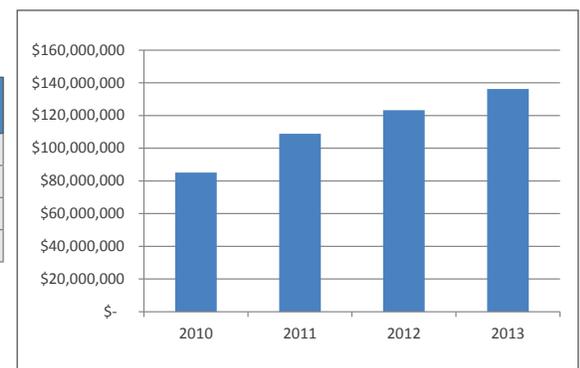
CLOSED UNITS: # OF SIDES (SFH)

PRICE RANGE	2010	2011	2012	2013	% CHANGE (2013 v 2012)
Up to \$500,000	166	168	190	130	-32%
\$500K - \$1M	32	42	55	84	53%
\$1,000,000 and up	5	20	14	20	43%
TOTALS	203	230	259	234	-10%



CLOSED VOLUME (SFH)

PRICE RANGE	2010	2011	2012	2013	% CHANGE (2013 v 2012)
Up to \$500,000	\$52,949,289	\$50,940,878	\$59,329,914	\$48,757,950	-18%
\$500K - \$1M	\$20,513,971	\$28,142,530	\$37,275,833	\$56,420,400	51%
\$1,000,000 and up	\$11,593,750	\$29,710,900	\$26,667,000	\$30,997,000	16%
TOTALS	\$85,057,010	\$108,794,308	\$123,272,747	\$136,175,350	10%



FEATURED PROPERTIES

KENWOOD, CA



Price: \$3,750,000
Agent: Holly Bennett

3 br / 3 ba / 1 hf ba

A little piece of France in Sonoma Valley Wine Country, this stunning estate offers approximately 3,585 square feet of living space gently nestled on approximately 20 gorgeous, private acres oriented to soak in the stunning views and sunshine.

LISTINGS AROUND THE WORLD IN THIS PRICE RANGE

IN METROPOLITAN MARKETS



SAN FRANCISCO
3 br, 4 ba, 1 hf ba | **\$2,999,000**



MALIBU
4 br, 4 ba, 1 hf ba | **\$3,980,000**



NEW YORK
2 br, 2 ba | **\$2,950,000**

IN RESORT MARKETS



PALM BEACH
4 br, 5 ba | **\$3,400,000**



SANTA FE
640 +/- Acres | **\$3,520,000**



POCASSET
4 br, 4 ba, 1 hf ba | **\$3,995,000**

IN FOREIGN MARKETS



ST. JOHN
3 br, 3 ba | **\$2,599,000**



PRAGUE
2 ba | **\$3,307,063**



TAIWAN
3 br, 2 ba | **\$2,981,563**

RECENTLY SOLD AT AUCTION



GARCIA COMPOSITION
CONSTRUCTIVE BY J. TORRES
Latin American Art
May 28, 2013
Sold For: \$1.4 Million



MARIONETTES BY JOHN
SINGER SARGENT
American Art
May 22, 2013
Sold For: \$5.2 Million



THE YOUNGER SPRING BY
PIETER BRUEGHEL
Old Master Paintings
June 6, 2013
Sold For: \$2.3 Million