

The LITTLE WOODS

Santa Barbara Real Estate

By Harry Kolb

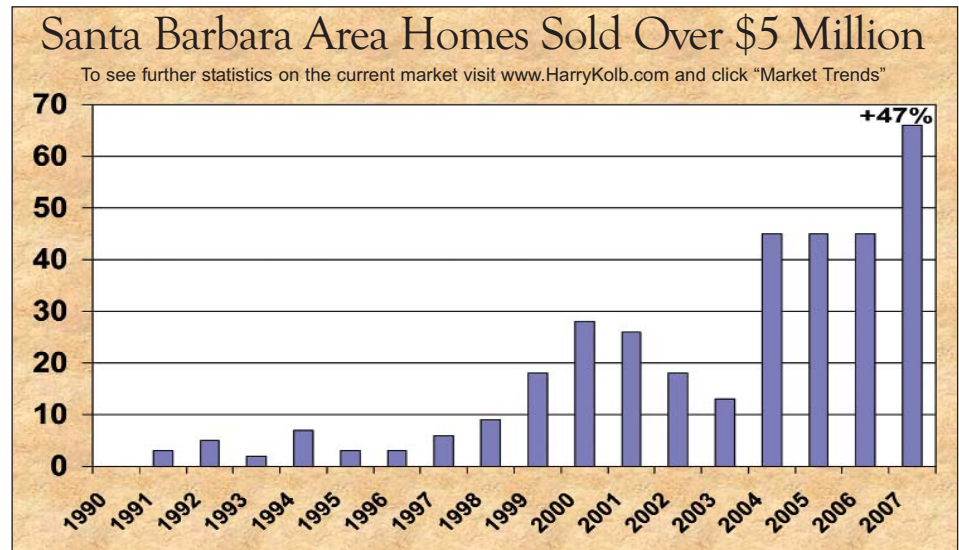
January 2008

Santa Barbara Estate Sales Up 47%

The sale of estate properties in the Santa Barbara area continued to set records last year with 66 homes selling for over \$5 million. This compares to 45 homes sold the previous year for an increase of 47%. In spite of media articles dominated by the exceptionally negative aspects of the national real estate market and the sub-prime financial problems, there were still an increasing number of buyers from other parts of our country interested in buying significant homes here. The most frequent profile was a young couple looking for that perfect community to raise their family attracted by our climate, lifestyle, schools and access to good transportation. Most of these buyers continued to come from our mid-west and eastern states.

Three other measurements of market strength that reflect this strong buyer activity were the increased percentage of the average sales price of the homes sold to their last asking price from 94% in 2006 to 95% in 2007; the reduction in the average number of days on the market from 438 down to 383 days, and; the dramatic increase in homes sold within their first 90 days on the market up from 11 in 2006 to 24 in 2007. These facts all underscore the pent-up demand for the most popular homes that were priced correctly and that sold quickly.

The increased value of our homes is further reflected in the greater number of sales last year in price ranges higher than \$5 million. Our community saw the transfer of 28 homes valued over \$8



million last year, compared to 18 the previous year, and 10 properties valued over \$16 million compared to only 5 the previous year. And these numbers include only those properties considered to be residential estate properties and do not include large

vacant land sales or ranch properties in our area which would have increased these figures even further. Our highest residential sale last year was an ocean front property on Padaro Lane which sold for more than \$33 million followed by three Montecito estates that sold for over \$20 million. As strong as these sales were, we still are a small market compared to the Los Angeles estate market where closings of 63 homes were over \$10 million in 2007 compared to 55 in 2006 and 12 over \$20 million compared with 10 over \$20 million in 2006. But it's interesting to see how our numbers are increasing so much more dramatically from year to year than those in Los Angeles.



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.

Our strong sales performance last year would have been even greater if our inventory of available homes had been larger and of better quality. Many well

Estate Sales continued on page 4

FEATURED HOME



CLASSIC MEDITERRANEAN ~ A gated palm-lined drive leads to 5,000± sq.ft. of splendor with this Upper Riviera home situated on 1.84± acres. Renovated 2004-2006, 4 bedrooms, 5½ baths, with ocean and mountain views & gym. Part of an exclusive enclave with private pool, tennis court & club house. Offered at \$6,500,000

