

# 1st Quarter 2011 Report : Peninsula Rebound Bucks

## National Trends

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Savvy politicians say that "all politics are local." In that sentence change "politics" to "real estate," and you have an important insight into analyzing real estate markets that may interest you. Ignore the national or even statewide data and focus your attention on what interests you.

In fact, get even more focused. If you want to buy or sell in a specific neighborhood, analyze it. No city, town or neighborhood is completely immune from what is going on in the larger society, but there can be interesting and, at times, surprising differences.

The national news on the real estate market has been grim so far this year. There was an uptick in sales in March but 40% of those were short sales and foreclosures. First quarter Monterey Peninsula results, on the other hand, were significantly better for the entire quarter than last year. Not all of our local communities shared in the rebound, but those that did rang up substantial gains.

### Dollar Volume

Our favorite indicator is dollar volume, the actual number of green backs that change hands. The dollar volume in the quarter was \$246,472,877, 37% better than last year's \$180,537,668.

The big winners were Carmel with a 48% increase and Pebble Beach with a 55% gain. The only market that did not register a dollar volume gain was Marina which was down 14%. Check out that accompanying chart. It makes sweet reading after the misery of last few years.

### Number of Transactions

The number of transactions also had a nice gain in the quarter, up 23% overall from 233 closed sales last year to 286 this year. The big gainers were Monterey up 61%, Carmel plus 57% and Pacific Grove and Seaside up 45% and 43% respectively. Curiously, Pebble Beach had two fewer sales this year but a 55% gain in dollar volume. The universe of properties sold this year was at a much higher price range. The median sales price in the Forest this year was \$1,990,000 as opposed to \$1,066,975 last year which accounts for the large dollar volume gain on fewer sales.

### Median Sales Prices

The price picture was mixed. Four markets had higher median sales prices in the first quarter of 2011 as opposed to last year and six markets had declines. The gains were in the high-end markets of Carmel, Carmel Highlands, Carmel Valley and Pebble Beach.

The combined gain of dollar volume and price in the tonier markets suggests that high-income folks are getting back into the market whereas the lower end, more dependent on financing, is still under heavy financial stress.

<b>MARKET BAROMETER</b> 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>Seaside</b>		
04/01/11	71/111	64%
01/01/11	63/121	52%
10/01/10	78/136	57%
07/01/10	82/138	59%
04/01/10	74/129	57%
<b>Marina</b>		
04/01/11	29/66	44%
01/01/11	33/66	50%
10/01/10	36/65	55%
07/01/10	26/48	54%
04/01/10	42/53	79%
<b>Del Rey Oaks</b>		
04/01/11	2/6	33%
01/01/11	4/5	80%
10/01/10	1/8	13%
07/01/10	4/7	57%
04/01/10	2/4	50%
<b>Salinas/Mty Highway</b>		
04/01/11	42/149	28%
01/01/11	43/135	32%
10/01/10	48/172	28%
07/01/10	51/174	29%
04/01/10	60/166	36%
<b>Monterey</b>		
04/01/11	28/114	25%
01/01/11	22/101	22%

## Looking Ahead

We look at our Market Barometer, a measure of the percentage of active listings in escrow, for guidance going forward. Our judgment is that a Barometer of 20% or higher indicates a reasonable amount of activity. When the readings get above 40% or 50% one enters into red-hot territory.

Seaside remains in the sizzling category with 64% of the listings in escrow on April 1, as investors continue to gobble up foreclosed properties. Marina is hot too with a reading of 44%. All of the markets exceeded 20% on April 1, except for Carmel Highlands that registered 13%. In total 286 properties were in escrow on April 1 which augurs a good performance in the second quarter.

Numbers can be ornery critters refusing to fit into expected conclusions. With what we have pointed out above, a strong first quarter performance over all, one would think the number of escrows on April 1, 2011 would exceed those of April 1, 2010. Alas, it is not true. Last year there were 320 properties in escrow as opposed to the 286 this year.

The big drops were Salinas/Monterey Highway 18, Pacific Grove 14, Marina 13 and Pebble Beach 11. The second quarter of 2010 was pretty good, the best of the year. We enter the second quarter this year with 34 fewer escrows on the books, but with the overall market mood much better than a year ago.

Rather than trying to figure out what is in store, we will rest on the notion that the market is looking up. In the months ahead we will see if the nice first quarter provided enough momentum to build a solid rebound year.

