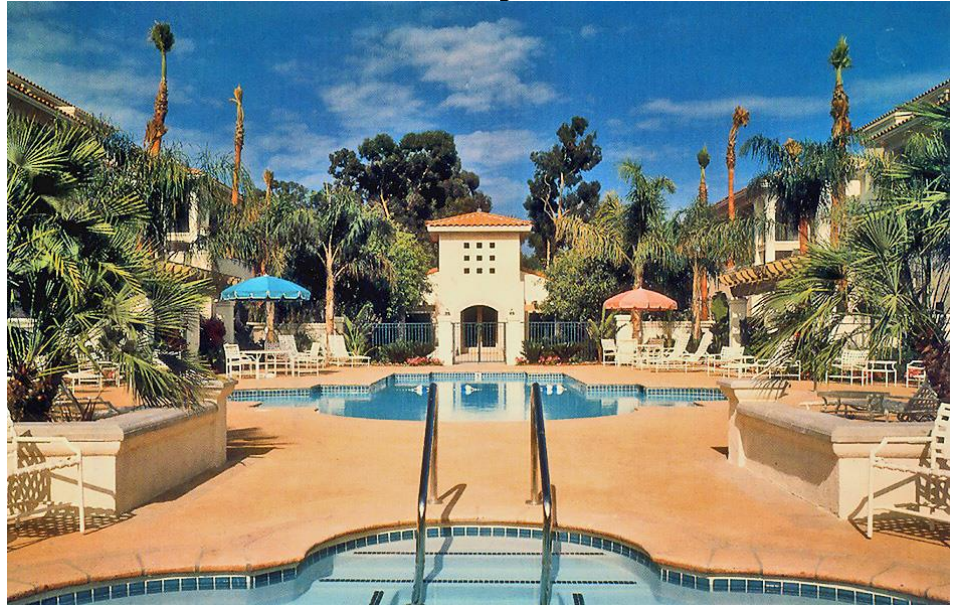


El Escorial Villas at East Beach

February 2018

Bob & Karin's Real Estate Newsletter



This is the 22nd publication of our newsletter, focusing on the Santa Barbara area real estate condo market and specifically as it relates to El Escorial. This issue presents Santa Barbara real estate statistics providing a market summary for the full year of 2017. Total sales were fairly flat, but prices continued to increase. El Escorial sales were down from last year, but prices were up. The sales total of 56 units over the last three years represents a significant change in El Escorial ownership of over 21%. 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.

