

4th Quarter 2002 Report : Another Billion Dollar Year

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For the second time in history the ten Monterey Peninsula markets registered over one billion dollars in sales of single-family residences during a calendar year.

Total sales for the year were \$1,079,845,000, up from \$764,551,000 last year, a gain of 41%. Think of it. Buyers invested \$315 million more dollars in Peninsula real estate in 2002 than in 2001. This rapid rebound was unprecedented. Normally, a boom is followed by either a slump or a prolonged flat period. Yet, 2002 was almost as good as 2000, the record year when dollar volume reached \$1,185,455,000.

It is amazing, at least to us, that with the dot.com debacle and the contraction of income in Silicon Valley that our market could have bounced back so quickly. But it did.

The accompanying dollar volume charts illustrate how the individual towns fared both in the fourth quarter and the entire year. All of the markets were up on an annual basis and seven out of the ten on a quarter-to-quarter basis.

The latter number is important as it shows that the upward momentum carried into the fourth quarter.

Prices

Prices kept on climbing in 2002. Of the ten Peninsula markets, only Pacific Grove declined dropping slightly from \$557,500 in 2001 to \$529,500 in 2002. Carmel hit a new high at \$910,000, a stupendous figure when you factor in the petite size of most Carmel houses.

The million dollar plus market in Carmel fared well with 89 transactions, up from the 66 in 2001 but short of the record 109 logged in 2000.

Pebble Beach and South Coast posted median sales prices in excess of one million dollars. Monterey, the Salinas/Monterey Highway and Carmel Valley all had significant increases, reaching \$535,000, \$650,000 and \$825,000 respectively.

The once affordable markets of Marina and Seaside are getting pricey. The median sales price for a home in Seaside in 1999 was \$185,000. Last year that number jumped to \$339,000. In the same time period Marina went from \$245,000 to \$369,000. These figures show how important the Fort Ord "affordable home" issue is.

Units

The increase last year was not limited to dollar volume and prices. The number of transactions also increased substantially. We only had 967 transactions in 2001. That number grew to 1,338 in 2002,

MARKET BAROMETER

Five Quarter Review
Hottest to Coldest Market
Fourth Quarter 2002
(In Descending Order)

| | <i>In</i> | |
|---------------------|-----------------|----------------|
| | <i>Escrow</i> | |
| | <i>vs</i> | |
| <i>Date</i> | <i>Listings</i> | <i>Percent</i> |
| Seaside | | |
| 01/01/03 | 49/83 | 59% |
| 10/01/02 | 27/71 | 38% |
| 07/01/02 | 27/70 | 39% |
| 04/01/02 | 37/68 | 46% |
| 01/01/02 | 30/72 | 42% |
| Marina | | |
| 01/01/03 | 13/25 | 52% |
| 10/01/02 | 21/38 | 55% |
| 07/01/02 | 18/38 | 47% |
| 01/01/02 | 14/44 | 32% |
| 10/01/01 | 11/56 | 20% |
| Del Rey Oaks | | |
| 01/01/03 | 3/9 | 33% |
| 10/01/02 | 1/4 | 25% |
| 07/01/02 | 5/10 | 50% |
| 04/01/02 | 4/8 | 50% |
| 01/01/02 | 2/5 | 40% |
| Monterey | | |
| 01/01/03 | 21/66 | 32% |
| 10/01/02 | 30/65 | 46% |

almost a hundred fewer than in 2,000, but still a very solid number. The peak transaction year, during the last six years, was 1998 with 1,449 sales.

Looking Ahead

At year-end the market barometer, a measure of the number of listings under contract, was relatively strong, especially in the low-end markets. More than half of the listings in Seaside and Marina were in escrow. Only four markets fell under 20%, our traditional reading for a good market. Two of those, Pebble Beach and Salinas/Monterey Highway, were above 19% so barely in the slow market range.

Carmel and South Coast brought up the rear with 15.33% and 13.16% respectively. A spot check on January 23 revealed that Carmel had slipped lower with just 20 of 151 listings in escrow for a percentage of 13.2%. This is the lowest rating since October 1, 2001 just after 9/11.

Interest rates continue to be very low. National predictions are for another banner year in real estate in 2003. Nationally, 2002 was a record year breaking the previous record set in 2001. If nothing else is working, the Fed's interest rate cuts have certainly benefited the real estate market.

We have a unique market driven by money that comes in from out of the area. The demographics work in our favor as the baby boomers keep coming our way. The overall market should continue to prosper. The big question market is "how will the high end do?" Our personal definition of the high end is sales over two million dollars.

There is still a lot of money out there, as a recent sale in San Francisco of over \$30 million dollars attests. Yet, on January 23 Carmel had 41 listings at prices over two million dollars. Only one of those was in escrow.

