

CRISTAL CLARKE

2016 SECOND QUARTER REVIEW

July 2016

OPENING YOUR DOORS TO MONTECITO AND SANTA BARBARA



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CURRENT LISTINGS

| | |
|--------------------|--------------|
| Sand Point Road | \$26,500,000 |
| Toro Canyon Road | \$10,750,000 |
| Lilac Drive | \$5,450,000 |
| Plaza De Sonadores | \$2,295,000 |

Please call for pocket listings.

Sotheby's
INTERNATIONAL REALTY

Q2 has seen some impressive gains in the local real estate market, according to year-to-date trends in Montecito, and in Santa Barbara overall. When I compare the Q2 data to Q1 data, however, **there is a different story to be told and it's in line with estimates previously referred to in my April and May newsletters.**

Let's start by looking at Montecito. We can see that there have been substantive gains in median and average sales prices, which have surged 38.69% and 30.26%, respectively, since the beginning of the year. When comparing these prices to the ending prices for Q1 (March 30th, 2016), however, we can see the story is not quite as it may appear to be at first glance.

Is There a Change Afoot?

If we take a close look at these numbers, we see the actual gains in median and average sales prices for the last quarter are +27.27% and 8.71%, respectively. Still healthy gains, but an indication that **the market is possibly in a shift from a sellers' market to a buyers' market.** This is further substantiated by the increase in the number of properties currently for sale as of June 30th. That number increased by 32.76%, to 154 properties, and the number of properties sold was down 2% year to date, but down 12.96% compared to last quarter.

LOOKING AT MONTECITO

| Category | Jan 1st | March 31st | June 30th | Trend (YTD) |
|------------------------|--------------|-------------|-------------|-------------|
| Median List Price | \$4,850,000 | \$5,435,000 | \$4,995,000 | +2.99% |
| Average List Price | \$7,026,043 | \$7,318,622 | \$7,391,585 | +5.20% |
| Median Sales Price | \$2,397,500 | \$2,612,500 | \$3,325,000 | +38.69% |
| Average Sales Price | \$2,771,295 | \$3,320,614 | \$3,609,808 | +30.26% |
| Days on the market | 89 | 97 | 69 | -22.47% |
| Properties for Sale | 116 | 143 | 154 | +32.76% |
| Properties Sold | 48 (Q4-2015) | 54 (Q 1) | 47 (Q2) | -2.0% |
| Asking Price / Sq. Ft. | \$1,206 | \$1,528 | \$1,201 | -0.41% |
| Sold Price / Sq. Ft. | \$923 | \$808 | \$951 | +3.0% |

There is certainly **a divergence in sellers' expectations on property values when compared to what buyers are willing to pay** in today's marketplace. Continued uncertainty in the upcoming elections, as well as the long-term effects of the recent Brexit vote continue to play a role, but locally a more telling scenario can be seen in the luxury end of the real estate marketplace.

Based on MLS data in 2015, there were a total of 17 sales of properties valued at \$10 million and over, with 8 of those sales coming in the period January 1st – June 30th, 2015. So far, year to date, we have seen only 5 sales in Montecito for the same market demographic: a reduction of 37.5%.

Proper Pricing Pays

Now, you are probably saying, "But my house is not in that market segment so why does it affect me?" Well, a large proportion (not all) of those sellers were downsizing to a smaller property, so if those properties are not selling, part of the buyer pool is effectively removed from the marketplace. That can be seen in additional data when looking at properties for sale in the \$5 - \$8 million range, of which there are currently 43 properties on the market compared with 15 for the same period last year. In short, **sellers are tending to be overly aggressive on pricing, while buyers are starting to dig in their heels** and not step up to the plate when having the opportunity.

MARKET UPDATE

LOCAL MARKET UPDATE SECOND QUARTER REVIEW FOR 2016

Santa Barbara is following much the same trending pattern as Montecito, with large gains in median and average sales prices when compared to the start of the year: 23.34% and 40.36%, respectively. When we compare the last 3 months' data, however, we see that these gains are only 0.68% and 8.43%, respectively. Nevertheless, still good numbers and gains, but **an indication of possible slowing in price gains looking ahead** when one considers properties are currently taking an average of 62.86% longer to sell compared to the last quarter.

