

The LITTLE WOODS

Santa Barbara Real Estate

By Harry Kolb

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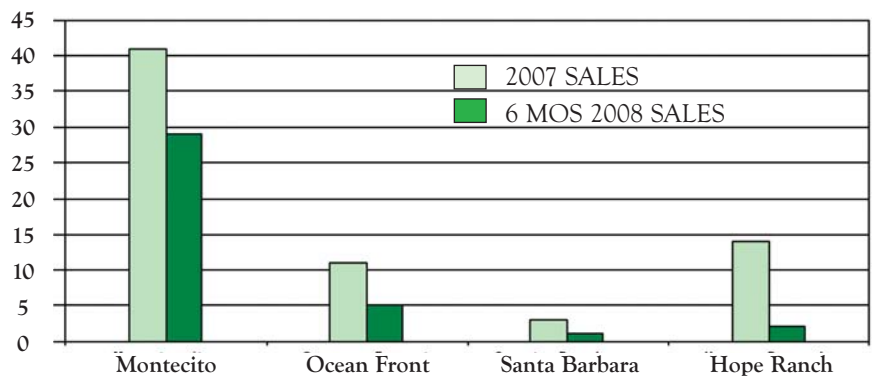
Estate Sales Continue Strong

As has become the local rule, the Santa Barbara real estate economy is performing differently in at least two major segments: properties valued above or below the \$5 million level. Those homes valued below \$5 million are finding a slower market primarily due to lesser available, more expensive financing and a lack of confidence in the general economy. Although their sales results are less favorable than in previous years, the sale of homes in this price range are doing much better than most other California communities and certainly better than the country as a whole. The homes valued over \$5 million are experiencing very favorable sales activity, much on a par with the very significant figures of last year's record setting sales results. In 2007, the Santa Barbara area saw 66 homes sell for over \$5 million and in the first half of this year we've already sold 35.

When comparing the current year's sales results with last years sales on a neighborhood basis, Montecito is showing an even better performance than last year with 29 homes sold over \$5 million in the first six months of this year compared to 41 sold all last year. Santa Barbara is on track with 3 sales last year and 1 so far this year, and the same with ocean front homes with 11 last year and 5 this year. But Hope Ranch is far behind last years results with only 2 sales so far this year over \$5 million compared to 14 last year. Hope Ranch has historically been more volatile than other exclusive

Santa Barbara Area Homes Sold Over \$5 Million

To see further statistics on the current market visit www.HarryKolb.com and click "Market Trends"



residential communities in California and especially more so than Montecito where values seem to be more resistant to downward pressure.

The Santa Barbara area in general, and Montecito in particular, has continued to be sought after by young, wealthy American families looking for a

pleasant community with all the features these families seek in their lifestyle. The major reason our estate properties continue to show strong sales results is due to the vastly greater wealth among the American well-to-do. The total capital of the Forbes 400 members has grown by 50% just since 2001 and the price of admission to the prestigious list is now \$1.3 billion, up \$300 million from last year. New emerging markets in Russia, India and China are creating vast new wealth around the world. And this segment of the population seems to be spending their new found funds. Gulfstream has released its first quarter revenue figures for 2008 and sales are up 17 percent over the same period last year, effectively increasing the company's order backlog to over \$200 million. There is so much demand for the new Ferrari F430 with an original list price of \$185,000, but with a dealer wait list



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.

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FEATURED HOME

COASTAL LIVING

Montecito, California



Posilipo Lane Offered at \$24,000,000

This pristine property with 106 ft. of private beach frontage features a charming English country home that's laid out with precision - taking every possible advantage of the expansive ocean views. This two-story, 3 bedroom home, plus an office and den, features grand rooms with high vaulted ceilings, large windows accenting abundant natural light and ever-changing views of the ocean, a gourmet kitchen, formal dining room, an oak-paneled den, and a luxurious master suite. Experience inspiring outdoor living with extensive English country-style gardens and meandering stone pathways leading to intimate terraces, a private beach, and an inviting guest house.

Properties Represented by Harry Kolb



Via Bendita \$28,900,000



Llano \$25,900,000



Posilipo \$24,000,000



Las Entradas \$17,950,000



Park Lane \$25,000 per month



Ashley \$16,900,000



Woodley \$11,900,000



East Mountain \$8,750,000



Alston \$7,495,000



Llano \$6,950,000



East Mountain \$5,995,000



Bella Vista \$5,990,000



Las Tunas \$5,950,000



Cantera \$5,975,000



Pomar Price Upon Request

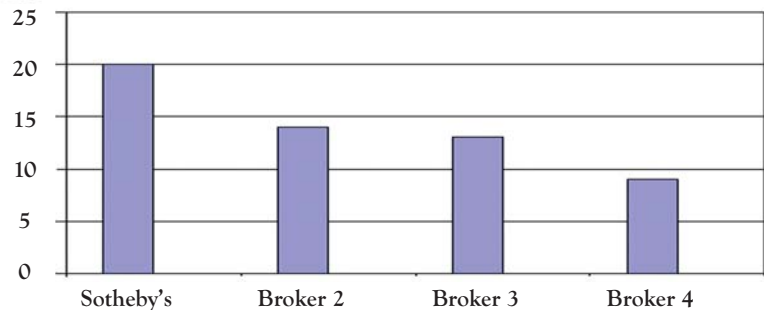
Estate Sales cont...

of about 18 months, that new (used) models are selling for around \$300,000. A huge contemporary art sale at Sotheby's London auction house in June saw works sold for a total of nearly 95 million pounds - a European record for the genre. Bloomberg reported that London auction houses sold a record 558.8 million pounds (\$1.1 billion) of art including fees over two weeks in June, with buyers coming into the market seeking to make money as other investments stalled.

But do recessions, fuel prices, rising food costs and general global economic uncertainty stand to impact this spending by the ultra-wealthy? In a word, no. According to the World Wealth Report, "Historically, investments in fine art, private planes,

Broker Share For Homes FH 2008 Over \$5 Million

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luxury automobiles and other high-priced collectibles have been more immune to economic downturns". Rather it is those less expensive, but still luxurious goods like clothing or wine that may take a greater hit if the economic downturn is extended. Until then expect busy Ferrari showrooms, a long waiting list for that new Gulfstream G650 and continued interest in Santa Barbara estate properties.

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. So far this year our firm represented 20 of the sides of sales over \$5 million compared to our next closest competitor who represented 14. If I can assist you with the sale or purchase of property, I hope you'll feel you can rely on my assistance.

ESTATE LIVING

Montecito, California



OCEAN VIEW
MEDITERRANEAN
Offered at \$17,950,000



A majestic setting offering 360 degree ocean and mountain views from this highly appointed Mediterranean Villa set on 3± usable acres of beautifully landscaped lawns and cultivated gardens. This elegant home features handcrafted European details, high coffered ceilings, 6 bedrooms, a guest house, detached office, a large pool, tennis court with pavilion, total privacy, and garages for 9+ cars.

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.