
BEVERLY HILLS *COURIER*

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Luxury Home Values Rise in Los Angeles Area

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Luxury home values increased in the Los Angeles and San Francisco regions, and remained largely unchanged in the San Diego area, in the fourth quarter of 2012 compared to the comparable prior-year period, according to a survey released today.

In the Los Angeles area, values rose 4.4 percent in the quarter ended Dec. 31, putting the average luxury home's pricetag at \$2.06 million, according to the First Republic Prestige Home Index by First Republic Bank, a private bank and wealth management company.

In the San Francisco Bay area, values rose 8.4 percent from the fourth quarter of 2011, to \$2.73 million, while San Diego area values decreased 1.4 percent year-over-year to \$1.64 million.

"Luxury home prices rose strongly in the San Francisco Bay Area and Los Angeles this past year," said Katherine August-deWilde, president and chief operating officer of First Republic Bank. "Growing demand from buyers, low mortgage rates and a lack of inventory continued to put upward pressure on values. Multiple offers are common in many high-end neighborhoods as buyers compete for a small number of attractive properties."

In Los Angeles, year-over-year values posted their largest increase since the second quarter of 2007, according to First Republic Bank.

Jane Brill Gavens of Coldwell Banker Beverly Hills South said the market is very active.

"Every listing I put out has multiple offers. Every listing I make an offer on has multiple offers," she said. "Low inventory and pent-up demand, combined with low interest rates, high liquidity and foreign buyers, have created a perfect storm for a sellers' market."

In Pasadena, Maureen Hollingsworth of Sotheby's International Realty said: "Last quarter there was little inventory, and very good homes went for very high prices. More inventory is now coming onto the market, and prices are approaching close to where they were at the peak. Our market never went down very much."

In Manhattan Beach, Barry Host of South Bay Brokers said the scarcity of inventory was driving prices.

"We have one of the lowest levels of inventory that I've seen. More buyers are in the market, and that is putting pressure on home prices," he said. "We've had a number of multiple offers recently. We are also seeing many all-cash offers."

The First Republic Prestige Home Index measures changes in homes valued at more than \$1 million in key California urban markets.

Properties in the Los Angeles region represent a cross-section of luxury homes in Arcadia, Beverly Hills, Calabasas, La Canada Flintridge, Encino, Los Angeles, Malibu, Marina del Rey, North Hollywood, Pacific Palisades, Pasadena, Playa del Rey, Santa Monica, Studio City and the West Los Angeles enclaves of Bel Air, Brentwood and Westwood.