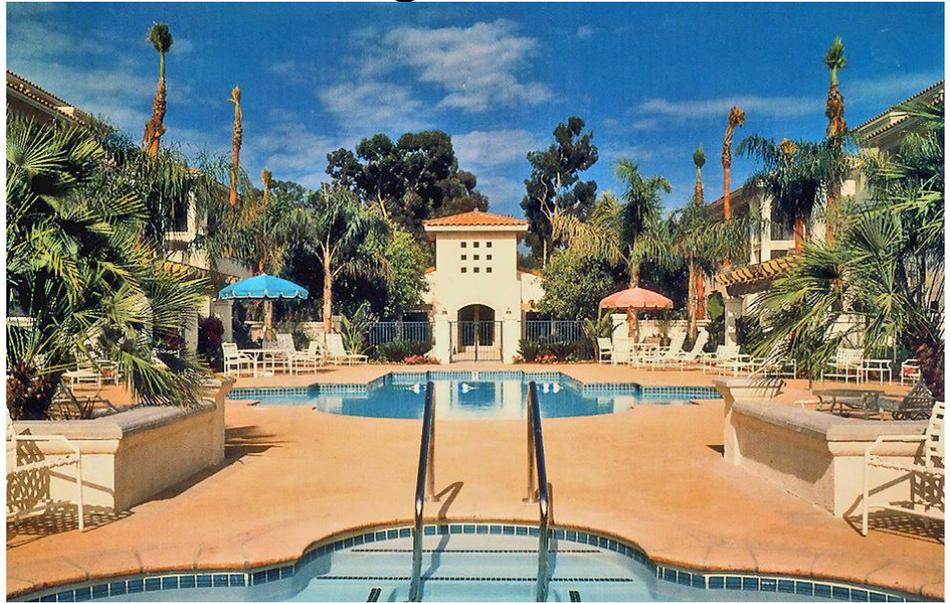


El Escorial Villas at East Beach

August 2020

Bob & Karin's Real Estate Newsletter



This is the 29th 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 first seven months of 2020. The Coronavirus has certainly slowed what had started as a robust real estate market for 2020. It is difficult to forecast the duration of the impact that the pandemic will have, but recent sales activity indicates that the market is adjusting to the new real estate norms. Total Santa Barbara condo sales are off nearly 30% but recent sales are very strong and prices are up. El Escorial sales have closed at a healthy pace for the last 12 months but the inventory is low. 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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El Escorial Promotional Video

An El Escorial owner who is the original Buyer of her unit, recently came across a VCR tape that had been provided to her when she purchased her condo in 1992. This video had been created by the developer, Investec, as a promotional video to extol the incredible virtues of the Santa Barbara community and El Escorial Villas. The marketing video specifically highlights the active and diverse Santa Barbara lifestyle available when owning a luxury condo in El Escorial Villas at East Beach. The marketing effort was primarily directed at the 2nd home market as a getaway from the traffic, smog and all-around stress of the Los Angeles area.

This nine minute VCR tape was converted to a digital format and has been posted on YouTube. Unfortunately, the video quality is not the greatest, as you might expect from a nearly 30-year-old VCR tape, but it is still fun to watch and it is still relevant regarding the many fantastic qualities of the El Escorial lifestyle. When you watch the video, it reminds you of how blessed we all are to be able to live in such a special location and community.

As a reminder, Karin Holloway was the developer's sales representative during this initial sales period and has continued to represent buyers and sellers in El Escorial Villa sales throughout the history of the project.

To view the YouTube video, please go to the link below and remind yourself of the fantastic benefits that come with living the El Escorial lifestyle. The video can also be viewed on our website www.SBBeachHome.com.

<https://www.youtube.com/watch?v=7tbSSel6AzE&feature=youtu.be>

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Coronavirus Real Estate Market Impact

The COVID-19 pandemic has not only had a major effect on our daily lives, but it has had a significant impact on how real estate is bought and sold in today's environment. Prior to the onset of the pandemic there was a perceived Buyer pent up demand and 2020 was anticipated to be a very healthy sales year, with a vibrant national economy, continuing record low mortgage rates and limited housing inventory for sale. On March 19th, California's Governor Newsom issued a statewide "stay-at-home" order, exempting only certain essential businesses and services. Real estate activity was not identified at that time as an essential service. The result was to basically freeze all real estate activities. All local real estate offices were closed and all in-person property showings were prohibited.

The initial reaction of many Sellers who had properties listed at that time was to either withdraw their listing temporarily or cancel the listing all together, further reducing what was already a slim inventory. Real estate agents were required to rely on virtual showings of properties, and the industry very quickly responded with Internet tools to provide agents the ability to conduct virtual tours, using Face Time, Zoom, Microsoft Teams and numerous other Internet applications.

