



The  
**LITTLE  
WOODS**

Santa Barbara Estate Sales

By Harry Kolb

Winter 2003

# STILL TWO DISTINCT MARKETS

**T**he number of homes sold above \$2 million is up 35% compared to the first 10 months of last year. This year will set another record for home sales in this category. During the first 10 months of 2002, 119 such homes sold, compared to 160 so far this year. In 2001, only 80 homes sold for over \$2 million. Each year the number of homes sold in our area in this price range has gone up in a fairly consistent manner. We are now selling more than twice as many homes in the Santa Barbara area for over \$2 million than just four years ago, when we sold 73. Back in the early 1990's, we only sold 20 homes a year in our area for more than \$2 million. How times have changed.

This doesn't mean that we're selling larger homes, but rather that each year our homes are worth more. What used to be considered a million dollar home a few years ago is today just another \$2 million property. The average sales price for all homes sold in the Santa Barbara area this year is \$1,226,843. In 1999 it was \$762,990. This represents a 61% increase in only four years. This strong market doesn't appear to be a local bubble subject to a sudden burst. According to the National Association of Realtors, total state

existing-home sales activity in the third quarter was the highest on record, with all states reporting increases from a year ago. This is the first time in 20 years that all states reported sales increases.

But this exuberant market is limited to the properties priced below \$5 million, where low interest rates have provided the greatest support. Sales of the more



*This is your quarterly report on the sale of estate properties in the Santa Barbara area. These updates are sent as a courtesy to clients and friends by Harry Kolb. For further information, Harry may be reached at (805) 565-8633.*

expensive homes have been far below previous years' numbers. So far this year we've only sold 7 Montecito homes for more than \$5 million – compared to 17, 21 and 22 in each of the preceding years. That's down 59% from last year. In fact, in the very popular price range of \$5–\$6.95 million, we've only sold 1 home in Montecito this year, though 15 to 20 are on the market.

## Montecito Estate Sales

	2000	2001	2002	2003 10 months
\$40-50m		1		
\$30-40m	1			
\$20-30m		1	1	2
\$15-20m	1	1	1	
\$10-15m		4	5	1
\$5-10m	20	14	10	4
Total	22	21	17	7

(Continued on page 4)

## FEATURED HOME



### *Cunningham House*

*The exterior façade as seen from the entrance gates presents the indelible, nonpareil stamp of George Washington Smith, a name synonymous with Spanish Santa Barbara architecture. Yet, this public vantage of Smith's historic continuity, his romanticism and charm, does not begin to suggest the marvels that lay hidden behind the massive entrance door. In a brilliant interplay of angularity and arches, of grand rooms and informal balconies, of aesthetic ornamentation and structural integrity, this Montecito villa evokes an ultimate peacefulness and restfulness lightly spiced with a touch of exotic mystery.*



*Offered at \$6,500,000*

*Call Harry at (805) 565-8633 for your personal viewing of this very special home.  
For further information and Photo Tours, please refer to [www.SBEstateHomes.com](http://www.SBEstateHomes.com)*

# Properties Currently Represented by Harry Kolb



*Majestic 1890 Estate* \$28,000,000



*Padaro Beach Home* \$24,000,000



*GW Smith As New* \$17,900,000



*Oak Creek Canyon* \$9,200,000



*Exclusive Estate Parcel* \$8,750,000



*Cuatro Vientos* \$8,395,000



*GW Smith's Ravenscroft* \$7,995,000



*GW Smith Carriage House* \$6,950,000



*GW Smith Estate* \$6,500,000



*Birnam Wood Lake View* \$4,795,000



*Montecito Estate Parcel* \$3,900,000



*Montecito Redo Prospect* \$3,590,000



*Jack Warner Design* \$3,495,000



*Birnam Wood Redo* \$2,900,000



*Birnam Wood Home* \$2,700,000

(Continued from page 1)

The weak sales above \$5 million compared to the strong sales in the lower price range illustrate the difference between the interest rate driven lower market and the consumer confidence driven upper market. The very attractive interest rates make it possible for buyers in lower price ranges to buy more home for the same monthly mortgage expense and opens the market to many buyers who might not be as qualified with higher rates. But in contrast, the lagging consumer confidence has kept many very well qualified buyers from having enough faith in the economy and world stability to invest in more expensive residential real estate. This is especially the case in a community like Santa Barbara where a large percentage of our upper price homes sell to owners who have multiple homes. Our \$2 and \$3 million homes sell to the majority of buyers as their primary residence, while most homes priced above \$5 million sell to families with multiple homes. It takes considerably more consumer confidence to buy your third or fourth vacation home than to replace your one, existing home.

## Why Choose Sotheby's

**S**otheby's International Realty was founded in 1976 as an international real estate service for the clients of Sotheby's, the venerable, two-centuries-old auction house. Our early mission was to assist fine arts, furniture and collectibles clients in buying and selling luxury homes and resort properties.

In the intervening years we've developed into a global organization serving an international customer base through 24 offices and over 175 exclusive affiliates across 20 countries. Guided by the principles of quality and service on which Sotheby's was founded, we are committed to anticipating and meeting the needs of today's marketplace. Our proprietary marketing tools and techniques set the industry standard and enable us to successfully sell fine properties in a wide range of locations and prices. We have a long history of exceeding the expectations of the world's most discerning buyers.

Sotheby's International Realty has sold

some of the world's most extraordinary properties. The tools and techniques we have developed to successfully sell grand estates are equally effective for selling fine properties in all price ranges. We post many top sales records around the world each year, yet over half of the listings we sell are priced under \$1 million.

We are experts in marketing and selling quality. We understand that the key to achieving the highest possible price for our listings, regardless of market conditions, is to accurately and appropriately present them to the broadest qualified audience possible. No other real estate company is positioned to offer the resources we employ in this effort.

Sotheby's International Realty offers a comprehensive set of tools designed to provide the best presentation and broadest exposure for your property. We apply our local market knowledge and global experience to create the most effective marketing strategies.

©2003 Harry Kolb. All Rights Reserved.

## THE LITTLE WOODS

**Harry Kolb**  
**Sotheby's International Realty**  
**1106 Coast Village Road, Suite D**  
**Santa Barbara, CA 93108**  
**(805) 565-8633**  
**[www.SBEstateHomes.com](http://www.SBEstateHomes.com)**

PRSRST STD  
 U.S. POSTAGE  
 PAID  
 Santa Barbara, CA  
 PERMIT #27

Photos: James Bartsch



**Sotheby's**  
 INTERNATIONAL REALTY

If your property is currently listed with another real estate broker, please disregard this offer. It is not my intention to solicit the offerings of other real estate brokers.