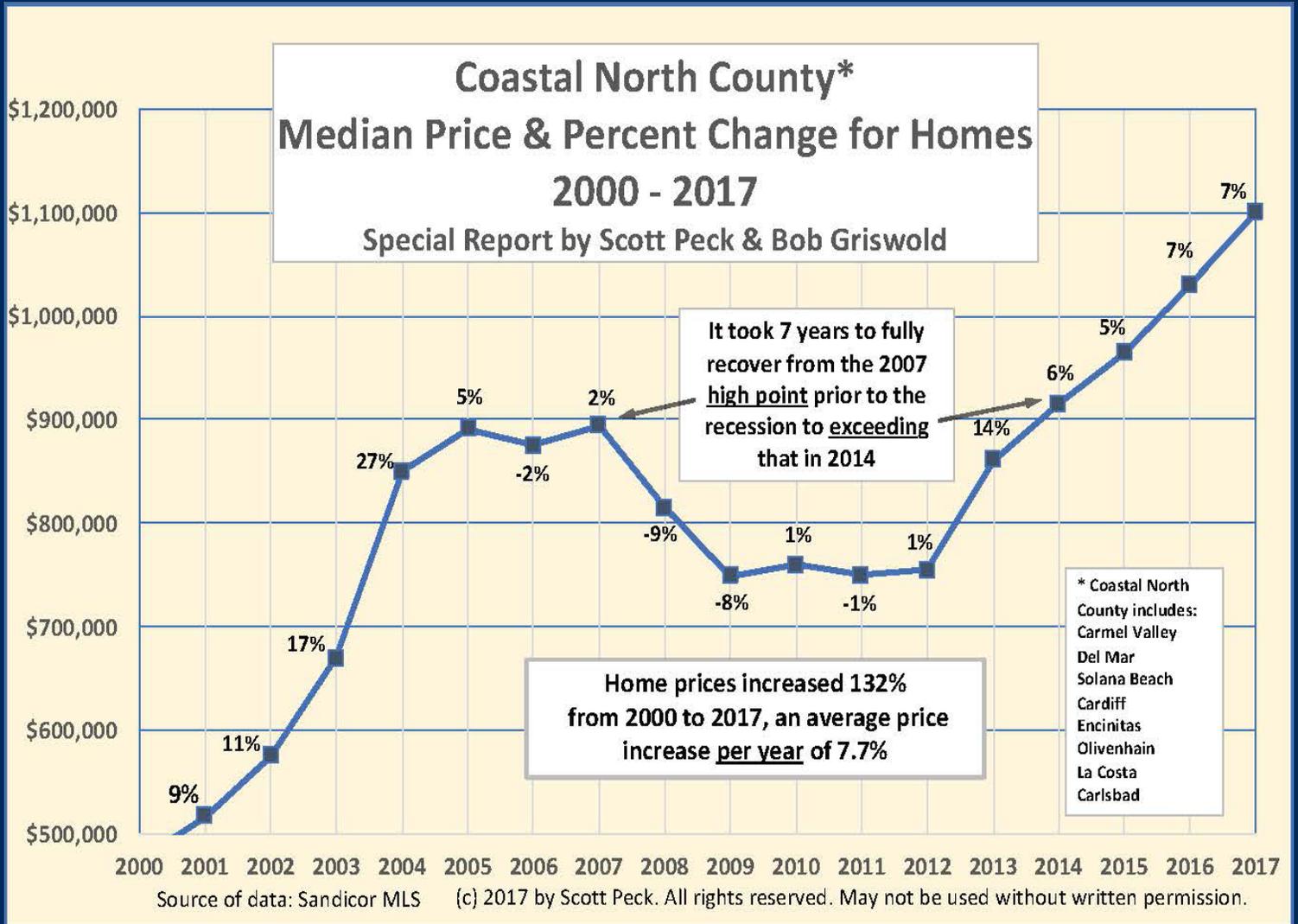


Special Report

How Long Will it Last?



