

CRISTAL CLARKE



DECEMBER MARKET RECAP

As we start a new year I would like to thank all my clients for their continued support over the past year and wish all of you a happy, healthy and prosperous New Year. 2012 was, at times, challenging, to say the least but as with all things these times too will pass as people start to have more clarity in what is to come.

December was another positive month here in Santa Barbara County with broad gains across most market segments which can be summarized as follows;

Property Sales : Up 16.9% from last month and up 14.2% over December last year

Yearly Sales : Up 28.6% from 2011

Medium Prices : Up 2.5% from last month and up 19.3% over December last year.

Inventory : Down 23.1% from last month and down 35.2% from December last year.

Days on Market : Down 20.5% from last month and 32.7% from December last year

New Listings : Down 34.4% from last month and down 9.9% from December last year

In the luxury Real Estate market place total active listings and new listings remain in line with last year however the number of homes sold shows a dramatic increase of 60% with 263 properties being sold in 2012. A further reflection of a strong luxury market is also reflected in the average sales price which rose 25% and total sales volume doubling when comparing 2011 to 2012.

805-886-9378

www.Montecito-Estate.com

Cristal@Montecito-Estate.com

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No doubt many of you have seen various news reports of a housing recovery and although in general prices seem to have stabilized, at the very least, and may be trending upwards, there are some interesting "index's" which you may want to track. The National Association of Realtor's has a "Housing Affordability Index" which tracks the relationship between medium home prices, medium family income and average mortgage rates. In short the higher the index the greater the household purchasing power. An index of 100 is defined as "the point where a medium-income household has exactly enough income to qualify for the purchase of a medium-priced existing SFD assuming 20% down payment and 25% of gross income is devoted to Mortgage principal and interest. The current index, as of November 2012, stood at 198.2 which underscores the purchasing power of the buyer in today's market place.



On the National level Doug Duncan, Fannie Mae's chief economist, has stated he expects home prices to gain 2.6% in 2013 and a recent survey shows: 21% of Americans say its a good time to sell, 43% expect mortgage rates to rise & 49% expect rental rates to rise in 2013. Of course rises in these areas will also diminish potential homeowners purchasing power but with 242 metro areas out of 361 Nationwide showing growth in housing permits, employment and home prices (combined) for at least 6 straight consecutive months, a broad uptrend in housing seems to be underway. With this in mind don't be surprised if next time you go to buy a house there is someone else trying to do the very same thing as more Americans become incentivized to buy Real Estate.

I invite you to view my [Exclusive Properties](#) as well as [All Properties](#) in Montecito, Santa Barbara, Hope Ranch and the surrounding communities.

For comprehensive Santa Barbara area information and much more, please visit my website, Montecito-Estate.com.

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