

MARKET BLOWS THE ROOF OFF TO END THE YEAR

2019 4th Quarter & Year-End Report

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It is lucky we are blessed with ample humility. In our Third-Quarter Report we suggested the numbers indicated a weakening market: so much for prognostications. The fourth quarter sizzled: a 45% increase in dollar volume over the same quarter last year, a 22% increase in the number of sales, and, amazingly, the second highest number of quarterly sales, 270, in the year, surpassed only by the second quarter which logged 272 sales.

This is highly unusual. The second quarter almost always tops the activity chart and the 4th quarter is usually the weakest. Who saw this coming? We didn't, and we study this stuff all of the time.

If you have been keeping up with local news, you probably know that there were two block-buster sales in Pebble Beach during the quarter, one for \$24 million and the other for \$21 million. Even backing out those \$45 million from the gross sales amount, you still have substantial increases: up 30% in gross sales for the eight markets surveyed in the quarter and up 99% in Pebble Beach.

Fourth Quarter Median Sales Price Comparisons

Prices, on the whole, were steady with exception of Carmel Highlands and Pebble Beach. Four markets had increases, led by Pebble Beach with a sharp increase of 40%, while the other four were down a bit led by the Highlands which dropped 70% as the universe of sales in that tiny market was at lower prices than last year.

Ten Year Charts

Median Sales Prices: At the end of the year we prefer to look at the annual numbers which provide a better look at the nature of the current market. As in the fourth quarter, the numbers show a mixed result: three markets up, three down and two unchanged. On balance it is safe to say that median sales prices were basically stable in 2019.

Gross Dollar Volume: Gross dollar volume slipped a bit in 2019, off four percent from 2018. Three markets had gains led by Carmel-by-the-Sea, up 19%, followed by Pacific Grove, plus nine percent and Pebble Beach, up eight percent.

The ten year gains are impressive, but we must temper our enthusiasm with the realization that the base year, 2009, was a down year in the middle of the great recession. With that in mind let's savor the two markets with 100% or better gains over that decade: Pacific Gove, 100% and Pebble Beach a truly whopping 357%. The eight markets as a whole were pus 233%.

Affordability

The decreasing affordability of Monterey Peninsula real estate persists and worsens. Please review the **Distribution of Sales Chart**. We did the math and discovered that of the 270 sales 140 or 52% were above one million dollars. How daunting is that to young, first-time buyers?

Market Barometer

Our Barometer, which displays the percentage of listings in escrow, is our best forward-looking tool. On January 1st the Barometer, for the most part, was strong: Carmel-by-the-Sea with fully 30% of the listings in escrow; Carmel Area 25%, Monterey Area 30%, Pacific Grove 29%, Seaside 41%. Surprising, at least to us, was the extremely weak reading in Pebble Beach, a meager five percent. Maybe the Forest is taking a break after the amazing 4th quarter. On the whole, the Barometer points to a strong first quarter.

So there you have it. The boom continues in spite of some negative tea leaves in the recent past.

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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.

Five Quarter Review		
In Escrow vs		
Date	Listings	Percent
Carmel-by-the-Sea		
01/01/20	10/33	30%
10/01/19	13/53	25%
07/01/19	5/54	9%
04/01/19	11/42	26%
01/01/19	8/37	22%
Carmel Highlands		
01/01/20	3/24	13%
10/01/19	1/31	3%
07/01/19	6/26	17%
04/01/19	3/22	14%
01/01/19	2/18	11%
Carmel Area		
01/01/20	22/87	25%
10/01/19	20/126	16%
07/01/19	13/128	10%
04/01/19	18/84	21%
01/01/19	10/70	14%
Carmel Valley		
01/01/20	9/49	18%
10/01/19	9/63	14%
07/01/19	11/61	18%
04/01/19	9/54	17%
01/01/19	4/40	10%
Monterey Area		
01/01/20	18/60	30%
10/01/19	25/87	29%
07/01/19	24/88	27%
04/01/19	21/76	28%
01/01/19	24/105	23%
Pacific Grove		
01/01/20	10/35	29%
10/01/19	19/60	32%
07/01/19	18/60	30%
04/01/19	20/54	37%
01/01/19	16/58	28%
Pebble Beach		
01/01/20	2/44	5%
10/01/19	11/94	12%
07/01/19	16/91	18%
04/01/19	16/81	20%
01/01/19	10/82	12%
Seaside		
01/01/20	11/27	41%
10/01/19	27/52	52%
07/01/19	25/58	48%
04/01/19	18/41	44%
01/01/19	17/40	43%