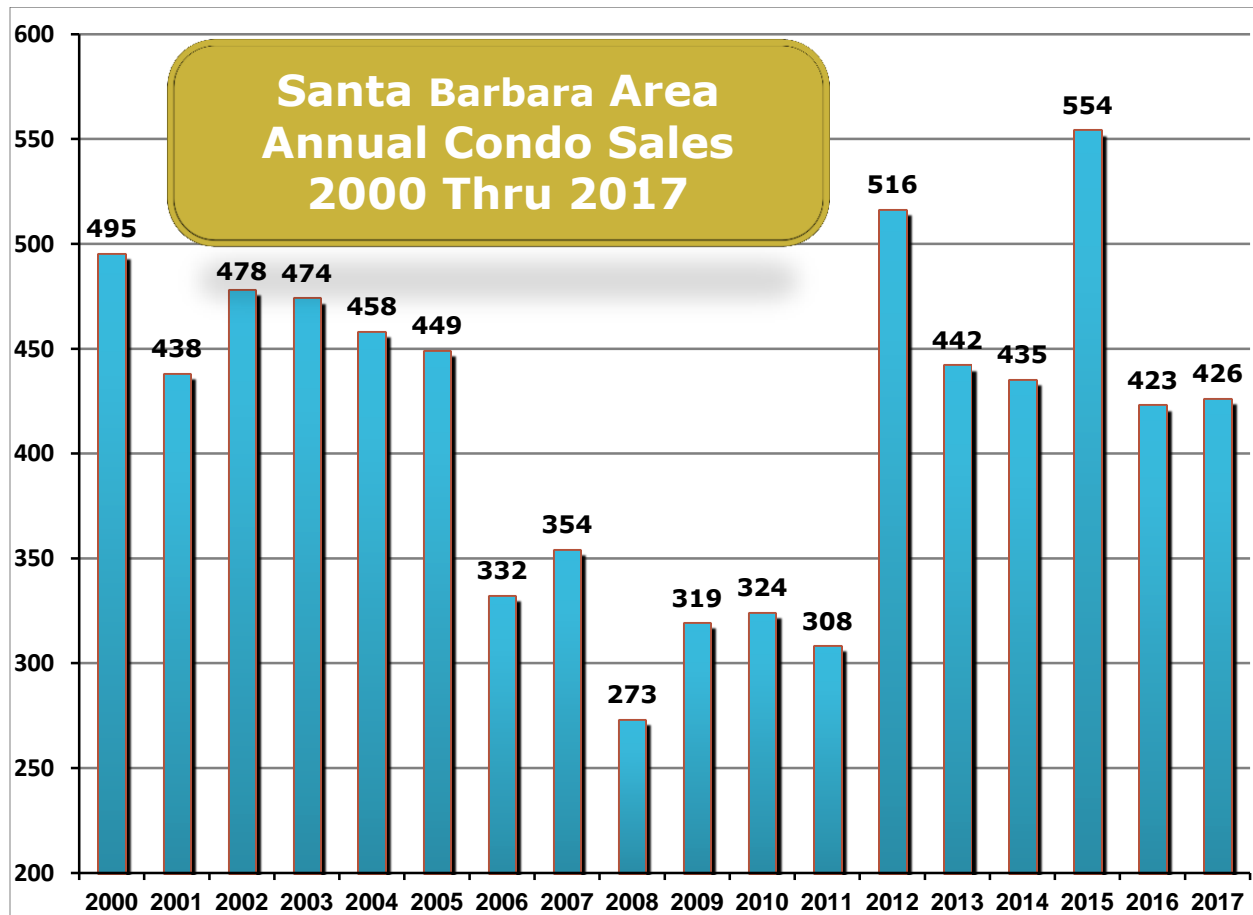
Bob Oliver & Karin Holloway

The El Escorial Experts



Santa Barbara Area Condo Sales Hold Steady

The Santa Barbara area total condo sales (from Carpinteria through Goleta) for 2017 was slightly ahead of the 2016 total, but well below the peak sales of 2015. The 2015 sales were the highest total since 1999, largely driven by the luxury condominium projects of Alma Del Pueblo, Sevilla and the Hideaway Bungalows. These projects have basically sold out and the return to a normal market activity for the last two years is not unexpected. This year's total of 426 sales represents a reasonably healthy market, the fifth highest in the last 12 years and 9% above the average for the 12 year period.

