

# GENTRY

## GOLD



YOUR GUIDE TO WORLDLY GOODS AND

2005

## Location, Location, Location

*Local property experts size up the state of real estate*

### REAL ESTATE

When it comes to location, perhaps no other commerce distinguishes California from the rest of the country—and the rest of the world—quite like the real estate market. “We are eternal optimists because we live in California and we are still so low in inventory,” says Anne Riley of Alain Pinel in Burlingame. This excess demand is good news for the marketplace and the steady sales Riley has continued to see in recent years. Riley has observed a buyer populous that grows restless watching a property sit on the market a minute over 90 days, a perspective that sets California even further apart from the rest of the country. “After all, buyers make the market, not sellers, not agents,” she says. “We’re lucky. We live in paradise and everybody wants to be here with us and they are willing to pay more money than it’s worth in any part of the world just to be here.” Tom Hilligoss of Encore Property in Menlo Park is just as optimistic. “The latest buzz is Google.” Now that the internet giant has gone public, Hilligoss senses ample energy in the marketplace that extends beyond shareholders or staff to affiliated venture capitalists and investment bankers as well as people who are simply feeling the result of this new vigor in the Valley. “The high-end market is alive and well—the super high-end market, I should say,” Hilligoss qualifies, predicting that, barring any “geo-political events,” we should see the buzzing activity continue through the first

half of the year. While buyers may reign supreme, Hilligoss also feels this is a good year for the sellers, as the market’s might “trickles down to businesses in home furnishings and promotes a stimulated economy in the Bay Area.” Investing in real estate still seems the surest thing (in the past eight years Atherton alone went up 300 percent in valuation), and Riley has some advice for house hunters. “Newer homes sell more quickly because people spend less money, attention, and hassle fixing them up. The hassle factor,” she continues, “may be costly, but the better value is investing in an older home that needs work and attention. It’s an opportunity for buyers who can put their own equity into it instead of buying someone else’s dollar.” Whether buying or selling, the future of real estate is certainly bright. Our ideal Peninsula (location, location, location) has weathered the shakedown and “we’re holding steady, given that we haven’t seen any outrageous inflation or recession,” says Riley. Add to that a biotech and tech world that is revving its engines, and it’s simply “steady as she goes.” Some readjustments are still being made. After all, “Too many sellers heard too many good stories at cocktail parties,” says Riley. Buyers are cautious and have a good memory of people having bought too high and having to sell below what they paid.” Fortunately, there is always another party.