On March 28 the U.S. Department of Homeland Security updated its list of essential services and expressly included residential real estate. California followed suit and very quickly strict protocols were established to insure that properties could be safely shown to potential Buyers. The California Association of Realtors created numerous forms and procedures to address the potential uncertainties created by the new Covid-19 world. When the Governor issued the directive enabling California to proceed to Stage 2 on May 8, property showings were enabled at that time. The strict protocol established for showing properties includes the following:

1. "Open Houses" on a walk-in basis are prohibited.
2. All showings require either an appointment or a digital sign-in process prior to entry, including Buyers and agents signing a Property Entry Advisory and Declaration (PEAD) form.
3. Each listing must have the Posted Rules for Entry (PRE) displayed at the entrance to the property.
4. Must have protective equipment available, like masks and hand sanitizer.
5. Must thoroughly disinfect commonly used areas such as doors and doorknobs, cabinet handles, switches, etc.
6. Control the number of people in the house by allowing only one buying party at a time (can consist of more than one person). The listing agent and buyer's agent may also be on the property at the same time.

The impact on the Santa Barbara condo market, as a result of the initial stay-at-home order was a significant reduction in sales. Closed sales in the Santa Barbara area for April and May totaled only 28 condos, which compares to a total of 79 sales in 2019 for the same two-month period, a reduction of 65%. However, sales picked up significantly over the recent two months with a sales total for June and July of 76 units, which compares fairly favorably with the total of 88 sales for the same period last year. The first three weeks of August have shown a dramatic increase in sales, with a total of 44 closings as compared to 20 sales for the same 3-week period in 2019, an amazing increase of 120%

The Santa Barbara "homes and estates" market shows an equally dramatic market recovery. While the April/May closings fell off by 47%, the combined 2020 June/July closings were actually slightly above the 2019 sales, up



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Coronavirus Real Estate Market Impact (Continued)

by 3%. The first three weeks of August this year have produced 117 home sales which is an increase of 56% over 2019.

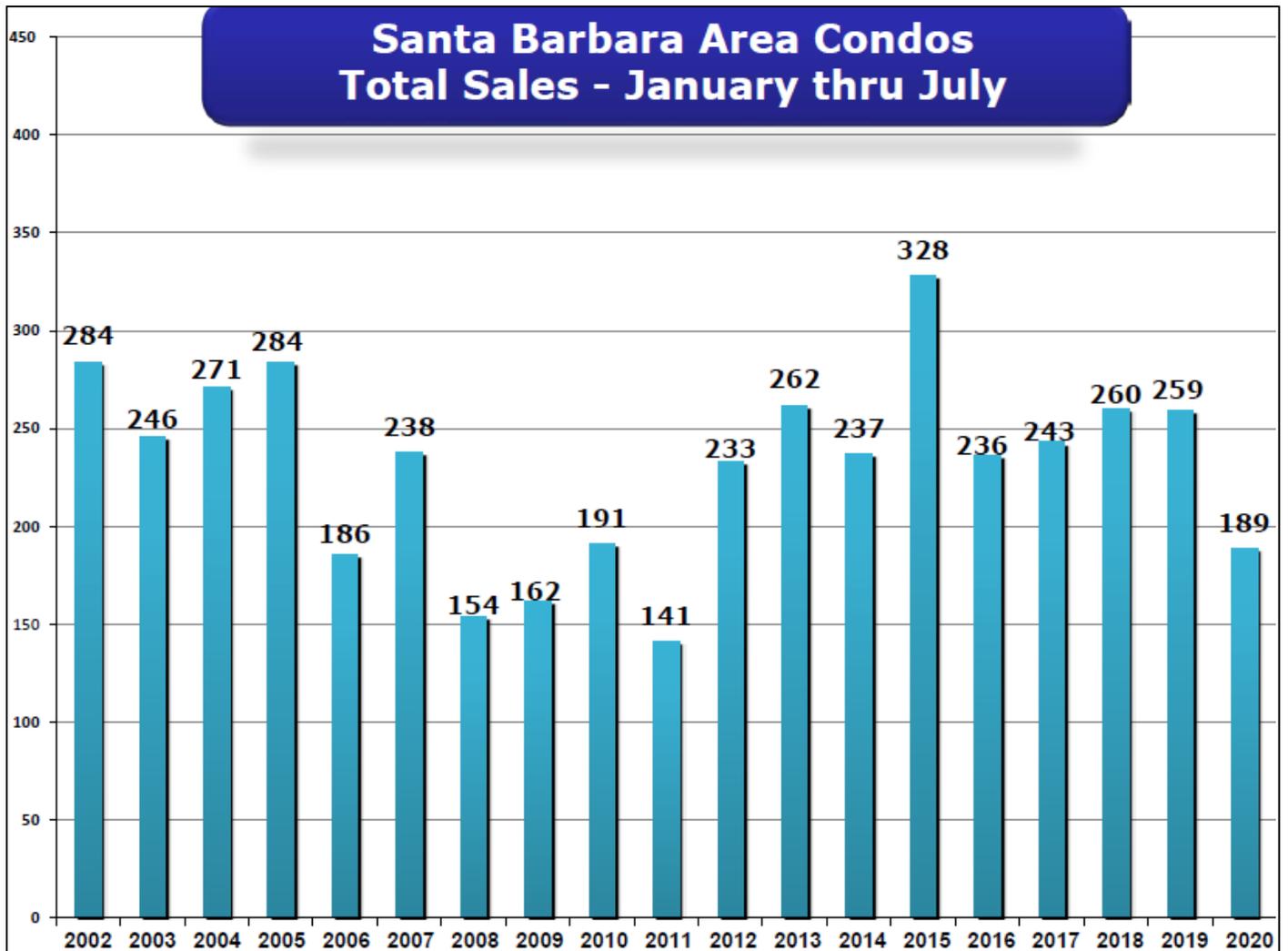
The perceived fallout of the coronavirus pandemic is that many people are rethinking their lives and their lifestyles and there is a strong perception that buyers are flocking to the Santa Barbara area to escape the densely populated areas of Los Angeles and the Bay Area. Numerous recently listed homes are receiving multiple offers and are selling above asking price. There are still many uncertainties in today's world and it is certainly too soon to declare that the current heated market activity will continue, but it is interesting to note that what was initially anticipated to be a devastating impact on real estate sales only produced a temporary blip and the strength of the market seems to have overcome the impediments created by the virus. Let's hope this strong market continues and that we can get back to normal living soon.



