

# 4th Quarter 2000 Report : Condos Remain Scarce

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We concluded our third quarter report with these words: "...there are now opportunities to buy condos. There may be even some bargaining room in prices. Stay tuned."

That glimmer of hope for buyers has dimmed. At the beginning of this year the availability of condos again shrank. Our Market Barometer, the percentage of active listings that are in escrow, jumped back up to 61% on January 1 from 40% on October 1. Of the 51 listings on January 1, 31 were under contract leaving only 20 available for buyers.

We took a spot check again on January 28, and found that the inventory had crept up to 24 available units. Six were over one million dollars, seven between \$500,000 and a million and only 11 under \$500,000. The pickings are slim.

## Prices

Prices for condos, just as we reported in our column last week for houses, have soared. Here is the picture over the past two years:

## Pebble Beach

We have split the condo market in Pebble Beach into two segments: 1) those with listing prices under one million dollars, Ocean Pine and Shepherd's Knoll; 2) those with listing prices over one million dollars, Spanish Bay and the Lodge.

<b>Market Barometer</b>		
Monterey Peninsula		
Condominiums		
4th Quarter 2000		
	<i>In</i>	
	<b>Escrow</b>	
	<i>vs</i>	
<b>Date</b>	<b>Listings</b>	<b>Percent</b>
<b>01/01/01</b>	<b>31/51</b>	<b>61%</b>
10/01/00	22/55	40%
07/01/00	31/67	46%
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%
10/01/97	60/141	43%
07/01/97	45/151	30%
04/02/97	26/118	22%
12/15/96	39/155	25%
10/01/96	33/149	22%
07/01/96	29/166	17%
04/01/96	33/197	17%
01/01/96	31/201	15%
10/01/95	22/183	12%
07/01/95	31/184	17%
04/01/95	31/171	18%
01/01/95	34/154	22%
09/30/94	35/167	21%
07/01/94	42/176	24%
04/03/94	45/202	22%
01/02/94	25/194	14%

01/05/94	20/101	14.7%
09/30/93	26/196	13%
07/05/93	26/180	14%
04/01/93	24/168	14%
01/02/93	24/153	16%
10/03/92	13/179	7%
<b>03/14/90</b>	<b>25/67</b>	<b>37%</b>

<b>Median Sell Price Gain</b> 1998/1999 vs 2000		
<b>Town</b>	<b>1 yr</b>	<b>2 yr</b>
Carmel	2.0%	39.1%
Carmel Valley	4.2%	45.3%
Del Rey Oaks	41.4%	74.6%
Marina	30.3%	50.8%
Monterey	44.8%	97.7%
Pacific Grove	34.1%	56.6%
Salinas Hwy	32.5%	56.9%
Seaside	18.9%	76.1%

<b>Median Sales Price Comparisons</b>			
	<b>Full Year</b>	<b>4th Qtr</b>	<b>4th Qtr</b>
<b>Town</b>	<b>1999</b>	<b>1999</b>	<b>2000</b>
Carmel	\$375,000	N/A*	\$485,000
Carmel Valley	\$300,000	\$437,250	\$287,000
Del Rey Oaks	\$217,500	\$237,050	\$329,000
Marina	\$141,250	\$184,500	\$226,330
Monterey	\$241,000	\$247,950	\$357,000
Pacific Grove	\$315,000	\$386,250	\$495,000
Pebble Beach	\$1,124,381	\$389,000	\$575,000
Salinas Hwy	\$219,600	\$215,000	\$337,000
Seaside	\$237,500	\$251,500	\$379,500
* No sales in the quarter			

These are two distinct markets. When one lumps them together for statistical purposes the results are misleading. In 1997 the developers of Spanish Bay began selling the last phase of the project. In 1997 there were two Spanish Bay units that sold for less than one million dollars and in 1998 three. Since 1999 all Spanish Bay units have been listed and sold for more than one million dollars.

Both groups showed small price declines from 1998 to 1999 and big jumps in 2000. The two year appreciation

numbers were a 52.6% gain for the under million dollar group and a 58.5% gain for the over one million dollar group.

## **Dollar Volume**

Dollar volume increased by only 9% in 2000, reaching \$83,993,000 in sales. It is interesting to note how small the condo market is here in relation to houses. Remember in The Pine Cone last week we reported house sales of over one billion dollars in 2000. Although a tiny market in relation to the market for houses, condos are important to us. They are often more affordable than houses and offer relatively carefree ownership.

## **Viejo Carmel**

An interesting condominium scenario is about to be played out in Carmel. The developers of Viejo Carmel, the new project on Junipero between Third and Fourth Avenues, have announced that they will be taking offers beginning on February 14, for the first two units. They will be selling ten units in total and renting the balance.

We are particularly fascinated by this project as we analyzed it about ten years ago for the former owner. At that time, the numbers did not look good. Projected construction costs were higher than potential sales. The condominium market had been in a long slump and seemed to have little prospect of breaking out. How times have changed!

The current owners' timing appears to be good. It would have been better to come on the market 12 months ago, but prospects for 2001 should still be favorable. The key question is: will the market step up to their asking prices?

