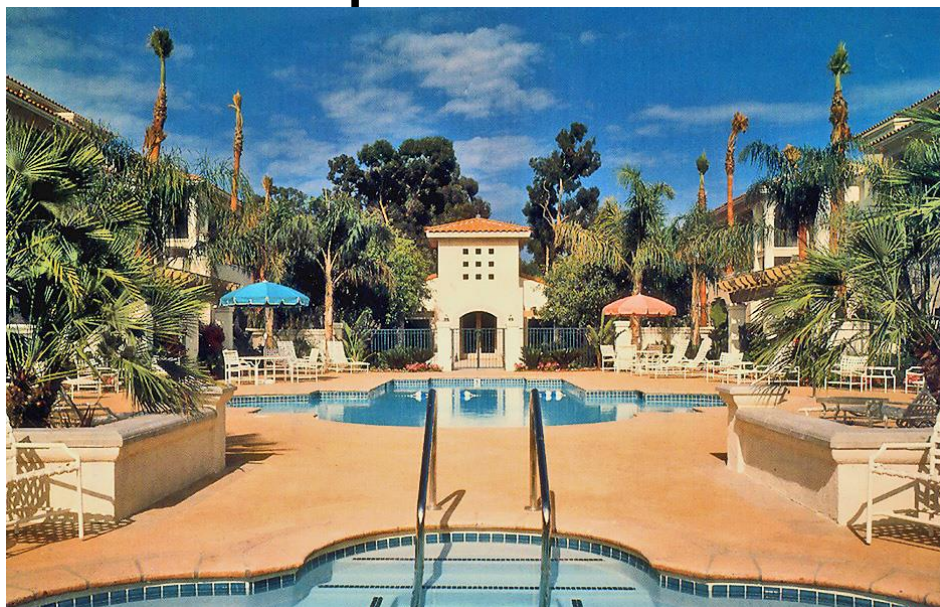


El Escorial Villas at East Beach

September 2015

Bob & Karin's Real Estate Newsletter



This is our 12th newsletter publication, focusing on the Santa Barbara area real estate condo market and specifically as it relates to El Escorial. This issue presents the Santa Barbara real estate market statistics for the first seven months of 2015. The market continues at a torrid pace with the highest seven month South Coast sales of condos since 1999. The El Escorial sales activity continued at an equally brisk pace with numerous sales and many new escrows. We have also included some historical information in this publication about another neighbor, the Andrée Clark Bird Refuge. We continue to welcome your feedback and any suggestions of topics that we could focus on in our future publications. We also invite you to view our website at www.SBBeachHome.com. We would be pleased to expand our distribution to include any friends, family or acquaintances who you think would enjoy receiving this newsletter. Just let us know and we will be happy to add their names to our address book.

Bob Oliver & Karin Holloway

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Andrée Clark Bird Refuge

In past newsletters, we have provided separate articles regarding the history of the Santa Barbara Zoo and most recently, the history and current status of the Clark Estate (also known as *Bellosguardo*). Before the zoo was opened in 1963, it had been the location of a magnificent estate, known as *Vegamar*, built in the early 1900's. The property was gifted to the city of Santa Barbara in 1953, upon the death of the former owner, Lillian Child. The mansion subsequently fell into disrepair and in 1959 was intentionally burned down by the Santa Barbara Fire Department. *Bellosguardo* was originally constructed as an Italian villa (also in the early 1900's), but was rebuilt into its current architectural configuration in 1933. The story of this property and its reclusive owner, Huguette Clark (the daughter of the copper magnate William Clark) was the subject of bestselling book, *Empty Mansions*

So, from the early 1900's until the destruction of *Vegamar* in 1959, these two magnificent mansions occupied neighboring hilltops adjacent to East Beach and separated by Cabrillo Blvd. and a salt marsh that is now the Bird Refuge. Both of the respective affluent owners, at one point in time, were active in the Santa Barbara social scene; but, it is not known if they had any social contact with each other or if they were even acquainted. It is clear that they each had an open view of the other's property and were within "waving distance" of one another.