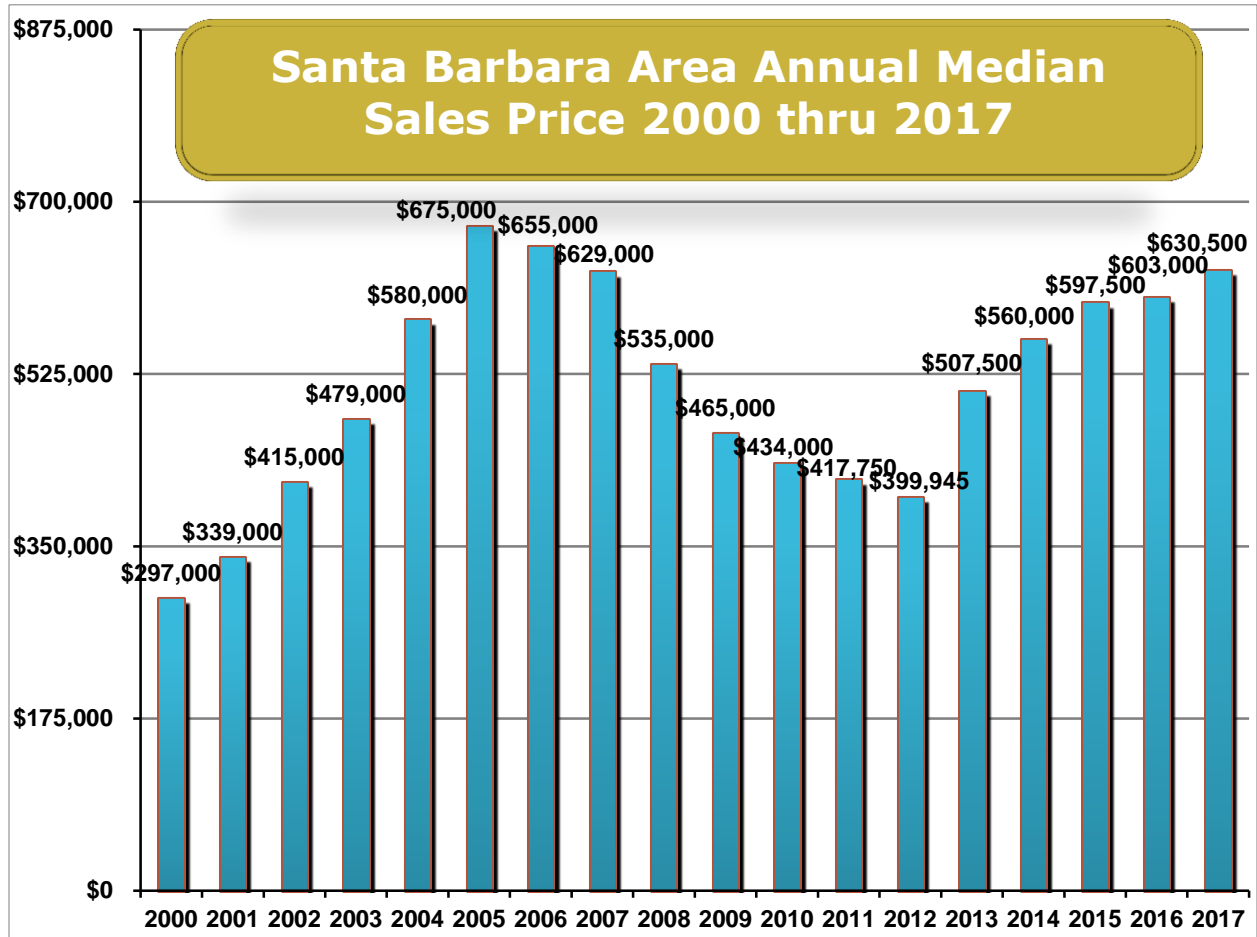


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Santa Barbara Condo Price Recovery Rate Slows

The prices of condos in the Santa Barbara area (Carpinteria through Goleta) for 2017 continued to show an upward movement from the bottom of the market in 2012, with a rise of 4.6% over last year's median price. The median sale price for all of 2017 was \$630,500 compared to the median price of \$603,000 for 2015. From the market bottom median of \$399,945 in 2012, the 2017 median represents a recovery of 57.6% during the five year period. This year's prices are still well below the \$675,000 for the peak year of 2005.



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El Escorial Prices Continue to Increase

The following table provides a summary of the El Escorial condo sales for 2017 and the status of all current listings. The sales total of fourteen units for 2017 was well below the twenty three sales of 2016. However, the 2016 sales were the highest totals since 2003. The 2017 sales consisted of eight 1-bedroom Riviera floor plans, two 1-bedroom Miramar's (end-units), two 2-bedroom Biltmore's, one 2-bedroom San Ysidro and one 3-bedroom Montecito floor plan. Changes since the last newsletter include three new listings, three new closings, one new pending sale and one cancelled sale. The three new 2018 closings were a 1-bedroom Riviera floor plan selling for \$607,500, a 1-bedroom Miramar selling for \$680,000 and a studio that sold for \$459,000. The previous two years had produced very active sales results (42 total sales), but 2017 got off to a slower start, primarily because of a lack of inventory. There are currently four active El Escorial listings.