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Santa Barbara Area Condo Sales Down

The total Santa Barbara area condo sales (from Carpinteria through Goleta) for the first seven months of 2020 reflect the slowdown in sales resulting from the effects of the Coronavirus pandemic. The sales for this year to date are 189 units which is down nearly 30% from the previous eight years' average for the same seven-month period. The impact is more obvious when comparing last year's sales total for April, May, June and July of 176 condos to this year's total of 106 condos for the same four-month period. This represents a reduction of 40% for the 4-month period. However, recent sales have shown a dramatic rebound which may bode well for the remainder of the year.

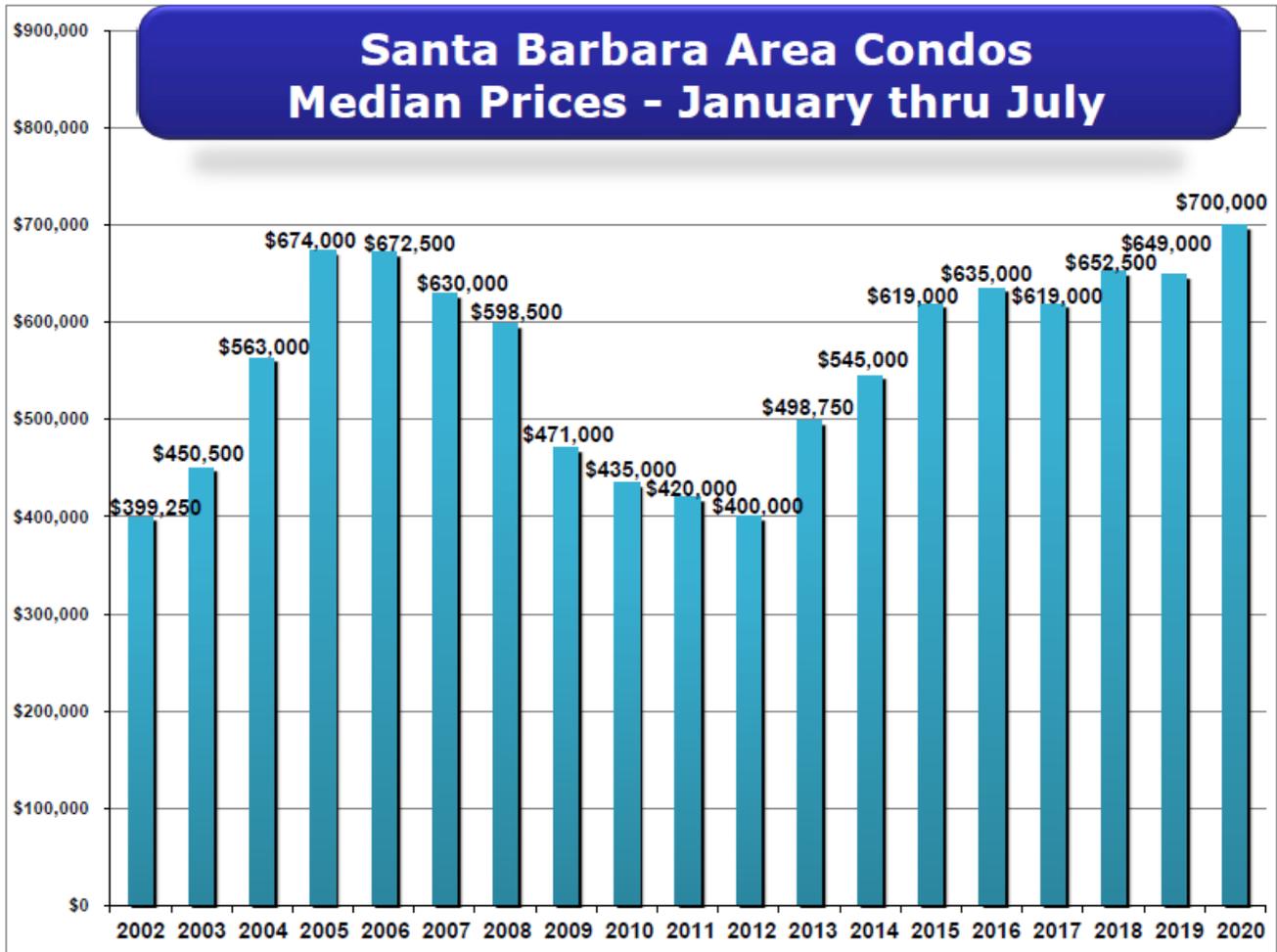


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Santa Barbara Condo Prices Continue Growth

The median price of condos in the Santa Barbara area (Carpinteria through Goleta) for the first seven months of 2020 show a strong upward movement, in spite of the reduced sales activity due to Covid-19. The combination of low inventory and fairly strong Buyer demand produced a 7.8% increase over the median price for the same 7-month period of 2019. This year's median price of \$700,000 represents a recovery of 75% from median price of \$400,000 at the bottom of the market in 2012 and is well above the market's previous peak in 2005.



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El Escorial Prices Continue to Increase