They have announced that the first two units will be the "Carmel Floor Plan." We have not yet seen this floor plan, but we do know that in the tradition of Carmel the units will be relatively small. Minimum initial bids will have to be \$1,625,000. The highest price ever received for downtown Carmel condominium reported to the local Multiple Listing Service (mls) is \$540,000.

Currently there is a unit listed at The Chimneys, Junipero and 4th, for \$1,295,000 that just went into escrow. When it closes a new price benchmark will be set. Other million dollar plus condos on the market include one at Del Mesa Carmel at \$1,395,000 (the highest MLS price ever recorded at Del Mesa is \$740,000), three at Spanish Bay running from \$2,850,000 to \$4,000,000, and a brand new luxury unit at Pasadera, along the Monterey/Salinas highway, for \$1,415,000.

The rumor mill has been running full time on Viejo Carmel. We heard months ago that the owners had more than 600 registered prospects. We know that in the past few years buyers have been willing to pay large premiums for new construction. If the first two units go right into escrow, expect the other eight to fall like dominoes.

If these asking prices or better are achieved, Carmel, like Pebble Beach, will have a two-tiered condominium market. As we said at the end of our third quarter report, "stay tuned." It is going to be an interesting few months.

**SALES BY QUARTER -- Six Quarter Review**

<i>Town</i>	<b>Q3 1999</b>	<b>Q4 1999</b>	<b>Q1 2000</b>	<b>Q2 2000</b>	<b>Q3 2000</b>	<b>Q4 2000</b>
Carmel	2	0	4	2	3	1
Carmel Valley	16	8	16	20	13	9
Del Rey Oaks	6	6	2	1	2	3
Marina	1	6	1	6	7	5
Monterey	22	18	9	16	17	11
Pacific Grove	4	2	5	1	7	1
Pebble Beach	7	3	6	4	3	1
Salinas Hwy	4	3	2	5	3	4
Seaside	2	3	3	0	0	1
<b>Totals</b>	<b>64</b>	<b>49</b>	<b>48</b>	<b>55</b>	<b>55</b>	<b>36</b>

\* No Sales

**Days on Market**  
 4th Quarter 1999-2000

<i>Town</i>	<b>1999</b>	<b>2000</b>
Carmel	0*	69
Carmel Valley	57	34
Del Rey Oaks	49	24
Marina	22	59
Monterey	80	18
Pacific Grove	27	4
Pebble Beach	70	145
Salinas Hwy	43	43
Seaside	11	24

<b>Monterey Peninsula Gross Dollar Volume</b>		
	<i>4th Qtr</i>	<i>4th Qtr</i>
<i>Town</i>	<i>1999</i>	<i>2000</i>
Carmel	\$0	\$485,000
Carmel Valley	\$3,349,000	\$3,291,000
Del Rey Oaks	\$1,365,000	\$976,000
Marina	\$1,029,000	\$1,158,000
Monterey	\$5,562,000	\$4,425,000
Pacific Grove	\$772,000	\$405,000
Pebble Beach	\$2,394,000	\$575,000
Salinas Hwy	\$709,000	\$1,654,000
Seaside	\$0	\$0
<b>Totals</b>	<b>\$15,180,000</b>	<b>\$12,969,000</b>

### Charts For Year 2000

<b>Median Sales Price Comparisons - Full Year 1996 to 2000</b>					
	<i>Year</i>	<i>Year</i>	<i>Year</i>	<i>Year</i>	<i>Year</i>
<i>Town</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>
Carmel	\$227,500	\$272,000	\$275,000	\$375,000	\$382,500
Carmel Valley	\$249,000	\$212,250	\$215,000	\$300,000	\$312,450
Del Rey Oaks	\$127,000	\$139,000	\$175,850	\$217,500	\$307,000
Marina	\$115,000	\$104,900	\$122,000	\$141,250	\$184,000
Monterey	\$205,000	\$190,500	\$176,500	\$241,000	\$349,000
Pacific Grove	\$264,000	\$265,250	\$269,750	\$315,000	\$422,500
Pebble Beach(a)	\$242,000	\$283,000	\$330,325	\$330,000	\$504,400
Pebble Beach(b)	\$1,487,500	\$1,270,420	\$1,444,329	\$1,405,110	\$2,289,500
Salinas Hwy	\$171,500	\$180,000	\$185,450	\$219,600	\$291,000
Seaside	\$163,500	\$192,500	\$160,450	\$237,500	\$282,500

(a)Condos under \$1,000,000 (b)Condos over \$1,000,000

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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Monterey Peninsula Gross Dollar Volume		
	Year	Year
Town	1999	2000
Carmel	\$2,682,000	\$4,172,000
Carmel Valley	\$17,724,000	\$21,917,000
Del Rey Oaks	\$3,912,000	\$2,327,000
Marina	\$2,111,000	\$3,640,000
Monterey	\$17,621,000	\$20,557,000
Pacific Grove	\$4,519,000	\$5,891,000
Pebble Beach	\$23,472,000	\$19,438,000
Salinas Hwy	\$2,714,000	\$4,981,000
Seaside	\$2,329,000	\$1,070,000
<b>Totals</b>	<b>\$77,084,000</b>	<b>\$83,993,000</b>