

## Hot Local Real Estate Market Stays Hot

### Carmel Highlands Shines

#### 1<sup>st</sup> Quarter 2018 Report

By: Paul Brocchini & Mark Ryan

\*First Published in  on April 27, 2018

In 2007 we learned that real estate values do not climb forever even if it had seemed that way for what appeared to be an eternity. The up market, for us, began in the fourth quarter of 1995, with a bump in the road during the dot.com bust, but basically had a 12-year run. All during the incredible ride doomsayers were predicting impending crashes that never materialized. Of course, when it did the extent of the collapse reached proportions few had foreseen.

Well, here we are again with a relentless upward trend running now for about five years. We live in one of the most expensive areas in the country which, with our small size and worldwide appeal, seems to make us less vulnerable to drastic downturns than most places. Still, we are not immune to the reality around us. We thought we saw a hint of a pause last year, but the hint turned out to be an illusion. So, here we are merrily going up, up and up.

#### Prices

Median sales prices in the first quarter were up in all eight markets surveyed in comparison the first quarter of last year. Carmel-by-the-Sea for the first time had a median sales price in excess of two million dollars and Carmel Highlands achieved the startling median sales price of \$4,416,250. Carmel area reached \$1,746,125, Pebble Beach \$1,560,000 and Carmel Valley \$1,125,000.

#### Carmel Highlands

The big surprise of the quarter was the astounding success in Carmel Highlands. In all of the years we have been writing for the Carmel Pine Cone, the Highlands, hands down, has been the slowest market on the Peninsula. Not so far this year. Besides the impressive median sales price, in excess of four million dollars, dollar volume was colossal, over \$31 million in the quarter as opposed \$1.4 million last year, a 22 fold increase. There were eight sales in the quarter as opposed to one last year.

Even the Market Barometer, the percentage of listings under contract, registered 17% on April 1st, a weak number for any of the other markets but strong for the Highlands which often hovers around 10 per cent or less. On January 1<sup>st</sup> of this year it was a miserable three percent giving us no inkling of what a terrific quarter was coming up.

Is there a hidden effect from **Big Little Lies** which had many scenes filmed on Yankee Point Drive? Admittedly, it is a crazy thought, yet, who knows?

## **Dollar Volume**

Gross dollar volume in the quarter was just shy of \$389 million up 23% over last year. The biggest gain, of course, was Carmel Highlands. Seaside jumped 50% as buyers continue to have a voracious appetite for Seaside properties. Carmel-by-the-Sea, Carmel Area and Pacific Grove all had reduced sales volume from last year as a result of fewer sales in the quarter than a year ago. Total sales in the eight markets surveyed reached 247, up 33 deals from last year.

Price points in all categories kept moving up. Only one property sold for under \$400,000. The price range with the most closings was from \$700,000 to \$999,000. Fifty three percent of the total number of transactions exceeded one million dollars.

In the immortal words of a friend who, way back in the late 1980s when real estate was rebounding from the brutal interest rates of the Paul Volcker era as chairman of the Federal Reserve, queried: "How do you feel when you come home at night and realize your house made more money than you did?"

*Paul Brocchini and Mark Ryan are real estate agents with Carmel Realty Company, NE Corner of Dolores & 8<sup>th</sup>, Carmel-by-the-Sea. They can be reached at either 831-238-1498 (Mark) or 831-601-1620 (Paul).*

*The charts are based in whole or in part on data supplied by the Monterey County Association of Realtors' Multiple Listing Service (MLS). Neither the Association nor the MLS guarantees or is responsible for their accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity.*

<b>Market Barometer Five Quarter Review</b>		
<b>In Escrow vs</b>		
<b>Date</b>	<b>Listings</b>	<b>Percent</b>
<b>Carmel-by-the-Sea</b>		
04/01/18	9/41	22%
01/01/18	7/29	24%
10/01/17	16/61	26%
07/01/17	11/64	17%
04/01/17	16/57	28%
<b>Carmel Highlands</b>		
04/01/18	4/24	17%
01/01/18	1/27	3%
10/01/17	2/32	6%
07/01/17	3/27	11%
04/01/17	1/21	5%
<b>Carmel Area</b>		
04/01/18	27/106	25%
01/01/18	14/78	18%
10/01/17	29/121	24%
07/01/17	14/114	12%
04/01/17	25/103	24%
<b>Carmel Valley</b>		
04/01/18	11/58	19%
01/01/18	7/41	17%
10/01/17	13/54	24%
7/1/17	15/62	24%
04/01/17	16/56	29%
<b>Monterey Area</b>		
04/01/18	31/94	33%
01/01/18	15/72	21%
10/01/17	34/118	0%
07/01/17	30/101	30%
04/01/17	38/86	45%
<b>Pacific Grove</b>		
04/01/18	17/51	33%
01/01/18	12/29	41%
10/1/17	14/47	30%
07/01/17	20/53	38%
04/01/17	24/51	47%
<b>Pebble Beach</b>		
04/01/18	19/86	22%
01/01/18	13/72	18%
10/01/17	15/96	16%
07/01/17	20/97	21%
04/01/17	12/90	13%
<b>Seaside</b>		
04/01/18	21/36	58%
01/01/18	18/41	44%
10/01/17	28/54	52%
07/01/17	19/45	39%
04/01/17	31/57	54%