Monterey Peninsula Gross Dollar Volume		
	4th Qtr 2018	4th Qtr 2019
<i>Town</i>		
Carmel-by-the-Sea	\$34,003,000	\$49,474,900
Carmel Highlands	\$17,475,000	\$8,795,000
Carmel Area	\$87,307,082	\$113,309,475
Carmel Valley	\$23,707,030	\$22,277,000
Monterey Area	\$45,322,000	\$44,279,035
Pacific Grove	\$35,983,350	\$48,131,870
Pebble Beach	\$40,522,900	\$125,466,500
Seaside	\$20,332,003	\$30,568,388
Total	\$304,652,365	\$442,302,168

Median Sales Price Comparisons			
	Full Year 2019	4th Qtr 2018	4th Qtr 2019
<i>Town</i>			
Carmel-by-the-Sea	\$1,912,000	\$2,040,000	\$1,600,000
Carmel Highlands	\$1,945,000	\$5,050,000	\$1,495,000
Carmel Area	\$1,600,000	\$1,595,000	\$1,667,000
Carmel Valley	\$1,005,000	\$1,000,000	\$965,000
Monterey Area	\$820,000	\$794,000	\$792,500
Pacific Grove	\$965,000	\$992,500	\$1,055,000
Pebble Beach	\$1,773,975	\$1,500,000	\$2,100,000
Seaside	\$540,000	\$499,602	\$575,000

SALES BY QUARTER -- Seven Quarter Review							
	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
<i>Town</i>							
Carmel-by-the-Sea	22	19	13	24	26	25	23
Carmel Highlands	7	4	5	3	6	4	3
Carmel Area	58	48	46	20	42	43	52
Carmel Valley	27	26	19	17	27	16	18
Monterey Area	69	59	49	44	60	58	48
Pacific Grove	43	37	30	27	38	46	42
Pebble Beach	42	31	21	26	32	31	33
Seaside	50	49	38	41	41	42	51
Totals	318	273	221	202	272	265	270

Distribution of Sales 4th Qtr 2019							
	\$0	\$400	\$700	\$1-M	\$1.5M	\$2M	
<i>Town</i>	\$399	\$699	\$999	\$1,499	\$1,999	\$2,999	\$3M+
Carmel-by-the-Sea	0	0	3	5	5	7	3
Carmel Highlands	0	0	0	1	0	0	1
Carmel Area	0	1	8	15	10	7	12
Carmel Valley	0	5	5	4	0	4	0
Monterey Area	0	14	24	8	0	1	1
Pacific Grove	0	3	15	17	4	3	0
Pebble Beach	0	0	1	9	5	9	9
Seaside	2	37	12	0	0	0	0
Totals	2	60	68	59	24	31	26

