

## **SUE'S REAL ESTATE NEWS, FEBRUARY 17, 2008**

*From Sue Irwin, Certified Residential Specialist (800) 704-3705, (805) 705-6973*

**SALES ACTIVITY PICKS UP AFTER DECEMBER/JANUARY LULL.** The past two months broke records for the LEAST number of closed transactions, and now the pace is picking up. Within the Multiple Listing Service, only 60 homes and condos sold in January. By Friday, however, with February just half over, 48 properties had gone into escrow for the month, so I wouldn't doubt if we have 80-90 new escrows for the total month. Being out in the field daily, I can feel the obvious change in activity. Most of the properties going into escrow are ones that seemed very well priced when they were listed, or were great prices after a reduction.

So far it doesn't seem like prices are going to start heading uphill rampantly any time soon. Luxury and beachfront homes are still going at a premium, with demand outstripping supply. The rest of the market is flat or moving slightly downward. The few foreclosure properties have some effect on lowering prices, but inventory in individual neighborhoods is more of a factor. Goleta still has a lot of inventory, for instance, and prices are still quite competitive. The Mesa, on the other hand, seems to have leveled off, at least for now. Lower Eastside and Lower Westside still have some downward momentum, although the Westside is fairing better than the Eastside. Downtown SB, Montecito, and Hope Ranch are all strong with regard to pricing. Carpinteria condos are still struggling, while well-maintained homes in good neighborhoods are attracting buyers if the price isn't outrageous.

**"STIMULUS PACKAGE" MANDATES HIGHER CONFORMING LOAN LIMIT.** With the signing of the government's stimulus package this past week, besides "fixing" the economy by giving us some spending money (??), the current \$417,000 limit for conforming loans will be increased, allowing larger loans to be backed by Fannie Mae and Freddie Mac. These loans qualify for lower interest rates than jumbo loans, which have been the rule here on the South Coast due to our relatively high-priced homes.

The amount for the new conforming loan limit will be somewhere between \$417,000 and \$729,500. The limit will be determined area by area, sometime in the next month or so. I'm hearing lots of rumors that the Santa Barbara area is not going to get the highest limit because the determining factor will be county median home price, which throws us in with Santa Maria and Lompoc. Calls are being made and petitions are being signed right and left to lobby for the highest conforming loan limit being designated for south part of Santa Barbara County. I

will definitely keep you posted (and sign the petition!). The higher limit will be important here because it will allow many buyers in the \$1,000,000 and under market to purchase homes with one loan at the lowest rates available... which could mean a monthly savings of several hundred dollars.

**ECO-BROKER.** I earned the EcoBroker designation in late January, focusing on energy efficiency, natural hazards, indoor air quality, and "green building." Our MLS has a new "green" task force, which I have joined, and we are starting off by making some changes at the Association of Realtors office. I'm planning to start including ideas in the newsletter about how we can make a difference in our homes, little by little. We've all heard by now about the amount of energy saved by using compact fluorescent bulbs (contain mercury!), or cleaner yet, LED lights, which will hopefully become easier to find in stores in the near future. If you are planning to paint rooms in your home, check into using paints with low levels of "Volatile Organic Compounds." Known as low-VOC paint, it has little in the way of fumes and thus releases fewer toxic chemicals into your home and the atmosphere. Traditional oil-based paints are high in VOCs, while latex paints have lower levels. Now some paints are virtually free of VOCs altogether, and they have been improved to a point where they are easy to apply and wear as well as traditional paints.

**CONTEST!** To celebrate my new EcoBroker designation, the 8th and 29th person to respond to this contest (by email) will win a 27-oz Klean Kanteen - a lightweight stainless steel water bottle -- shipped to you anywhere in the lower 48! I was getting fed up with plastic water bottles, ordered myself one of these, and love it. Game on!

**NEW LISTING --** Clean, classic bungalow in Carpinteria, 2 blocks to the sand, 2 blocks to shops, 2 blocks to the pool! This tidy 3-bedroom, 1-bath home is on a lot zoned for an additional unit! Just \$885,000!

*That's it for this edition. Have a great February and March, and I'll be back next time (early April) with the First Quarter statistics. If there is word on our conforming loan limit I might sneak in an email before the end of March. Thanks again or your positive feedback on my newsletter. I hope it continues to be helpful information!*

--Sue

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