

Real Estate Market Mixed
Future Weakness Anticipated

2019 2nd Quarter Report

First Published in the  **The Carmel Pine Cone** on July 26, 2019

By: Paul Brocchini & Mark Ryan

We come out of the second quarter with a mixed picture in our local real estate market. The trend, however, seems to

be down, not surprising after multiple excellent years.

Gross Dollar Volume

There was not much change here, a decline of a bit over \$8 million dollars or only about two percent. Six of our local eight markets were off and just two up, Pacific Grove and Pebble Beach. The gain in Pebble Beach was driven by three sales over \$10 million dollars. Here are those amazing selling prices: \$11,445,000, \$14,735,000 and \$24,000,000. Tennis anyone?

Pacific Grove is benefiting from a continuing strong market and prices. The median sales price topped \$1 million dollars for the first time, up over \$200,000 from last year's second quarter median sales price of \$888,000.

Prices

We have covered Pacific Grove, but how about the rest? The results are split down the middle, four markets with increased median sales prices and four with declines. The three other ups are Carmel Area, Carmel Valley and Pebble Beach, and the declines are Carmel-by-the-Sea, Carmel Highlands, Monterey and Seaside.

None of the shifts are substantial except for Pacific Grove, plus 24%, and Pebble Beach, plus 21%.

Distribution of Sales

The ***Distribution of Sales*** chart vividly illustrates the growing unaffordability of the Monterey Peninsula. Fifty nine percent of the sales in the quarter surpassed one million dollars. The price of admission to our beautiful areas is well beyond the means of most first-time buyers.

Unit Sales and Market Barometer

The number of sales in the quarter declined: 318 last year and 272 this year, a drop of 46 sales or 14%.

The Market Barometer, a measure of the number of listings under contract, is rumbling warnings of an imminent decline. We have always looked at a reading under 20% to be the sign of a slow market. On July 1, Carmel-by-the-Sea posted a reading of only 9% a figure we have not seen for years. Other below 20% markets were Carmel Highlands, Carmel Area with a very weak 10%, Carmel Valley and Pebble Beach.

The three positive readings were Monterey Area, Pacific Grove and Seaside which led the pack with a reading of 48%.

So, mixed it is. It will be interesting to see how the year plays out.

Paul Brocchini and Mark Ryan are real estate agents with Carmel Realty Company, NE Corner of Dolores & Eighth, Carmel-by-the-Sea. They can be reached at (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.

Five Quarter Review		
In Escrow vs		
Date	Listings	Percent
Carmel-by-the-Sea		
07/01/19	5/54	9%
04/01/19	11/42	26%
01/01/19	8/37	22%
10/01/18	7/38	18%
07/01/18	7/37	19%
Carmel Highlands		
07/01/19	6/26	17%
04/01/19	3/22	14%
01/01/19	2/18	11%
10/01/18	5/23	22%
07/01/18	1/22	5%
Carmel Area		
07/01/19	13/128	10%
04/01/19	18/84	21%
01/01/19	10/70	14%
10/01/18	26/102	25%
07/01/18	21/105	20%
Carmel Valley		
07/01/19	11/61	18%
04/01/19	9/54	17%
01/01/19	4/40	10%
10/01/18	12/64	0.19
07/01/18	12/68	0.18
Monterey Area		
07/01/19	24/88	27%
04/01/19	21/76	28%
01/01/19	24/105	23%
10/01/18	24/98	24%
07/01/18	34/96	35%
Pacific Grove		
07/01/19	18/60	30%
04/01/19	20/54	37%
01/01/19	16/58	28%
10/01/18	16/50	32%
07/01/18	13/41	32%
Pebble Beach		
07/01/19	16/91	18%
04/01/19	16/81	20%
01/01/19	10/82	12%
10/01/18	9/85	11%
07/01/18	19/80	24%
Seaside		
07/01/19	25/58	48%
04/01/19	18/41	44%
01/01/19	17/40	43%
10/01/18	18/46	39%
07/01/18	23/43	53%

Monterey Peninsula Gross Dollar Volume		
<i>Town</i>	2nd Qtr 2018	2nd Qtr 2019
Carmel-by-the-Sea	\$51,315,923	\$49,992,500
Carmel Highlands	\$17,490,000	\$11,724,000
Carmel Area	\$104,790,637	\$94,138,010
Carmel Valley	\$32,378,000	\$32,312,296
Monterey Area	\$67,937,865	\$66,726,731
Pacific Grove	\$42,757,628	\$44,717,000
Pebble Beach	\$96,020,669	\$112,184,388
Seaside	\$28,637,756	\$21,309,500
Totals	\$441,328,478	\$433,104,425

Average Days to Sell 2nd Qtr 2018-2019		
<i>Town</i>	2018	2019
Carmel-by-the-Sea	63	62
Carmel Highlands	98	26
Carmel Area	55	65
Carmel Valley	92	80
Monterey Area	47	60
Pacific Grove	44	53
Pebble Beach	93	70
Seaside	27	33

Median Sales Price Comparisons			
<i>Town</i>	Full Year 2018	2nd Qtr 2018	2nd Qtr 2019
Carmel-by-the-Sea	\$2,195,000	\$1,937,712	\$1,868,750
Carmel Highlands	\$4,080,000	\$1,925,000	\$1,860,000
Carmel Area	\$1,597,000	\$1,590,000	\$1,737,500
Carmel Valley	\$1,000,000	\$ 950,000	\$1,100,000
Monterey Area	\$ 850,000	\$ 860,000	\$ 851,559
Pacific Grove	\$ 925,000	\$ 888,000	\$1,097,500
Pebble Beach	\$1,585,000	\$1,449,500	\$1,749,500
Seaside	\$ 525,000	\$ 539,884	\$ 522,500

SALES BY QUARTER -- Seven Quarter Review							
<i>Town</i>	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Carmel-by-the-Sea	35	17	22	19	13	24	26
Carmel Highlands	4	8	7	4	5	3	6
Carmel Area	46	42	58	48	46	20	42
Carmel Valley	20	15	27	26	19	17	27
Monterey Area	63	57	69	59	49	44	60
Pacific Grove	33	33	43	37	30	27	38
Pebble Beach	35	32	42	31	21	26	32
Seaside	50	43	50	49	38	41	41
Totals	286	247	318	273	221	202	272

Distribution of Sales 2nd Quarter 2019							
<i>Town</i>	\$0 \$399	\$400 \$699	\$700 \$999	\$1-M \$1,499	\$1.5M \$1,999	\$2M \$2,999	\$3M+
Carmel-by-the-Sea	0	0	2	9	4	8	3
Carmel Highlands	0	0	0	1	3	2	0
Carmel Area	0	1	4	9	10	10	8
Carmel Valley	0	4	5	12	4	2	0
Monterey Area	0	10	29	10	5	5	1
Pacific Grove	0	3	12	15	5	2	1
Pebble Beach	0	0	1	13	3	8	7
Seaside	2	38	1	0	0	0	0
Totals	2	56	54	69	34	37	20