



New Hampshire
Colonials Realty

Squam Lake Office at Curry Place
P.O. Box 550, Holderness, NH 03245



Spring 2011

Sale Value █
Assessment █

Dear Friend of Squam:

2010: The Decade and 2010 Squam graphs tell the encouraging story we have been waiting for.

The data reveals a truly amazing recovery from the worst Squam shorefront sale year in a decade. As the “Decade” graph to the right shows, the 2010 recovery year exceeded the strong recovery year of '03. It is noteworthy that '03 had 9 sales and year 2010 had 10; both relatively typical of the decade average of 11 sales. Consider the '09 graph data to fully appreciate the magnitude of the adjacent 2010 recovery year. 2009 was clearly the bottom year in all categories. The data in our study of the 2010 recovery year is additionally persuasive when noting: one, those sales that equaled, or exceeded their assessed valuations, and two, the astonishing increase in the “Average Sale” dollar value of '09 – the largest increase over a previous year in our 10 year study.

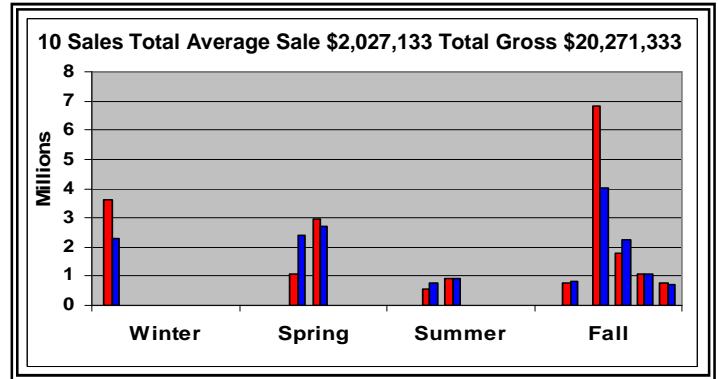
A comparison of the sale prices to their assessed values as shown in the above graph reveals the transitional nature of the 2010 year.

Basically, the 10 sales compared as follows: **3** sold for significantly **more** than their assessed value, **2** for significantly **less** than their assessed value and **5** selling for values **relatively close** to their assessed value. But clearly in the “selling for more” category, there is more to the story, much more, namely a sale that calculated to be greater than its assessed value by approximately 70%. This was a confirmed solid, arm’s-length transaction. The second was greater than its assessed value by nearly as much (50%). Perhaps more importantly is the notion that these two buyers have revealed a confidence in the Squam shorefront market characteristic of buyers in our best growth years of the past. Indeed, there is at this point ample support for optimism relative to our **current** year. Consider the evidence: at this writing (March, 2011) two sales have closed, both in excess of \$3,000,000. This is an unusually high end beginning for so early in the year. Both properties sold for significantly greater values than their assessments which is characteristic of a recovery year.

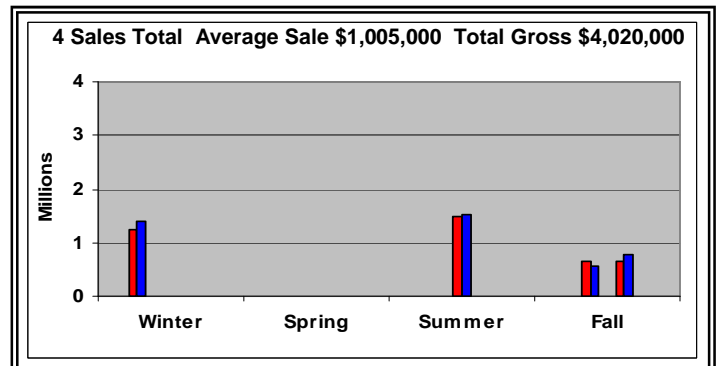
Little Squam

Market activity was predictably strong on Little Squam but the 3 sales were mostly at the end of the year. A significantly large sale is, at this writing, under agreement in our current year thus endorsing the overall Squam growth data of 2010.

