

# SANTA BARBARA ASSOCIATION OF REALTORS

## August 2008 Real Estate Market Santa Barbara South Coast

The median sale price of houses and planned unit developments (PUDs) sold through the Multiple Listing Service (MLS) in August was \$942,500 for sales across the entire Santa Barbara South Coast area. This price level is just about the same as last month, but still substantially lower than median price levels seen for the rest of the year, ranging from a high of \$1,295,000 in February to \$944,500 last month. The number of sales of houses and PUDs that closed escrow in August was 68, up from last month at 64, and almost the same as 69 seen in June. Closed escrows have averaged almost 65 per month so far this year, compared to over 70 in 2007.

For condominiums, the median sale price in August was \$572,500, down from last month at \$583,500, and lower than the average of \$589,500 seen so far this year. For 2007, the overall median sale price was \$629,000. Condominium sales with closed escrows totaled 24, lower than the 31 seen in July, but a little higher than the average of 22 closed escrows per month for the rest of 2008. For 2007, sales averaged almost 30 sales per month.

The median sale price represents the price point at which half of the sales are higher, and half are lower. The median price doesn't represent the price of any one property, but reflects the overall composition of the market and it varies

from month to month due to changes in the type, age and condition, or location of the properties sold. It is for this reason that longer-term comparisons are more meaningful indicators of market trends.

For the first eight months of 2008, the number of sales has totaled 695 for houses, PUDs, and condominiums combined, down 26% from the 945 closed escrows during the same period in 2007. The median sale price for houses and PUDs has been \$1,075,000, compared to \$1,250,000 for the same period in 2007, down 14% from last year. For condominiums, the median sale price has been \$587,000, compared to \$629,000 for the same period in 2007, down by 7% from last year. The number of new listings through August has been lower by 5% for houses & PUDs, compared to the same period in 2007, and lower by 10% for condominiums.

The number of sales (closed escrows) lags the time when the contract is signed and escrow opened by typically 30 to 60 days. A more immediate measure of "new sales" activity is indicated by the number of new sales pending for the month. The National Association of Realtors publishes an index, the Pending Home Sales Index (PHSI) as a measure of current sales activity across the nation. Again, there can be monthly fluctuations and seasonal

variations, so that comparisons over a longer time period are still better.

Applying this measure of new sales pending for August 2008, figure 1 shows 81 sales pending for houses and PUDs, a little lower than last month, but about the average level of sales pending per month seen so far this year. For condominiums, the number of new sales pending for July was 41, about the same as last month, and higher than earlier months, including sales levels seen in 2007.

The sales pending number reflects “new sales” activity as measured by the number of homes for which a contract was accepted and an escrow opened during the month. Comparing these 81 new sales of houses and PUDs with the number of active listings, 612 at the end of August, results in an inventory of 7.6 months. This inventory level is slightly more than last month, but improved over the past few months, and is at a level about average so far this year. This monthly inventory level is a measure of the length of time to sell all the homes that are for sale at any one time, at the current pace of new sales.

For condominiums, the level of 41 new sales pending for August, compared to the 239 condominiums actively for sale at the end of August, results in a current inventory of 5.8 months, improved over levels seen earlier this year, and almost half the level seen at the end of the first quarter. As noted earlier, these monthly comparisons will change each month due to differences in the price levels and types of property sold.

Generally, an inventory level of about 6 months is considered a balanced market,

favoring neither buyers nor sellers, based on national averages and long term market experience. Lower levels of inventory may be considered a seller’s market, whereas levels greater than about 6 months are considered a buyer’s market.

Figure 1 summarizes this information by category and by MLS area for the South Coast market. The combined total of 122 new sales pending in August results in an overall inventory level for houses, PUDs, and condominiums of 7.0 months at the end of August 2008 – about the same level seen last month. The combined number of closed escrows totals 695 so far this year for 2008. This level is improved over the first quarter average for 2008, but it is still much lower than the average of 103 per month through 2007.

Figure 2 shows comparisons of sales over longer periods of time, depicting the number of closed escrows beginning with January for 2008, compared to the average over the past five years, 2003 through 2007. This figure also shows the number of sales pending each month – and thus new sales compared to past contracts.

Figure 3 shows the overall median price distribution for sales year-to-date of houses and PUDs on the South Coast for 2008, showing that 54% of all sales have been over \$1 million, including 19% of all sales at a price of over \$2.5 million. There have been 35 sales greater than \$5 million so far this year, compared to 39 sales at this price level for the same period in 2007.

