

# 1st Quarter 2010 Report : Some Excellent Barometer Readings – A Look at Distressed Properties

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On April 1, 79% of the listings in Marina were under contract, a fabulous percentage. Other terrific readings were Seaside, 57%, Del Rey Oaks, 50%, Seaside/Monterey Highway, 36% and Pacific Grove 34%. These are excellent readings and augur a high number of closed escrows in the second quarter.

Carmel Valley, Monterey and Carmel also had decent reading of 23%, 22% and 21% respectively. Within this rosy picture we have to mix the tragedy of foreclosed and short-sale properties which accounted for, at least at the low end, a substantial percentage of the action. Pebble Beach and Carmel Highlands still had extremely weak barometer readings of 9%.

## Gross Dollar Volume

Gross dollar volume offers the best picture of where we have been and where we are in our local real estate market. Here are first quarter results since 2005: 2005: \$426,148,000; 2006: \$328,471,000; 2007: \$312,000,676; 2008: \$233,949,403; 2009: \$175,204,965; 2010: \$180, 537,668.

These numbers show how much we have fallen since the peak, a decline from 2005 to 2010 of 58%. No matter how you slice it up, a 58% decline or \$245,610,332 fewer dollars changing hands in 2010 than in 2005, is one huge bundle of money. The difference is 36% higher than total sales in the first quarter this year.

## The Foreclosure Picture

We have to admit, with the wisdom of hindsight, that our peak markets were insanely inflated. If we consider both then and now as anomalies, we can expect something of a normal market in the offing. To find out where we are in terms of value, the distressed properties have to disappear from the market place. We have no idea how long that will take. Many distressed properties in Marina, Seaside, Monterey and Pacific Grove have been sold but they are not out the woods yet.

We subscribe to a foreclosure service which lists distressed real estate by zip code. When we checked on April 18, there were still 65 properties in Monterey either in the pre-foreclosure state (i.e., the bank has advised a delinquent borrower to pay up or face foreclosure) going to auction or bank owned, 42 in Pacific Grove, 112 in Seaside and 29 in Marina. The relatively low number in Marina is probably a good sign for that town.

But how about the more expensive markets of Carmel, Carmel Valley, Carmel Highlands and Pebble Beach? Some predict an upcoming crisis in the higher end. We have seen foreclosures and short sales in our higher markets, but not a crisis as yet. Still, the numbers will surprise many.

MARKET BAROMETER Hottest to Coldest Market Five Quarter Review (In Descending Order)		
	<i>In</i>	
	<i>Escrow</i>	
	<i>vs</i>	
<i>Date</i>	<i>Listings</i>	<i>Percent</i>
<b>Marina</b>		
04/01/10	42/53	79%
01/01/10	32/56	57%
10/01/09	40/65	62%
07/01/09	35/62	56%
04/01/09	29/73	40%
<b>Seaside</b>		
04/01/10	74/129	57%
01/01/10	64/93	69%
10/01/09	82/108	76%
07/01/09	75/104	72%
04/01/09	68/121	56%
<b>Del Rey Oaks</b>		
04/01/10	2/4	50%
01/01/10	4/7	57%
10/01/09	4/9	44%
07/01/09	3/7	43%
04/01/09	4/9	44%
<b>Salinas/Mty Highway</b>		
04/01/10	60/166	36%
01/01/10	47/137	34%
10/01/09	51/179	28%
07/01/09	36/163	22%
04/01/09	31/75	18%
<b>Pacific Grove</b>		
04/01/10	35/103	34%
01/01/10	26/70	37%
10/01/09	22/07	20%

The least affected area is the City of Carmel, the 93921 zip code, with only six distressed properties on April 18: two pre-foreclosures, three going to auction and one bank owned.

Here is how the other areas looked: 93923, greater Carmel, Carmel Highlands and Carmel Valley to Mid- Valley: 82 distressed properties, 32 pre-foreclosures, 35 going to auction and 15 bank owned; 93924, Carmel Valley beyond Mid-Valley: 50 properties, 15 pre-foreclosures, 26 going to auction and nine bank owned; 93953, Pebble Beach, 25 properties: 11 pre-foreclosures, nine going to auction and five bank owned. These numbers show even in our most affluent areas the national real estate crisis is having an impact.

## Prices

We wrap up this report with a quick look at prices. During the first quarter, only Carmel Highlands and Pebble Beach were able to hang onto median sales prices of over one million dollars. Carmel dropped to \$912,000. The last time Carmel had a median sales price under one million dollars was the third quarter of 2003, almost seven years ago. The lower prices are adding new life to the Carmel market which is reflected in the 21% Barometer reading, the first time the Carmel Barometer has topped 20% since July 1, 2005!! It is a new market and Carmel sellers are getting the picture.

All of the markets were down from a year ago with the exception of Marina, which was even, and Monterey, Pacific Grove and Salinas/Monterey Highway which were up a bit.

Readers of The Pine Cone have noticed a number of very expensive properties have closed escrow recently. The high-end is not dead. It is just not as incredibly hot as it was during the boom. In the first quarter, Carmel had 11 sales over one million dollars and five over two million dollars. Pebble had ten over a million and three over two million including one at an impressive \$9,500,000.

