



Real Estate Appraisal
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July 8, 2015

Margo L. Wagner
 Housing Program Specialist II
 County of Santa Barbara
 Community Services Department
 123 E. Anapamu Street, Room 27
 Santa Barbara, California 93101

Re: Market Data- 217 Rice Ranch Road
 Our File No.: 1460

Dear Ms. Wagner:

This letter is in response to your request for market information relevant to the PUD unit located at 217 E. Rice Ranch Road in Orcutt California. The unit is owned by the County of Santa Barbara and the information is provided in order to assist the County in its efforts to price and sell the unit. The unit is subject to an affordable housing restriction which the County intends to re-record prior to selling the property. The restriction has nine years to run.

The following are all recent sales of competitive units in the relevant market:

| Date | Location | Sale Price | Size (SF) | \$/SF | Bed/Ba | Parking | HOA Dues |
|----------|-----------------------------|------------|-----------|----------|--------|---------|----------|
| 4/3/14 | 353 Rice Ranch Rd. | \$ 157,000 | 1,001 | \$156.84 | 2/2 | 1 | \$390 |
| 5/9/14 | 527 E Rice Ranch Rd. | \$ 182,500 | 1,249 | \$146.12 | 3/2 | 1 | \$390 |
| 7/25/14 | 3460 Santa Maria Way, #206E | \$ 142,000 | 882 | \$161.00 | 2/2 | Carport | \$252 |
| 9/23/14 | 373 E. Rice Ranch Rd. | \$ 195,000 | 1,249 | \$156.12 | 3/2 | 1 | \$390 |
| 10/8/14 | 449 E. Rice Ranch Rd. | \$ 150,000 | 1,001 | \$149.85 | 2/2 | 1 | \$390 |
| 10/22/14 | 1153 Sumner Pl., #B | \$ 187,000 | 1,012 | \$184.78 | 2/2 | 2 | \$190 |
| 10/28/14 | 3400 Santa Maria Way, #201B | \$ 144,900 | 882 | \$164.29 | 2/2 | Carport | \$252 |
| 2/20/15 | 1180 Hilltop Rd., #C | \$ 186,000 | 1,012 | \$183.79 | 2/2 | 2 | \$190 |
| 3/4/15 | 477 E. Rice Ranch Rd. | \$ 206,000 | 1,249 | \$164.93 | 3/2 | 1 | \$390 |
| 3/10/15 | 2475 Country Lane | \$ 160,000 | 912 | \$175.44 | 2/2 | 2 | \$309 |

Although the overall range runs from about \$146.12 to \$184.79 per square foot, The units in the same project as the subject property occupy a tighter band low in the range, running from \$146.12 to \$164.93 per square foot. Parking and the cost of the Homeowners Association Dues affect the value. Garages are more desirable than carports and two car garages are more desirable than single car garages. Given that the limiting factor in most transactions is the monthly ownership costs, which include debt service, taxes, insurance and HOA dues, higher HOA dues leave less money available for payments. While higher dues often translates to better amenities, they appear to have a negative effect on value

under current market conditions. The marketing time for the sales reviewed for this project, including the sales presented, ranges from 2 to 76 days, indicating that properly priced properties sell quickly. The sales prices ranged from 93% to 100% of the listing price, and most were 95% to 98% of the list price.

The following are current listings of competitive units in the relevant market:

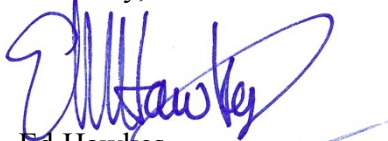
| Location | Price | Size | \$/SF | Bed/ Ba | Parking | HOA Dues | DOM |
|-----------------------------|------------|-------|----------|------------|---------|-------------|-----|
| 3420 Santa Maria Way, #108 | \$ 155,000 | 882 | \$175.74 | 2/2 | Carport | \$252 | 132 |
| 3350 Santa Maria Way, #202A | \$ 155,000 | 882 | \$175.74 | 2/2 | Carport | \$252 | 19 |
| 3350 Santa Maria Way, #108A | \$ 159,900 | 882 | \$181.29 | 2/2 | Carport | \$252 | 124 |
| 437 E. Rice Ranch Rd. | \$ 209,900 | 1,001 | \$209.69 | 2/2 | 1 | \$390 | 8 |
| 513 E. Rice Ranch Rd. | \$ 225,000 | 1,202 | \$187.19 | 2/2 | 1 | \$390 | 458 |
| 4072 Hilltop Rd., #A | \$ 239,000 | 1,144 | \$208.92 | 2/2 | 2 | \$249 | 74 |

The listings indicate a higher market range and three of the six have been on the market for a significantly longer period, suggesting that at least some of them are overpriced.

With regard to expected discounts resulting from the resale restriction covenant, the market information is very limited. Price restrictions for affordable housing are based upon county-wide income measures that put the affordable price range well above current north county price ranges. The price for the subject property is currently limited to \$203,600, which is well above its current value range, though the asking price for all three of the listings noted above are over the limited price. While resale restrictions are uncommon and it is not likely that the restrictions have a large impact on current prices, it is my opinion that the restrictions have at least a small impact. While the restricted price may be well above current prices, that may change in the future, and, additionally, any restriction is going to narrow the market somewhat, since some participants are going to find the restriction undesirable, and others will fail to qualify under them. Furthermore, a hypothetical buyer would be unlikely to offer the same price for a restricted property as for an unrestricted property. It is my opinion that a restricted property would compete in the same market range as an unrestricted property, but lower in the range. An asking price at the top of the range indicated by the similar size properties that have sold would still be well below the list price of a similar size unit in the subject project. Allowing for a 2% to 7% difference between the asking price and the sale price would still put the value of the property in the middle part of the range of the sold properties.

I hope this information suits your requirements: if you need anything further or have any questions at all, please call me.

Sincerely,



Ed Hawkes
CGREA # 007710

Enclosure