

The Bennett Carr Report

A Residential Market Analysis for the Doheny & Sunset Hills 3rd Quarter 2007

You've no doubt seen the headlines by now: "September sales down 35%", "Home sales in Southern California at their lowest in 20 years", "Foreclosures even hit Bel-Air". With all the upheaval in the mortgage lending market and the dire forecasts of a bubble bursting nationwide, I'm finding this gloom and doom is beginning to affect the market for homes in the Doheny and Sunset Hills.

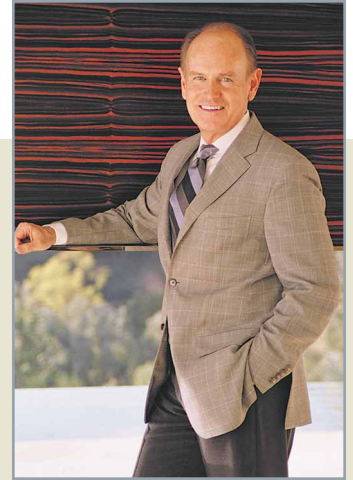
The overall number of sales in this area is down 24% in the 3rd quarter of 2007 from the same period in 2006. As you'll see in the chart below, the Number of Homes Sold has been declining steadily since the high of 2003. I attribute this in part to the changing face of the neighborhood. 5 years ago, there was rush to buy and redevelop this area, which is leading now to a lack of desirable inventory at entry level prices. At the same time, our pool of qualified buyers has diminished from the peak years due not only to price increases but also to the availability of mortgage funding for marginally qualified borrowers.

On the topic of price, the median sales price for the entire Sunset Strip declined by a modest 2%, though you'll see the declines were actually much greater in each of its two divisions. In the Sunset Hills, prices were off by almost 7% while in the Doheny Hills the drop was almost 18%. More significantly, there was a decline in the number of trophy homes sold. Contrast the 3rd quarter of 2006, when six homes sold above \$5 Million, with the high sale approaching \$20 Million, with the 3rd quarter of 2007, where we saw only two sales above \$5 Million dollars.

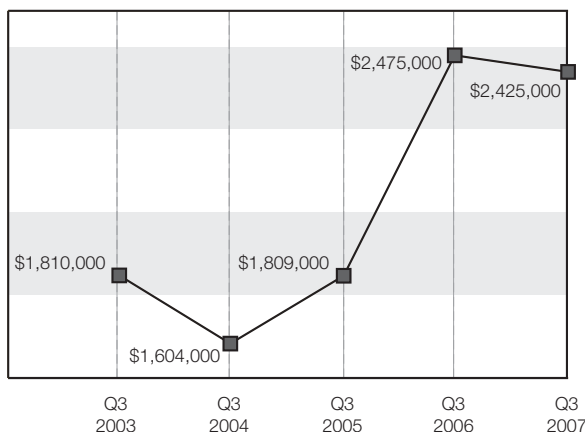
What does this signal for the Doheny and Sunset Hills? We should all note that prices in Los Angeles have been on an upward swing since 1994. The economic history of our city has been marked by repeated real estate cycles, but fortunately, each down cycle has stopped well above the previous low and each new high exceeds the previous one by a large measure. No one has a crystal ball but I think we should anticipate further price erosion in the near to medium term.

Fortunately, the decline in the American dollar has made our housing values highly affordable for an increasing number of foreign buyers. At the moment, we see particular demand coming from the United Kingdom, continental Europe and Canada, all of whose currencies have soared in recent months. On a personal level, half of my current residential transactions involve foreign buyers. To increase my international exposure I will be in London in the week after Thanksgiving attending Sotheby's networking events at our Mayfair brokerage as well as our Art and Auction house.

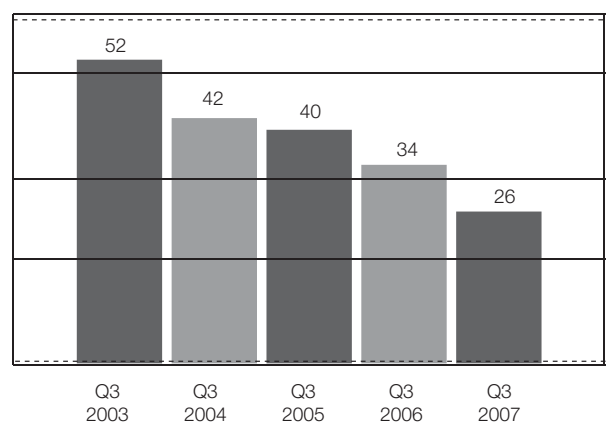
I hope you find this report informative. Although I am not able to share the selling prices of confidential sales, I do know the price that each home sold for, and I use that knowledge to inform both this report and my market evaluations of individual properties. Allow me to put this research and perspective to use for you when you are considering the sale of your home.