Comparable El Escorial Sales Activity

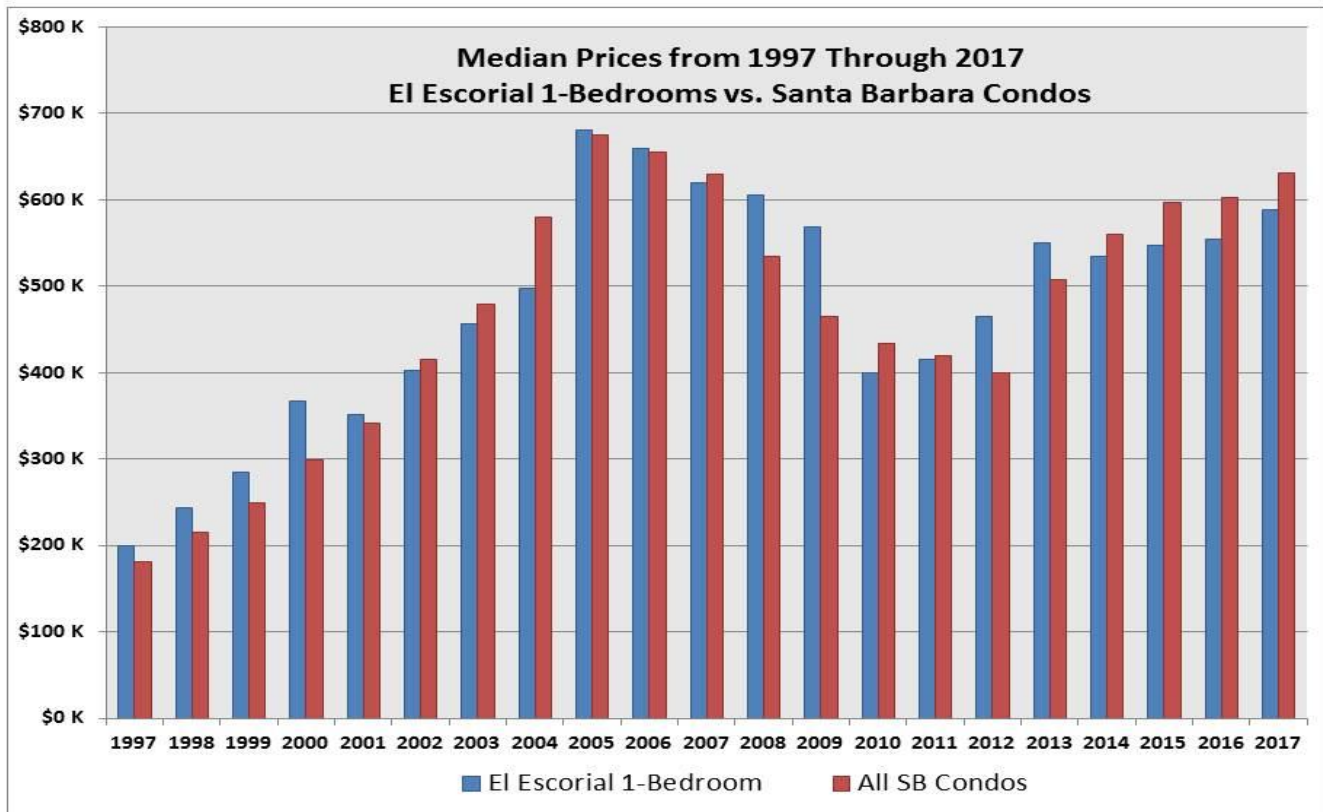
Address	Floor Plan	Bedrooms	Sq. Ft.	Price	\$'s/Sq. Ft.	Activity Date
Active Listings						
331 Por La Mar Circle	Riviera	1	680	\$635,000	\$934	2/21/2018
247 Por La Mar Circle	San Miguel	2	950	\$849,000	\$894	1/3/2018
428 Por La Mar Circle	Miramar	1	680	\$665,000	\$978	9/21/2017
402 Por La Mar Circle	Riviera	1	680	\$655,000	\$963	8/29/2018
Pending Listings						
409 Por La Mar Circle	Riviera	1	680	\$627,000	\$922	2/13/2018
Sold Listings						
350 Por La Mar Circle	Miramar	1	680	\$680,000	\$1,000	2/21/2018
239 Por La Mar Circle	Rincon	0	475	\$459,000	\$966	1/19/2018
146 Por La Mar Circle	Riviera	1	680	\$607,500	\$893	1/3/2018
126 Por La Mar Circle	Riviera	1	680	\$595,000	\$875	12/22/2017
156 Por La Mar Circle	Riviera	1	680	\$580,000	\$853	10/19/2017
162 Por La Mar Circle	Biltmore	2	1100	\$889,000	\$808	9/8/2017
455 Por La Mar Circle	Riviera	1	680	\$685,000	\$1,007	8/18/2017
425 Por La Mar Circle	Riviera	1	680	\$570,000	\$838	8/15/2017
447 Por La Mar Circle	Riviera	1	680	\$623,000	\$916	7/24/2017
161 Por La Mar Circle	Biltmore	2	1100	\$852,500	\$775	6/2/2017
305 Por La Mar Circle	Riviera	1	680	\$589,000	\$866	5/2/2017
328 Por La Mar Circle	Miramar	1	680	\$609,000	\$896	4/27/2017
423 Por La Mar Circle	San Ysidro	2	1360	\$1,110,000	\$816	4/21/2017
436 Por La Mar Circle	Montecito	3	1575	\$1,375,000	\$873	4/3/2017
460 Por La Mar Circle	Riviera	1	680	\$587,600	\$864	4/1/2017
410 Por La Mar Circle	Riviera	1	680	\$570,000	\$838	3/28/2017
449 Por La Mar Circle	Miramar	1	680	\$675,000	\$993	3/22/2017

