

First Quarter 2018 Santa Barbara Real Estate Statistics

So far this year, and we are only talking about three months, our area has experienced different challenges. Dealing with effects of the Thomas Fire through the end of December into January, then our community got hit with a catastrophic debris flow. Both events did affect our economy, even at stores and restaurants far from the Carpinteria/Montecito area. So having a decrease in real estate sales could be expected within this first quarter.

In the graph labeled "Number of Sold Listings," this shows a year-to-date count of houses (single family residences and properties associated with Planned Unit Developments) and condos that have sold in the first quarter over the last 16 years. The number of sold houses is down even though we are considered to be in an "up" market. It is not much different than 2016 and actually there were more sales than in 2014; both years being part of this good market we have been experiencing for the past seven years. The sample size of 209 is not very large so we should have a better feel overall by the end of the second quarter.

The number of condos sold is a fairly strong number, though four fewer than last year. It should also be noted that newer developments, like The Village at Los Carneros, does not report all of their sales to our Santa Barbara Multiple Listing Service. We can surmise that 87 condos is less than what actually sold.

In the graph labeled "Median Price Sold Listings," there is a bit of a surprise. For this quarter, the median home price almost hit \$1,400,000! It is 18% higher than last year at this time. Before we get too excited, again our sample size of 209 is not very large and there will be more fluctuation in that number with additional sales. By the end of the second quarter, we will be able to predict if this is a trend or an anomaly.

The median price for condos is over 16% higher than last year at this time. Again, we had a small sample and in three months we will be able to see if this levels off.

On the chart labeled "Santa Barbara South Coast," we can see how the number of sales breaks down by the different areas. As you saw in the first graph, the number of sales are down compared to last year, and that is true for all areas except Hope Ranch. Last year, Hope Ranch had nine closed escrows at this time; this year they have 14 with seven of those sales occurring in March. It has been asked if this means that people may be moving from Montecito to Hope Ranch. If that was the case, then it would be expected to see a rise in the number of Sale Pending listings. Last year at this time, they had five; this year, six. If there was a large migration, this number would expect to be higher. In Hope Ranch there were 28 active listings at this time last year; this year, 23.

As mentioned, Montecito, Santa Barbara and Goleta were down in sales by just a couple of units. Carpinteria sales are less than half the number from last year. They had 26 sales last year and only 12 this year. The number of sales pending is also half of what it was last year for this area.

Further on the chart, it indicates that there are 293 active listings. That is a fairly low number especially when compared to 361 last year. Not too surprising, but the number of active listings in Montecito has gone down to 94 compared to 134 active listings last year.

Months of Inventory (MOI) is a tool that indicates roughly how long it would take to sell all of the current active listings without adding additional inventory. When the number is between zero and less than three, the market is favoring the seller. If the number is between three and six, we have a steady, normal market. Anything over that, then the market is favoring buyers. As of the end of March, overall we are seeing a very steady market. The Goleta Valley and the city of Santa Barbara are still "hot" commodities with MOIs below 3.0. Montecito and Carpinteria individually have been as high as 15, but again we have to realize that the sample numbers are fairly small. Condos continue to be desirable and more affordable.

The following table compares the number of all closed sales of houses for the first three months of the year, by sold price range.

<u>Sold Price</u>	<u>% of Sales 2016</u>	<u>% of Sales 2017</u>
Under \$1M	41.1%	31.1%
\$1M - \$2M	35.2%	42.1%
\$2M - \$4M	16.5%	22.0%
\$4M - \$8M	5.9%	3.8%
\$8M and Over	1.3%	1.0%
(Over \$10M	0.8%	1.0%

Over the last few years, most of the sales have been under the \$2,000,000 mark. Sales between \$1,000,000 and \$4,000,000 represent the bulk of our sales. The Under \$1M sales percentage may be less just due to the fact that there are not many for sale in that price range. As indicated below, barely 10% of our available listings are under a million.

Comparing the price ranges of active (available) listings as of the end of March:

<u>List Price</u>	<u>% Active - 2017</u>	<u>% Active - 2018</u>
Under \$1M	10.7%	10.2%
\$1M - \$2M	29.8%	36.5%
\$2M - \$4M	26.2%	25.7%
\$4M - \$8M	19.4%	13.3%
\$8M and over	13.9%	14.2%
(Over \$10M	11.8%	10.2%

Over half of the available inventory is in the \$1,000,000 and \$4,000,000 price range. It is interesting to see that the number of available listings in the \$4M - \$8M category has gone down quite a bit compared to a year ago. This decline has been happening since September 2017.

Some agents were asked about their understanding of what affected Montecito residents plan to do after the horrific debris flow that affected the community. The answers were various. Those that had less to moderate damage seem to plan to clean up and fix whatever might have been damaged. Those with severely damaged or total losses are either thinking of re-building or completely walking away. There are a couple of issues and those are negotiating with insurance companies and waiting for new flood maps to come out mid-year. Some insurance companies are still not cooperating, although most are coming through with enough for renting. Some people have had to employ attorneys or representatives to negotiate with the insurance companies. In some instances, county planning and building departments are making harsh demands that are making it difficult for people to re-build. Many are renting at this point, but a few have bought replacement properties in other areas. Some of those that are renting had plans to move out of the area in a couple of years, but are now escalating those plans. There are still others who just don't know what they are going to do. Let's support our neighbors as best we can through this trying time.

