

CRISTAL CLARKE

2017 MID YEAR REVIEW

July 2017

OPENING YOUR DOORS TO MONTECITO AND SANTA BARBARA



Toro Canyon Park Road | \$24,000,000

SOTHEBY'S INTERNATIONAL REALTY

CRISTAL CLARKE

REPRESENTING THE FINEST IN MONTECITO AND SANTA BARBARA AREA PROPERTIES

#1 Real Estate Agent in Montecito Upper Village 2016



Dear Clients and Friends,

The first half of 2017 has, for the most part, followed the expected market predictions I made in my year-end newsletter of 2016, with impressive gains posted in median and average sales prices as well as property sales and sold price per sq. ft. Many of you may remember that this was somewhat predictable after a lackluster Q4 in 2016, with many sellers and buyers sitting on the fence in anticipation of the November election results. With those firmly behind us and the Spring and Summer buying spree in full swing, the market is in an upbeat position moving into the second half of the year. However, some recent data may be poised to have an impact on consumer spending trends moving forward.

MONTECITO 2017 DATA FOR SINGLE FAMILY HOMES

Category	January 1st	March 31st	June 30th	YTD Trend
Median List Price	\$5,100,000	\$4,975,000	\$4,450,000	-12.75%
Average List Price	\$8,039,212	\$7,455,350	\$7,393,997	-8.02%
Median Sales Price	\$2,810,000	\$2,875,000	\$4,200,000	+49.47%
Average Sales Price	\$2,763,383	\$3,884,313	\$4,180,709	+51.29%
Days on the Market	108	153	171	+58.33%
Properties for Sale	139	167	181	+30.22%
Properties Sold	38 (Q4-2016)	38 (Q 1)	52 (Q2)	+36.84%
Asking Price / Sq. Ft.	\$1,210	\$1,072	\$1,388	+14.71%
Sold Price / Sq. Ft.	\$866	\$1,064	\$1,296	+49.65%

Looking at Montecito first, we can see that sellers' list prices, both median and average, have steadily declined over the first 6 months of 2017. This has been countered by a drastic increase in median and average sales prices, which have risen in the first 6 months of 2017 by 49.47% and 51.29% respectively. However, even though we can see growth in price points, it should also be noted that to achieve those prices properties are taking longer to sell: an average of 171 days, which is a rise of 58.33% since the beginning of the year.

As I have discussed in previous monthly newsletters, inventory was expected to rise early in 2017. The data certainly confirms that, as well as the recent uptick in property sales, which rose in Q2 by 36.84% despite remaining flat for Q1, with 38 sales. The most notable trend is that of the sold price per sq. ft., which rose 49.65% over the first 6 months of 2017 and represents a year over year gain of 37.7%. Since median and average sales prices can be impacted by the "mix" of low- and high-end properties in the marketplace, the sold price per sq. ft. is a more normalized representation of directional property values.

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MARKET UPDATE

LOCAL MARKET UPDATE 2017 MID YEAR REVIEW

Next, as we look at Santa Barbara, we can see a similar trend to that of Montecito whereby median and average list prices, down 11.74% and 8.45% respectively, contrast with the median and average sales prices, which rose 14.85% and 22.69% respectively. Although we saw an upward trend in the time a property was selling in Q1, this has returned to late 2016 levels as property sales have picked up in the Spring and Summer months. The time a property is taking to sell has fallen accordingly, to 58 days. Similar again to Montecito, inventory levels showed an upward tendency, which is also in line with my expectations at the end of 2016. Although not as strong an increase as in Montecito, the sold price per sq. ft. also showed an increase of 5.66%, despite a small decline in Q1.

SANTA BARBARA 2017 DATA FOR SINGLE FAMILY HOMES

Category	January 1st	March 31st	June 30th	YTD Trend
Median List Price	\$2,095,000	\$1,950,000	\$1,849,000	-11.74%
Average List Price	\$3,331,611	\$3,068,505	\$3,050,118	-8.45%
Median Sales Price	\$1,192,000	\$1,400,000	\$1,369,000	+14.85%
Average Sales Price	\$1,271,704	\$1,666,223	\$1,560,317	+22.69%
Days on the Market	58	82	58	no change
Properties for Sale	157	173	197	+25.48%
Properties Sold	128 (Qv4-2016)	125 (Q1)	177 (Q2)	+38.28%
Asking Price / Sq. Ft.	\$822	\$800	\$839	+2.07%
Sold Price / Sq. Ft.	\$689	\$685	\$728	+5.66%

Does political commentary influence real estate?

Many of you know how, in the past, I have referenced the link between consumer confidence and consumer sentiment as a barometer of real estate price trends both past and future.

On June 8th of this year, James Comey testified before the U.S. Senate. Prior to this testimony the consumer sentiment index, as measured by the University of Michigan at the end of March was 97.1, and was expected to post a modest rise, according to most economists, in June to 97.3%. Following the testimony, however, the consumer sentiment fell to 94.5% and further declined to 86.7% before recovering some losses to finish June at a rate of 95.1%. A decline of 2%.

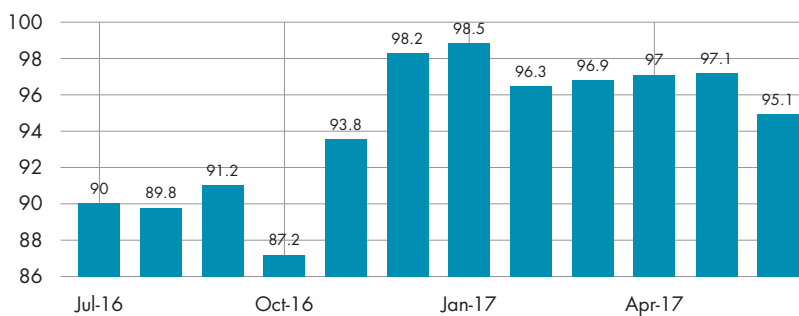
Consumer confidence is measured by two indexes: the Consumer Confidence Index (CCI) and the Michigan Consumer Sentiment Index (MCSI). General factors being considered when gauging the two indices are:

1. Business conditions for the following 6 months
2. Current employment conditions
3. Employment conditions for the following 6 months
4. Total family income for the following 6 months.

Both terms are used to refer to the degree of confidence consumers feel about the overall economy and their personal financial state. Consumer confidence or sentiment dictates the level of spending that consumers will engage in. A high level of consumer confidence means that

consumers generally feel good about their financial condition, especially their ability to obtain and keep jobs. If consumer confidence is relatively high, then consumers are going to increase the amount of money they spend. On the other hand, if consumer confidence is relatively low, then consumers are going to spend less, including expenditure on real estate.

US CONSUMER SENTIMENT



Source: TradingEconomics.com | University of Michigan

UPCOMING LISTINGS

Middle Road

Ideally situated between Montecito's upper and lower Village. 3 bed / 3.5 baths. Noted Architect.

Torito Road

Spectacular views to build a new estate or simply enjoy the existing residence and guest cottage.

Sycamore Canyon Road

Wonderful family home featuring 3 beds / 3 baths and a detached cottage. In Cold Spring school district.

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FEATURED LISTINGS



Toro Canyon Park Road | \$24,000,000



Birnam Wood Drive | \$5,650,000



East Valley Road | \$5,595,000



PENDING

40 Acres | Toro Canyon Road | \$5,375,000



Granada Penthouse | \$5,250,000



Picacho Lane | \$4,450,000



Toro Canyon Road | \$3,975,000



PENDING

Bolero Drive | \$3,795,000



Arboledo Road | \$1,850,000



Las Tunas Road | \$1,599,000