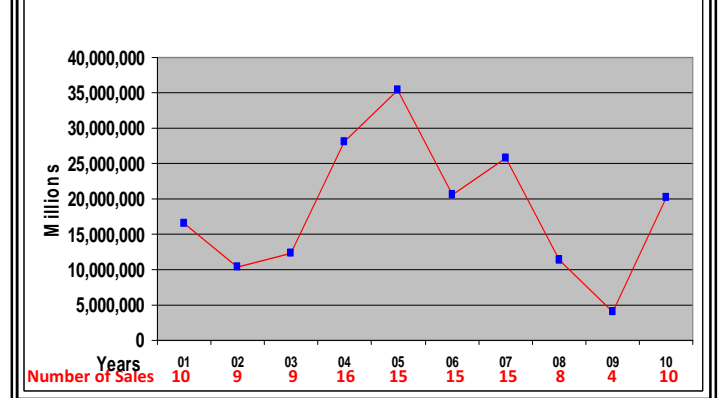
2010 Sale Value Versus Assessment



2009 Sale Value Versus Assessment



Total Gross Sales For The Past Decade



The Rental Market

This market segment of Squam shorefront activity has contributed its own unique “recovery year” data. The renters of Squam lake properties who left the rental pool in the last few years are coming back. The demand for the higher end shorefront homes is high but there is insufficient supply.

Land Conservation

One of the indisputable tenets of Squam’s relatively stable real estate market is the role of land conservation. With almost a quarter of its land (22%) in permanent protection, Squam’s residents have demonstrated their willingness to continue to invest in land conservation, ensuring that Squam will be defined by its clean water, natural beauty, wildlife habitat, places to play, and quiet. In 2010, the Squam Lakes Conservation Society and the Lakes Region Conservation Trust completed a project to purchase and conserve a 225-acre tract of exquisite wildlife habitat and public trails known as Center Harbor Woods. In addition, the picturesque True Farm front field in Holderness was conserved. With six decades of permanently protecting land, the Squam community has conserved more privately-held land than any other large-lake watershed in the Northeast.

Information about Holderness 250 anniversary is provided by Tink Taylor - convenor

This year marks the 250th anniversary of the founding of the town of (New) Holderness in 1761 upon a grant by His Majesty King George III. It was named for Robert D'Arcy, Fourth Earl of Holderness, England and executed by His Excellency Gov. Benning Wentworth of Portsmouth, chief executive of the N.H. Province. In observance of this special year the town plans a series of "semi-quincentennial" activities over the August 5-8 weekend: a grand street parade, vintage boat flotilla, living history Indian encampment, re-enactments, demonstrations of early settler skills, street dance, cookouts...and so much more. To learn more, go to HOLDERNESS250.org.

Two Helpful Public Notices

One, the recently-enacted small business legislation (HR 5297) included an expansion of the 1099 reporting related to a trade or business. Starting in 2011, any person who receives rental income must provide a Form 1099 for **all payments** of \$600 or more made to **service providers** such as plumbers, carpenters, yard services and repair people. The purchase of goods is not included within the reporting requirement. The Form 1099 is provided to the IRS and to the service provider. The new requirement applies to both residential and commercial property. If this applies, you may wish to seek advice from your tax adviser.

Two, it was also brought to our attention, according to New Hampshire State Fire Code Part Saf-C 6015.01 and 6015.02 that “owners of structures shall install and maintain automatic fire warning devices. All automatic fire warning devices in rented dwellings shall be powered by the house electrical service. This means that all rental cottages will need to have hard wired smoke detectors installed”. For more information contact your local fire department.

Sincerely,

The New Hampshire Colonials Family

Jack and Dana Armstrong, owners...Plymouth residents

Jerry Love.....Plymouth resident

Shirley Burns..... Sandwich resident

Jackie Elliott..... Holderness resident

Copy of this letter is available at www.squamlake.com