Scott Peck
 858.967.2604
 Cal BRE 00999920

Moving Lives Forward

*Integrity
 Deep Values
 Vast Experience
 Immense Skill Sets
 Superb Communicators
 State-of-the-art Marketing
 Hundreds of Satisfied Clients*

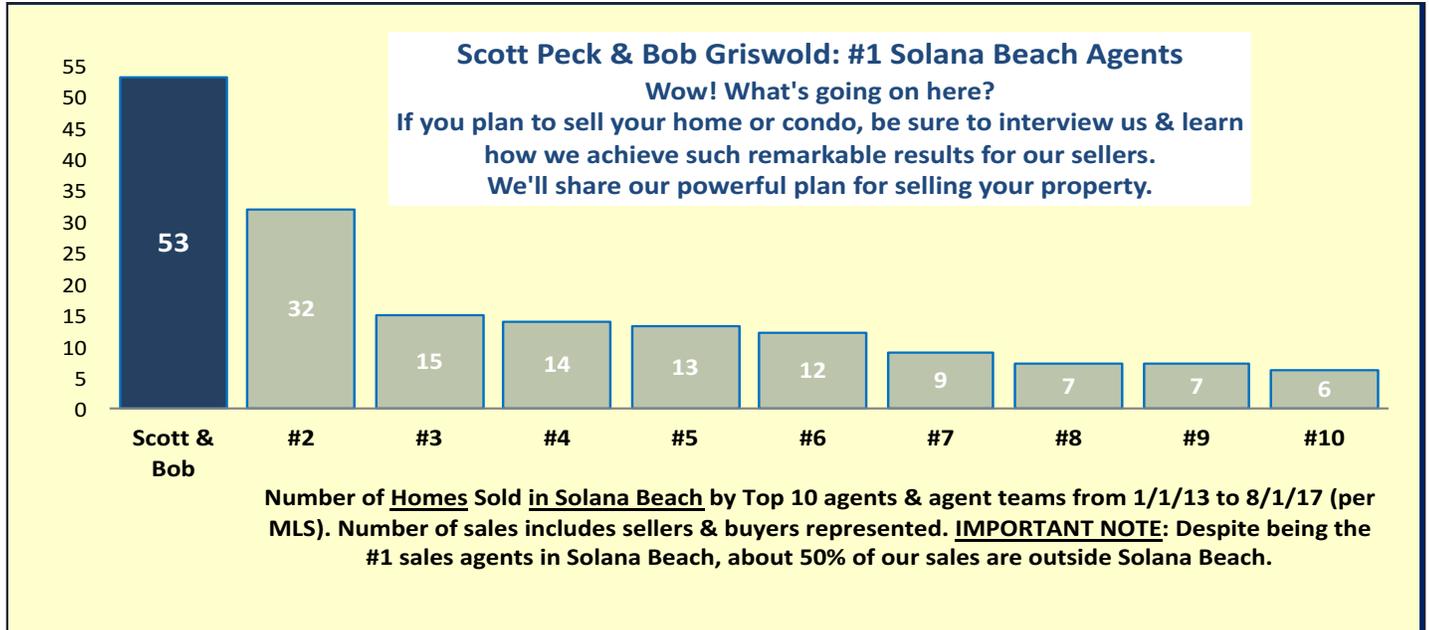


Bob Griswold
 858.967.2608
 Cal BRE 01228259

WHAT'S THE STATUS OF THE REAL ESTATE MARKET

The real estate market in coastal North County is still sizzling. Here are some highlights:

- Prices for coastal North County homes in 2017 are up 9.1% from a year ago.
- Prices for coastal North County condos in 2017 are up 7.7% from a year ago.
- Cardiff home prices are up 16.1% from a year ago.
- West Solana Beach home prices are up 11.9% from a year ago.
- Solana Beach condo prices are up 11.3% from a year ago.
- The median price for all coastal North County homes is \$1,075,000.
- The inventory of homes & condos for sale is still quite low.
- Interest rates continue to remain historically very low, even though the Fed has been slowly raising their rate.
- Buyer demand remains high.
- Prices have been rising steadily for the past 5 years - as shown on the front cover of this Special Report. How long will this rise in home values last? We tackle that question on the following pages in this Special Report.



This graph shows the high number of our sales in Solana Beach, but the more significant fact is: **“What did our sellers experience?”** See Al Rosen’s words on the opposite page (& Kathy Constantine’s words on page 6) to see the depth of our success behind the numbers.

Note: Although we are the #1 agents in Solana Beach, almost half our sales are outside Solana Beach with sellers & buyers throughout coastal North County.

CHOOSING THE RIGHT AGENT MAKES A HUGE DIFFERENCE

**“The best test of a business relationship
is seeing how people react
when things go wrong.”**

“The best test of a business relationship is seeing how people react when things go wrong - as they did with the sale of my Solana Beach home.

I spent the 6 months prior to meeting Scotty and Bob with another Realtor who failed to bring me any offers. I listed with Peck/Griswold and they went right to work marketing my home in all the right ways. I had multiple offers within two weeks.