LOOKING AT SANTA BARBARA

| Category | Jan 1st | March 31st | June 30th | Trend (YTD) |
|------------------------|---------------|-------------|-------------|-------------|
| Median List Price | \$1,385,000 | \$1,749,000 | \$1,749,500 | +26.32% |
| Average List Price | \$2,406,937 | \$2,904,104 | \$2,512,753 | +4.40% |
| Median Sales Price | \$1,000,000 | \$1,225,000 | \$1,233,375 | +23.34% |
| Average Sales Price | \$1,128,535 | \$1,460,828 | \$1,584,042 | +40.36% |
| Days on the market | 51 | 35 | 57 | +11.76% |
| Properties for Sale | 153 | 154 | 214 | +39.87% |
| Properties Sold | 173 (Q4-2015) | 111 (Q1) | 174 (Q2) | +0.58% |
| Asking Price / Sq. Ft. | \$802 | \$777 | \$765 | -4.61% |
| Sold Price / Sq. Ft. | \$641 | \$783 | \$807 | +25.90% |

Earlier I mentioned Brexit and this may have an impact on the U.S. real estate market as foreign investors, unsure of how the financial markets will finally settle out in the U.K., seek safe haven investments. This usually plays out in the major metropolitan areas, but the trickledown effect would more than likely attract potential buyers into the local marketplace. Only time will tell on this front.

The Importance of Working with an Expert

At this point, you might be asking yourself, "How do I position myself in the marketplace?" The answer depends on who you ask and who you choose to work with. Here's my advice on that: First of all, **consider that Sotheby's International Realty® has 835 offices on 5 continents and is a global leader in the real estate industry.** Furthermore, **Montecito and Santa Barbara are still vibrant real estate markets**, as is California as a whole, with 11 of the top 20 performing markets in the nation for June, 2016. **I continue to see growth in sales and transactions moving forward.**

I hope you'll also consider that I have been fortunate to have a number of clients this last quarter commit to transactions on both the buying and selling side; with my latest listing being featured on the cover of the current newsletter. **I have the knowledge, expertise, experience and track record to help you meet or exceed your real estate and financial goals.**

Contact me at 805.886.9378
or via email at cristal@montecito-estate.com

SPECIFIC BUYER NEEDS

Buyer #1

Estate property up to \$8.5 million in Montecito. High quality and premier location with amenities.

Buyer #2

Architecturally significant estate with land and or views up to \$10 million. Buyer willing to restore the property.

Buyer #3

Montecito or Cold Spring school district family home up to \$2.5 million.

Ranked #2 individual agent for Montecito in 2015 for sales

volume and number of transactions

Recognized by Sotheby's International Realty for **outstanding service**

Top 1% of Sotheby's International Agents nationwide 28 years full time real estate experience and knowledge

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INTERNATIONAL REALTY

1470 East Valley Road, Suite B | Montecito, CA 93108

FEATURED PROPERTY

This magnificent Cape Cod-style oceanfront estate features a wondrous home and comfortable, private guest house on nearly 1.5 acres in the prestigious gated Sand Point beach colony near Montecito, CA. Facing over 130 ft. of beach frontage, the main residence offers 3 bedrooms and 3 full baths plus 2 half-baths. The charming guest house provides a bedroom, bathroom, living room and kitchen. An elevator in the main residence serves a lower level providing over 3,000 sq. ft. of usable space. The expansive wraparound deck and on-deck spa overlook the ocean and pristine beach, while a refreshing lap pool offers views of the revered Carpinteria Salt Marsh Reserve, and beyond to the mountains. Overall, this spectacular estate is a masterpiece of design & craftsmanship.



The home's culinary center is a gourmet chef's delight and wonderful venue for enjoying family and friends. The kitchen's clean, white cabinetry, walls and paneled cove ceiling with recessed lighting are complemented by black marble counters and backsplash. A significant center island hosts a top-of-the-line stainless range and oven as well as prep and eating areas. The large, marble farm sink and surrounding counters rest in an alcove lined with multi-pane windows looking out to the ocean. The adjoining dining room features a cathedral ceiling and a wall of windows.



Dark and richly-stained wood floors contrast with clean, fresh white walls and woodwork that serve to showcase nature's palette of sand and ocean resting just beyond expanses of multi-pane windows. Ocean panoramas grace most rooms of the home, including the living room with its dramatic floor-to-ceiling stone fireplace and cathedral ceiling, and its sitting room hosting walls of windows.



Luxury, sophistication, comfort and relaxation define the master suite. Facing the beach and ocean – showcased through a parade of multi-pane windows – and warmed by a tasteful fireplace with stone surround and hearth, the bedroom provides a truly restful retreat. Its bath, en suite, hosts stunning marble walls and counters, a travertine floor, and oversize and glassed-in shower with large rain head. The spacious dressing area is an elegant yet comfortable room unto itself.

The list of amenities, tasteful accoutrements, and convenient recreational, social and cultural options goes on and on. Suffice it to say that this magnificent Cape Cod-style oceanfront estate is nothing short of magical.



For any questions, or if you would like your home featured in this publication, please call me at 805.886.9378 or email cristal@montecito-estate.com.