

3rd Quarter 2009 Report : Hints of Improvement

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As we have noted for over one year, the bulk of real estate transactions has been at the low-end of the price spectrum with Marina and Seaside enjoying a large percentage of the action. The third quarter was no exception with those two towns accounting for 33% of the sales with only 16.5% of Peninsula listings.

On the other hand Carmel and Pebble Beach accounted for 31% of the listings and only 22% of the sales. Those two markets had a high percentage of unsold listings as many potential buyers continue to say no to the current level of asking prices.

This situation was the reverse of the heady days of the boom when the high-end dominated the number of transactions.

Market Barometer

The Market Barometer, which shows the percentage of listings in escrow, reflected some exceedingly strong numbers on October 1st. Seaside and Marina were off the charts. Del Rey Oaks, Monterey, Pacific Grove and Salinas/Monterey Highway also had strong Barometer readings ranging from 28% to 44%.

These strong showings ensure an excellent fourth quarter for all six of those markets. The four high-end markets of Carmel, Carmel Valley, Carmel Highlands and Pebble Beach did not fare so well. They had Barometer reading from a low of 7% in Pebble Beach to 16% in Carmel Valley.

We looked at the number of unsold listings in the ten surveyed markets this year as compared to last and found an encouraging contrast. On October 1, 2008 there were 977 listings not under contract as compared to 742 this year, a decline of 24% in unsold inventory.

That is a promising trend. It is likely that in terms of the overall market we have passed the nadir of activity. The ten markets racked up 309 sales in the quarter, the first time since the third quarter of 2005 that total sales topped 300 in a single quarter. Curiously, there were 409 sales in that quarter, and we have not seen even 300 since then until the last quarter.

Prices

Carmel, where median the median sales price had remained at about \$1,500,000 throughout the slump, sagged in the third quarter to \$1,240,000. In 2005 the median sales price for the year was \$1,750,000. A spot check on October 13 showed the median sales price in 2009, year-to-date, to be \$1,175,000, 33% off the 2005 figure.

All of the ten markets had median sales price declines in the third quarter. Sold properties in Carmel, Carmel Valley and Pebble Beach all received less than 90% of the listing price, substantial discounts off asking. The red hot markets of Seaside and Marina received 98% of listing price and Marina

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>
Seaside		
10/01/09	82/108	76%
07/01/09	75/104	72%
04/01/09	68/121	56%
01/01/09	60/140	43%
10/01/08	70/170	41%
Marina		
10/01/09	40/65	62%
07/01/09	35/62	56%
04/01/09	29/73	40%
01/01/09	33/92	36%
10/01/08	35/104	34%
Del Rey Oaks		
10/01/09	4/9	44%
07/01/09	3/7	43%
04/01/09	4/9	44%
01/01/09	2/7	29%
10/01/08	6/9	67%
Monterey		
10/01/09	31/82	38%
07/01/09	31/100	31%
04/01/09	19/94	20%
01/01/09	6/81	7%
10/01/08	24/140	17%
Pacific Grove		
10/01/09	28/97	29%
07/01/09	28/101	28%
04/01/09	15/89	17%
01/01/09	12/87	15%

almost 100% receiving 99.94% of asking, truly an amazing number. There is no doubt that attractive prices are driving the low-end success and unrealistic asking prices are holding back the high end.

Another interesting set of numbers is the chart showing the distribution of sales across eight price ranges. In the 4th quarter of 2004 35% of the sales were one million dollars or more. Last quarter that number had dropped to 12%.

Finally, gross dollar volume was off in the quarter by 11%, dropping from \$246,527,873 to \$234,829,091. An apparent contradiction to what we reported above is both Carmel and Pebble Beach increased their dollar volume over last year. Carmel did it on an additional 11 sales whereas Pebble Beach had only two additional sales but did bag a \$9,200,000 sale which gave the gross dollar volume a nice boost. That one sale accounted for 26% of the dollar volume for the quarter.

Although there is still a lot of negativity in the market, the third quarter showed sign of improving health. The mostly strong Barometer readings augur well for those markets and the increase in volume shows there are many buyers in the hunt.