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El Escorial Historical Prices

The chart below provides a comparison of El Escorial condo prices (blue bars) versus the overall Santa Barbara condo market (red bars - Carpinteria through Goleta) for the period from 1997 through 2017. The El Escorial median prices are for a 1-bedroom Riviera floor plan (57% of El Escorial condos are Riviera's). 1997 was the final year of sales in Phase 4 (Building 300), during which, the sale prices were set by the developer. The 1997 median price for the Riviera floor plan was \$200,000. Sales subsequent to 1997 were resales, with prices dictated by the normal real estate market pressures as well as events within the El Escorial project. Sale prices for El Escorial condos grew dramatically from 1997 to 2005, peaking at \$680,000. This represents an annual growth rate of 16.5% per year for the eight year period. However during that period, there was a significant impact on El Escorial property values beginning in 2001 when the issue of leaking drain pipes in the walls became known. From 2001 to 2007, construction defects, litigation issues, special assessments and building repair and remediation were major factors in effecting the El Escorial market values. All of these issues were resolved by 2007 and subsequent sales reflect the normal local market pressures. Prices took a big hit in 2010 because of seven El Escorial foreclosures (five with one owner) that resulted in a dramatic 30% reduction in prices. Also, the overall Santa Barbara condo market decline continued through 2012. El Escorial prices have continued to recover from the bottom of the market price of \$400,000 in 2010 to the 2017 median price of \$588,000, representing a 47% increase for the seven year period. The 2017 median price represents a 6% increase over the 2016 median of \$555,000.

