

Market Hot But Is It Cooling? -3rd Quarter Report 2016

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Most years the second quarter is the strongest period of the year in all of the key real estate categories: dollar volume, total transactions and price. This year the third quarter was almost as good as the second, only eight fewer sales and \$4 million less in volume. On the whole it was a rousing quarter.

It is hard to get a good fix on median sales prices as they jump around so much due to the small size of the databases. Seven of the eight markets surveyed had healthy price gains over last year. Only Carmel-by-the-Sea had a lower median sales price. Looking back to the second quarter of the year the Carmel-by-the-Sea median sales price was an out-of-sight \$1.8 million. The relatively low third quarter number is an anomaly which will be balanced out when we have a full year of numbers, which we will have in our next report.

Barometer

The Market Barometer plants the seeds of doubt going forward. The high end markets of Carmel-by-the-Sea, Carmel Area, Carmel Highlands and Pebble Beach have low Barometer numbers reflecting a growing inventory of unsold properties.

It is nothing to get excited about yet. The year-to-year inventory growth in the eight surveyed markets was 32 properties, an eight percent gain over last year. Still, it is worthy of our attention, and we will keep an eye on it.

Prices

In our last report we noted how much prices had gone up this year in contrast to last year's hot market but essentially flat prices. The question one must ask now is: have they risen too far too fast? Overly ambitious asking prices eventually dampen or even kill rising markets.

The Amazing and the Surprising

A source of continuing amazement is the percentage of sales over one million dollars. In the quarter, 115 of the 286 transactions exceeded one million dollars, an impressive 40%. Sixty eight per cent of the sales in Carmel-by-the-Sea topped one million. In the Carmel Area it was 73%, Carmel Highlands 100% and Pebble Beach 91%.

It is probably time for us to cease to be amazed and realize that this is the new reality around here.

The surprise is Seaside, a major investment opportunity during the collapse. The median sales price jumped to an unexpected \$500,000. Behind that surprising figure was tremendous action in Seaside Highlands, an area that was next to dead during the down turn. It is percolating now as it is a neighborhood where families can find homes of sufficient size to accommodate them for under the dazzling million dollar figure.

As we move into a slower period of the year we do not see any great changes on the horizon. There may be a correction in the wind but at this point it is still a hint, not a certainty.

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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.

SEE CHARTS BELOW. CALL US WITH QUESTIONS!!

SALES BY QUARTER -- Seven Quarter Review							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Town	2015	2015	2015	2015	2016	2016	2016
Carmel-by-the-Sea	21	14	23	28	25	31	25
Carmel Highlands	10	3	3	7	10	3	2
Carmel Area	34	65	50	47	33	47	48
Carmel Valley	21	24	21	16	10	33	23
Monterey Area	49	51	67	62	41	54	60
Pacific Grove	32	51	45	34	28	51	39
Pebble Beach	21	31	25	37	26	30	35
Seaside	37	45	51	45	35	45	54
Totals	225	284	285	276	208	294	286

Monterey Peninsula Gross Dollar Volume		
	3rd Qtr	3rd Qtr
Town	2015	2016
Carmel-by-the-Sea	\$42,428,125	\$51,489,500
Carmel Highlands	\$16,072,500	\$6,122,200
Carmel Area	\$98,011,508	\$74,251,028
Carmel Valley	\$20,458,775	\$23,795,625
Monterey Area	\$83,454,425	\$56,292,226
Pacific Grove	\$41,265,750	\$36,179,900
Pebble Beach	\$57,145,140	\$103,412,000
Seaside	\$23,042,097	\$23,795,625
Totals	\$381,878,320	\$375,338,104

Median Sales Price Comparisons			
	<i>Full Year</i>	<i>3rd Qtr</i>	<i>3rd Qtr</i>
<i>Town</i>	<i>2015</i>	<i>2015</i>	<i>2016</i>
Carmel-by-the-Sea	\$1,416,000	\$1,345,000	\$1,300,000
Carmel Highlands	\$2,525,000	\$2,925,000	\$3,311,100
Carmel Area	\$1,100,000	\$1,061,739	\$1,232,500
Carmel Valley	\$ 795,000	\$ 856,000	\$ 875,000
Monterey Area	\$ 626,750	\$ 649,500	\$ 782,500
Pacific Grove	\$ 780,000	\$ 762,500	\$ 821,000
Pebble Beach	\$1,400,000	\$1,348,750	\$1,580,000
Seaside	\$ 399,500	\$ 405,500	\$ 500,000

Distribution of Sales 3rd 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	0	8	9	7	1	0
Carmel Highlands	0	0	0	1	0	0	1
Carmel Area	0	2	11	16	12	3	4
Carmel Valley	1	7	6	6	2	1	0
Monterey Area	2	20	25	7	2	3	1
Pacific Grove	0	7	25	5	1	0	1
Pebble Beach	0	0	3	13	5	2	12
Seaside	10	37	7	0	0	0	0
Totals	13	73	85	57	29	10	19

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Average Days to Sell 3rd Qtr 2015-2016		
<i>Town</i>	<i>2015</i>	<i>2016</i>
Carmel-by-the-Sea	92	52
Carmel Highlands	191	42
Carmel Area	119	76
Carmel Valley	56	97
Monterey Area	65	49
Pacific Grove	65	54
Pebble Beach	113	123
Seaside	39	29

Market Barometer Five Quarter Review		
	<i>In</i>	
	<i>Escrow</i>	
	<i>vs</i>	
<i>Date</i>	<i>Listings</i>	<i>Percent</i>
Carmel-by-the-Sea		
10/01/16	13/64	20%
07/01/16	14/59	24%
04/01/16	16/55	29%
01/01/16	22/55	40%
10/01/15	13/57	23%
Carmel Highlands		
10/01/16	1/15	7%
07/01/16	0/9	0%
04/01/16	2/13	15%
01/01/16	3/27	11%
10/01/15	2/14	14%
Carmel Area		
10/01/16	27/144	19%
07/01/16	28/150	19%
04/01/16	25/120	21%
01/01/16	17/77	22%
10/01/15	28/138	20%

Carmel Valley		
10/01/16	9/57	16%
07/01/16	16/59	27%
04/01/16	17/61	28%
01/01/16	10/46	22%
10/01/15	12/57	21%
Monterey Area		
10/01/16	39/100	39%
07/01/16	29/98	30%
04/01/16	31/83	37%
01/01/16	25/75	33%
10/01/15	33/108	31%
Pacific Grove		
10/01/16	15/60	25%
07/01/16	23/63	37%
04/01/16	23/59	39%
01/01/16	18/48	38%
10/01/15	21/62	34%
Pebble Beach		
10/01/16	12/87	14%
07/01/16	14/84	17%
04/01/16	13/78	17%
01/01/16	8/65	12%
10/01/15	22/90	24%
Seaside		
10/01/16	32/57	56%
07/01/16	34/57	60%
04/01/16	33/52	63%
01/01/16	19/39	49%
10/01/15	28/47	60%