

3rd Quarter 2012 Report : Good but Not Great

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We have just returned from a conference of top Coldwell Banker agents in California. The high-end markets in many places are red-hot: prices soaring, multiple offers on many properties and almost no inventory.

This is especially true in Silicon Valley where properties are flying off the market.

The situation here is totally different. Although 2012 has been much better than 2011, the high-end markets of Carmel, Pebble Beach and Carmel Highlands have a stubborn volume of unsold properties. The same is true of Carmel Valley which occupies the niche between the rich markets and the more affordable properties in Monterey and Pacific Grove. Our low-end towns of Marina and Seaside continue to do well though their values have been crushed from the puffed up highs of the boom years.

Let's look at the overhang as of October 1: Carmel led the list with 143 unsold properties followed by Carmel Valley with 81 and Pebble Beach with 73. Carmel Highlands, a tiny market with only 40 listings on October 1, had only seven of those in escrow leaving 33 unsold.

There is an interesting element within this picture, and that is this: Our markets are so small that often there is little choice within the criteria of the buyer search in terms of location, price and amenities. For example, for a particular Carmel buyer there may be only a few properties, or maybe even none, among the 143 available that meet his or her needs or dreams (dreams are really important here). From the buyer perspective the inventory can seem low, whereas for the seller the number of unsold properties pretty much guarantees that he will not be in a multiple offer situation unless the property is priced below market value.

Still, there was a time in the hot market when multiple bids were common and sellers would not even look at offers for a week or two to be sure that lots of folks got to see their house. The goal of that tactic was to drive up the price.

The past is not a totally reliable guide to the future, but in our experience which goes back to 1986, our markets have usually lagged behind Bay Area trends, both up and down, by about six months. We can hope that happens again.

Enough preamble: what happened in the second quarter?

Dollar Volume

Our constant readers know we look at dollar volume as maybe the most important index though sometimes it can be distorted by the sale of an unusual number of extremely high-end properties. Dollar volume in the quarter was good, reaching more than \$294 million, up from the \$281 million racked up in the second quarter, usually the strongest quarter of the year, and 18% above last year's 3rd quarter volume of \$249 million

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>
Marina		
10/01/12	34/44	77%
07/01/12	34/44	77%
04/01/12	38/56	68%
01/01/12	23/42	55%
10/01/11	34/55	62%
Seaside		
10/01/12	50/74	68%
07/01/12	56/75	75%
04/01/12	54/73	74%
01/01/12	56/94	60%
10/01/11	63/109	58%
Del Rey Oaks		
10/01/12	2/4	50%
07/01/12	5/5	100%
04/01/12	5/6	83%
01/01/12	3/7	43%
10/01/11	0/5	0%
Salinas/Mty Highway		
10/01/12	71/141	50%
07/01/12	61/145	42%
04/01/12	59/133	44%
01/01/12	46/127	36%
10/01/11	57/163	35%
Monterey		
10/01/12	35/78	45%
07/01/12	29/81	36%
04/01/12	38/72	53%
01/01/12	38/80	48%
10/01/11	47/113	42%
Pacific Grove		
10/01/12	37/92	40%
07/01/12	38/82	46%
04/01/12	40/94	43%
01/01/12	27/108	25%
10/01/11	29/120	24%
Carmel Valley		
10/01/12	24/105	23%
07/01/12	26/110	24%

Part of this increase can be attributed to two block-buster sales in Carmel Highlands, one at \$9,250,000 and the other at \$10,500,000. Carmel Highlands did a tad over \$5 million in the 2011 second quarter meaning those two high sales in the Highlands accounted for \$15 million of the \$45 million dollar gain over last year.

Although the Highlands picked up \$15 million in dollar volume Carmel was down about \$5 million from last year and \$17 million below the second quarter of this year. These apparent contradictions show how difficult it is to make sweeping claims about our local markets. With such small data bases it is dangerous to try to get too fancy with one's analysis. Boiling this down we can simply say. "Dollar volume is up, and that is good."

Unit Sales and Prices

Unit sales were almost identical with last year, 338 to 334. Most of the markets had nice gains in the number of sales, but the total was dragged down by a decline of 22 transactions in Seaside which is running out of inventory.

