

# 4th Quarter Year End and 2007 Report: Condo Market Wobbles Into the New Year

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Not even a mother could love this baby. She's alive but not very good looking and refuses to grow. Maybe the new Fed low-interest diet will perk her up.

On January 1, 2008, the Market Barometer, a measure of the percentage of listings in escrow, crept up to 15% from the devastatingly low 9% reading recorded on October 1, a mini improvement but at least a move in the right direction.

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Unit sales and dollar volume, on the other hand, both dropped from the third quarter. Unit sales declined from 39 to 27 and gross dollar volume from \$23,271,131 to \$17,160,835, a 26% drop. That is partially a seasonable adjustment, but still a rather sharp fall. Compared to the fourth quarter of 2006 the slippage was 21%.

Looking at the last six quarters the number of sales in the fourth quarter struck a new low.

## Annual Numbers

Once a year we get to look at the annual numbers which present a more accurate picture of the state of the market than quarterly statistics. The point that jumps out at us is after a record breaking year in 2005, both 2006 and 2007 were weak. Gross dollar volume in 2006 was \$98,684,000 while 2007 came in with \$93,528,000, a decline of only five percent. The dramatic difference is 2006 and 2007 compared to the peak years of 2004 and 2005 when the condo market topped \$150,000,000 in sales each year. What we have is a two-year slump.

The number of units sold in 2007 versus 2006 was virtually a breakeven, 142 closed sales in 2006 and 145 in 2007.

For the most part, median sales prices declined in 2007 from 2006. Countering the trend, Carmel and Pebble Beach recorded their all-time high median sales prices in 2007. All of the other markets, except Salinas/Monterey Highway, were down, but in most cases close to their top prices. The exception is Seaside where the median sales price in 2007 dropped to \$506,500 from the peak median of \$629,750 in 2006.

Perhaps the slump, amply demonstrated by reduced dollar volume and unit sales, is related to the willingness of sellers to stick with their asking prices. Something's got to give to get our condo baby looking good and growing again, either revitalized buyers or motivated sellers willing to deal at appealing prices. Stay tuned.

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## Annual Charts

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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.*

## **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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