During this period, there were no other structures on the current locations of the East Beach Townhomes or the El Escorial Villas. The salt pond was surrounded by a racetrack that was constructed in the 1870's by a wealthy Montecito landowner named John Bradley and the property was known as the Bradley Racetrack well into the 1900's. There is an article in the *San Francisco Call* newspaper dated August 6, 1899 that describes the efforts of H. L. Nelson and J. C. French to lease beachfront properties all the way from Summerland to Santa Barbara for the purpose of constructing oil derricks. One of the leases was the Bradley Racetrack. Their first derrick was constructed at Miramar Beach and was subsequently destroyed by a mob determined to resist any oil development along the beautiful Santa

Barbara beach areas. There was no further beach area oil development after that.

In 1928, Huguette Clark donated \$50,000 to the city of Santa Barbara to excavate the smelly salt pond and create an artificial freshwater lake in its place. The stipulation was that the small lake would be named after Huguette's deceased sister, Andrée, who had died in 1919 at the age of 16 from spinal meningitis. The work was completed in 1930 and the freshwater lake property became the Andrée Clark Bird Refuge.

The Andrée Clark Bird Refuge is a 42-acre open space park that includes a 29-acre lake that supports brackish wetlands and is managed by the Santa Barbara Parks Division. The park provides recreation opportunities such as bird watching, hiking, and biking and prohibits boating, fishing and feeding of the wildlife. Over 200 species



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Andrée Clark Bird Refuge (Continued)

of birds have been identified at the Bird Refuge. The area is an ideal spot for joggers, cyclists and wild life enthusiasts. The scenic beauty offered from various locations in the park make it a favorite of painters and photographers. The view from the southern end of the park looking across the lake at the mountains and the beautiful Montecito Country Club high up on the hills is an especially favored scene and you can frequently see painters with their easels trying to capture its beauty.



In spite of the natural beauty and the recreational advantages it provides, the Bird Refuge can occasionally be a neighborhood nuisance. It can become the source of a terrible odor that permeates the surrounding areas. We at El Escorial have been made painfully aware of this problem upon a couple of occasions this summer. The problem is created by a sudden intense unnatural algae growth followed by its death and decomposition that produces the sickening widespread smell similar to rotten eggs. Whenever this event occurs the odor lingers in the area for nearly a week. The situation is typically fed by warm temperatures, lots of sunlight, and fertilizers and other nutrients that wash down from the fairways and the

lawns that sit on watershed above. Bird droppings provide additional nutrients to nourish the algae. This year, the conditions are especially bad with the record breaking heat and the drought contributing to very low water levels.

With the continuing drought, the depth of the lake has dropped from the normal four foot depth to only a foot and a half. The lake has no natural source of water. The original salt marsh received fresh water from Sycamore Creek, but railroad construction in the 1880s rerouted the creek; so, the only current source of fresh water is runoff from the hills and rainwater. In past years, when the lake became too low, the city could add potable water to keep the level up, but that's not feasible with the current drought. During these periods, the water turns a bright, opaque green that has been referred to as "pea soup".