Median Sale Price



Number of Homes Sold



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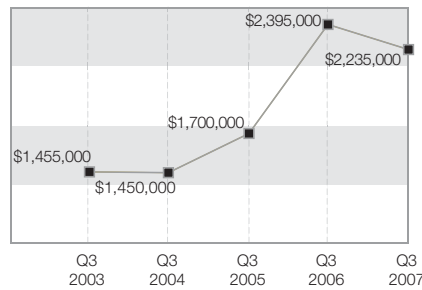
1383 Londonderry Place

Sunset Hills

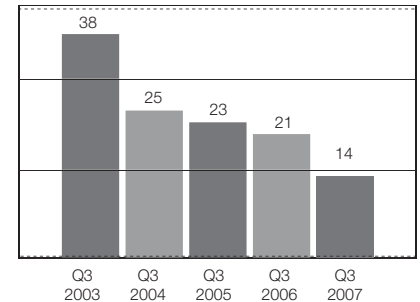
With 14 properties sold in the 3rd Quarter of 2007, the Sunset Hills (90069 North of Sunset Blvd, from Sunset Plaza Drive east to Laurel Canyon), this area saw a 33% decline in transactions versus the previous year. The median sales price declined 7% from the same quarter of the prior year, to \$2,235,000. The area's high sale for the quarter was for a newly built home on Viewmont Drive which sold for \$5,450,000. The home pictured at left, a listing of mine on Londonderry Place offered at \$2,995,000, is currently in escrow.

1742 Viewmont Drive	\$5,400,000
8339 Sunset Boulevard	\$4,500,000
1467 North Kings Road	\$3,865,000
1716 Queens Court	\$2,495,000
8449 Hollywood Boulevard	\$2,325,000
1383 Londonderry Place	\$2,250,000
8417 Franklin Avenue	\$2,220,000
2025 Sunset Plaza Drive	\$1,949,000
1325 Londonderry Place	\$1,812,500
1401 Queens Way	\$1,750,000
1143 Cory Avenue	\$1,725,000
8380 Hollywood Boulevard	\$1,500,000
8241 Marmont Lane	\$1,499,000
8809 Evanview Drive	\$1,485,000

Median Sales Price



Number of Homes Sold



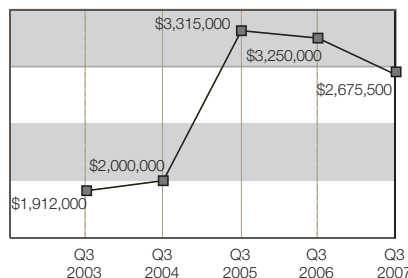
1446 Devlin Drive

Doheny Hills

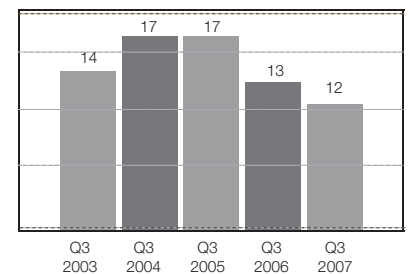
With 12 properties sold in the 3rd Quarter of 2007, the Doheny Hills (90069 North of Sunset Blvd, east of Beverly Hills to Sunset Plaza Drive), saw a 7% decline in the number of homes sold versus the same quarter of the year prior. An almost 18% decline in the median sales price in the 3rd quarter versus the year prior can be attributed to the lack of inventory in the over \$5 Million range, where we saw 5 sales in the year prior. The high sale for the quarter, \$5,300,000 for a property on Devlin Drive, was a transaction of mine in which I represented the buyer.

1446 Devlin Drive	\$5,300,000
9240 Warbler Way	\$4,895,000
9315 Nightingale Drive	\$3,600,000
1450 North Doheny Drive	\$3,000,000
9353 Nightingale Drive	\$2,825,000
9289 Swallow Drive	\$2,726,000
8650 Metz Place	\$2,625,000
1471 North Doheny Drive	\$2,500,000
1430 North Doheny Drive	\$2,435,000
1153 Sunset Hills Road	\$2,415,000
1523 North Doheny Drive	\$2,350,000
1317 Devlin Drive	\$1,750,125

Median Sales Price



Number of Homes Sold



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