There are always people who need or want to sell, and we still have a great pool of buyers anxious to buy in our lovely area. If you or someone you know is thinking of selling, buyers are anxious to see the new listings coming on the market. Be sure to contact your favorite Realtor who can guide you through the process.

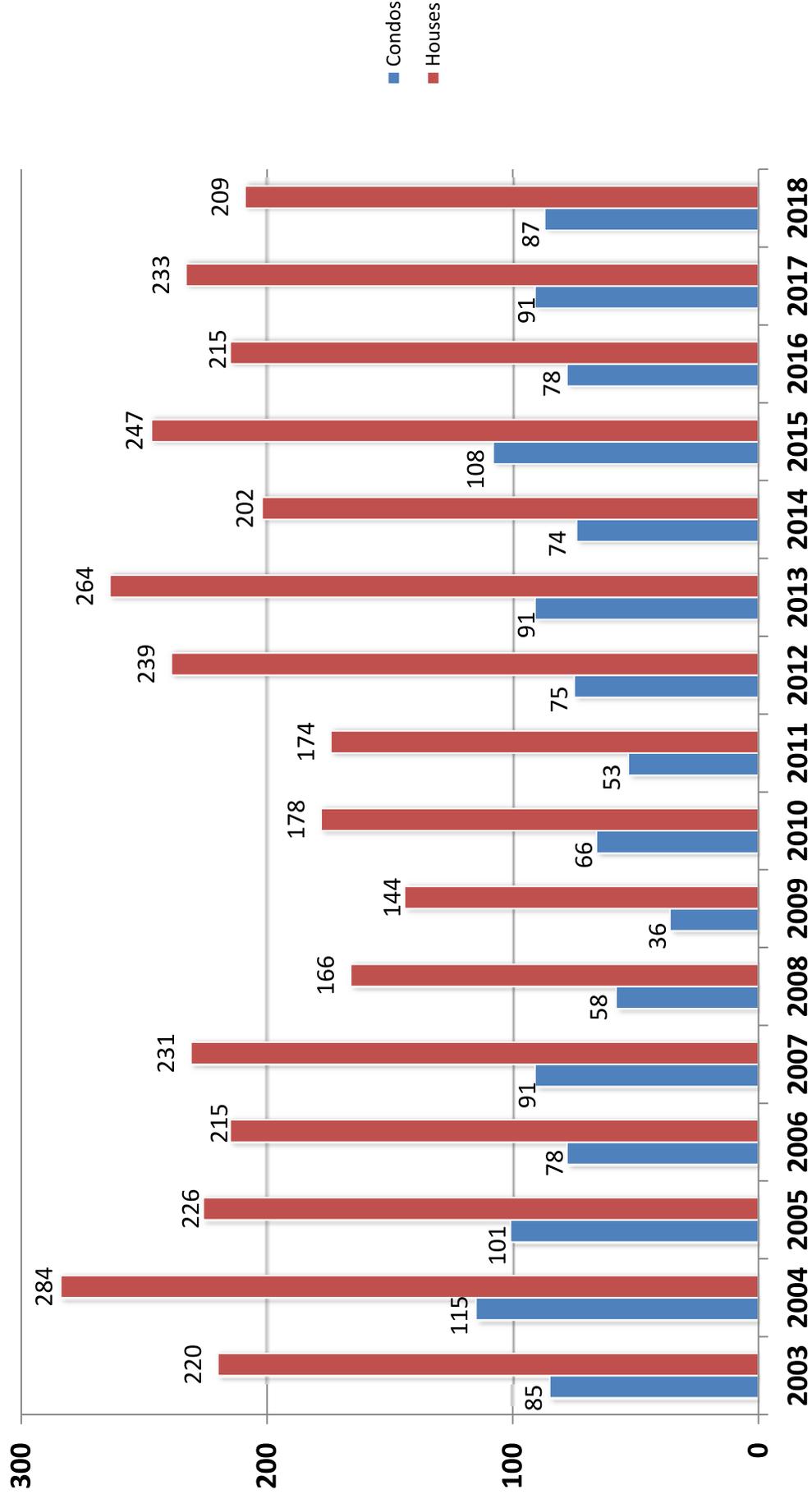
If you should have any questions regarding this article, please feel free to contact Carol Kruckenberg at 805-705-9297 or carol@villagesite.com.

Santa Barbara South Coast

2018 MLS Market Activity

	2018 Year-to-Date		March 2018				
	Closed Escrows	Median Sales Price	Sales Pending	Active Listings	Months of Inventory	Closed Escrows	Median Sales Price
Houses/PUDs	209	\$1,394,000	97	293	3.0	82	\$1,347,500
Carp/Summerland	12	\$990,000	4	26	6.5	4	\$990,000
Montecito	29	\$2,400,000	10	94	9.4	10	\$3,625,000
Santa Barbara	100	\$1,397,500	48	108	2.3	36	\$1,452,000
Hope Ranch	14	\$3,522,500	6	23	3.8	7	\$3,400,000
Goleta	54	\$932,850	29	42	1.4	25	\$985,000
Condos	87	\$670,000	44	91	2.1	35	\$785,000
Totals	296	\$1,105,250	141	384	2.7	117	\$1,169,000

Number of Sold Listings January thru March



Median Price Sold Listings January thru March (in 1,000s)

