

3rd Quarter 2010 Report : Market Reverses Again

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The headline for our second quarter report was "Stunning Reversal; of Fortune." We were excited by the big jump in dollar volume and the healthy pick up in the high end market. But we did issue the following warning: "The apparent success of the second quarter is dimmed by the low percentage of properties in escrow on July 1."

The Barometer is a good indicator of short term prospects and the weak readings on July 1st, especially in Pebble Beach which had only 11 properties in escrow, hinted of a lower performing quarter to come. That proved to be true.

High-End Vigor Dissipates

The high-end vigor we experienced in the second quarter dissipated in the third. Dollar volume plunged from more than \$311,000,000 in the exciting second quarter to just over \$212,000,000 in the third, a decline in excess of \$99,000,000.

In a market as small as ours it is hard to imagine a \$99,000,000 swing in one quarter. There were 53 fewer sales in the quarter. If you divide 53 into \$99,000,000 you get an average sales price of almost \$1.9 million dollars, way above the average sale price of \$731,581 rung up for the quarter.

What was missing in the third quarter were the mega sales experienced in the second quarter. In that quarter Pebble Beach had five sales over \$6,000,000 dollars including one at more than \$10,000,000 and another at over \$18,000,000. In the third quarter there were only three sales in Pebble over \$2,000,000. The highest was \$3,600,000.

Carmel, Carmel Valley and Pacific Grove helped to build the exciting second quarter. Carmel had ten sales over \$2,000,000, Carmel Valley two over \$5,000,000 and Pacific Grove one over \$4,000,000.

In the third quarter, by contrast, high end sales were down substantially. We noted above the decline in Pebble Beach. In addition to Pebble, Carmel had merely five sales over \$2,000,000, only one of which surpassed \$3,000,000, and Pacific Grove had nothing over \$2,000,000. Curiously, Carmel Valley booked two rich sales in the quarter, one at \$4,525,000 and another at an impressive \$6,400,000. One of these was in the Santa Lucia Preserve and the other near the Carmel Valley gate to the Tehama Country Club.

Prices

Carmel took a big hit in the quarter in terms of median sales price, plunging 35% from quarter to quarter, \$1,240,000 to \$805,000. This does not mean that Carmel values were down 35% in the quarter rather that the universe of sales completed was at the lower end of Carmel asking prices. It also reflects the fact that at present there are lots of opportunities in Carmel under \$1,000,000, a price range that almost disappeared during the peak of the boom.

Eight of the 10 Peninsula markets had lower median sales prices during the

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		
10/01/10	78/136	57%
07/01/10	82/138	59%
04/01/10	74/129	57%
01/01/10	64/93	69%
10/01/09	82/108	76%
Marina		
10/01/10	36/65	55%
07/01/10	26/48	54%
04/01/10	42/53	79%
01/01/10	32/56	57%
10/01/09	40/65	62%
Salinas/Mty Highway		
10/01/10	48/172	28%
07/01/10	51/174	29%
04/01/10	60/166	36%
01/01/10	47/137	34%
10/01/09	51/179	28%
Monterey		
10/01/10	28/113	25%
07/01/10	19/120	16%
04/01/10	24/110	22%
01/01/10	25/87	29%
10/01/09	31/82	38%
Carmel		
10/01/10	42/220	19%
07/01/10	41/236	17%
04/01/10	37/173	21%
01/01/10	19/139	14%
10/01/09	30/199	15%
Carmel Valley		
10/01/10	31/162	19%
07/01/10	36/167	22%
04/01/10	32/140	23%
01/01/10	37/132	28%

quarter. Monterey and Pacific Grove had modest gains.

The Fourth Quarter

Fourth quarters are normally slow in relation to the rest of the year. Sometimes, however, we get surprised. The ten-year hot market began at the end of the fourth quarter of 1995, which was a miserable year up to that point. Maybe after we get the elections behind us the mood will improve. The Barometer, a forward looking tool, had readings on October 1st that look good for Seaside, Marina, Salinas/Monterey Highway and Monterey. Carmel Highlands and Pebble Beach have grim prospects for the quarter with Barometer Readings (percentage of listings in escrow) of eight and six percent. Carmel, Carmel Valley and Pacific Grove have below average prospects.

We do not expect great things for the quarter but remain open minded. The second quarter was a pleasant surprise and the third a disappointment. Is there another pleasant surprise awaiting us? We will deal with that in January.

