

Third Quarter 2015 Report — Steady as She Goes

 carmelabodes.com

By: Paul Brocchini & Mark Ryan

Published in The Carmel Pine Cone, Edition November 13 to 19, 2015

When our market is boiling or ice cold it makes for either entertaining or depressing reading. It is harder to find much meaning in the “steady as she goes” state of affairs, but that is where we have been the last two quarters.

The first quarter was substantially stronger than last year, but the market began leveling off in the second quarter due to shrinking inventory and looks pretty much the same in the third quarter.

It is nice to be out of the roiling pit of bank failures, foreclosures and short sales, but it is hard to get excited about what we might call a “normal” market. Is normal no fun? Depends on your point of view. No fun for those who want to make killings but heartening for those who enjoy less stressful times and the ability to get a sure handle on values.

When prices are zooming up or falling flat, no one knows what anything is worth. It all becomes speculation.

So where are we? As constant readers know, our favorite statistic is gross dollar volume. The second and third quarters are normally the strongest of the year, and they performed well this year. Total gross dollar volume in the third quarter was just short of four hundred million dollars up 8% over last years \$367 million. Six markets were up and four down. Carmel Highlands, Greater Carmel, Marina, Pacific Grove and Seaside had nice gains. The luxury markets of Carmel-by-the-Sea and Pebble Beach were off their 2014 numbers.

Prices

We logged the higher dollar volume noted above even though there were 77 fewer transactions than last year, 311 to 388, concrete evidence of rising prices. The Median Sales Price Chart shows eight of the 10 markets up with only Carmel-by-the-Sea and Pebble Beach coming in lower than last year.

Median3rdQtr2015

SALES BY QUARTER – Seven Quarter Review							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Town	2014	2014	2014	2014	2015	2015	2015
Carmel-by-the-Sea	9	15	20	16	11	14	23
Carmel Highlands	1	1	1	2	6	3	3
Greater Carmel	89	111	89	72	86	65	50
Carmel Valley	19	30	27	21	23	24	21
Del Rey Oaks	1	0	7	4	4	7	1
Marina	14	33	34	37	29	32	25
Monterey	53	76	72	84	79	51	67
Pacific Grove	42	57	47	51	39	51	45
Pebble Beach	33	34	39	34	26	31	25
Seaside	32	64	52	49	44	45	51
Totals	293	421	388	370	347	323	311

Carmel Highlands

Within our beautiful peninsula, Carmel Highlands is a special and spectacular place. We thought it time to give it some featured coverage here.

The Highlands recorded a big jump from one sale last year at \$900,000 to three sales this year with a total value of \$16,072,500. The median sales price was \$5,812,500. The Carmel Highlands market is so tiny it is impossible to learn much from statistics. We can, however, understand the dynamics of that market: low inventory, high prices, uniquely beautiful settings, high appeal but a thin target market due to elevated prices. Many people would like to live there but few can afford it. Carmel Highlands sellers have to be patient as it is usually the slowest market on the Monterey Peninsula. We must remember, however, that everything eventually sells and when they sell Highlands' properties command premium prices.

Distribution of Sales

The chart labeled Distribution of Sales deserves your attention. If you take the time to play with the numbers you will

learn a lot about Monterey Peninsula real estate. For example, we learn it is no big deal to be a millionaire around here. Today's million dollars, at least in terms of what it will buy you in local real estate, is not the million we knew as kids. In the last quarter 38% of the homes sold in our ten markets closed at over one million dollars. That, we suggest, is a huge percentage.

Barometer

We invented the Market Barometer which measures the percentage of listings in escrow. We like it as a gauge of things to come. On October 1, there were 182 properties in escrow. We may assume that most of those are scheduled to close in the 4th quarter. That is a great start to the final three months of the year.