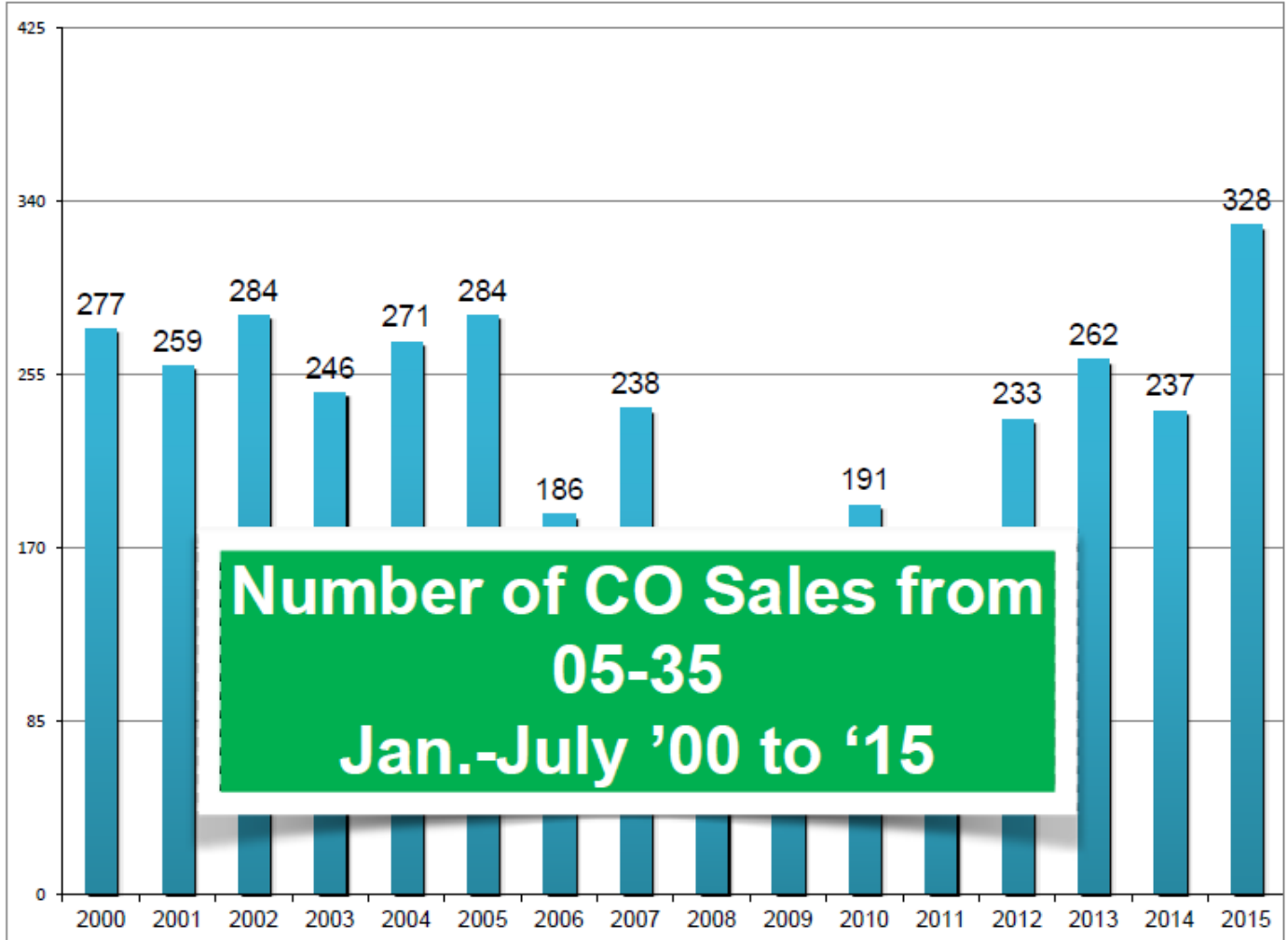
We can all hope the projections for a continuing strong El Niño this winter will produce sufficient rainfall to begin to put the drought behind us and return the beautiful Andrée Clark Bird Refuge to a normal and healthy state.

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Santa Barbara Condo Sales Continue at a Torrid Pace!

The Santa Barbara area condo sales (from Carpinteria through Goleta) for the first seven months of 2015 are the highest total since 1999. The 328 sales to date is a 38% increase over the same period for last year. The pace of sales over the last five months has averaged 55 condos per month. These sales were boosted by a total of 26 sales in the Hideaways, a new luxury condo development project in Goleta across from Sandpiper Golf Course. The inventory of condos in the South Coast area remains low with a total of 87 active listings available at the end of July. This represents less than a 7 week inventory at the current sales rate.

