

# 3rd Quarter Monterey Peninsula Real Estate Market Condo 2014 Report : THE CONDO MARKET

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Continuing the trend we saw in the second quarter, our local market for condominiums continues to decline. This is good news for potential buyers. The Market Barometer, the percentage of listings in escrow, registered 27% on October 1st. That is the lowest reading since October 2010. On April 1, 2013 the Barometer reached its post-crash peak of 48%.

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The good news for buyers is that there is more choice this year. On October 1, 2013 the Barometer was at 41% and there were only 47 listings available to buy whereas this year on the same date 69 units were actively for sale.

The tell-tale statistic is the decline in gross dollar volume, the amount buyers invested in condominium purchases during the third quarter. See the gross dollar volume chart. Gross dollar volume decreased from roughly \$28.5 million last year to \$23.7 million this year, a decline of 16.7%.

An interesting problem are the numbers for Carmel and Carmel Valley where, per the gross dollar volume chart, reversed their numbers from last year. Carmel Valley sharply declined from \$10.5 million to \$2.9 million. Carmel did just the opposite increasing from \$3 million last year to \$10.4 million this year. BUT, there is a big problem with these numbers. Eleven of the 19 sales posted to Carmel were in either Hacienda Carmel or Del Mesa Carmel, senior citizen complexes which are located in Carmel Valley.

This is an MLS problem as all of the units were listed in the correct area but some listing agents declared that the unit was in Carmel Valley, the right choice in our view because **that is where they are located**, and other agents elected to place their units in Carmel hoping for some marketing advantage..

We do not want to bore you with technical problems but please understand that Carmel Valley did a lot better than the numbers indicate and Carmel a lot worse. This is no knock on Carmel as there are not many condos in Carmel, and there are lots in Carmel Valley. We will be taking this up with the MLS chieftains.

On the number of transactions front there was not a lot of change, 56 sales in the second quarter of 2013 and 50 this year.

One more important area is, of course, price. Prices continue to rise. All of the markets are up except Carmel Valley and that number, as we learned above, is highly suspicious. There were no sales in Pebble Beach.

In summary, the local condo market is swinging to favor buyers.

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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 in the market.*

Carmel Realty Company | NE Corner of Dolores and 8th) | Carmel, CA 93921 | P.O. Drawer C