Our measure of success is a Barometer reading of 20% or more. All of the markets are over 20%, led by Marina and Seaside at 61% and 60%. Only normally slow Carmel Highlands and Del Rey Oaks, which had only one listing on October 1st, failed to reach 20%

In short, the fourth quarter is promising capping a solid year.

Median Sales Price Comparisons			
	Full Year	3rd Qtr	3rd Qtr
Town	2014	2014	2015
Carmel-by-the-Sea	\$1,625,000	\$1,650,000	\$1,451,000
Carmel Highlands	\$2,743,602	\$ 900,000	\$5,812,500
Greater Carmel	\$1,288,350	\$1,037,500	\$1,190,000
Carmel Valley	\$ 885,000	\$ 774,000	\$ 795,000
Del Rey Oaks	\$ 445,000	\$ 453,000	\$ 502,500
Marina	\$ 427,000	\$ 430,000	\$ 442,000
Monterey	\$ 640,000	\$ 690,000	\$ 755,000
Pacific Grove	\$ 730,000	\$ 725,000	\$ 746,000
Pebble Beach	\$1,447,500	\$1,645,000	\$1,350,000
Seaside	\$ 356,000	\$ 350,000	\$ 428,000

Distribution of Sales 3rd Qtr 2015							
	\$0	\$400	\$700	\$1-M	\$1.5M	\$2M	
Town	\$399	\$699	\$999	\$1,499	\$1,999	\$2,999	\$3M+
Carmel-by-the-Sea	0	0	2	10	4	4	3
Carmel Highlands	0	0	0	0	0	0	3
Greater Carmel	0	5	14	11	5	9	5
Carmel Valley	3	3	6	6	2	1	0
Del Rey Oaks	0	1	0	0	0	0	0
Marina	2	23	0	0	0	0	0
Monterey	1	28	13	14	6	4	1
Pacific Grove	0	21	13	6	4	1	0
Pebble Beach	0	0	4	10	3	4	4
Seaside	21	25	5	0	0	0	0
Totals	27	106	57	57	24	23	16

Paul Brocchini and Mark Ryan are real estate agents with **Carmel Realty Company**, NE Corner of Dolores & 8th, Carmel-by-the-Sea. They can be reached at either 831-238-1498 or 831-601-1620

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.

Carmel Realty Company | NE Corner of Dolores and 8th) | Carmel, CA 93921 | P.O. Drawer C

Market Barometer Five Quarter Review		
	In	
	Escrow	
	vs	
Date	Listings	Percent
Carmel-by-the-Sea		
10/01/15	13/57	23%
07/01/15	14/60	23%
04/01/15	16/52	31%
Carmel Highlands		
10/01/15	2/14	14%
07/01/15	1/12	8%
Greater Carmel		
10/01/15	28/138	20%
07/01/15	31/142	22%
04/01/15	25/132	19%
Carmel Valley		
10/1/2015	12/57	21%
07/01/15	16/59	27%
04/01/15	9/48	19%
Del Rey Oaks		
10/01/15	0/1	0%
07/01/15	1/1	100%

Marina		
10/01/15	23/38	61%
07/01/15	20/31	65%
04/01/15	27/34	79%
01/01/15	19/32	59%
10/01/14	24/46	52%
Monterey		
10/01/15	33/108	31%
07/01/15	43/106	41%
04/01/15	34/91	37%
01/01/15	20/59	34%
10/01/14	29/83	35%
Pacific Grove		
10/01/15	21/62	34%
07/01/15	27/66	41%
04/01/15	22/49	45%
01/01/15	19/53	36%
10/01/14	25/68	37%
Pebble Beach		
10/01/15	22/90	24%
07/01/15	19/79	24%
04/01/15	18/84	22%
01/01/15	11/88	16%
10/01/14	17/82	21%
Seaside		
10/01/15	28/47	60%
07/01/15	34/48	71%
04/01/15	37/48	77%
01/01/15	31/48	65%
10/01/14	35/66	53%



Copyright © Brocchini - Ryan Properties 2015