

SANTA BARBARA ASSOCIATION OF REALTORS

November 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 November was \$1,200,000 for sales across the entire Santa Barbara South Coast area. This price level was up strongly from \$862,500 last month and from September at \$935,000, and is substantially higher than the median price level seen year-to-date at \$1,060,000. The number of sales of houses and PUDs that closed escrow in November was down dramatically to 31, compared to 72 last month and the average of 64 sales per month seen so far this year, compared to over 70 in 2007.

For condominiums, the median sale price in November was \$515,000, up from the past few months, with \$497,000 for October and \$475,000 for September, but still down in comparison to the rest of the year at \$554,400. For 2007, the overall median sale price was \$630,000. Condominium sales with closed escrows totaled 20, down from 28 last month, and lower than the 23 sales per month seen so far this year. 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 eleven months of 2008, the number of closed escrows has totaled 958 for houses, PUDs, and condominiums combined, down 15% from the 1,129 closed escrows during the same period in 2007. The median sale price for houses and PUDs has been \$1,060,000, compared to \$1,250,000 for the same eleven-month period in 2007, down about 15% from last year. For condominiums, the median sale price has been \$554,400, compared to \$630,000 for the same period in 2007, down by 12% from last year. The number of new listings through November has been lower by 1.4% for houses & PUDs, compared to the same period in 2007, and lower by 3.6% 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 November 2008, figure 1 shows 53 sales pending for houses and PUDs, down dramatically from the 69 sales pending level seen the last month, and substantially lower than the average of more than 75 sales pending per month seen so far this year. For condominiums, the number of new sales pending for November was 16, again down significantly from the 20 seen last month, and down dramatically from the average of almost 30 sales pending per month seen so far this year.

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 53 new sales of houses and PUDs with the number of active listings, 532 at the end of November, results in an inventory of 10.0 months. This inventory level is higher than that seen last month, and for the rest of the 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 16 new sales pending for November, compared to the 234 condominiums actively for sale at the end of November, results in a current inventory of 14.6 months, up from 11.5 months at the end of October, and substantially higher than the levels seen for the rest of the year. As noted before, 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 69 new sales pending in November results in an overall combined inventory level for houses, PUDs, and condominiums of 11.1 months at the end of November 2008. The combined number of closed escrows totals 957 so far this year for 2008, an average of just over 87 closed escrows per month. This level is down 15% compared to the average of 102 per month seen through this same period for 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 52% of all sales have been over \$1 million, with 17% of all sales at a price of over \$2.5 million. There have been 42 sales greater than \$5 million so far this year, compared to 51 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		November 2008		
	Closed Escrows	Median Sales Price	Sales Pending	Active Listings	Inventory (Months)
Houses/PUDs	704	\$1,060,000	53	532	10.0
Carpinteria/ Summerland	52	\$ 847,500	4	59	14.8
Montecito	139	\$3,100,000	8	171	21.4
Santa Barbara	282	\$ 999,000	21	193	9.2
Hope Ranch	18	\$2,775,000	2	20	10.0
Goleta	213	\$ 785,000	18	89	4.9
Condos	253	\$ 554,400	16	234	14.6
TOTALS	957	\$ 860,000	69	766	11.1