10/01/09	13/07	13%
10/01/08	17/109	16%
Salinas/Mty Highway		
10/01/09	51/179	28%
07/01/09	36/163	22%
04/01/09	31/75	18%
01/01/09	15/155	10%
10/01/08	25/175	14%
Carmel Valley		
10/01/09	23/147	16%
07/01/09	19/135	14%
04/01/09	17/138	12%
01/01/09	9/121	7%
10/01/08	16/148	11%
Carmel		
10/01/09	30/199	15%
07/01/09	26/209	12%
04/01/09	16/178	9%
01/01/09	13/151	9%
10/01/08	24/156	15%
Carmel Highlands		
10/01/09	3/37	8%
07/01/09	3/64	5%
04/01/09	2/25	8%
01/01/09	3/31	10%
10/01/08	1/62	2%
Pebble Beach		
10/01/09	9/124	7%
07/01/09	12/116	10%
04/01/09	6/110	5%
01/01/09	9/96	9%
10/01/08	12/118	10%

Monterey Peninsula Gross Dollar Volume		
	3rd QTR	3rd QTR
<i>Town</i>	2008	2009
Carmel	\$54,422,500	\$64,841,400
Carmel Highlands	\$1,800,000	\$3,279,900
Carmel Valley	\$28,688,500	\$19,845,000
Del Rey Oaks	\$4,962,000	\$765,000
Marina	\$13,832,400	\$10,547,317
Monterey	\$17,531,559	\$24,568,400
Pacific Grove	\$29,334,500	\$22,564,475
Pebble Beach	\$30,305,500	\$34,992,000
Salinas Hwy	\$35,424,624	\$29,787,005
Seaside	\$30,226,290	\$23,638,594
Totals	\$246,527,873	\$234,829,091

SALES BY QUARTER -- Seven Quarter Review							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<i>Town</i>	2008	2008	2008	2008	2009	2009	2009
Carmel	28	42	36	27	31	21	47
Carmel Highlands	3	9	1	1	4	3	2
Carmel Valley	9	18	16	14	14	20	21
Del Rey Oaks	1	2	9	4	1	4	2
Marina	17	32	34	53	41	32	32
Monterey	20	18	25	43	12	24	40
Pacific Grove	17	21	34	22	21	21	36
Pebble Beach	20	22	18	17	14	14	20
Salinas Hwy	14	25	27	27	23	48	38
Seaside	28	56	89	85	65	63	71
Totals	157	245	289	293	226	250	309

Days on Market 3rd Qtr 2008 - 2009		
<i>Town</i>	2008	2009
Carmel	152	161
Carmel Highlands	174	31
Carmel Valley	119	155
Del Rey Oaks	136	296
Marina	137	103
Monterey	147	133
Pacific Grove	96	165
Pebble Beach	260	157
Salinas Hwy	108	186
Seaside	147	77

Distribution of Sales - 3rd Quarter 2009								
	\$0	\$400	\$700	\$800	\$1-M	\$1.3-M	\$1.7-M	
<i>Town</i>	\$399	\$699	\$799	\$999	\$1,299	\$1,699	\$1,999	\$2M +
Carmel	0	4	3	10	8	7	4	11
Carmel Highlands	0	1	0	0	0	0	0	1
Carmel Valley	2	6	3	2	4	2	1	1
Del Rey Oaks	2	0	0	0	0	0	0	0
Marina	25	7	0	0	0	0	0	0
Monterey	11	15	3	7	3	1	0	0
Pacific Grove	1	25	2	8	0	0	0	0
Pebble Beach*	0	1	2	5	4	4	1	3
Salinas Hwy	7	15	7	4	3	0	1	1
Seaside	52	16	3	0	0	0	0	0
Totals	100	90	23	36	22	14	7	17

Median Sales Price Comparisons				
Town	Full Year 2008	3rd Qtr 2008	3rd Qtr 2009	% LP Received
Carmel	\$1,550,250	\$1,457,500	\$1,240,000	88.34%
Carmel; Highlands	\$1,600,000	\$1,800,000	\$1,639,950	93.98%
Carmel Valley	\$1,182,000	\$1,195,000	\$750,000	88.97%
Del Rey Oaks	\$505,000	\$538,000	\$382,500	86.94%
Marina	\$400,000	\$400,000	\$338,000	99.94%
Monterey	\$685,000	\$619,059	\$545,000	92.69%
Pacific Grove	\$672,500	\$697,500	\$594,500	95.72%
Pebble Beach	\$1,570,000	\$1,366,250	\$1,079,500	88.85%
Salinas Hwy	\$770,000	\$860,000	\$587,500	91.91%
Seaside	\$326,000	\$320,000	\$280,000	98.04%

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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