<b>Monterey Peninsula Gross Dollar Volume</b>		
<b>Town</b>	<b>1st Qtr 2017</b>	<b>1st Qtr 2018</b>
Carmel-by-the-Sea	\$49,623,500	\$40,395,000
Carmel Highlands	\$1,400,000	\$31,182,500
Carmel Area	\$92,783,710	\$88,808,650
Carmel Valley	\$16,844,899	\$18,644,750
Monterey Area	\$50,250,994	\$62,071,334
Pacific Grove	\$44,718,975	\$33,473,500
Pebble Beach	\$42,908,810	\$88,753,000
Seaside	\$17,095,750	\$25,569,525
<b>Totals</b>	<b>\$315,626,638</b>	<b>\$388,898,259</b>

<b>Median Sales Price Comparisons</b>			
<b>Town</b>	<b>Full Year 2017</b>	<b>1st Qtr 2017</b>	<b>1st Qtr 2018</b>
Carmel-by-the-Sea	\$ 1,691,750	\$ 1,600,000	\$ 2,195,000
Carmel Highlands	\$ 2,485,000	\$ 1,400,000	\$ 4,416,250
Carmel Area	\$ 1,345,000	\$ 1,300,000	\$ 1,746,125
Carmel Valley	\$ 950,000	\$ 869,000	\$ 1,125,000
Monterey Area	\$ 800,000	\$ 690,000	\$ 860,000
Pacific Grove	\$ 915,000	\$ 927,500	\$ 931,000
Pebble Beach	\$ 1,640,000	\$ 1,317,500	\$ 1,560,000
Seaside	\$ 495,000	\$ 481,000	\$ 535,000

<b>SALES BY QUARTER -- Seven Quarter Review</b>							
<b>Town</b>	<b>Q3 2016</b>	<b>Q4 2016</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>	<b>Q4 2017</b>	<b>Q1 2018</b>
Carmel-by-the-Sea	25	21	27	25	27	35	17
Carmel Highlands	3	2	1	6	5	4	8
Carmel Area	48	46	44	53	35	46	42
Carmel Valley	23	16	13	30	28	20	15
Monterey Area	60	51	42	64	61	63	57
Pacific Grove	39	30	38	50	41	33	33
Pebble Beach	35	26	18	33	35	35	32
Seaside	54	49	31	67	42	50	43
<b>Totals</b>	<b>287</b>	<b>241</b>	<b>214</b>	<b>328</b>	<b>274</b>	<b>286</b>	<b>247</b>

<b>Average Days to Sell 1st Qtr 2017-2018</b>		
<b>Town</b>	<b>2017</b>	<b>2018</b>
Carmel-by-the-Sea	95	78
Carmel Highlands	78	95
Carmel Area	65	93
Carmel Valley	56	90
Monterey Area	56	46
Pacific Grove	80	47
Pebble Beach	99	163
Seaside	51	57

<b>Distribution of Sales 1st Qtr 2018</b>							
	\$0	\$400	\$700	\$1-M	\$1.5M	\$2M	
Town	\$399	\$699	\$999	\$1,499	\$1,999	\$2,999	\$3M+
Carmel-by-the-Sea	0	0	1	3	3	7	3
Carmel Highlands	0	0	0	2	1	0	5
Carmel Area	0	0	5	11	13	5	8
Carmel Valley	0	0	5	6	2	2	0
Monterey Area	0	15	22	13	3	2	2
Pacific Grove	0	7	15	8	1	2	0
Pebble Beach	0	0	5	9	5	4	9
Seaside	1	31	10	1	0	0	0
<b>Totals</b>	<b>1</b>	<b>53</b>	<b>63</b>	<b>53</b>	<b>28</b>	<b>22</b>	<b>27</b>