10/01/09	20/31	23%
07/01/09	28/101	28%
04/01/09	15/89	17%
<b>Carmel Valley</b>		
04/01/10	32/140	23%
01/01/10	37/132	28%
10/01/09	23/147	16%
07/01/09	19/135	14%
04/01/09	17/138	12%
<b>Monterey</b>		
04/01/10	24/110	22%
01/01/10	25/87	29%
10/01/09	31/82	38%
07/01/09	31/100	31%
04/01/09	19/94	20%
<b>Carmel</b>		
04/01/10	37/173	21%
01/01/10	19/139	14%
10/01/09	30/199	15%
07/01/09	26/209	12%
04/01/09	16/178	9%
<b>Pebble Beach</b>		
04/01/10	11/120	9%
01/01/10	15/111	14%
10/01/09	9/124	7%
07/01/09	12/116	10%
04/01/09	6/110	5%
<b>Carmel Highlands</b>		
04/01/10	3/33	9%
01/01/10	4/30	13%
10/01/09	3/37	8%
07/01/09	3/64	5%
04/01/09	2/25	8%

<b>Monterey Peninsula Gross Dollar Volume</b>		
<i>Town</i>	1st QTR 2009	1st QTR 2010
Carmel	\$56,932,863	\$45,468,000
Carmel Highlands	\$9,154,000	\$3,930,000
Carmel Valley	\$12,942,000	\$26,882,500
Del Rey Oaks	\$400,000	\$1,555,000
Marina	\$14,595,400	\$9,925,800
Monterey	\$6,510,000	\$10,882,925
Pacific Grove	\$16,543,595	\$15,575,000
Pebble Beach	\$22,602,903	\$36,204,950
Salinas Hwy	\$14,646,500	\$18,074,570
Seaside	\$20,877,704	\$12,038,923
<b>Totals</b>	<b>\$175,204,965</b>	<b>\$180,537,668</b>

Median Sales Price Comparisons				
<i>Town</i>	<i>Full Year</i> 2009	<i>1st Qtr</i> 2009	<i>1st Qtr</i> 2010	<i>% LP</i> Received
Carmel	\$1,240,000	\$1,075,000	\$ 912,000	90.35%
Carmel Highlands	\$ 1,387,500	\$1,325,000	\$ 1,030,000	94.27%
Carmel Valley	\$ 725,000	\$ 723,500	\$ 527,500	90.75%
Del Rey Oaks	\$ 405,000	\$ 400,000	\$ 385,000	100.72%
Marina	\$ 354,900	\$ 350,000	\$ 350,000	99.69%
Monterey	\$ 520,000	\$ 510,000	\$ 526,800	94.61%
Pacific Grove	\$ 603,750	\$ 559,000	\$ 687,500	94.97%
Pebble Beach	\$ 1,100,000	\$1,302,000	\$ 1,066,975	83.61%
Salinas Hwy	\$ 573,500	\$ 572,000	\$ 577,500	95.27%
Seaside	\$ 270,598	\$ 282,500	\$ 267,500	100.85%

Distribution of Sales 1st Quarter 2010								
<i>Town</i>	\$0	\$400	\$700	\$800	\$1-M	\$1.3-M	\$1.7-M	
	\$399	\$699	\$799	\$999	\$1,299	\$1,699	\$1,999	\$2M +
Carmel	0	11	4	4	6	5	0	5
Carmel Highlands	0	0	1	0	1	0	0	1
Carmel Valley	7	12	3	2	4	2	0	2
Del Rey Oaks	3	1	0	0	0	0	0	0
Marina	22	6	0	0	0	0	0	0
Monterey	3	10	4	2	0	0	0	0
Pacific Grove	0	11	4	6	1	0	0	0
Pebble Beach	0	1	2	6	5	4	1	3
Salinas Hwy	4	16	2	3	0	3	0	0
Seaside	34	4	2	0	0	0	0	0
Totals	73	72	22	23	17	14	1	11

Days on Market 1st Qtr 2009 - 2010		
<i>Town</i>	2009	2010
Carmel	150	136
Carmel Highlands	64	292
Carmel Valley	154	159
Del Rey Oaks	18	87
Marina	83	52
Monterey	91	116
Pacific Grove	142	88
Pebble Beach	221	141
Salinas Hwy	156	136
Seaside	87	40

SALES BY QUARTER -- Seven Quarter Review							
	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Town	2008	2008	2009	2009	2009	2009	2010
Carmel	36	27	31	21	47	46	35
Carmel Highlands	1	1	4	3	2	4	3
Carmel Valley	16	14	14	20	21	23	32
Del Rey Oaks	9	4	1	4	2	6	4
Marina	34	53	41	32	32	46	28
Monterey	25	43	12	24	40	32	19
Pacific Grove	34	22	21	21	36	41	22
Pebble Beach	18	17	14	14	20	16	22
Salinas Hwy	27	27	23	48	38	47	28
Seaside	89	85	65	63	71	70	40
<b>Totals</b>	<b>289</b>	<b>293</b>	<b>226</b>	<b>250</b>	<b>309</b>	<b>331</b>	<b>233</b>

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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