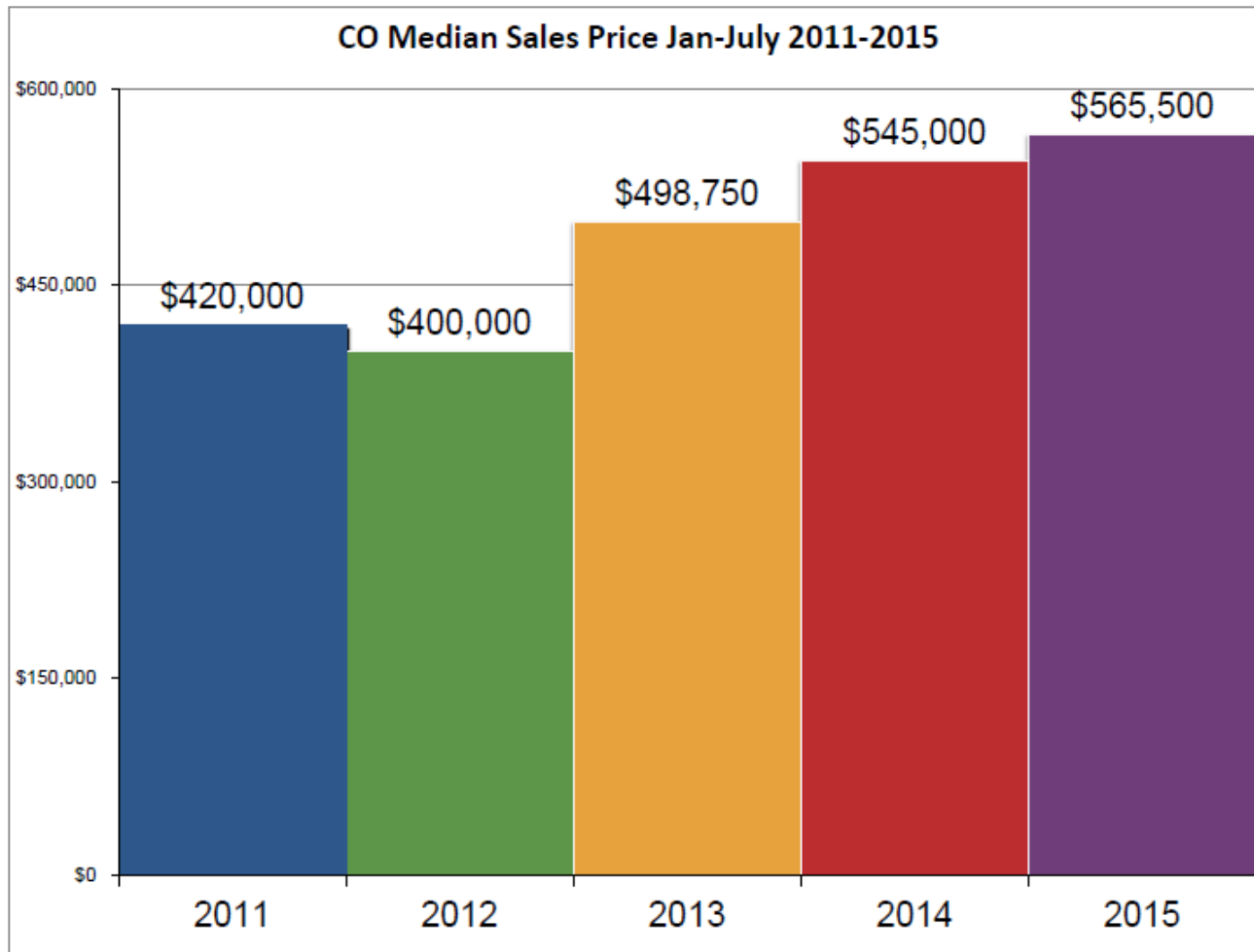


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Santa Barbara Condo Prices Continue to Increase

The prices of condos in the Santa Barbara area (Carpinteria through Goleta) for this year, continued to show an upward improvement from the bottom of the market in 2012. The median sale price for the first seven months of 2015 was \$565,500 which compares to a median price for the same period in 2014 of \$545,000, which is nearly a 4% increase. From the median of \$400,000 in 2012, the current price represents a significant increase of 41% for the three year period. There should be continuing upward pressures on prices, if this year's market activities continue at the current brisk pace and the inventory remains low.