\* Days on Market (DOM) is the number of days from the date of the contract until the transaction is classified as sale pending.

**The source of this information and data is the Santa Barbara Multiple Listing Service, it is deemed to be reliable, and we have no reason to doubt its accuracy, but it is not guaranteed**

# Santa Barbara South Coast

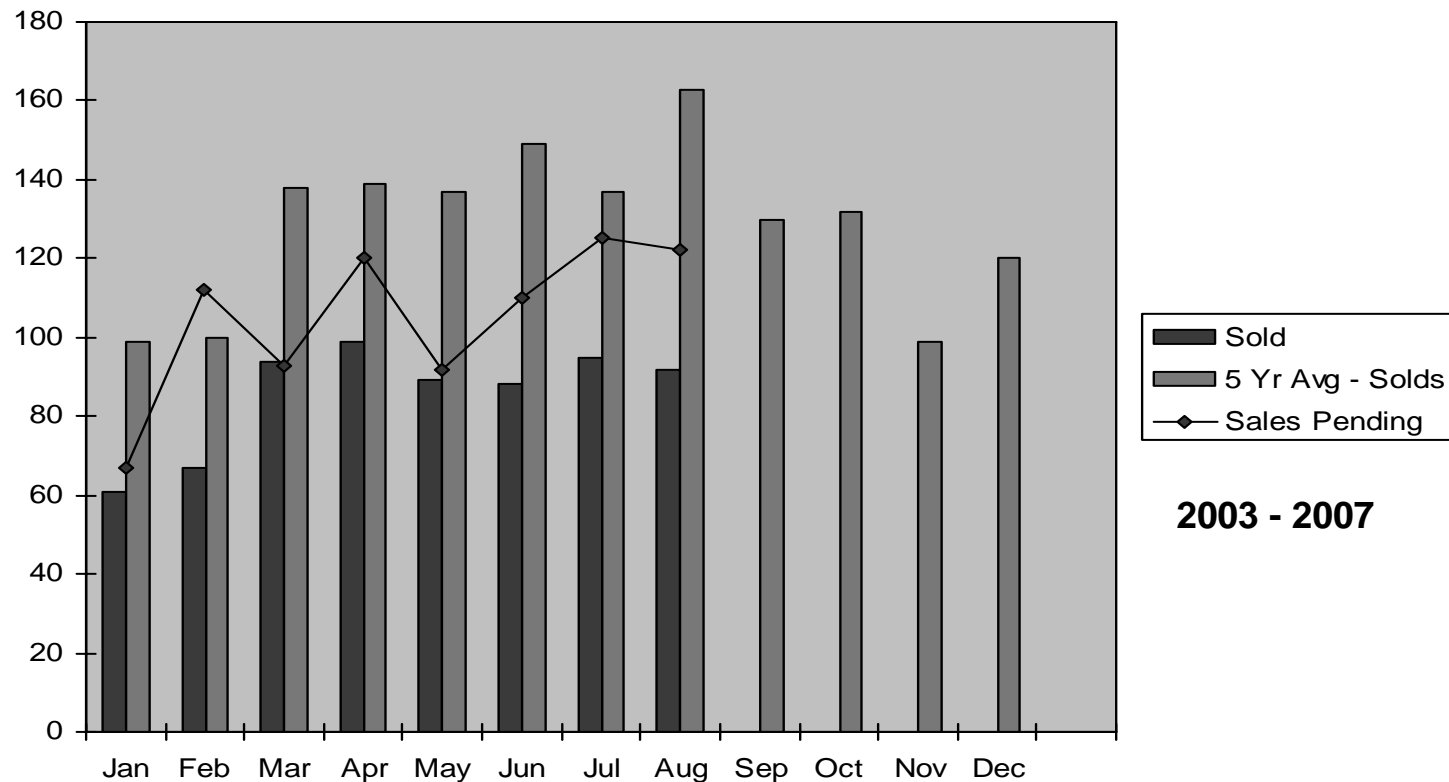
## 2008 MLS Market Activity

	2008 Year-to-Date		August 2008		
	Closed Escrows	Median Sales Price	Sales Pending	Active Listings	Inventory (Months)
Houses/PUDs	517	\$1,075,000	81	612	7.6
Carpinteria/ Summerland	37	\$ 869,000	8	74	9.3
Montecito	104	\$3,662,000	17	160	9.4
Santa Barbara	203	\$1,000,000	29	241	8.3
Hope Ranch	13	\$2,525,000	1	19	19.0
Goleta	160	\$ 817,500	26	117	4.5
Condos	178	\$ 587,000	41	239	5.8
<b>TOTALS</b>	<b>695</b>	<b>\$ 895,000</b>	<b>122</b>	<b>851</b>	<b>7.0</b>