The following table provides the status of El Escorial current listings and a summary of the sales for the past year. The total sales of fourteen units during the last 12-month period represents a fairly healthy sales activity. Since the February newsletter, there were seven new listings, one pended sale and six closed sales, and during that same period three listings were cancelled. The six closed sales were all 1-bedroom units, including five Riviera floor plans that sold between \$560,000 and \$658,00 and a Miramar plan that sold for \$620,000. There are only two El Escorial condos currently active on the market.

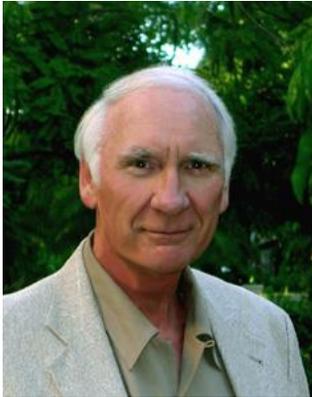
Comparable El Escorial Sales Activity

Address	Floor Plan	Bedrooms	Sq. Ft.	Price	\$'s/Sq. Ft.	Activity Date
Active Listings						
136 Por La Mar Circle	Montecito	3	1575	\$1,249,000	\$793	8/5/2020
434 Por La Mar Circle	Riviera	1	680	\$629,000	\$925	8/3/2020
Pending Listings						
432 Por La Mar Circle	Riviera	1	680	\$575,000	\$846	7/17/2020
Sold Listings						
231 Por La Mar Circle	Miramar	1	680	\$620,000	\$912	8/28/2020
125 Por La Mar Circle	Riviera	1	680	\$658,000	\$968	7/10/2020
409 Por La Mar Circle	Riviera	1	680	\$658,000	\$968	7/10/2020
316 Por La Mar Circle	Riviera	1	680	\$650,000	\$956	6/12/2020
412 Por La Mar Circle	Riviera	1	680	\$580,000	\$853	3/31/2020
359 Por La Mar Circle	Riviera	1	680	\$560,000	\$824	3/31/2020
303 Por La Mar Circle	Riviera	1	680	\$560,000	\$824	2/19/2020
205 Por La Mar Circle	Riviera	1	680	\$617,500	\$908	1/31/2020
463 Por La Mar Circle	San Miguel	2	950	\$870,000	\$916	12/10/2019
423 Por La Mar Circle	San Ysidro	2	1360	\$1,110,000	\$816	11/13/2019
258 Por La Mar Circle	Riviera	1	680	\$576,000	\$847	11/6/2019
155 Por La Mar Circle	Riviera	1	680	\$570,000	\$838	10/30/2019
113 Por La Mar Circle	Riviera	1	680	\$550,000	\$809	10/9/2019
231 Por La Mar Circle	Miramar	1	680	\$595,000	\$875	9/30/2019

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