Properties Represented by Harry Kolb



Park Lane **\$35,000 per month**



Llano **\$25,900,000**



Ogilvy **\$16,900,000**



Woodley **\$11,900,000**



East Mountain **\$8,750,000**



Alston **\$7,495,000**



Llano **\$6,950,000**



Las Tunas **\$6,500,000**



East Mountain **\$6,200,000**



East Mountain **\$5,995,000**



Bella Vista **\$5,990,000**



Cantera **\$5,975,000**



Mesa **\$5,750,000**



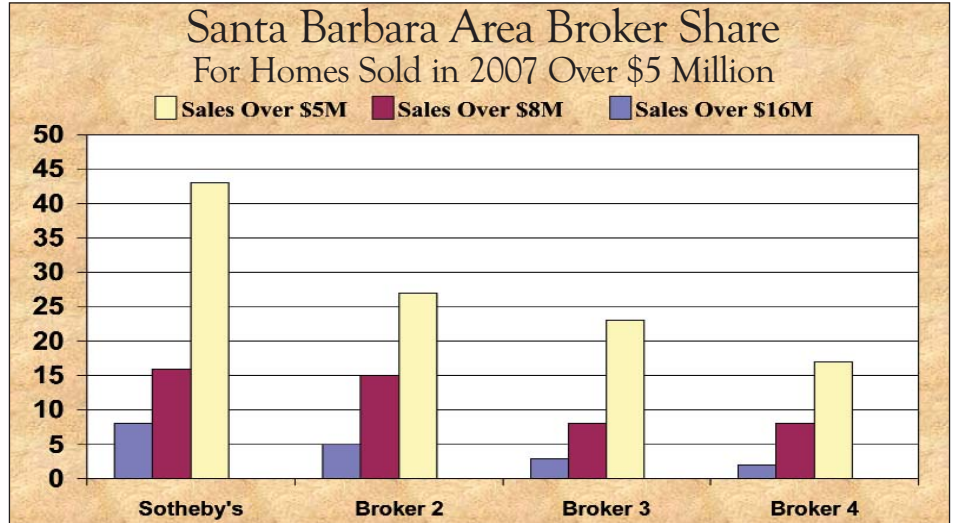
Las Fuentes **\$3,995,000**



San Ysidro **\$2,995,000**

Estate Sales cont...

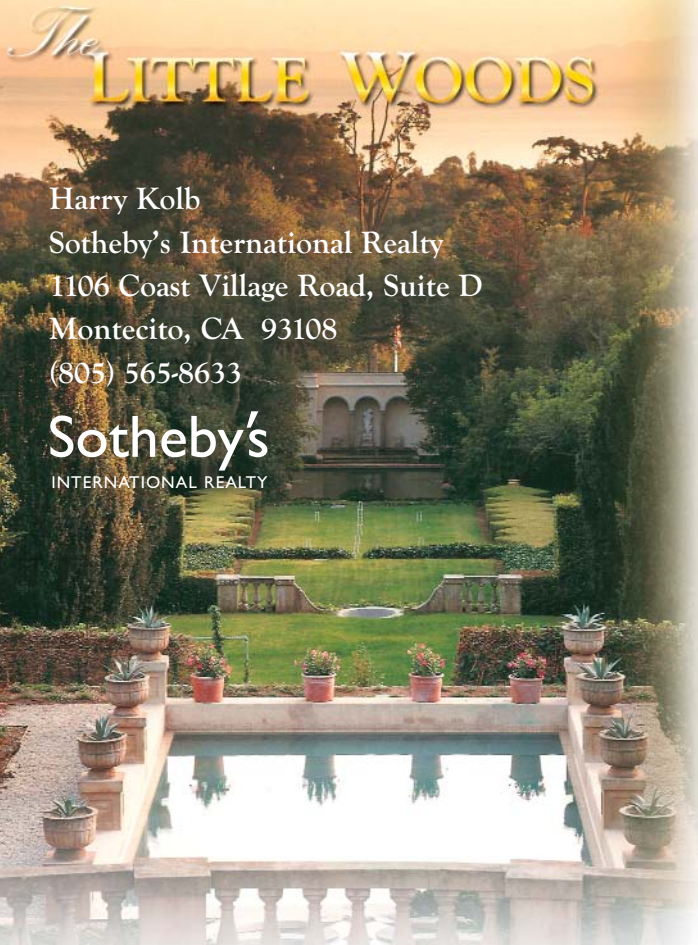
qualified buyers left town last year unable to find a suitable property to meet their expectations. As recently as in 1990, the number of homes listed for sale in the Santa Barbara Multiple Listing Service in all price ranges reached a peak of just over 3,000. Today the number of homes available is just 1,280. Part of the reason for this smaller inventory of homes for sale is the reluctance of sellers to subject themselves to the considerable capital gains taxes associated with the sale of their home after so many years of significant appreciation. Another reason for our diminished inventory is the smaller number of expensive homes built on speculation. Building permits for new construction in our county were down 15% last year over the prior year and, in speaking with a number of contractors who build most of these



homes, the number is going to be even smaller this coming year. With all the construction going on in our community it's hard to appreciate that most of this construction is for current owners improving their own homes and not for speculation.

As has been the case for a number of

years, Sotheby's continued to dominate the sale of the more expensive homes in our area. Last year our firm represented 43 of the sales over \$5 million compared to our next closest competitor who represented 26. If I can assist you with the sale or purchase of property, I hope you'll feel you can rely on my assistance.



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Sotheby's
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