Figure 1

# Santa Barbara South Coast

## 2008 MLS Sales Summary

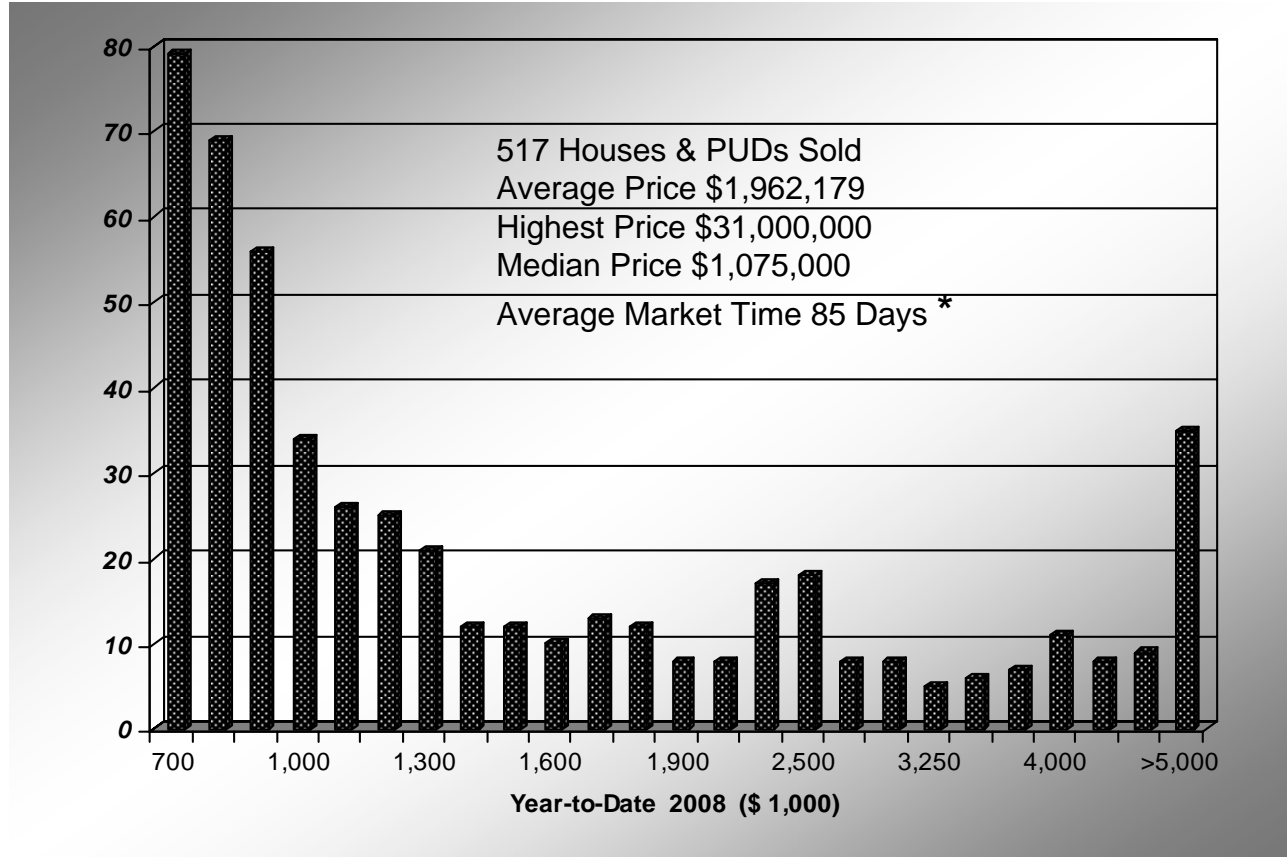


2003 - 2007

Figure 2

**Number of Sales & Sales Pending – 2008 vs 5-Year Average  
Houses, PUDs & Condominiums Combined**

# Santa Barbara South Coast 2008 MLS Sales Summary



Fifty Four Percent of House & PUD Sales Greater than \$1,000,000,  
 including Nineteen Percent of Total Sales Greater than \$2,500,000

Figure 3