

CRISTAL CLARKE



SEPTEMBER MARKET RECAP

As we all know there are a number of factors which can affect Real Estate but lets take a close look at what could be the top 5 global reasons and see how these could affect you in your decision making process.

- 1. Aging Population:** As the population ages and shifts to becoming net users of Capital instead of net contributors the demand for real estate will be reflective of this shift.
- 2. Global Uncertainty:** Budget crisis both here and in Europe in general as well as a forecast for China's economic slowdown make the uncertainty of future economic recovery an uncertainty as people take a wait and see attitude.
- 3. Market Liquidity:** As a result of Dodd-Frank Capital limitations on Banks there could be, in the next 3 to 7 years, a severe capital shortage as many real estate loans need to be refinanced at different threshold criteria, with the possibility of smaller or secondary markets feeling the squeeze.
- 4. Student Debt :** As the labor market continues its lack luster performance new graduates leaving college with high student loan debt are being excluded from the current housing market until they can meet stricter credit guidelines for borrowing capital for investing in home ownership.
- 5. Political Discord:** Will there be a broad consensus to solve political gridlock or will the key issues and challenges that face the world continue to mire in gridlock and drag on the real estate market moving forward.

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Now that I have your attention you are probably asking yourself why would I buy real estate. Well for one thing here in Santa Barbara we are not a small market and secondly we certainly are not a secondary market. Investing in Real Estate has and will continue to be an American ideal with many large institutional investors taking the lead and investing in the currently depressed market and in doing so positioning them selves for future appreciation and gain(s). The Blackstone Group recently became the largest investor in US single family homes, investing over \$1 billion so far this year. Expecting to yield 6 to 7% on their investment and projecting continued rises in base valuations they may be ahead of the curve in what is becoming a dramatically changing market place.



Morgan Stanley recently stated "we expect to see 2012 end with an increase of 7 to 9% for the year in aggregate home prices, with the possibility of a 10 to 12% increase (bullish) and 4 to 6% increase (bearish) overall"

With the Federal Reserve committed to keeping interest rates low through QE3 and beyond, home prices most likely will continue there upward trend.

For September Property Sales in Santa Barbara are 25.7% ahead of last year, Average sales price is up 23.4% year over year, inventory was down 33.3% year over year and Selling Price vs Original list price for September was 97.3%, up from 96.5% last month and up 95.2% from the same period last year.

For more information visit my web site and check out my blog for local and National updates.

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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