Prices are all over the place, up in six markets and down in four. Certainly there is no trend as yet. Before hazarding your own guess as to which way prices are headed, we suggest you wait until we report the annual gains or losses in our year-end report which will be published in January. The annual numbers give us the best chance to peek into the future.

04/01/12	27/96	28%
01/01/12	29/91	32%
10/01/11	31/127	24%
Carmel		
10/01/12	37/180	21%
07/01/12	27/174	16%
04/01/12	40/176	23%
01/01/12	28/164	17%
10/01/11	32/209	15%
Carmel Highlands		
10/01/12	7/40	18%
07/01/12	5/35	14%
04/01/12	1/28	4%
01/01/12	1/23	4%
10/01/11	0/33	0%
Pebble Beach		
10/01/12	15/98	15%
07/01/12	22/107	21%
04/01/12	19/101	19%
01/01/12	19/100	19%
10/01/11	15/130	12%

Days on Market 3rd Qtr 2011 - 2012		
<i>Town</i>	2011	2012
Carmel	125	178
Carmel Highlands	415	68
Carmel Valley	144	124
Del Rey Oaks	22	21
Marina	70	48
Monterey	79	78
Pacific Grove	159	69
Pebble Beach	127	147
Salinas Hwy	108	96
Seaside	75	59

Distribution of Sales - 3rd 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	10	7	9	7	7	4	9
Carmel Highlands	0	0	0	0	1	0	0	2
Carmel Valley	2	11	5	9	8	3	0	3
Del Rey Oaks	1	1	0	0	0	0	0	0
Marina	26	4	0	0	0	0	0	0
Monterey	10	25	3	2	0	1	0	0
Pacific Grove	9	26	4	5	2	2	0	0
Pebble Beach	0	2	4	4	7	3	0	8
Salinas Hwy	12	29	4	3	3	4	1	0
Seaside	29	7	0	0	0	0	0	0
Totals	89	115	27	32	28	20	5	22

Monterey Peninsula Gross Dollar Volume		
Town	3rd Qtr 2011	3rd Qtr 2012
Carmel	\$74,763,800	\$69,019,984
Carmel Highlands	\$5,712,500	\$20,798,000
Carmel Valley	\$27,464,450	\$41,195,100
Del Rey Oaks	\$800,000	\$826,000
Marina	\$8,936,388	\$9,562,398
Monterey	\$18,445,350	\$21,984,600
Pacific Grove	\$22,524,550	\$28,864,800
Pebble Beach	\$29,116,900	\$54,302,924
Salinas Hwy	\$43,181,550	\$35,942,995
Seaside	\$18,353,500	\$11,916,850
Totals	\$249,298,988	\$294,413,651

Median Sales Price Comparisons				
Town	Full Year 2011	3rd Qtr 2011	3rd Qtr 2012	% LP Received
Carmel	\$1,082,500	\$1,212,500	\$1,095,000	92.87%
Carmel Highlands	\$1,137,000	\$1,281,250	\$9,250,000	80.30%
Carmel Valley	\$ 700,000	\$ 637,500	\$ 825,000	93.17%
Del Rey Oaks	\$ 385,000	\$ 400,000	\$ 413,000	97.91%
Marina	\$ 312,000	\$ 315,000	\$ 302,500	98.38%
Monterey	\$ 522,079	\$ 457,500	\$ 510,000	96.51%
Pacific Grove	\$ 537,500	\$ 565,000	\$ 524,500	93.29%
Pebble Beach	\$1,104,000	\$ 870,000	\$1,182,650	91.17%
Salinas Hwy	\$ 558,000	\$ 590,000	\$ 541,250	96.35%
Seaside	\$ 299,249	\$ 273,500	\$ 305,950	100.78%

SALES BY QUARTER -- Seven Quarter Review							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Town	2011	2011	2011	2011	2012	2012	2012
Carmel	55	50	48	50	50	70	53
Carmel Highlands	2	3	4	2	4	2	3
Carmel Valley	29	26	38	35	21	39	41
Del Rey Oaks	3	6	2	2	2	4	2
Marina	28	29	27	25	28	37	30
Monterey	29	47	36	38	46	45	41
Pacific Grove	32	36	38	44	46	48	48
Pebble Beach	19	17	25	22	34	27	28
Salinas Hwy	32	47	58	53	44	46	56
Seaside	57	69	58	60	51	47	36
Totals	286	330	334	331	326	365	338

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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