

# SANTA BARBARA ASSOCIATION OF REALTORS

## March 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 March was \$1,140,000 for sales across the entire Santa Barbara South Coast area. This price level is significantly lower than the February median price of \$1,335,500, but slightly above the level seen in January at \$1,135,500. The number of sales of houses and PUDs that closed escrow in March was 67, up from 53 in February and substantially higher than the 42 properties that closed escrow in January, but still somewhat lower than the average of over 70 sales per month seen in 2007.

For condominiums, the median sale price in March was \$575,000, down from \$675,000 in February, but near the level of \$589,500 seen in January. This median price level is still lower than the overall median \$629,000 seen for 2007. Condominium sales with closed escrows totaled 23 for March, up substantially from 14 for February and 19 closed escrows in January, but still below the average of nearly 30 sales per month for 2007.

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 changes

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.

Recalling the 2007 market, the combined number of sales ended the year almost even with 2006 (1,241 compared to 1,245), with the median sale price for houses, PUDs, and condominiums combined barely unchanged, up by 0.1% (+\$999) compared to year end 2006. For 2008 year-to-date through March, there have been 217 closed escrows, with a median price of \$1,197,500 for houses & PUDs, and \$615,000 for condominiums. The number of new listings through March is down by just under 0.5% for houses & PUDs, compared to the same period in 2007, and down by 13% 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 preferred.

Applying this measure of new sales pending for the month of March 2008, figure 1 shows 74 sales pending for houses and PUDs. This level is lower than the 79 sales pending for the month of February, but up substantially from 53 sales pending seen in January.

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 74 new sales of houses and PUDs with the number of active listings, 546 at the end of March, shows an inventory of 7.4 months at this time in 2008, compared to the 11.7 months at the end of the year 2007. Inventory is thus measured in the length of time to sell all the homes that are for sale at any one time, at the pace of the current new sales activity.

As mentioned earlier, for condominiums there were only 19 new sales for March, down substantially from the 33 new sales pending seen in February 2008, and just slightly above the level of 18 for January. Closed escrows however totaled 23 for March, up from 14 in February and 18 seen in January. This level of 19 new sales for March 2008, compared to the 251 condominiums actively for sale at the end of March, results in a current inventory of 13.2 months. As noted earlier, these monthly comparisons will fluctuate month to month due to differences in the price levels of property sold.

Generally, an inventory of homes for sale of about 6 months supply may be 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 may be 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 93 new sales pending in March results in a combined inventory for houses, PUDs, and condominiums of 8.6 months at the end of March 2008. The combined number of closed escrows totals 217 so far this year for 2008. This level is improved over January and December 2007, but it is still much lower than the average of 103 per month through most of 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 depicts the number of sales pending – and thus new sales compared to past contracts.

Figure 3 shows the overall median price distribution for sales of houses and PUDs on the South Coast year-to-date for 2008, showing that 59% of all sales have been over \$1 million, including 25% of all sales at a price of over \$2.5 million. There have been 14 sales greater than \$5 million so far this year, compared to 15 sales 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.

# Santa Barbara South Coast

## 2008 MLS Market Activity

	2008 Year-to-Date		March 2008		
	Closed Escrows	Median Sales Price	Sales Pending	Active Listings	Inventory (Months)
Houses/PUDs	162	\$1,197,500	74	546	7.4
Carpinteria/ Summerland	11	\$ 946,125	5	44	8.8
Montecito	37	\$3,850,000	15	134	8.9
Santa Barbara	58	\$1,037,500	37	228	6.2
Hope Ranch	7	\$2,259,080	0	16	-
Goleta	49	\$ 780,000	17	124	7.3
Condos	55	\$ 615,000	19	251	13.2
<b>TOTALS</b>	<b>217</b>	<b>\$ 925,000</b>	<b>93</b>	<b>797</b>	<b>8.6</b>