Unfortunately, we encountered many difficulties with the buyer’s lender. Scotty and Bob never faltered. They stepped up and took care of all the difficult details that needed to be handled to make the home close escrow.

When things go smoothly, any Realtor can look good. If you want to be sure you have realtors who will do “whatever it takes”.... then do yourself a favor and contact Scotty Peck or Bob Griswold.

Allan Rosen

Solana Beach resident 2005-2017.



**If you'd like to receive this quality of success
in selling your home or condo, we're ready to help.
Call us anytime for a zero-pressure visit.**

Moving Lives Forward

“DOUBLE-EDGED SWORD: HOME PRICES KEEP RISING, HOME INVENTORY KEEPS FALLING”

We found this article by Samantha Sharf, in Forbes (March 28, 2017), to be quite revealing. Here are excerpts from the article:

“It turns out price recovery is a double-edged sword. According to an analysis out last week from real estate data and search site Trulia, markets where home values have gained the most since the recession actually have the tightest supply right now.

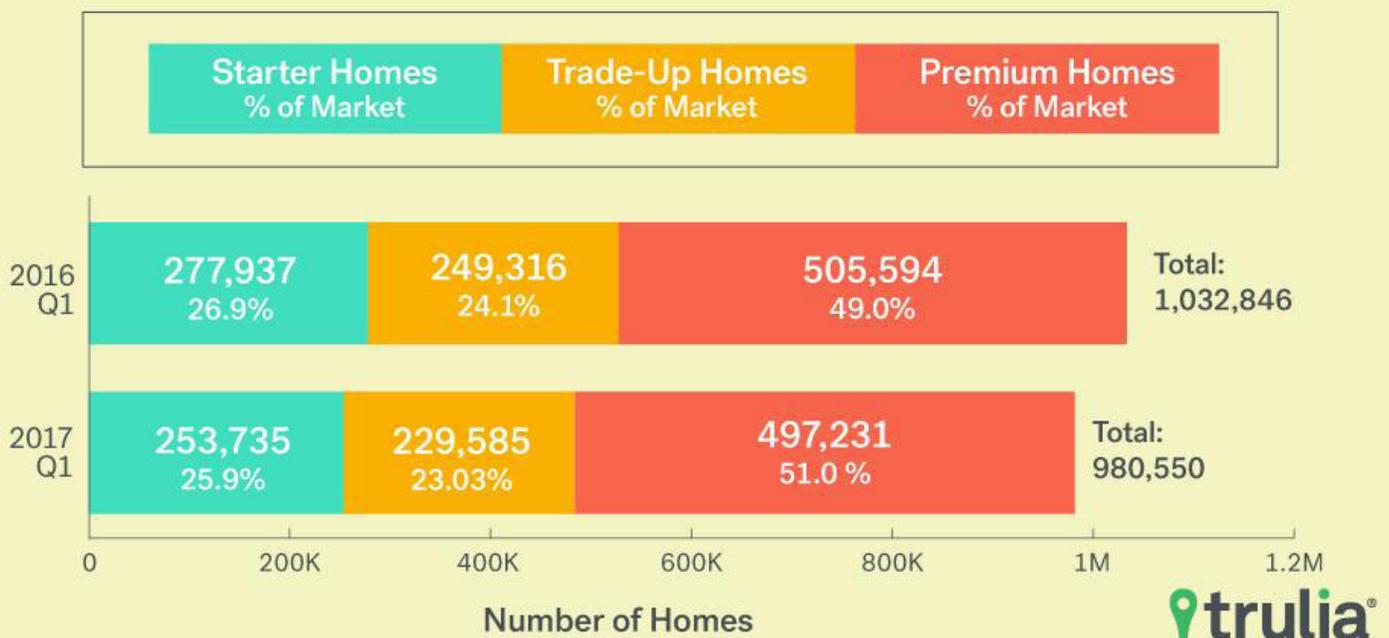
“A strong recovery may be partly to blame for the large drop in inventory some markets have experienced over the past five years,” writes Trulia Chief Economist Ralph McLaughlin. “On average, the more valuable a market’s housing is compared to pre-recession levels, the larger drop in inventory it has seen.”

Supply is lagging across the country, down 33% in five-years on average for the largest metro areas. But overall, markets where current home values are more than 5% higher than their pre-recession peak have experienced the biggest inventory shock, down 43% on average.

Across the country, lower price point homes have been hit hardest. The report breaks the market into three segments: starter homes (the bottom third of the listings in a market by price), trade-up homes (the middle third) and premium homes (the top).

