

CRISTAL CLARKE



JULY MARKET RECAP

As mentioned in my previous newsletter the recent increase in interest rates has had a decided effect on the market place both locally and on a National level. Here locally it is a mixed bag with some areas being affected differently than others but the overall effect is that areas that have historically seen higher prices are not holding up as well as lesser priced areas as buyers move into these areas as a safe haven or better value, or at least perceived value.

In general prices are continuing to increase but the reverse effect is that the number of sales are down and while inventory levels continue to see down ward trends, which will continue to support prices, eventually the curve will reverse with prices stabilizing and inventory levels expanding allowing a greater selection for buyers and sales volume to follow suit.

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A recap of the local market is as follows:

Area	Sales Volume	Prices	Listings
Montecito	Down 2%	Up 11%	Down 12%
E of State	Down 1%	Up 13%	Up 17%
W Of State	Up 8%	Up 16%	Up 3%

Hope Ranch	Up	35%	Down 13%	Down 19%
Goleta S	Down	2%	Up 16%	Down 22%
Goleta N	Up	2%	Up 21%	Down 3%
Condos	Up	7%	Up 23%	Down 30%



As you will see from the above the general trend is that where prices are rising the sales volume is down along with inventory levels. The exception being in the lower value ranges, when comparing market to market, such as Montecito to Hope Ranch or Goleta South to Goleta North where people are buying perceived value.



Nationally the interest rate rise has generated a shift in the National Association of Home Builders/ First American Improving Market Index, which I have referenced in past newsletters, which this month saw 11 metro areas being dropped from the list of improving market(s). The rate rise has also had an effect on home builder stocks which have seen declines in stock valuations as well as lower than anticipated IPO proceeds as the rate rise is expected to hit new home sales in the coming months which is also reflected in lower mortgage applications.

However, some positive effects of the recent rises in home prices, which means higher equity levels for homeowners, is that more home owners are liquid in their real estate holdings and fewer home(s) / mortgage(s) are under water leading to the possibility of greater mobility in the work force. This could result in more homes being available for sale as people take advantage of the ability to not deal with a short sale and or foreclosure situations.

As always if you have any questions about Real Estate or would like an analysis of your property please feel free to contact me at your convenience and I look forward to helping you in the future what ever your needs may be.

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.