

2nd Quarter 2012 Report : Market Retains Upward Swing

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We expressed tempered optimism in our First Quarter Report. What impressed us then was the strong Market Barometer, a measure of the percentage of listings in escrow. The strong Barometer readings in the first quarter foretold the potential of a high number of closings in the second quarter.

This felt like a turn around situation, perhaps a strengthening trend after more than four years of decline.

Dollar Volume and Unit Sales

This feeling turned out to be true. The market continued a gentle upward swing. Dollar volume surpassed last year's total by more than \$31 million dollars, a 12% gain, rising from \$250 million last year to \$281 million this year.

There were 34 more transactions than last year, an 11% pick up and 39 more than in the first quarter. This is by no means an explosion of activity, but it is nice to continue to report some strengthening. Pebble Beach led the increase in dollar volume, up by almost \$16 million, followed by Carmel, plus more than \$14 million and Pacific Grove with an increase of just under \$8 million.

The negative performers were Del Rey Oaks, Monterey, Salinas/Monterey Highway and Seaside. Only Seaside had a substantial drop from \$19 million to \$12 million. This we expect is due to the decreasing number of listings as investors have been busily buying up distressed properties there since the crash.

Prices

Median sales prices continue to decrease for the most part. All of the markets were down except Carmel Valley, up marginally, Monterey and Seaside. If history offers guidance, we are probably in for a long period of basically stable prices. When the boom market started here in the 4th quarter of 1995, it took about five years before price began to rise which eventually led to sky rocketing and temporary values.

Market Barometer

The Market Barometer offers us a peek into the future as well as a comparison with the past. Looking backward first we find the number of listings on July 1, this year was down from 1,086 to 858, a decline of 228 listings or 21%. Even with 228 fewer listings there were more properties in escrow this year than last, 303 to 291.

The 303 properties in escrow on July first promise a healthy number of closings in the next quarter. Furthermore, we once again had super strong Barometer Readings, with the three top markets at 100%, 77% and 75%. Only two markets, Carmel and Carmel Highlands, had readings under 20%.

The Carmel market is a bit weird. It continues to rack up good numbers

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>
Del Rey Oaks		
07/01/12	5/5	100%
04/01/12	5/6	83%
01/01/12	3/7	43%
10/01/11	0/5	0%
07/01/11	1/4	25%
Marina		
07/01/12	34/44	77%
04/01/12	38/56	68%
01/01/12	23/42	55%
10/01/11	34/55	62%
07/01/11	34/59	58%
Seaside		
07/01/12	56/75	75%
04/01/12	54/73	74%
01/01/12	56/94	60%
10/01/11	63/109	58%
07/01/11	67/122	55%
Pacific Grove		
07/01/12	38/82	46%
04/01/12	40/94	43%
01/01/12	27/108	25%
10/01/11	29/120	24%
07/01/11	27/117	23%
Salinas/Mty Highway		
07/01/12	61/145	42%
04/01/12	59/133	44%
01/01/12	46/127	36%
10/01/11	57/163	35%
07/01/11	50/166	30%
Monterey		
07/01/12	29/81	36%
04/01/12	38/72	53%
01/01/12	38/80	48%
10/01/11	47/113	42%
07/01/11	29/113	26%
Carmel Valley		
07/01/12	26/110	24%

except in its Barometer readings, reflecting a tenacious overhang of unsold properties. Only 19% of the listings were in escrow on July 1.

This overhang reflects seller unwillingness to come to terms with current value realities. You will see on the median sales price chart that successful Carmel sellers are receiving the lowest percentage of asking prices on the Peninsula. The unsuccessful ones would do themselves a favor by reviewing their asking prices with their agents.