04/01/11	2010	2011
10/01/10	28/113	25%
07/01/10	19/120	16%
04/01/10	24/110	22%
<b>Carmel Valley</b>		
04/01/11	29/119	24%
01/01/11	25/116	22%
10/01/10	31/162	19%
07/01/10	36/167	22%
04/01/10	32/140	23%
<b>Pacific Grove</b>		
04/01/11	21/92	23%
01/01/11	16/93	17%
10/01/10	18/109	17%
07/01/10	24/118	20%
04/01/10	35/103	34%
<b>Pebble Beach</b>		
04/01/11	21/92	23%
01/01/11	7/94	7%
10/01/10	7/118	6%
07/01/10	11/135	8%
04/01/10	11/120	9%
<b>Carmel</b>		
04/01/11	39/187	21%
01/01/11	30/155	19%
10/01/10	42/220	19%
07/01/10	41/236	17%
04/01/10	37/173	21%
<b>Carmel Highlands</b>		
04/01/11	4/31	13%
01/01/11	1/31	3%
10/01/10	3/38	8%
07/01/10	3/43	7%
04/01/10	3/33	9%

<b>Days on Market 1st Qtr 2010 - 2011</b>		
<i>Town</i>	2010	2011
Carmel	136	134
Carmel Highlands	292	28
Carmel Valley	159	198
Del Rey Oaks	87	34
Marina	52	113
Monterey	116	133
Pacific Grove	88	127
Pebble Beach	141	170
Salinas Hwy	136	202
Seaside	40	73

Distribution of Sales 1st Quarter 2011								
	\$0	\$400	\$700	\$800	\$1-M	\$1.3-M	\$1.7-M	
Town	\$399	\$699	\$799	\$999	\$1,299	\$1,699	\$1,999	\$2M +
Carmel	1	10	5	11	9	9	2	8
Carmel Highlands	0	0	0	0	1	1	0	1
Carmel Valley	3	6	7	9	3	0	0	1
Del Rey Oaks	2	1	0	0	0	0	0	0
Marina	25	3	0	0	0	0	0	0
Monterey	12	12	1	3	1	0	0	0
Pacific Grove	2	21	2	2	3	1	1	0
Pebble Beach	0	1	0	3	1	3	2	9
Salinas Hwy	6	14	2	4	1	2	1	2
Seaside	48	9	0	0	0	0	0	0
<b>Totals</b>	<b>99</b>	<b>77</b>	<b>17</b>	<b>32</b>	<b>19</b>	<b>16</b>	<b>6</b>	<b>21</b>

SALES BY QUARTER -- Seven Quarter Review							
	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Town	2009	2009	2010	2010	2010	2010	2011
Carmel	47	46	35	38	42	50	55
Carmel Highlands	2	4	3	3	3	4	2
Carmel Valley	21	23	32	35	32	32	29
Del Rey Oaks	2	6	4	4	4	3	3
Marina	32	46	28	36	23	32	28
Monterey	40	32	19	38	32	29	29
Pacific Grove	36	41	22	49	29	28	32
Pebble Beach	20	16	22	24	19	10	19
Salinas Hwy	38	47	28	53	43	47	32
Seaside	71	70	40	63	63	62	57
<b>Totals</b>	<b>309</b>	<b>331</b>	<b>233</b>	<b>343</b>	<b>290</b>	<b>297</b>	<b>286</b>

Median Sales Price Comparisons				
Town	Full Year	1st Qtr	1st Qtr	% LP
	2010	2010	2011	Received
Carmel	\$1,045,000	\$ 912,000	\$1,000,000	92.03%
Carmel Highlands	\$1,600,000	\$1,030,000	\$4,850,000	86.65%
Carmel Valley	\$ 706,000	\$ 527,500	\$ 732,500	94.10%
Del Rey Oaks	\$ 390,000	\$ 385,000	\$ 370,000	92.77%
Marina	\$ 334,900	\$ 350,000	\$ 304,450	99.20%
Monterey	\$ 550,000	\$ 526,800	\$ 420,000	96.12%
Pacific Grove	\$ 630,000	\$ 687,500	\$ 540,000	96.82%
Pebble Beach	\$1,100,000	\$1,066,975	\$1,990,000	88.42%
Salinas Hwy	\$ 575,000	\$ 577,500	\$ 565,000	90.57%
Seaside	\$ 279,200	\$ 267,500	\$ 250,000	99.04%

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		
<i>Town</i>	1st Qtr 2010	1st Qtr 2011
Carmel	\$45,468,000	\$67,096,390
Carmel Highlands	\$3,930,000	\$9,700,000
Carmel Valley	\$26,882,500	\$25,104,800
Del Rey Oaks	\$1,555,000	\$1,140,000
Marina	\$9,925,800	\$8,535,977
Monterey	\$10,882,925	\$13,380,610
Pacific Grove	\$15,575,000	\$21,973,900
Pebble Beach	\$36,204,950	\$56,273,000
Salinas Hwy	\$18,074,570	\$26,732,900
Seaside	\$12,038,923	\$16,535,300
<b>Totals</b>	<b>\$180,537,668</b>	<b>\$246,472,877</b>