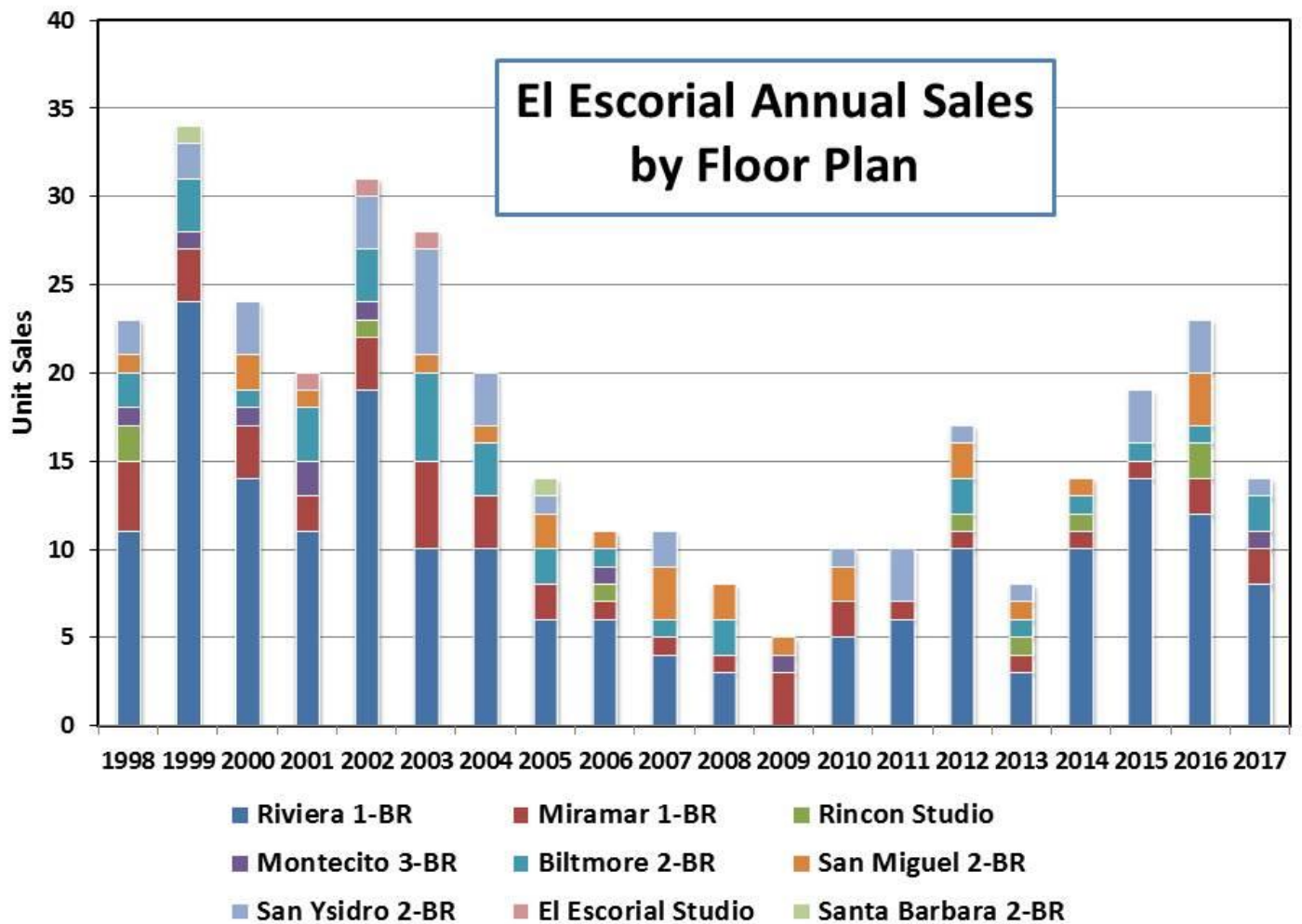


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El Escorial Annual Sales Totals

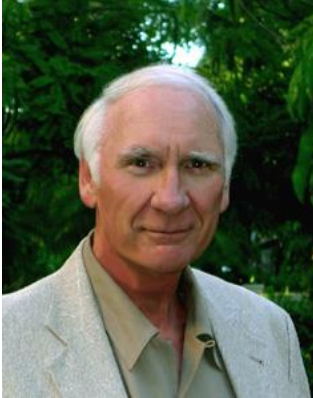
The chart below shows the total annual sales volume of El Escorial condos for the period from 1998 through 2016. The bars are color coded to represent the nine different El Escorial floor plans. The project sold out in 1997, and subsequent sales from that time forward were resales on the open market, subject to the normal real estate market supply and demand pressures. From 1998 through 2004, the sales activity was vigorous as many initial buyers were taking profits resulting from the rapidly increasing prices. The low point in the sales was in 2009 when there were only five sales all year. Sales over the last three years totaled 56 units, which represents a 21% change in El Escorial ownership. The sales total of 14 units for 2017 is well below the totals for the previous two years, primarily because of the low inventory during the year. The 2017 sales consisted of 8 Riviera's, 2 Miramar's, 2 Biltmore's, a San Ysidro and a Montecito. Buyer interest remains strong and sales for 2018 are off to a healthy start with three closings to date. There are currently four active listings and one pending sale.



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