04/01/12	27/96	28%
01/01/12	29/91	32%
10/01/11	31/127	24%
07/01/11	34/148	23%
Pebble Beach		
07/01/12	22/107	21%
04/01/12	19/101	19%
01/01/12	19/100	19%
10/01/11	15/130	12%
07/01/11	11/121	9%
Carmel		
07/01/12	27/174	16%
04/01/12	40/176	23%
01/01/12	28/164	17%
10/01/11	32/209	15%
07/01/11	34/203	17%
Carmel Highlands		
07/01/12	5/35	14%
04/01/12	1/28	4%
01/01/12	1/23	4%
10/01/11	0/33	0%
07/01/11	4/33	12%

Days on Market 2nd Qtr 2011 - 2012		
<i>Town</i>	2011	2012
Carmel	160	149
Carmel Highlands	326	285
Carmel Valley	131	126
Del Rey Oaks	34	165
Marina	107	76
Monterey	152	81
Pacific Grove	110	113
Pebble Beach	180	126
Salinas Hwy	179	131
Seaside	77	68

Monterey Peninsula Gross Dollar Volume

<i>Town</i>	2nd Qtr 2011	2nd Qtr 2012
Carmel	\$73,856,400	\$87,929,480
Carmel Highlands	\$4,325,000	\$5,345,000
Carmel Valley	\$29,360,500	\$32,624,865
Del Rey Oaks	\$2,377,000	\$1,413,800
Marina	\$9,034,750	\$10,781,188
Monterey	\$26,922,315	\$25,256,736
Pacific Grove	\$23,370,435	\$31,212,600
Pebble Beach	\$25,526,500	\$41,498,800
Salinas Hwy	\$36,144,548	\$32,955,900
Seaside	\$19,589,602	\$12,756,250
Totals	\$250,507,050	\$281,774,619

Median Sales Price Comparisons

<i>Town</i>	Full Year 2011	2nd Qtr 2011	2nd Qtr 2012	% LP Received
Carmel	\$1,082,500	\$1,160,000	\$1,050,500	91.97%
Carmel Highlands	\$1,137,000	\$1,475,000	\$2,672,500	92.63%
Carmel Valley	\$ 700,000	\$ 802,500	\$ 690,000	96.71%
Del Rey Oaks	\$ 385,000	\$ 392,500	\$ 355,000	98.74%
Marina	\$ 312,000	\$ 311,000	\$ 294,500	98.18%
Monterey	\$ 522,079	\$ 510,000	\$ 510,000	97.33%
Pacific Grove	\$ 537,500	\$ 554,500	\$ 599,500	96.88%
Pebble Beach	\$1,104,000	\$ 945,000	\$ 995,000	92.02%
Salinas Hwy	\$ 558,000	\$ 620,000	\$ 528,500	93.98%
Seaside	\$ 299,249	\$ 259,900	\$ 267,000	97.36%

Distribution of Sales - 2nd Quarter 2012

	\$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	0	15	5	12	17	6	2	13
Carmel Highlands	0	0	0	0	0	0	0	2
Carmel Valley	4	16	3	7	4	3	0	2
Del Rey Oaks	4	0	0	0	0	0	0	0
Marina	33	4	0	0	0	0	0	0
Monterey	12	24	4	1	4	0	0	0
Pacific Grove	8	26	7	1	4	2	0	0
Pebble Beach	0	3	4	6	5	5	0	4
Salinas Hwy	9	24	4	5	0	0	0	4
Seaside	44	3	0	0	0	0	0	0
Totals	114	115	27	32	34	16	2	25

SALES BY QUARTER -- Seven Quarter Review							
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Town	2010	2011	2011	2011	2011	2012	2012
Carmel	50	55	50	48	50	50	70
Carmel Highlands	4	2	3	4	2	4	2
Carmel Valley	32	29	26	38	35	21	39
Del Rey Oaks	3	3	6	2	2	2	4
Marina	32	28	29	27	25	28	37
Monterey	29	29	47	36	38	46	45
Pacific Grove	28	32	36	38	44	46	48
Pebble Beach	10	19	17	25	22	34	27
Salinas Hwy	47	32	47	58	53	44	46
Seaside	62	57	69	58	60	51	47
Totals	297	286	330	334	331	326	365

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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