

## Analysis Commentary - August 2009

Santa Barbara Real Estate through the end of August '09 from Carpinteria to Goleta including Montecito, Hope Ranch and Summerland.

For the Santa Barbara Real Estate areas from Goleta to Carpinteria/Summerland as well as Montecito and Hope Ranch for the Home Estate/PUD market in August '09 after 2 months in a row of 80+ sales the total numbers of sales dipped into the high 60s. The median sales price remained in the low to mid \$800,000 range but the sales price to original list price ratio slid into the low 80s. What remained high were the numbers of Home Estate/PUDs that entered escrow. That number was in the mid 90s for August coming up from the low to mid 80s of the previous 2 months. But, while the numbers of pending properties grew the median list price for those properties entering escrow rose to the high \$900,000 range.

Looking at August '08 we see that there were 82 Home Estate/PUD sales which puts that month about 17% ahead of where we were in August '09. But, the median sales price of \$882,500 in '08 is about \$50,000 above the '09 number of about \$830,000. The median sales price for the whole area has remained basically stable for the past 12 months residing right in that mid to high \$800,000 area almost every month.

After declining for May and June the inventory has rose in July and fell back in August currently standing at about 615 Homes for sale from Carpinteria to Goleta. But, with the numbers of homes for sale going down the median list price for the inventory remains at about \$1.8 million or to put it another way the median list price is about \$900,000 above the median sold price. With the inventory falling the days on the market or the time from when a property is listed until it gets an accepted offer rose in August to the high 80s or low 90s from the mid 70s in July.

Looking at what sold in July we still see the hot part of the market is still in the \$450,000 to just below \$1 million range. This range accounted for about 60% of the sales while the \$1 to \$2 million range made up about 25% with the \$2 million up bracket covering 15%. But more than half of those \$2 million plus sales were over \$5 million.

Examining the Districts we see that sales for Carpinteria/Summerland Home Estates are up over 25% for '09 but the median sales price is down by 20% to less than \$700,000. For Montecito sales are down by about 25% for '09 with the median sales price falling about 33% to \$2.4 million.

East of State St has seen sales about even with last year but the median sales price has declined about 20% down to approximately \$900,000. The West of State St district has also seen sales rise by about 9% but the median sales price has dropped by about 23% down to approximately \$730,000

Hope Ranch has had sales decline by about 23% and the median sales price fall by almost 14% down to approximately \$2.175 million. In the Goleta South area of Santa Barbara sales are even with where they were last year but the median sales price has fallen by about 5% down to approximately \$725,000. For Goleta North the inventory is down by about 20% but the sales are down by about 14% with the median sales price falling by 17% down to about \$710,000. When a lot of the properties that are currently in escrow close sales will be approximately where they were last year but the median sales price will remain about 22% below the '08 level holding firm in the mid \$800,000 range.

For the condo market sales in August '09 remained in the low 30s level with the median sales price drifting down to the low to mid \$400,000 range from the high \$400,000 plateau of the previous month. What fell markedly was the sales price to original list price ratio dropping into the high 70s from the low 90s of July. The days on the market also went way up residing closer to the mid 90s

from the low 60s of the previous month. Remaining high were the numbers of condos that entered escrow. For August this number was in the low 40s from the high 30s of the previous month. But with the escrows piling up the median list price for those properties remained only slightly above the \$460,000 mark of July.

Looking at the year over year numbers, condo sales have risen about 7% from '08 but the median sales price has fallen about 20% down to approximately \$470,000. With the sales up 7% the pending properties are up about 30% but the median list price for those 30% more escrows is down by about 22% to about \$460,000.

What remains low is the inventory which stands at about 150 condos for sale from Carpinteria to Goleta. We usually see numbers like this in December when the inventory is at its lowest. The median list price for the overall inventory is about \$665,000 or approximately \$200,000 above the median sold price for everything that has sold in '09.

Looking at the Districts we see that sales of condos in Carpinteria/Summerland for '09 are about 60% ahead of last year but the median sales price is down about 14% to approximately \$405,000. In Montecito sales are down about 75% with only 3 sales completed in '09 and the median sales price is down by about 50% to approximately \$715,000.

On the East Side of Santa Barbara sales are up by 2 over '08 with the median sales price falling by 21% to about \$515,000. For the West Side of Santa Barbara sales are down by approximately 10% with the median sales price dropping by 14% to about \$505,000.

In the Goleta South area of Santa Barbara condo sales are up about 8% but the median sales price is down by 23% to \$450,000. Finally in the Goleta North area of Santa Barbara sales are up by over 23% but the median sales price is down by about 23% to approximately about \$350,000.

Looking at the price range statistics for condos sold in August '09 we see that about 65% of the sales were between \$300,000 and \$650,000. There were 5 in the \$100,000 to \$250,000 range and 4 from \$700,000 up with 1 coming in at \$4,000,000. This marks the 3<sup>rd</sup> month in a row we've seen at least 1 condo sell in the \$1 million+ range.

The primary problem with the condo market remains the lack of inventory particularly in the hot \$300,000 to \$650,000 range. If properties come on the market between those prices they usually move rather quickly. With the numbers of condos currently in escrow we should remain ahead of the '08 level of sales for the rest of the year and could even surpass the '06 level of sales. But if we are to get a sustainable recovery going we need more inventory.

Source: Santa Barbara Multiple Listing Service

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