Figure 1

# Santa Barbara South Coast 2008 MLS Sales Summary

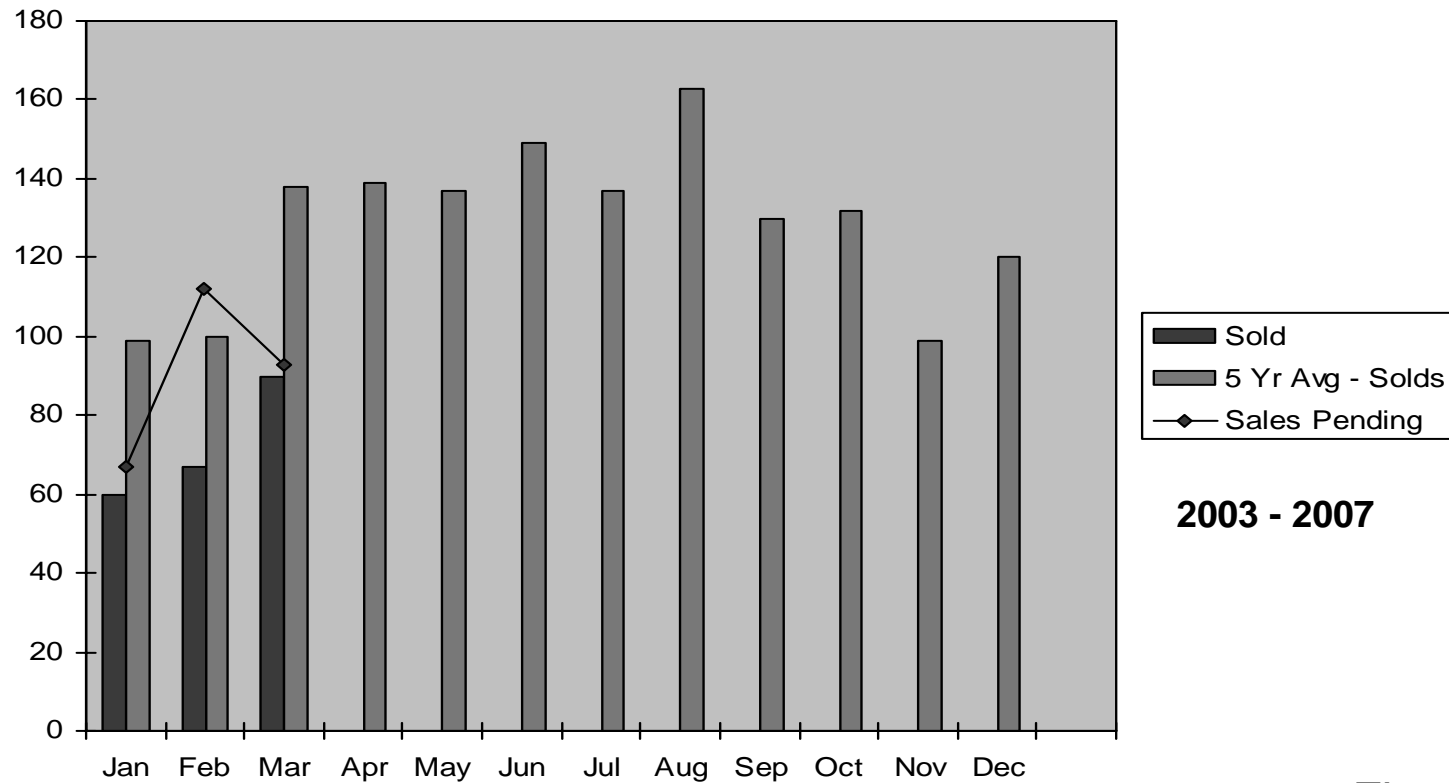
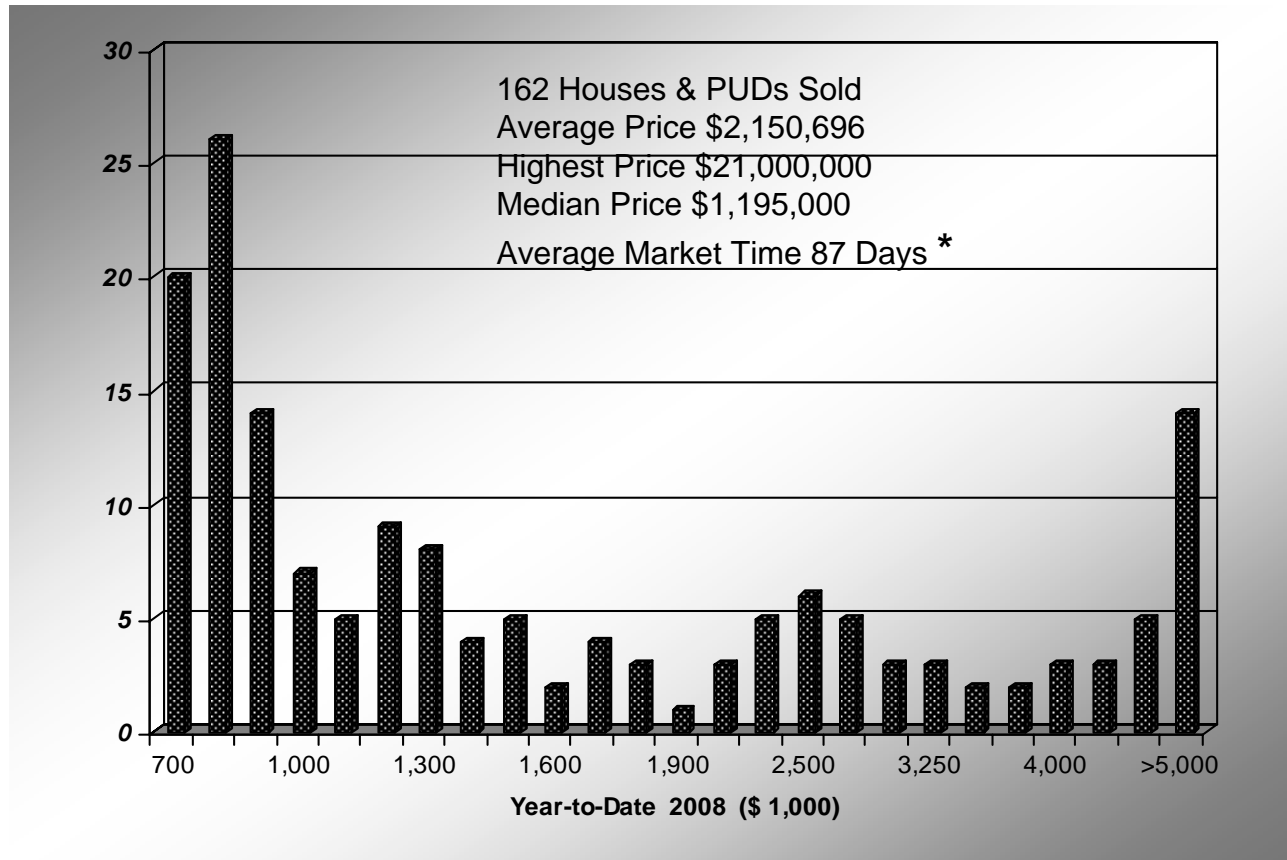


Figure 2

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

# Santa Barbara South Coast 2008 MLS Sales Summary



Fifty Nine Percent of House & PUD Sales Greater than \$1,000,000,  
including Twenty Five Percent of Total Sales Greater than \$2,500,000

Figure 4