

Housing Heat Wave Continues

2nd Quarter 2018 Report

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Over the years when cranking up our quarterly local market surveys we often found little nuggets of change on which we could hang an interesting observation or two. We hope that will happen again. Right now, however, we are stuck with a frustrating sameness of success.

The muses advise us to be grateful and continue to share the good news. We are not fans of slumps which can wreak havoc on many and turn happy lives upside down, so we gaily continue sharing the good news.

The good news is, of course, mostly for sellers. Buyers need an ever increasingly fat wallet to have any chance of owning real estate around here in even the most modest neighborhoods. But for the elegant and world-class areas of the Peninsula there seem to be plenty of folks with mighty fat wallets who can afford even the most expensive offerings. The luxury market is flourishing.

So, where do we begin? Constant readers know the number we like most is gross dollar volume. It is a concrete indication of what is going on. It tells us simply how many dollars changed hands during the period. Everything else has the innate weakness of the small sample size. Dollar volume is not perfect as the purchasing power of the dollar is in constant decline, and the figure is dependent on the universe of properties on the market during the period being measured, but it is, by far, the best indicator we have.

The median sales price figures, for example, are subject to short-term distortions because the sample bases are too small. We have long advised readers to consult the quarterly numbers as a clue to what is going on not as hard figures. The annual median sales price numbers are a better guide to price movement.

Gross Dollar Volume Continues Up

Dollar volume in the quarter was up 8.4% over last year, reaching the impressive total of \$441,328,478. Check the chart and you will see that four of the markets, Carmel-by-the-Sea, Carmel Area, Monterey Area and Pebble Beach had increases, three, Carmel Highlands, Pacific Grove and Seaside had declines, and one, Carmel Valley, was essentially a breakeven.

Prices and Unit Sales.

As alluded to above, quarterly median sales prices are guides and the second quarter numbers are mixed in relation to last year, with four markets, Carmel-by-the-Sea, Carmel Area, Monterey Area and Seaside up and the other four down. In spite of the nice gain in total dollar volume in the quarter there were ten fewer sales than last year.

Distribution of Sales

The distribution of sales price numbers continues to move to the higher price ranges, In the quarter 54% of total sales exceeded one million dollars, and there were a mere eight sales under \$400,000. The \$700 to \$999K logged the greatest number of sales, 87, followed closely by the \$1 million to \$1,499 million which had 79 sales.

The good market vibe continues still with no signs of a reversal so, as remarked above, we will keep on gaily reporting it.

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| Market Barometer Five Quarter Review | | |
|---|-----------------|----------------|
| In Escrow vs | | |
| Date | Listings | Percent |
| Carmel-by-the-Sea | | |
| 07/01/18 | 7/37 | 19% |
| 04/01/18 | 9/41 | 22% |
| 01/01/18 | 7/29 | 24% |
| 10/01/17 | 16/61 | 26% |
| 07/01/17 | 11/64 | 17% |
| Carmel Highlands | | |
| 07/01/18 | 1/22 | 5% |
| 04/01/18 | 4/24 | 17% |
| 01/01/18 | 1/27 | 3% |
| 10/01/17 | 2/32 | 6% |
| 07/01/17 | 3/27 | 11% |
| Carmel Area | | |
| 07/01/18 | 21/105 | 20% |
| 04/01/18 | 27/106 | 25% |
| 01/01/18 | 14/78 | 18% |
| 10/01/17 | 29/121 | 24% |
| 07/01/17 | 14/114 | 12% |
| Carmel Valley | | |
| 07/01/18 | 12/68 | 18% |
| 04/01/18 | 11/58 | 19% |
| 01/01/18 | 7/41 | 17% |
| 10/01/17 | 13/54 | 24% |
| 7/1/17 | 15/62 | 24% |
| Monterey Area | | |
| 07/01/18 | 34/96 | 35% |
| 04/01/18 | 31/94 | 33% |
| 01/01/18 | 15/72 | 21% |
| 10/01/17 | 34/118 | 0% |
| 07/01/17 | 30/101 | 30% |
| Pacific Grove | | |
| 07/01/18 | 13/41 | 32% |
| 04/01/18 | 17/51 | 33% |
| 01/01/18 | 12/29 | 41% |
| 10/1/17 | 14/47 | 30% |
| 07/01/17 | 20/53 | 38% |
| Pebble Beach | | |
| 07/01/18 | 19/80 | 24% |
| 04/01/18 | 19/86 | 22% |
| 01/01/18 | 13/72 | 18% |
| 10/01/17 | 15/96 | 16% |
| 07/01/17 | 20/97 | 21% |
| Seaside | | |
| 07/01/18 | 23/43 | 53% |
| 04/01/18 | 21/36 | 58% |
| 01/01/18 | 18/41 | 44% |
| 10/01/17 | 28/54 | 52% |
| 07/01/17 | 19/45 | 39% |

