

Buying Frenzy Breaks Out

2nd Quarter 2020 Report

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Eyes bulged, jaws dropped: local real estate agents got the biggest surprise of their professional careers in late May and June. After seeing their industry entirely shut down for all of April and most of May, when the permissible-activities door opened just a crack, buyers raced in.

Who would've thunk?

We were and continue to be flooded with a frenzy of buying, as Mary Schley reported in a front-page story in the Pine Cone on July 15.

Although we publish here our normal numbers, there is one chart that deserves serious attention, the **Market Barometer**, which reflects the hottest on-going market in the last 30 years.

The numbers are amazing. The Barometer shows the percentage of listings in escrow. Our benchmark for a good market is 20% of the listings under contract. The worst number on July 1 was a robust 26% in Pebble Beach. Six of the eight markets posted readings **over 30%**.

The Barometer indicates the third quarter may be the strongest quarter in the history of the Monterey Peninsula real estate.

Why?

Why the surge? It seems we are living at a historic turning point, one aspect of which is a revolution in the number of people working remotely. As agents, we are witnessing the flight of people out of the Bay Area and Los Angeles. There are even Texans showing up, a bit of a surprise because in the past they only have been major players here when the oil patch was having a boom.

But it makes sense if you have the financial means: why live in the stress and mess of urban environments when you can work remotely and live on the Monterey Peninsula?

The Charts

With the market on complete shutdown for about six weeks, the quarter's numbers have less importance to current market health than normal. Just one example will suffice: the **Gross Dollar Volume** chart.

You will see that in the second quarter of 2019 Peninsula sales volume topped \$433 million dollars and dipped to \$285 million this year, a deep decline of just short of \$148 million dollars or 34%. That would normally be a scary number, a harbinger of disaster for sellers and the real estate industry here.

But our reaction, amidst the current surge, is: **“So what? Look what is happening now!”**

Check back in three months. It is going to be interesting as we enter a market phase never experienced before.

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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		
07/01/20	14/38	37%
04/01/20	9/34	26%
01/01/20	10/33	30%
10/01/19	13/53	25%
07/01/19	5/54	9%
Carmel Highlands		
07/01/20	10/26	38%
04/01/20	6/23	26%
01/01/20	3/24	13%
10/01/19	1/31	3%
07/01/19	6/26	17%
Carmel Area		
07/01/20	29/101	29%
04/01/20	11/73	15%
01/01/20	22/87	25%
10/01/19	20/126	16%
07/01/19	13/128	10%
Carmel Valley		
07/01/20	22/56	39%
04/01/20	8/51	16%
01/01/20	9/49	18%
10/01/19	9/63	14%
07/01/19	11/61	18%
Monterey Area		
07/01/20	27/71	38%
04/01/20	14/61	23%
01/01/20	18/60	30%
10/01/19	25/87	29%
07/01/19	24/88	27%
Pacific Grove		
07/01/20	20/55	36%
04/01/20	12/42	29%
01/01/20	10/35	29%
10/01/19	19/60	32%
07/01/19	18/60	30%
Pebble Beach		
07/01/20	19/74	26%
04/01/20	5/70	7%
01/01/20	2/44	5%
10/01/19	11/94	12%
07/01/19	16/91	18%
Seaside		
07/01/20	18/30	60%
04/01/20	11/28	39%
01/01/20	11/27	41%
10/01/19	27/52	52%
07/01/19	25/58	48%

Monterey Peninsula Gross Dollar Volume		
Town	2nd 2019	2nd 2020
Carmel-by-the-Sea	\$49,992,500	\$28,432,500
Carmel Highlands	\$11,724,000	\$20,095,000
Carmel Area	\$94,138,010	\$50,426,812
Carmel Valley	\$32,312,296	\$21,872,000
Monterey Area	\$66,726,731	\$46,221,606
Pacific Grove	\$44,717,000	\$29,096,100
Pebble Beach	\$112,184,388	\$75,676,146
Seaside	\$21,309,500	\$13,823,000
Total	\$433,104,425	\$285,643,164

Average Days to Sell		
Town	2019	2020
Carmel-by-the-Sea	62	48
Carmel Highlands	26	162
Carmel Area	65	49
Carmel Valley	80	39
Monterey Area	60	62
Pacific Grove	53	13
Pebble Beach	70	104
Seaside	33	12

Median Sales Price Comparisons			
Town	Full Year 2019	2nd Qtr 2019	2nd Qtr 2020
Carmel-by-the-Sea	\$ 1,912,000	\$ 1,868,750	\$ 1,797,500
Carmel Highlands	\$ 1,945,000	\$ 1,860,000	\$ 5,147,500
Carmel Area	\$ 1,600,000	\$ 1,737,500	\$ 1,295,000
Carmel Valley	\$ 1,005,000	\$ 1,100,000	\$ 1,214,000
Monterey Area	\$ 820,000	\$ 851,559	\$ 829,000
Pacific Grove	\$ 965,000	\$ 1,097,500	\$ 845,000
Pebble Beach	\$ 1,773,975	\$ 1,749,500	\$ 3,050,000
Seaside	\$ 540,000	\$ 522,500	\$ 552,500

SALES BY QUARTER -- Seven Quarter Review							
Town	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Carmel-by-the-Sea	13	24	26	25	23	17	14
Carmel Highlands	5	3	6	4	3	2	4
Carmel Area	46	20	42	43	52	48	23
Carmel Valley	19	17	27	16	18	17	15
Monterey Area	49	44	60	58	48	44	34
Pacific Grove	30	27	38	46	42	27	29
Pebble Beach	21	26	32	31	33	15	18
Seaside	38	41	41	42	51	33	24
Totals	221	202	272	265	270	203	161

Distribution of Sales 2nd Quarter 2020							
Town	\$0-\$399	\$400-\$699	\$700-\$999	\$1M-\$1,499	\$1.5M-\$1,999	\$2M-\$2,999	\$3m+
Carmel-by-the-Sea	0	0	0	3	5	3	3
Carmel Highlands	0	0	0	0	0	1	3
Carmel Area	0	0	1	12	3	5	2
Carmel Valley	1	0	4	6	1	2	1
Monterey Area	0	7	10	11	0	5	1
Pacific Grove	0	3	18	6	1	1	0
Pebble Beach	0	0	0	4	2	2	10
Seaside	0	21	3	0	0	0	0
Totals	1	31	36	42	12	19	20