TERRIFIC SECOND QUARTER — PRICES ON THE UPSWING

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Let’s start the second quarter report with what we consider to be the most telling numbers, gross dollar volume.

The stars of the quarter were Carmel Valley, up 61% over last year and Carmel-by-the-Sea, which recorded a jump in dollar volume of 44%. Those are impressive gains.

Please remember that our current definition of Carmel Valley in these reports includes only properties in the 93924 zip code, which begins just beyond Mid-Valley and extends out beyond the Village and up Laureles Grade Road.

The overall Monterey Peninsula market had a more modest five percent gain. Pacific Grove, Monterey and Seaside had small gains whereas Carmel Area, Carmel Highlands and Pebble Beach were down.

Monterey Peninsula Gross Dollar Volume		
	2nd Qtr	**2nd Qtr**
Town	**2015**	**2016**
Carmel-by-the-Sea	$46,630,239	$67,375,625
Carmel Highlands	$11,425,000	$5,518,000
Carmel Area	$100,679,038	$93,139,801
Carmel Valley	$28,165,205	$45,235,220
Monterey Area	$44,703,612	$49,327,500
Pacific Grove	$44,504,000	$49,574,465
Pebble Beach	$66,876,654	$48,293,663
Seaside	$18,905,961	$20,608,839
Totals	$361,889,709	$379,073,113

Prices

Over the past year we have been reporting that although dollar volume was going up there seemed to be little gain in median selling prices, the increased volume the result of strong performances in the high end of the spectrum not higher prices.

In the second quarter that scenario changed. Please stop to study the Median Sales Price chart, and you will see that every market was up in the quarter with the exception of Carmel Highlands which, with only three sales, hardly counts as a marker.

Some of the gains were significant: Carmel-by-the-Sea, up 34%; Carmel Area up 55%; Carmel Valley, up 46%; Monterey Area, up 21%; Pacific Grove up 13%. It is going to be interesting to see if this trend continues,

Median Sales Price Comparisons			
	Full Year	***2nd Qtr***	***2nd Qtr***
Town	***2015***	***2015***	***2016***
Carmel-by-the-Sea	$ 1,416,000	$ 1,345,000	$ 1,800,000
Carmel Highlands	$ 2,525,000	$ 2,925,000	$ 1,825,000
Carmel Area	$ 1,100,000	$ 1,061,739	$ 1,650,000
Carmel Valley	$ 795,000	$ 856,000	$ 1,250,000
Monterey Area	$ 626,750	$ 649,500	$ 787,500
Pacific Grove	$ 780,000	$ 762,500	$ 860,000
Pebble Beach	$ 1,400,000	$ 1,348,750	$ 1,363,000
Seaside	$ 399,500	$ 405,500	$ 427,000

Unit Sales

Unit sales in the quarter mirrored dollar volume. The overall increase was only four percent but the markets with large dollar volume increase had nice gains in the number of transactions too. For example, Carmel-by-the-Sea and Carmel Valley, up 140%
and 38% respectively.

The main message of the quarter is that price inflation has begin to hit in a big way. Asking prices are getting more aggressive which may or may not take some of the steam out of the market. Anyone about to get in the market as a buyer or seller has to watch this carefully. And, of course, appraisals are a different animal all together. Will lenders go along with higher values or resist?

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The charts are based in whole or in part on data supplied by MLSListings.com, our Multiple Listing Service (MLS). Neither the Monterey Association of Realtors nor the MLS guarantee or is responsible for their accuracy. Data maintained by the MLS may not reflect all real estate activity in the market.

SALES BY QUARTER -- Seven Quarter Review							
	Q4	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**
Town	***2014***	***2015***	***2015***	***2015***	***2015***	***2016***	***2016***
Carmel-by-the-Sea	16	21	14	23	28	25	31
Carmel Highlands	2	10	3	3	7	10	3
Carmel Area	72	34	65	50	47	33	47
Carmel Valley	21	21	24	21	16	10	33
Monterey Area	84	49	51	67	62	41	54
Pacific Grove	51	32	51	45	34	28	51
Pebble Beach	34	21	31	25	37	26	30
Seaside	49	37	45	51	45	35	45
Totals	**329**	**225**	**284**	**285**	**276**	**208**	**294**

Distribution of Sales 2nd Qtr 2016							
	$0	$400	$700	$1-M	$1.5M	$2M	
Town	$399	$699	$999	$1,499	$1,999	$2,999	$3M+
Carmel-by-the-Sea	0	1	5	7	8	3	7
Carmel Highlands	0	0	0	1	1	1	0
Carmel Area	0	2	4	17	8	7	9
Carmel Valley	1	5	8	9	7	1	2
Monterey Area	0	19	21	9	3	2	0
Pacific Grove	0	11	23	10	7	0	0
Pebble Beach	0	1	9	9	5	3	3
Seaside	16	26	3	0	0	0	0
Totals	17	65	73	62	39	17	21

Average Days to Sell 2nd Qtr 2015-2016		
Town	***2015***	**2016**
Carmel-by-the-Sea	95	67
Carmel Highlands	360	128
Carmel Area	120	96
Carmel Valley	89	105
Monterey Area	74	44
Pacific Grove	45	51
Pebble Beach	98	100
Seaside	52	34

Market Barometer Five Quarter Review		
	In Escrow vs	
Date	Listings	Percent
Carmel-by-the-Sea		
07/01/16	14/59	24%
04/01/16	16/55	29%
01/01/16	22/55	40%
10/01/15	13/57	23%
07/01/15	14/60	23%
Carmel Highlands		
07/01/16	0/9	0%
04/01/16	2/13	15%
01/01/16	3/27	11%
10/01/15	2/14	14%
07/01/15	1/12	8%
Carmel Area		
07/01/16	28/150	19%
04/01/16	25/120	21%
01/01/16	17/77	22%
10/01/15	28/138	20%
07/01/15	31/142	22%

Carmel Valley		
07/01/16	**16/59**	**27%**
04/01/16	17/61	28%
01/01/16	10/46	22%
10/1/2015	12/57	21%
07/01/15	16/59	27%
Monterey Area		
07/01/16	**29/98**	**30%**
04/01/16	31/83	37%
01/01/16	25/75	33%
10/01/15	33/108	31%
07/01/15	43/106	41%
Pacific Grove		
07/01/16	**23/63**	**37%**
04/01/16	23/59	39%
01/01/16	18/48	38%
10/01/15	21/62	34%
07/01/15	27/66	41%
Pebble Beach		
07/01/16	**14/84**	**17%**
04/01/16	13/78	17%
01/01/16	8/65	12%
10/01/15	22/90	24%
07/01/15	19/79	24%
Seaside		
07/01/16	**34/57**	60%
04/01/16	33/52	63%
01/01/16	19/39	49%
10/01/15	28/47	60%
07/01/15	34/48	71%