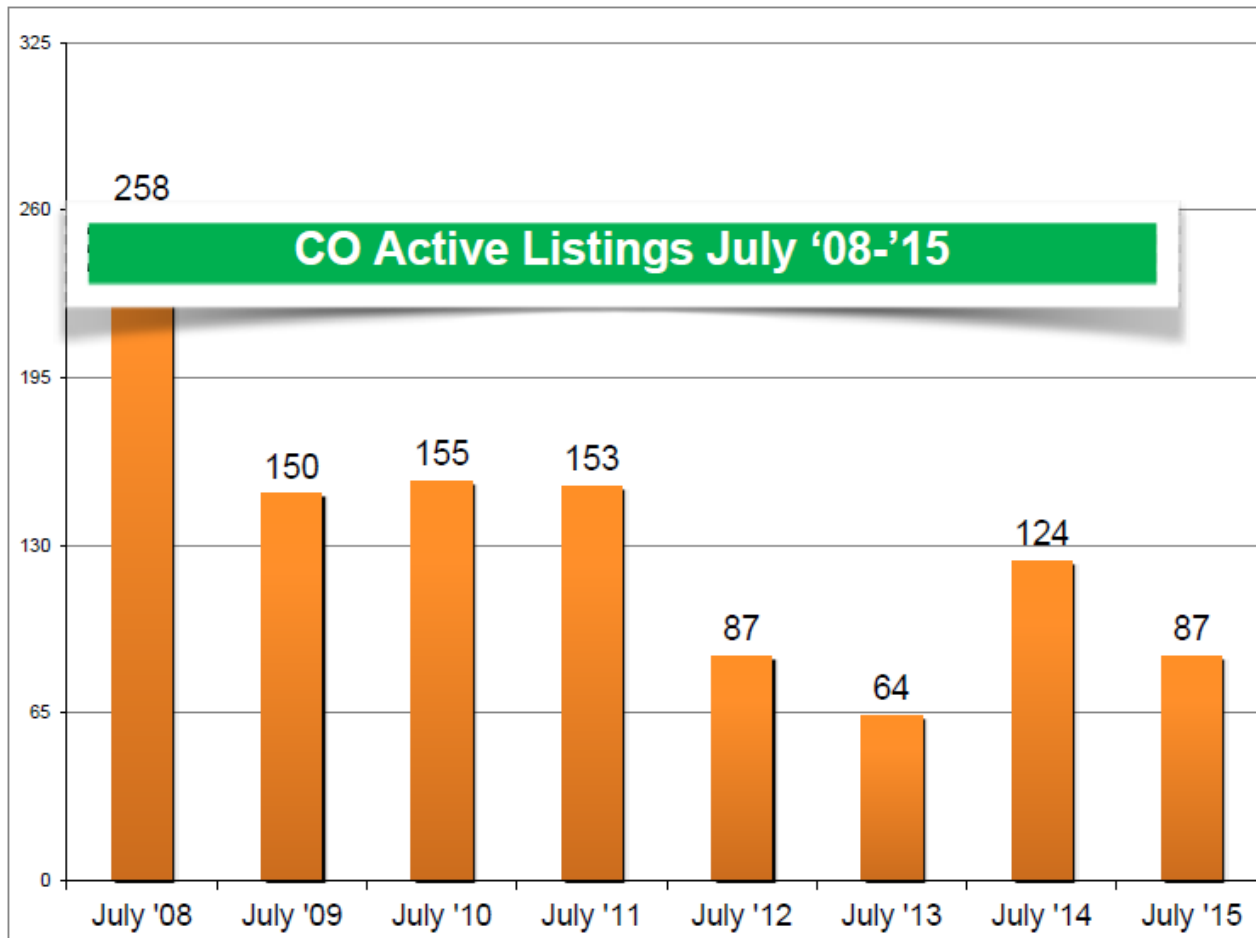


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Sales Up Despite Low Inventories

The inventory of active condos for sale in the South Coast area at the end of July consisted of 87 units. This is up from a yearly low of 60 units in April. In spite of the low inventories throughout 2015, the sales have performed at a 20 year high. By comparison, the inventory for the same period in 2008 was 258 units and the sales total for the same period was 154 units. This is equivalent to nearly a one year inventory, whereas, the current inventory represents less than two months of sales. This is a solid indicator of the strength of the current market.



