

Market Marches Along Nicely Then Falls off the Cliff

1st Quarter 2020 Report

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On or about March 19, the day after the County Shelter-in-Place order, the local real estate market fell off the cliff, in synch with just about every other sector of the local economy. Hence, we can take no comfort in the fact the quarter looks good on paper. We will review here some of the highlights revealed by the accompanying charts while admitting they have little or no bearing on what is on the immediate horizon, apart from our unique Market Barometer.

The Barometer is an exception as it gives us a snapshot of the number of properties under contract on April 1. On that date there were 73 properties in escrow with the Monterey Area and Pacific Grove leading the pack with 14 and 11 respectively. We expect most of those will close in the second quarter but have no way to predict how many buyers may get cold feet and drop out.

Gross Dollar Volume

The first quarter of last year hinted at coming weakness that never materialized. In our 2019 year-end report we declared our astonishment of the amazing fourth quarter. The market did not slowdown in the New Year, racking up more than \$325 million in sales in the quarter, a 15% increase over 2019. The huge increase in Carmel Valley was largely due to the blockbuster, \$17 million sale of a large ranch in the valley. The two luxury markets of Carmel-by-the-Sea and Pebble Beach both suffered declines.

Prices and Number of Sales

All eight markets registered increases in median sales prices. The total number of sales was a virtual breakeven, 202 last year and 203 this year. The biggest drops were in Pebble Beach, down 11 transactions, and Seaside and Carmel, off eight and seven respectively.

Affordability issues retained their formidable presence. There was a grand total of two properties sold on the Peninsula under \$400,000 while 57% of transactions topped \$1 million.

For the moment, keep your seat belts fastened for the bumpy road ahead.

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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		
04/01/20	9/34	26%
01/01/20	10/33	30%
10/01/19	13/53	25%
07/01/19	5/54	9%
04/01/19	11/42	26%
Carmel Highlands		
04/01/20	6/23	26%
01/01/20	3/24	13%
10/01/19	1/31	3%
07/01/19	6/26	17%
04/01/19	3/22	14%
Carmel Area		
04/01/20	11/73	15%
01/01/20	22/87	25%
10/01/19	20/126	16%
07/01/19	13/128	10%
04/01/19	18/84	21%
Carmel Valley		
04/01/20	8/51	16%
01/01/20	9/49	18%
10/01/19	9/63	14%
07/01/19	11/61	18%
04/01/19	9/54	17%
Monterey Area		
04/01/20	14/61	23%
01/01/20	18/60	30%
10/01/19	25/87	29%
07/01/19	24/88	27%
04/01/19	21/76	28%
Pacific Grove		
04/01/20	12/42	29%
01/01/20	10/35	29%
10/01/19	19/60	32%
07/01/19	18/60	30%
04/01/19	20/54	37%
Pebble Beach		
04/01/20	5/70	7%
01/01/20	2/44	5%
10/01/19	11/94	12%
07/01/19	16/91	18%
04/01/19	16/81	20%
Seaside		
04/01/20	11/28	39%
01/01/20	11/27	41%
10/01/19	27/52	52%
07/01/19	25/58	48%
04/01/19	18/41	44%

SALES BY QUARTER -- Seven Quarter Review							
Town	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2018	2018	2019	2019	2019	2019	2020
Carmel-by-the-Sea	19	13	24	26	25	23	17
Carmel Highlands	4	5	3	6	4	3	2
Carmel Area	48	46	20	42	43	52	48
Carmel Valley	26	19	17	27	16	18	17
Monterey Area	59	49	44	60	58	48	44
Pacific Grove	37	30	27	38	46	42	27
Pebble Beach	31	21	26	32	31	33	15
Seaside	49	38	41	41	42	51	33
Totals	273	221	202	272	265	270	203

Median Sales Price Comparisons			
Town	Full Year	1st Qtr	1st Qtr
	2019	2019	2020
Carmel-by-the-Sea	\$ 1,912,000	\$ 2,620,875	\$ 2,265,000
Carmel Highlands	\$ 1,945,000	\$ 1,300,000	\$ 6,488,889
Carmel Area	\$ 1,600,000	\$ 1,417,500	\$ 1,652,500
Carmel Valley	\$ 1,005,000	\$ 797,746	\$ 1,280,000
Monterey Area	\$ 820,000	\$ 790,000	\$ 877,000
Pacific Grove	\$ 965,000	\$ 915,000	\$ 940,000
Pebble Beach	\$ 1,773,975	\$ 1,213,000	\$ 1,600,000
Seaside	\$ 540,000	\$ 520,000	\$ 622,500

Distribution of Sales 1st Quarter 2020							
	\$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	0	5	0	7	5
Carmel Highlands	0	0	0	0	0	0	2
Carmel Area	0	0	4	14	12	7	11
Carmel Valley	0	1	6	4	3	2	1
Monterey Area	0	8	21	10	3	1	1
Pacific Grove	0	2	13	9	1	1	1
Pebble Beach	0	0	0	7	4	1	3
Seaside	2	22	8	1	0	0	0
Totals	2	33	52	50	23	19	24

Monterey Peninsula Gross Dollar Volume		
Town	1st Qtr	1st Qtr
	2019	2020
Carmel-by-the-Sea	\$66,035,750	\$48,482,595
Carmel Highlands	\$3,700,000	\$6,800,000
Carmel Area	\$37,739,748	\$108,751,321
Carmel Valley	\$15,972,446	\$36,687,000
Monterey Area	\$45,216,057	\$46,050,695
Pacific Grove	\$27,874,435	\$29,811,175
Pebble Beach	\$62,434,100	\$28,935,000
Seaside	\$22,716,330	\$20,475,600
Total	\$281,688,866	\$325,993,386

Average Days to Sell		
1st Qtr 2019-2020		
Town	2019	2020
Carmel-by-the-Sea	86	88
Carmel Highlands	224	97
Carmel Area	113	127
Carmel Valley	69	133
Monterey Area	64	73
Pacific Grove	53	54
Pebble Beach	124	85
Seaside	47	35