

## Local Real Estate Market Continues to Weaken

### 2019 3rd Quarter Report

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In a departure from our normal introduction to our report, we would like to share with you the broad California forecast of likely housing trends in 2020 published by the California Association of Realtors (CAR). In their report they predict “low mortgage rates will support the housing market in 2020 but economic uncertainty and affordability issues will mute sales growth.”

Viewing this statement, we have to ask ourselves: when did we ever have economic certainty? Low interest rates give buyers more buying power, great news for sellers, but no one can ever see the future, so nothing new there.

The waffling CAR prediction reminds one of Harry Truman’s complaint that his economic advisors would always qualify their predictions with, “but on the other hand,” leading Truman to quip that what he really needed was a “one-handed economist.”

We would like one too, but, alas, we don’t know any.

So what can we do with the data bases we have?

The numbers published here have an underlying validity in that, in spite of the tiny size of each sample, they are consistent. We have used these formats for many years, and if you are motivated to do some research you will find reports going back all the way to 1999 on our website, [www.carmelabodes.com](http://www.carmelabodes.com) By sticking to these long-used formats we can interpret what is happening right now and make inferences as to what might lie ahead.

#### **Gross Dollar Volume and Median Sales Prices**

In the second quarter we noted a decline of only 2 percent in gross dollar volume from last year whereas in the third quarter the decline reached 17 percent, down over \$82 million dollars. The big losers were Carmel Highlands, Carmel Area (93923 minus Carmel Highlands) and Pebble Beach.

Median sales prices are all over the place, up in four markets and down in four. It seems to us that prices on the whole are leveling off, but we will know more at the end of the year when we will have 12 months of numbers.

## **Unit Sales, Distribution of Sales, Market Barometer and Days on Market**

The number of sales in the quarter was only eight fewer than last year yet the gross dollar volume declined by more than \$82 million dollars, a sharp indication of the drop in the overall average sales price. Another indicator of lower selling prices is the Distribution of Sales Chart. In the second quarter of this year 59% of the sales topped one million dollars whereas in the third quarter that figure dropped to 49%.

The Market Barometer, a measure of the percentage of listings in escrow, was mixed. Carmel-by-the-Sea jumped up from a pathetic 9% in the 2<sup>nd</sup> Quarter to a respectable 25%. Monterey, Pacific Grove and Seaside, especially the latter with 52% of the listings under contract, had strong readings.

It took a bit longer to sell listings this year than last. Our **Average Days to Sell** chart shows that the days on market were longer in seven of the eight markets.

Some of the market vigor is gone. Is it just a pause? We will know soon.

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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
<b>Carmel-by-the-Sea</b>		
10/01/19	13/53	25%
07/01/19	5/54	9%
04/01/19	11/42	26%
01/01/19	8/37	22%
10/01/18	7/38	18%
<b>Carmel Highlands</b>		
10/01/19	1/31	3%
07/01/19	6/26	17%
04/01/19	3/22	14%
01/01/19	2/18	11%
10/01/18	5/23	22%
<b>Carmel Area</b>		
10/01/19	20/126	16%
07/01/19	13/128	10%
04/01/19	18/84	21%
01/01/19	10/70	14%
10/01/18	26/102	25%
<b>Carmel Valley</b>		
10/01/19	9/63	14%
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
<b>Monterey Area</b>		
10/01/19	25/87	29%
07/01/19	24/88	27%
04/01/19	21/76	28%
01/01/19	24/105	23%
10/01/18	24/98	24%
<b>Pacific Grove</b>		
10/01/19	19/60	32%
07/01/19	18/60	30%
04/01/19	20/54	37%
01/01/19	16/58	28%
10/01/18	16/50	32%
<b>Pebble Beach</b>		
10/01/19	11/94	12%
07/01/19	16/91	18%
04/01/19	16/81	20%
01/01/19	10/82	12%
10/01/18	9/85	11%
<b>Seaside</b>		
10/01/19	27/52	52%
07/01/19	25/58	48%
04/01/19	18/41	44%
01/01/19	17/40	43%
10/01/18	18/46	39%

Monterey Peninsula Gross Dollar Volume		
Town	3rd Qtr 2018	3rd Qtr 2019
Carmel-by-the-Sea	\$52,719,000	\$47,097,392
Carmel Highlands	\$25,696,600	\$10,645,000
Carmel Area	\$90,431,844	\$70,997,717
Carmel Valley	\$30,808,450	\$25,048,000
Monterey Area	\$67,937,865	\$65,359,883
Pacific Grove	\$43,789,000	\$46,626,350
Pebble Beach	\$134,519,500	\$100,779,000
Seaside	\$27,563,250	\$24,656,738
<b>Totals</b>	<b>\$473,465,509</b>	<b>\$391,210,080</b>

Average Days to Sell		
Town	2018	2019
Carmel-by-the-Sea	54	90
Carmel Highlands	207	148
Carmel Area	55	75
Carmel Valley	88	108
Monterey Area	59	60
Pacific Grove	59	60
Pebble Beach	60	122
Seaside	25	47

Median Sales Price Comparisons			
Town	Full Year 2018	3rd Qtr 2018	3rd Qtr 2019
Carmel-by-the-Sea	\$2,195,000	\$2,250,000	\$1,595,000
Carmel Highlands	\$4,080,000	\$4,937,500	\$2,675,000
Carmel Area	\$1,597,000	\$1,404,240	\$1,670,000
Carmel Valley	\$1,000,000	\$ 911,100	\$1,046,500
Monterey Area	\$ 850,000	\$ 872,000	\$ 842,600
Pacific Grove	\$ 925,000	\$ 915,000	\$ 891,500
Pebble Beach	\$1,585,000	\$1,875,000	\$2,300,000
Seaside	\$ 525,000	\$ 525,000	\$ 568,750

SALES BY QUARTER -- Seven Quarter Review							
Town	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Carmel-by-the-Sea	17	22	19	13	24	26	25
Carmel Highlands	8	7	4	5	3	6	4
Carmel Area	42	58	48	46	20	42	43
Carmel Valley	15	27	26	19	17	27	16
Monterey Area	57	69	59	49	44	60	58
Pacific Grove	33	43	37	30	27	38	46
Pebble Beach	32	42	31	21	26	32	31
Seaside	43	50	49	38	41	41	42
<b>Totals</b>	<b>247</b>	<b>318</b>	<b>273</b>	<b>221</b>	<b>202</b>	<b>272</b>	<b>265</b>

Distribution of Sales 3rd Quarter 2019							
Town	\$0	\$400	\$700	\$1-M	\$1.5M	\$2M	\$3M+
Carmel-by-the-Sea	0	0	2	8	5	8	2
Carmel Highlands	0	0	0	0	1	2	1
Carmel Area	0	0	11	9	16	5	2
Carmel Valley	0	1	7	4	1	1	2
Monterey Area	0	14	23	8	8	3	2
Pacific Grove	0	6	25	12	1	1	1
Pebble Beach	0	0	1	6	8	5	11
Seaside	3	30	9	0	0	0	0
<b>Totals</b>	<b>3</b>	<b>51</b>	<b>78</b>	<b>47</b>	<b>40</b>	<b>25</b>	<b>21</b>