

1st Quarter 2006 Report : Condo Market Remains Healthy

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We ended our last Condo Report with this sentence. "We expect that condos will get off to a reasonably good start in the first quarter of 2006." And they did.

The first quarter condo market performance was especially impressive in relation to the detached home market, which had a relatively dismal start to the year as we reported in the April 28 edition of The Carmel Pine Cone. There were 38 closed transactions, prices continued to go up and total dollar volume increased a little over a million dollars to \$29,091,000.

All of us are interested in the direction of markets. The Market Barometer is our best tool for looking ahead. On January 1 of this year 14 of the 61 units on the market were in escrow, or 23%. At that time that we knew there were 14 deals going forward that most likely would close in the first quarter. Closed transactions reached 38 in the quarter hence an additional 24 contracts were agreed to and closed during the period.

On April 1 the Barometer had improved to 30% with 21 of the 78 listings in escrow. The 30% reading augurs well for the second quarter. Readers trying to figure out where the market is going should pay special attention to the Barometer.

A Barometer reading of 20% or higher shows us that the market has life. During the hottest markets the Barometer topped 50% and in 2001 actually hit 61%. With readings like that we knew for sure that the short-term market would be strong.

There is a seed of doubt in the April 1 reading. The number of available listings (i.e., total active listings minus the number in escrow) was 57 on April 1. That is the highest number we have seen since October of 2003 when there were 81 available listings, and the total number of listings reached 119.

Prices

Prices, as we mentioned above, are still going up. Seaside led the way in the first quarter increases with an increase of 26% followed by Carmel Valley which racked up a 25% gain. Carmel, where home prices decline by 12% in the first quarter, gained 5%.

The number of closed transactions in the quarter was good but not great. There were 38 sales as opposed to 44 last year. This is the lowest number in past six quarters. On balance, however, condos had a good quarter and should do even better in the second trimester of the year.

Market Barometer Monterey Peninsula Condominiums 1st Qtr 2006		
	<i>In</i>	
	Escrow	
	<i>vs</i>	
Date	Listings	Percent
04/01/06	21/78	30%
01/01/06	14/61	23%
10/01/05	18/67	27%
07/01/05	38/68	56%
04/01/05	32/63	51%
01/01/05	19/43	44%
10/01/04	28/57	49%
06/30/04	34/63	54%
04/01/04	42/72	58%
01/01/04	26/70	37%
10/01/03	42/97	43%
07/10/03	38/119	32%
04/01/03	32/115	28%
01/01/03	21/87	24%
10/01/02	27/112	24%
07/01/02	34/124	27%
04/01/02	26/109	24%
01/01/02	15/85	18%
10/01/01	21/108	19%
07/01/01	21/110	19%
04/01/01	14/56	25%
01/01/01	31/51	61%
10/01/00	22/55	40%
07/01/00	31/67	46%
04/01/00	20/44	45%

04/01/00	30/44	68%
01/01/00	20/31	65%
10/01/99	21/55	38%
07/01/99	26/52	50%
04/01/99	25/54	46%
01/01/99	33/50	67%
10/13/98	39/63	62%
07/01/98	50/98	51%
04/01/98	57/99	58%
01/01/98	30/70	43%
03/14/90	25/67	37%

Median Sales Price Comparisons			
	<i>Full Year</i>	<i>1st Qtr</i>	<i>1st Qtr</i>
<i>Town</i>	<i>2005</i>	<i>2005</i>	<i>2006</i>
Carmel	\$739,250	\$679,000	\$715,000
Carmel Valley	\$649,875	\$544,000	\$677,500
Del Rey Oaks	\$445,000	\$485,000	\$550,000
Marina	\$450,000	\$435,000	\$440,000
Monterey	\$586,500	\$588,000	\$632,500
Pacific Grove	\$715,000	\$653,750	\$745,000
Pebble Beach(a)	\$672,500	\$650,000	No Sales
Pebble Beach(b)	\$2,800,000	\$2,800,000	\$3,600,000
Salinas Hwy	\$645,000	No Sales	\$515,000
Seaside	\$554,500	\$500,000	\$629,750

(a) Condos under \$1 million (b) Condos over \$1 million

SALES BY QUARTER -- Six Quarter Review

<i>Town</i>	<i>Q4 2004</i>	<i>Q1 2005</i>	<i>Q2 2005</i>	<i>Q3 2005</i>	<i>Q4 2005</i>	<i>Q1 2006</i>
Carmel	8	7	2	4	7	4
Carmel Valley	15	10	19	16	15	12
Del Rey Oaks	1	1	3	2	2	1
Marina	6	7	11	6	3	3
Monterey	6	11	17	30	8	8
Pacific Grove	6	4	2	5	5	4
Pebble Beach (a)	2	1	8	2	1	0
Pebble Beach (b)	0	1	3	2	1	1
Salinas Hwy	2	0	3	3	1	1
Seaside	4	2	2	1	3	4
Totals	50	44	70	71	46	38

(a) Condos under \$1 million (b) Condos over \$1 million

Days on Market**1st Qtr 2005-2006**

<i>Town</i>	<i>2005</i>	<i>2006</i>
Carmel	40	57
Carmel Valley	58	23
Del Rey Oaks	0	133
Marina	11	64
Monterey	41	21
Pacific Grove	6	61
Pebble Beach	146	125
Salinas Hwy	N/A	20
Seaside	24	84

Monterey Peninsula Gross Dollar Volume		
	1st Qtr	1st Qtr
Town	2005	2006
Carmel	\$4,907,000	\$3,820,000
Carmel Valley	\$6,010,000	\$9,092,000
Del Rey Oaks	\$485,000	\$550,000
Marina	\$2,965,000	\$1,195,000
Monterey	\$6,596,000	\$5,102,000
Pacific Grove	\$2,708,000	\$2,730,000
Pebble Beach	\$3,400,000	\$3,600,000
Salinas Hwy	No Sales	\$515,000
Seaside	\$1,000,000	\$2,487,000
Totals	\$28,071,000	\$29,091,000

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 in the market.

Please Call Us

We have lived on the Monterey Peninsula since 1978 and in the heart of Carmel since 1986. We know the market and have deep experience assisting both buyers and sellers.

We Help Buyers

Many of our buyers are from out of town and before they act they need to gain an understanding of our local market. If you are an out-of-town buyer, you are extremely dependent on your agent for guidance. We are skilled at assisting you up the learning curve so that you can make sound decisions. The way we prosper is by putting our buyers into good, solid situations.

We Help Sellers

We know the market and would be happy to evaluate the value of your house at no charge. We know how to help you get ready for market to get the best price for your property. Selling a property is a cooperative effort between the seller and his or her agent. We will guide you on the team approach to success.

Please [contact us via email](#), call us at 831-622-4642, or write us at PO Box 350, Carmel, CA 93921.

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