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El Escorial Market Remains Hot!

The following table provides a summary of the sales activity for the last 12 months. The sales for 2015 have progressed at a very fast pace with a total of fourteen closings to date and with three additional units currently in escrow. Changes since the last newsletter include four new listings, four new pending sales and five closed sales. The closed sales consisted of two 1-bedroom units and three 2-bedroom units. The 1-bedroom, Riviera floor plans closed at \$540,000 and \$565,000. The 2-bedroom units included one Biltmore floor plan that closed at \$815,000 and two San Ysidro floor plan units that closed at \$950,000 and \$975,000. The three new listings were all 2-bedroom units consisting of one San Miguel, one Biltmore and one San Ysidro. Also, during this period, there were two escrows cancelled and one listing cancelled. There have been a total of 18 sales over the 12 month period.

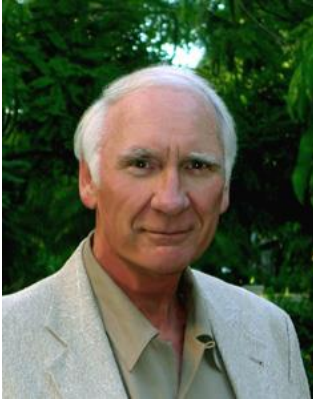
Comparable El Escorial Sales Activity

Address	Floor Plan	Bedrooms	Sq. Ft.	Price	\$'s/Sq. Ft.	Activity Date
<i>Active Listings</i>						
161 Por La Mar Circle	Biltmore	2	1100	\$869,000	\$790	8/14/2015
101 Por La Mar Circle	San Ysidro	2	1360	\$994,900	\$732	6/23/2015
143 Por La Mar Circle	San Miguel	2	950	\$859,000	\$904	7/6/2015
133 Por La Mar Circle	Riviera	1	680	\$549,000	\$807	4/29/2015
<i>Pending Listings</i>						
426 Por La Mar Circle	Riviera	1	680	\$545,000	\$801	9/3/2015
330 Por La Mar Circle	Riviera	1	680	\$559,000	\$822	8/17/2015
456 Por La Mar Circle	Riviera	1	680	\$585,000	\$860	3/23/2015
<i>Sold Listings</i>						
140 Por La Mar Circle	Biltmore	2	1100	\$815,000	\$741	9/1/2015
458 Por La Mar Circle	San Ysidro	2	1360	\$950,000	\$699	8/26/2015
434 Por La Mar Circle	Riviera	1	680	\$540,000	\$794	8/4/2015
249 Por La Mar Circle	Riviera	1	680	\$565,000	\$831	7/22/2015
137 Por La Mar Circle	San Ysidro	2	1360	\$975,000	\$717	7/15/2015
103 Por La Mar Circle	Riviera	1	680	\$560,000	\$824	6/4/2015
138 Por La Mar Circle	Riviera	1	680	\$540,000	\$794	5/15/2015
124 Por La Mar Circle	Riviera	1	680	\$520,000	\$765	5/8/2015
331 Por La Mar Circle	Riviera	1	680	\$530,000	\$779	4/28/2015
253 Por La Mar Circle	Riviera	1	680	\$550,000	\$809	4/13/2015
409 Por La Mar Circle	Riviera	1	680	\$545,000	\$801	4/7/2015
428 Por La Mar Circle	Miramar	1	680	\$530,000	\$779	3/25/2015
148 Por La Mar Circle	Riviera	1	680	\$545,000	\$801	2/24/2015
448 Por La Mar Circle	Riviera	1	680	\$525,000	\$772	1/15/2015
227 Por La Mar Circle	Riviera	1	680	\$515,000	\$757	12/17/2014
347 Por La Mar Circle	Riviera	1	680	\$506,290	\$745	10/21/2014
264 Por La Mar Circle	Riviera	1	680	\$515,000	\$757	10/7/2014
117 Por La Mar Circle	Riviera	1	680	\$545,000	\$801	9/5/2014

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