| Monterey Peninsula Gross Dollar Volume | | |
|---|----------------------|----------------------|
| | 2nd Qtr | 2nd Qtr |
| Town | 2017 | 2018 |
| Carmel-by-the-Sea | \$41,622,200 | \$51,315,923 |
| Carmel Highlands | \$20,397,796 | \$17,490,000 |
| Carmel Area | \$101,153,400 | \$104,790,637 |
| Carmel Valley | \$32,802,888 | \$32,378,000 |
| Monterey Area | \$63,409,400 | \$67,937,865 |
| Pacific Grove | \$51,216,562 | \$42,757,628 |
| Pebble Beach | \$61,319,025 | \$96,020,669 |
| Seaside | \$34,876,400 | \$28,637,756 |
| Totals | \$406,797,671 | \$441,328,478 |

| SALES BY QUARTER -- Seven Quarter Review | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Town | 2016 | 2017 | 2017 | 2017 | 2017 | 2018 | 2018 |
| Carmel-by-the-Sea | 21 | 27 | 25 | 27 | 35 | 17 | 22 |
| Carmel Highlands | 2 | 1 | 6 | 5 | 4 | 8 | 7 |
| Carmel Area | 46 | 44 | 53 | 35 | 46 | 42 | 58 |
| Carmel Valley | 16 | 13 | 30 | 28 | 20 | 15 | 27 |
| Monterey Area | 51 | 42 | 64 | 61 | 63 | 57 | 69 |
| Pacific Grove | 30 | 38 | 50 | 41 | 33 | 33 | 43 |
| Pebble Beach | 26 | 18 | 33 | 35 | 35 | 32 | 42 |
| Seaside | 49 | 31 | 67 | 42 | 50 | 43 | 50 |
| Totals | 241 | 214 | 328 | 274 | 286 | 247 | 318 |

| Median Sales Price Comparisons | | | |
|---------------------------------------|------------------|----------------|----------------|
| | <i>Full Year</i> | <i>2nd Qtr</i> | <i>2nd Qtr</i> |
| <i>Town</i> | <i>2017</i> | <i>2017</i> | <i>2018</i> |
| Carmel-by-the-Sea | \$ 1,691,750 | \$ 1,600,000 | \$ 1,937,712 |
| Carmel Highlands | \$ 2,485,000 | \$ 3,130,148 | \$ 1,925,000 |
| Carmel Area | \$ 1,345,000 | \$ 1,406,900 | \$ 1,590,000 |
| Carmel Valley | \$ 950,000 | \$ 972,500 | \$ 950,000 |
| Monterey Area | \$ 800,000 | \$ 797,500 | \$ 860,000 |
| Pacific Grove | \$ 915,000 | \$ 950,000 | \$ 888,000 |
| Pebble Beach | \$ 1,640,000 | \$ 1,665,000 | \$ 1,449,500 |
| Seaside | \$ 495,000 | \$ 505,000 | \$ 539,884 |

| Distribution of Sales 2nd Quarter 2018 | | | | | | | |
|---|-------|-------|-------|---------|---------|---------|-------|
| | \$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 | 2 | 4 | 6 | 5 | 5 |
| Carmel Highlands | 0 | 0 | 0 | 2 | 2 | 0 | 3 |
| Carmel Area | 0 | 1 | 3 | 22 | 16 | 12 | 4 |
| Carmel Valley | 0 | 1 | 13 | 7 | 4 | 0 | 2 |
| Monterey Area | 1 | 13 | 31 | 16 | 6 | 2 | 0 |
| Pacific Grove | 0 | 3 | 26 | 9 | 5 | 0 | 0 |
| Pebble Beach | 0 | 0 | 3 | 19 | 10 | 2 | 8 |
| Seaside | 3 | 38 | 9 | 0 | 0 | 0 | 0 |
| Totals | 4 | 56 | 87 | 79 | 49 | 21 | 22 |

| Average Days to Sell 2nd Qtr 2017-2018 | | |
|---|-------------|-------------|
| Town | 2017 | 2018 |
| Carmel-by-the-Sea | 86 | 63 |
| Carmel Highlands | 135 | 98 |
| Carmel Area | 93 | 55 |
| Carmel Valley | 85 | 92 |
| Monterey Area | 50 | 47 |
| Pacific Grove | 41 | 44 |
| Pebble Beach | 82 | 93 |
| Seaside | 34 | 27 |

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.