Starter home inventory has dropped 8.7% in the past year and now constitute just 25.9% of homes on the market. On the other hand premium home supply dipped just 1.7% and make up 51% of available homes. Meanwhile, starter homes require a growing share of monthly income, currently 38.8%, while premium homes require just 14%.

The Number of Starter Homes Is Shrinking



If your property is listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers.

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“HOW HIGH CAN SOUTHERN CALIFORNIA HOME PRICES GO? A LOT, EXPERTS SAY”

That’s the headline from an article in the Orange County Register by Jeff Collins (July 5, 2017). Here are excerpts from that article:

“For 62 straight months, Southern California home prices have gone in one direction. Up. Will prices keep rising? We asked a half-dozen economists and industry analysts what the future holds for home prices in the region. Among their answers:

- Southern California home prices aren’t about to drop. In fact, they believe prices will keep rising for two more years, at least, and possibly longer.
- The market isn’t in a bubble — yet — although bubble talk is starting to “raise its ugly head” at cocktail parties, one economist said. Some analysts are saying Southern California home prices are showing signs of being overvalued.

Are we at the peak? Not one of the economists we interviewed thinks we are, at least not for entry-level homes. Luxury homes, priced at \$2 million and up, may have reached a price peak and are facing an oversupply of listings, analysts said.

How much longer will home prices go up? Two years at least, most economists interviewed said. Possibly longer. How much longer prices rise depends on what happens to the overall economy. “At some point, there’s going to be a correction, but I don’t see it on the horizon,” said Veling. “Sellers want more than sellers got six months ago.” Projections by the California Association of Realtors show a gradual decrease in home price appreciation over the next few years, said Oscar Wei, a senior economist for the group. For example, CAR projects prices will go up 5 percent statewide in 2017, 4 percent in 2018, and 2.5 percent in 2019.

When is the next recession? Not for at least two years, economists said. A recent report by Newport Beach-based investment firm Pimco determined the probability of a recession in the next year is less than 10 percent. But, the probability is much higher for a recession in the next five years, said the company’s annual “secular outlook.” “If history is any guide, we believe the probability of a recession sometime in the next five years is around 70 percent,” the outlook said.

THE REAL ESTATE MARKET CHANGES WHILE YOU SLEEP

Here’s our view. We think rising prices will continue for several years in a modestly robust but gently slowing market for coastal North County even though interest rates are likely to steadily nudge upwards. Those little upward nudges, however, equal a lot of extra funds needed for buyers.

So what are our predictions?

Bob predicts 2-3 years before we have a downward correction, which matches the predictions of many experts.

Scott feels a correction could occur in less than 2 years, but that prediction is not based on any statistics, but more on an awareness of fragile worldwide political conditions & this truth: Says Scott, “In 30 years as a real estate broker, I’ve learned that the real estate market changes gears while you sleep. It’s very difficult to accurately predict the high moment.”

IF YOU'RE ABOUT TO SELL HOW WOULD YOU LIKE TO EXPERIENCE THIS?

Kathy & her brother lost their Mom & Dad this past year. As their daughter & then executor of their estate, selling her parents' home deserved to be handled with grace. Here are Kathy's words:

“This is the 6th home I have sold & by a landslide, Bob & Scotty win my ‘Best Realtors Award!’”

*“P*lacing my parent's home of 35 years on the market, after losing them both within a month of each other, seemed a daunting task until I hired Realtors Scotty Peck and Bob Griswold!

Their unique knowledge of the Solana Beach housing market, combined with their multiple years of real estate experience, shined through from the moment I interviewed them.

Within 24 hours of the home listing, Bob and Scotty negotiated between multiple offers and sold it for over the asking price.

Thanks to the motivation, support, and tenacity of Bob and Scotty, it took less than 30 days to clear out, clean, stage, list, review offers, and close escrow!

In my life, this is the 6th home I have sold and by a landslide, Bob and Scotty win my ‘Best Realtors Award!’

Thank you Bob and Scotty for your communication, understanding, and high degree of professionalism throughout this process.

My only regret is that I can't sit and chat with my Mom and Dad about what a wonderful job you did for them.”



Kathy Constantine

SOLD IN 2017* BY SCOTT PECK & BOB GRISWOLD



Sold by
Scott & Bob

828 Santa Rufina - East Solana Beach
Sold for \$1,225,000



Sold by
Scott & Bob

727 Sonrisa - West Solana Beach
Sold for \$1,235,000



Sold by
Scott & Bob

6805 Farms View Ct - Rancho Santa Fe
Sold for \$2,310,000



Sold by
Scott & Bob

307 N. Rios - West Solana Beach
Sold for \$1,275,000



Sold by
Scott & Bob

667 Solana Glen - West Solana Beach
Sold for \$1,000,000

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Deep Values
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State-of-the-art Marketing
Hundreds of Satisfied Clients*

* Not all Scott & Bob sales in 2017 are shown

Whether you're a seller or a buyer, we look forward to serving you with all our experience, talents, values, & proven success. Call anytime.

