

4th Quarter And Year-End 2010 : Condo Market

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It appears the worst is over for the condo market on the Monterey Peninsula. Dollar volume for the 2010 jumped up to \$74,089,424 and increase of 23% over 2009. This is still more than 50% less than the 2005 peak of \$158,327,000, but it is a trend in the right direction.

Unit sales were up even a bit more from 143 in 2009 to 188 in 2010.

Median sales prices were mixed in the quarter, compared to the same quarter last year. Four markets were up — Carmel, Carmel Valley, Marina and the Salinas/Monterey Highway — and four markets were down — Del Rey Oaks, Monterey, Pacific Grove and Pebble Beach in the under \$1 million dollar category. There were no sales in two markets.

Monterey took a big hit as most of the sales were in the lower range. The median sales price dropped from \$327,500 in the 4th quarter of 2009 to \$179,500 in 2010, a decline of 45%.

On a year to year basis six markets had increases in median sales prices in 2010 over 2009 and four had decreases.

Just as in the single-family home market, the ten year appreciation has been battered by the down market. Carmel had the biggest increase with a 28% gain in 10 years whereas Seaside took the biggest hit with a ten-year loss of 36%.

The Market Barometer continues to be strong with 34% of the listings in escrow when we checked on January 1. We have had decent barometer readings all the way back to April 2009 when the mild recovery began.

The condo market was not spared the carnage that the single family homes' market experienced. The gross dollar volume decline from the same quarter last year was almost \$6.4 million or 33%. The drop from the encouraging 2010 second quarter numbers was even more precipitous. falling almost \$13 million from \$25,501,426 to \$12,851,312, a slippage of 50%,

The number of units sold was down only four from last year, going from 40 to 36, but off 23 from the second quarter, or 41%.

The encouraging second quarter had no legs. The Market Barometer, a good predictor of short-term results, points to more of the same for the rest of the year. Fourth-quarter results should be similar to those in the third quarter. The Barometer reading on July 1st was 29%, not bad really, and it dropped a bit on October 1st to 23%. These are relatively good numbers but not exciting ones as they were in the first two quarters of this year. From July 1, 2006 to January 1 2009 the Barometer never got above 20% and hit a low of 5% on October 1, 2006. In comparison to those numbers, the current Barometer reading looks like paradise.

The January 1 and April 1, 2010 Barometer readings were terrific, 34% and 37% respectively, which led to the good performance in the second quarter.

Summing up, it looked like a recovery might be at hand in the second quarter, but the third quarter proved that the market still has a long way to go to gain a semblance of normality.

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.

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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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