Figure 1

Santa Barbara South Coast

2008 MLS Sales Summary

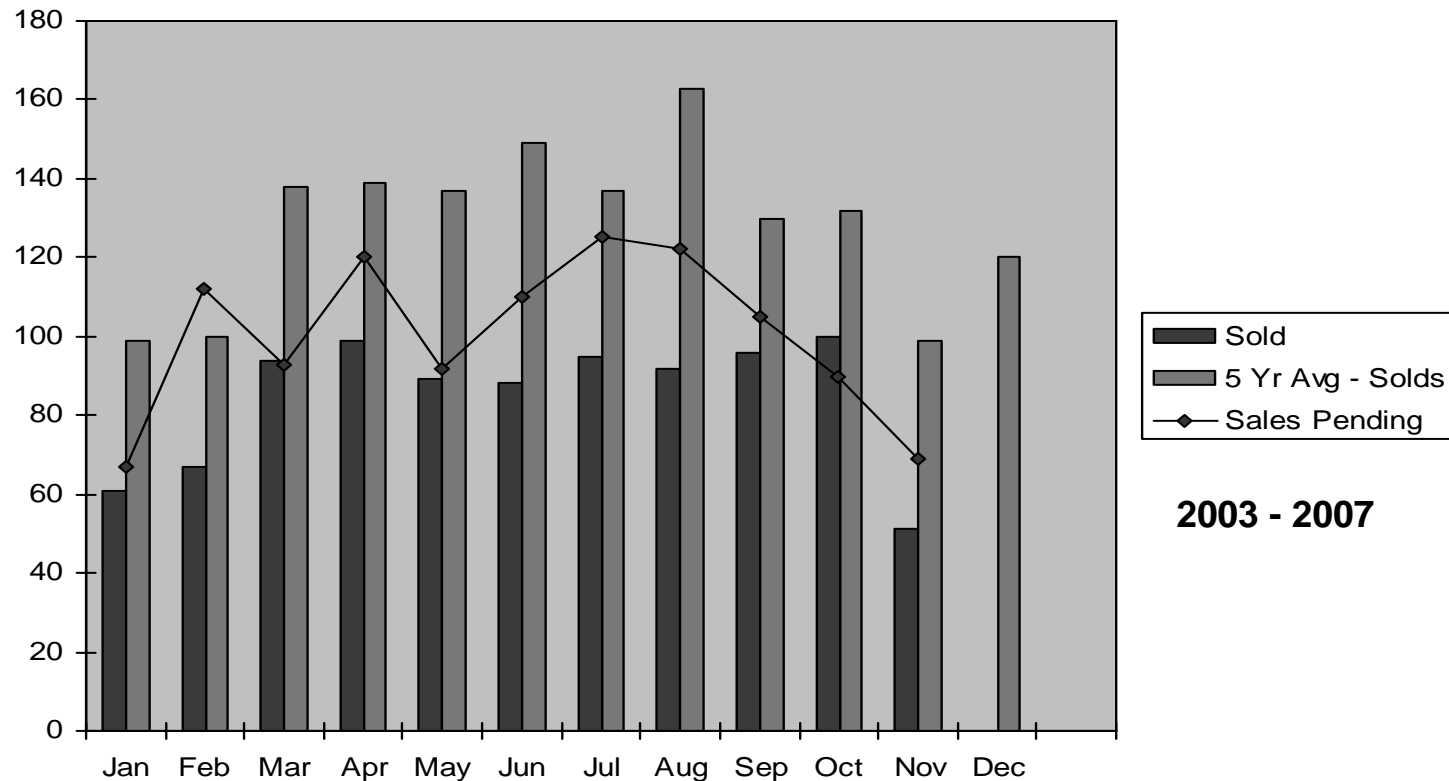
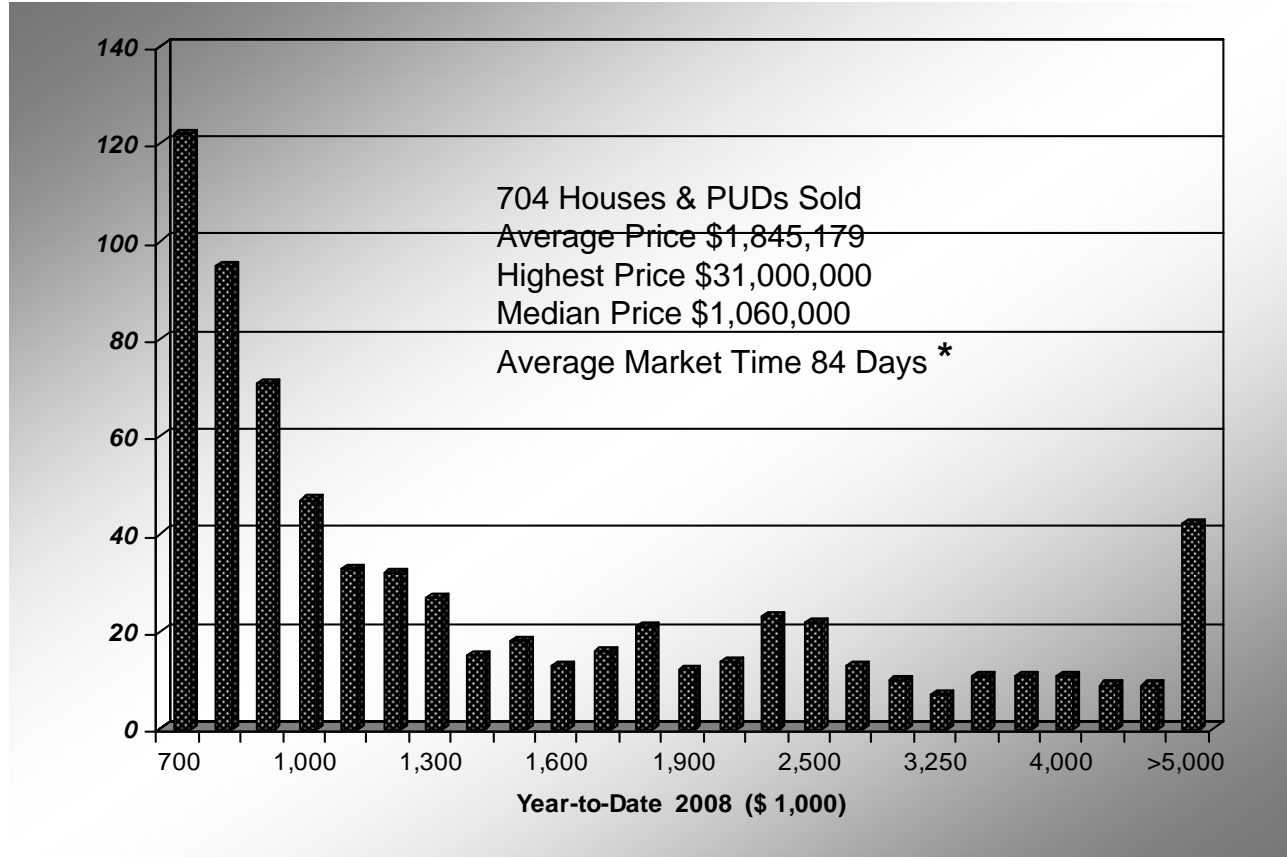


Figure 2

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

Santa Barbara South Coast 2008 MLS Sales Summary



Fifty Two Percent of House & PUD Sales Greater than \$1,000,000,
with More than Seventeen Percent of Total Sales Greater than \$2,500,000

Figure 3