The Power of 2

Scott Peck



Bob Griswold

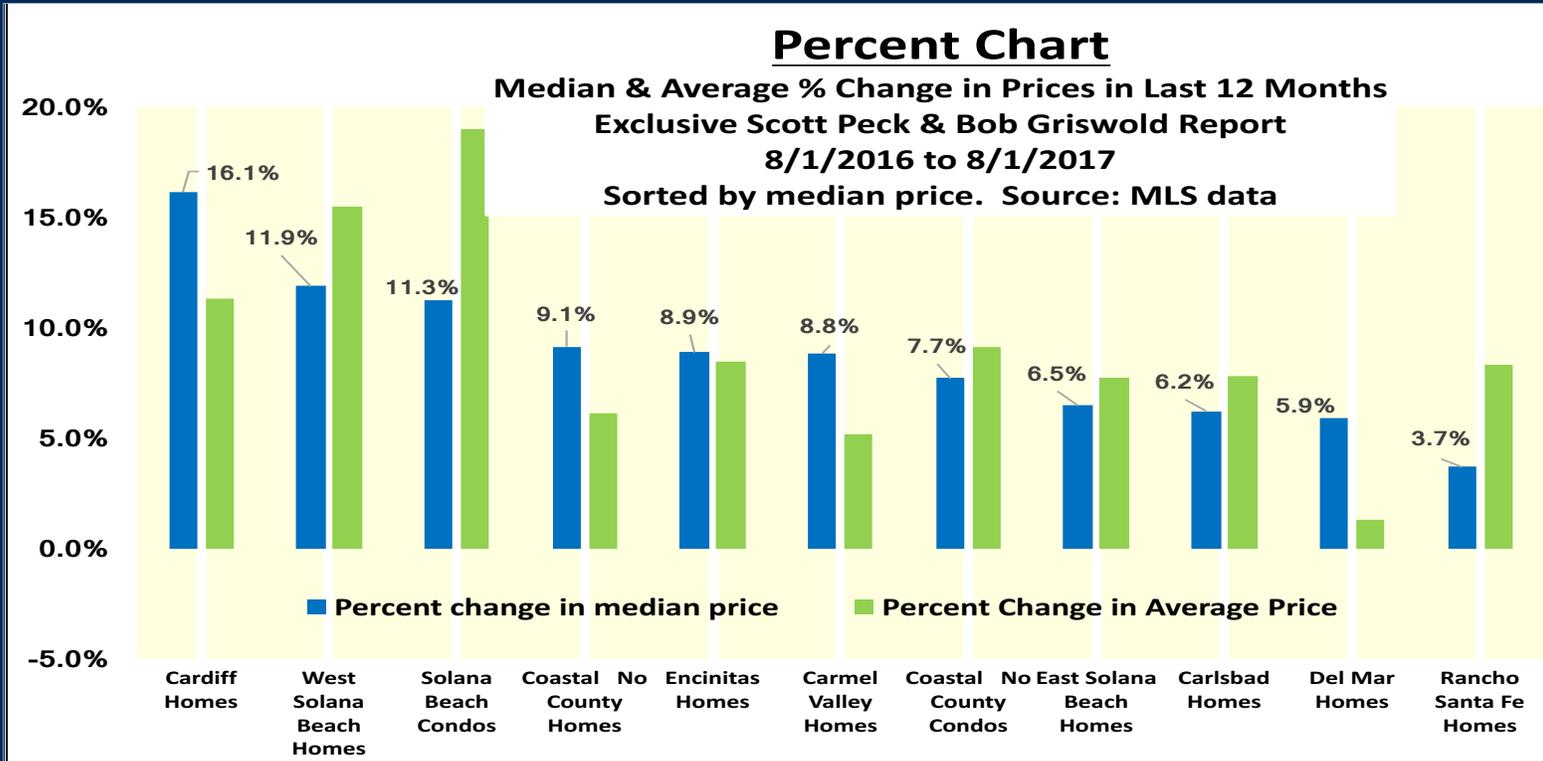
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Scott & Bob = Wisdom & Clarity in the Deluge of Data