Median Sales Price 10 Year Review 2009 to 2019													1YR	10YR				
Town	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2018	2019	2018	2019	Gain (Loss)	Gain (Loss)		
Carmel-by-the-Sea	\$1,375,000	\$1,100,000	\$1,287,500	\$1,200,000	\$1,325,000	\$1,652,000	\$1,595,000	\$1,691,750	\$2,195,000	\$1,912,000					12.9%	39.1%		
Carmel Highlands	\$1,387,500	\$1,600,000	\$1,137,000	\$1,150,000	\$1,550,000	\$2,743,602	\$1,900,000	\$2,700,000	\$4,080,000	\$1,945,000					52.3%	40.2%		
Carmel Area	\$1,240,000	\$1,045,000	\$1,082,500	\$1,020,000	\$1,205,000	\$1,300,000	\$1,350,000	\$1,300,000	\$1,597,000	\$1,600,000					0.2%	29.0%		
Monterey Valley	\$725,000	\$706,000	\$700,000	\$800,000	\$842,250	\$730,000	\$97,500	\$950,000	\$1,000,000	\$1,005,000					0.5%	38.6%		
Monterey Area	\$520,000	\$550,000	\$522,079	\$490,000	\$590,224	\$685,000	\$755,000	\$800,000	\$850,000	\$820,000					-3.5%	57.7%		
Pacific Grove	\$603,750	\$630,000	\$537,500	\$558,000	\$682,500	\$739,000	\$832,000	\$915,000	\$925,000	\$965,000					4.3%	59.8%		
Pebble Beach	\$1,100,000	\$1,100,000	\$1,104,000	\$1,130,000	\$1,147,500	\$1,440,000	\$1,550,000	\$1,640,000	\$1,585,000	\$1,773,975					11.9%	61.3%		
Seaside	\$270,598	\$279,200	\$299,249	\$296,000	\$327,400	\$358,000	\$445,000	\$495,000	\$525,000	\$540,000					2.9%	99.6%		

Gross Dollar Volume Ten Year Review 2009 to 2019																
Town	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2018	2019	2018	2019	2018	2019
Carmel-by-the-Sea	\$113,733,363	\$90,902,250	\$139,401,100	\$133,720,013	\$127,322,777	\$183,227,419	\$215,137,364	\$219,545,482	\$219,081,696	\$178,327,965						
Carmel Area	\$220,497,763	\$221,469,840	\$276,650,490	\$303,606,360	\$353,095,307	\$350,787,894	\$321,678,040	\$328,456,729	\$342,395,021	\$379,788,213						
Carmel Highlands	\$26,839,900	\$24,407,625	\$21,739,500	\$47,993,000	\$68,557,000	\$24,319,990	\$52,087,500	\$16,257,200	\$29,966,500	\$84,894,100						
Monterey Valley	\$72,302,445	\$125,311,300	\$111,964,760	\$131,614,015	\$145,647,985	\$70,670,168	\$85,550,999	\$99,636,029	\$95,355,169	\$105,538,230						
Monterey Area	\$61,314,500	\$72,083,450	\$78,311,945	\$93,167,009	\$119,638,782	\$167,057,326	\$205,646,718	\$184,464,093	\$232,439,516	\$235,355,750						
Pacific Grove	\$85,882,672	\$90,716,675	\$90,818,100	\$120,959,800	\$126,936,130	\$138,110,121	\$149,925,985	\$138,224,560	\$167,277,937	\$156,973,478						
Pebble Beach	\$109,626,027	\$159,179,850	\$151,834,099	\$203,278,900	\$201,540,943	\$291,206,413	\$246,937,861	\$306,453,687	\$270,218,623	\$359,796,069						
Seaside	\$86,952,963	\$71,494,628	\$71,819,802	\$57,077,970	\$63,168,288	\$70,626,332	\$74,609,715	\$88,967,284	\$101,628,245	\$102,661,542						
Totals	\$663,416,270	\$764,663,368	\$803,135,696	\$957,697,054	\$1,078,584,435	\$1,112,778,244	\$1,351,574,182	\$1,382,005,064	\$1,458,362,707	\$1,603,335,347						

Average Days to Sell

4TH Qtr 2018-2019		
Town	2018	2019
Carmel-by-the-Sea	49	71
Carmel Highlands	207	72
Carmel Area	64	98
Carmel Valley	87	78
Monterey Area	52	74
Pacific Grove	64	54
Pebble Beach	100	139
Seaside	27	43

Gross Dollar Volume Chart Continued

1Yr and 10Yr Percentage Gains & Losses		
	1 YR	10YR
	Gain (Loss)	Gain (Loss)
Carmel-by-the-Sea	19.2%	86.9%
Carmel Highlands	-16.2%	44.4%
Carmel Area	-61.5%	21.8%
Carmel Valley	-9.4%	32.2%
Monterey Area	-5.6%	262.5%
Pacific Grove	9.2%	99.5%
Pebble Beach	8.6%	256.5%
Seaside	-2.3%	15.4%
Totals	-3.7%	132.7%