10/01/09	23/147	16%
Pacific Grove		
10/01/10	18/109	17%
07/01/10	24/118	20%
04/01/10	35/103	34%
01/01/10	26/70	37%
10/01/09	28/97	29%
Del Rey Oaks		
10/01/10	1/8	13%
07/01/10	4/7	57%
04/01/10	2/4	50%
01/01/10	4/7	57%
10/01/09	4/9	44%
Carmel Highlands		
10/01/10	3/38	8%
07/01/10	3/43	7%
04/01/10	3/33	9%
01/01/10	4/30	13%
10/01/09	3/37	8%
Pebble Beach		
10/01/10	7/118	6%
07/01/10	11/135	8%
04/01/10	11/120	9%
01/01/10	15/111	14%
10/01/09	9/124	7%

Monterey Peninsula Gross Dollar Volume		
	3rd QTR	3rd QTR
<i>Town</i>	2009	2010
Carmel	\$64,841,400	\$44,223,000
Carmel Highlands	\$3,279,000	\$5,342,625
Carmel Valley	\$19,845,000	\$35,085,650
Del Rey Oaks	\$765,000	\$1,547,000
Marina	\$10,547,317	\$7,587,150
Monterey	\$24,568,400	\$19,780,025
Pacific Grove	\$22,564,475	\$19,583,500
Pebble Beach	\$34,992,000	\$25,167,700
Salinas Hwy	\$29,787,005	\$35,792,079
Seaside	\$23,638,594	\$18,050,050
Totals	\$234,828,191	\$212,158,779

Distribution of Sales 3rd Quarter of 2010								
	\$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	9	10	7	7	3	3	3
Carmel Highlands	0	0	0	0	1	1	0	1
Carmel Valley	3	11	3	7	2	1	2	3
Del Rey Oaks	2	2	0	0	0	0	0	0
Marina	20	3	0	0	0	0	0	0
Monterey	4	19	4	4	1	0	0	0
Pacific Grove	2	16	3	4	4	0	0	0
Pebble Beach	0	2	3	3	4	4	0	3
Salinas Hwy	1	28	2	2	2	4	2	2
Seaside	56	7	0	0	0	0	0	0
Totals	88	97	25	27	21	13	7	12

SALES BY QUARTER -- Seven Quarter Review							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Town	2009	2009	2009	2009	2010	2010	2010
Carmel	31	21	47	46	35	38	42
Carmel Highlands	4	3	2	4	3	3	3
Carmel Valley	14	20	21	23	32	35	32
Del Rey Oaks	1	4	2	6	4	4	4
Marina	41	32	32	46	28	36	23
Monterey	12	24	40	32	19	38	32
Pacific Grove	21	21	36	41	22	49	29
Pebble Beach	14	14	20	16	22	24	19
Salinas Hwy	23	48	38	47	28	53	43
Seaside	65	63	71	70	40	63	63
Totals	226	250	309	331	233	343	290

Days on Market 3rd Qtr 2009 - 2010		
Town	2009	2010
Carmel	161	121
Carmel Highlands	31	142
Carmel Valley	155	209
Del Rey Oaks	296	41
Marina	103	37
Monterey	133	111
Pacific Grove	165	70
Pebble Beach	157	122
Salinas Hwy	186	141
Seaside	77	68

Median Sales Price Comparisons				
Town	Full Year 2009	3rd Qtr 2009	3rd Qtr 2010	% LP Received
Carmel	\$1,240,000	\$1,240,000	\$ 805,000	93.00%
Carmel Highlands	\$ 1,387,500	\$1,639,950	\$ 1,442,625	90.63%
Carmel Valley	\$ 725,000	\$ 750,000	\$ 740,000	89.70%
Del Rey Oaks	\$ 405,000	\$ 382,500	\$ 381,000	97.58%
Marina	\$ 354,900	\$ 338,000	\$ 320,000	98.98%
Monterey	\$ 520,000	\$ 545,000	\$ 612,000	95.02%
Pacific Grove	\$ 603,750	\$ 594,500	\$ 635,000	94.12%
Pebble Beach	\$ 1,100,000	\$1,079,500	\$ 1,015,000	90.19%
Salinas Hwy	\$ 573,500	\$ 587,500	\$ 570,000	91.38%
Seaside	\$ 270,598	\$ 280,000	\$ 275,000	97.61%

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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