The success of the high-end market will be the story to watch in 2003

If you would like historic numbers for your town, please [email us](#).

| | | |
|----------------------------|--------|-----|
| 07/01/02 | 23/77 | 30% |
| 04/01/02 | 24/98 | 25% |
| 01/01/02 | 22/75 | 29% |
| Pacific Grove | | |
| 01/01/03 | 18/72 | 25% |
| 10/01/02 | 17/84 | 20% |
| 07/01/02 | 20/78 | 26% |
| 04/01/02 | 24/71 | 34% |
| 01/01/02 | 18/65 | 28% |
| Carmel Valley | | |
| 01/01/03 | 18/86 | 21% |
| 10/01/02 | 23/111 | 21% |
| 07/01/02 | 26/102 | 25% |
| 04/01/02 | 25/94 | 27% |
| 01/01/02 | 24/76 | 32% |
| Pebble Beach | | |
| 01/01/03 | 14/73 | 19% |
| 10/01/02 | 16/100 | 16% |
| 07/01/02 | 13/95 | 14% |
| 04/01/02 | 14/76 | 18% |
| 01/01/02 | 11/70 | 16% |
| Salinas/Mty Highway | | |
| 01/01/03 | 17/89 | 19% |
| 10/01/02 | 41/116 | 35% |
| 07/01/02 | 26/111 | 23% |
| 04/01/02 | 26/105 | 25% |
| 01/01/02 | 25/98 | 26% |
| Carmel | | |
| 01/01/03 | 21/137 | 15% |
| 10/01/02 | 31/171 | 18% |
| 07/01/02 | 23/148 | 16% |
| 04/01/02 | 24/125 | 19% |
| 01/01/02 | 25/137 | 18% |
| South Coast | | |
| 01/01/03 | 5/38 | 13% |
| 10/01/02 | 1/39 | 3% |
| 07/01/02 | 3/36 | 8% |
| 04/01/02 | 7/35 | 20% |
| 01/01/02 | 4/29 | 14% |

| Median Sales Price Comparisons | | | |
|---------------------------------------|------------------|----------------|----------------|
| | <i>Full Year</i> | <i>4th Qtr</i> | <i>4th Qtr</i> |
| <i>Town</i> | <i>2001</i> | <i>2001</i> | <i>2002</i> |
| Carmel | \$850,000 | \$709,500 | \$987,500 |
| Carmel Valley | \$762,500 | \$615,000 | \$715,000 |
| Del Rey Oaks | \$435,000 | \$417,500 | \$489,500 |
| Marina | \$343,500 | \$335,250 | \$374,000 |
| Monterey | \$476,100 | \$449,500 | \$565,000 |
| Pacific Grove | \$555,000 | \$570,000 | \$528,000 |
| Pebble Beach | \$930,000 | \$781,000 | \$1,225,000 |
| Salinas Hwy | \$540,000 | \$565,000 | \$665,000 |
| Seaside | \$317,000 | \$319,000 | \$347,500 |
| South Coast | \$1,100,000 | \$1,500,000 | \$1,145,000 |

| Monterey Peninsula Gross Dollar Volume | | |
|---|----------------------|----------------------|
| | <i>4th Qtr</i> | <i>4th Qtr</i> |
| <i>Town</i> | <i>2001</i> | <i>2002</i> |
| Carmel | \$31,778,000 | \$54,622,000 |
| Carmel Valley | \$24,166,000 | \$22,428,000 |
| Del Rey Oaks | \$1,620,000 | \$1,502,000 |
| Marina | \$8,353,000 | \$12,353,000 |
| Monterey | \$16,794,000 | \$24,212,000 |
| Pacific Grove | \$20,481,000 | \$22,379,000 |
| Pebble Beach | \$22,186,000 | \$27,796,000 |
| Salinas Hwy | \$31,513,000 | \$48,672,000 |
| Seaside | \$11,523,000 | \$15,427,000 |
| South Coast | \$6,426,000 | \$1,145,000 |
| Totals | \$174,840,000 | \$230,536,000 |

| SALES BY QUARTER -- Seven Quarter Review | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <i>Town</i> | Q2 2001 | Q3 2001 | Q4 2001 | Q1 2002 | Q2 2002 | Q3 2002 | Q4 2002 |
| Carmel | 37 | 45 | 26 | 60 | 52 | 52 | 44 |
| Carmel Valley | 21 | 21 | 31 | 30 | 43 | 35 | 30 |
| Del Rey Oaks | 1 | 5 | 4 | 5 | 8 | 11 | 3 |
| Marina | 25 | 20 | 24 | 26 | 32 | 25 | 32 |
| Monterey | 30 | 21 | 27 | 39 | 57 | 41 | 37 |
| Pacific Grove | 30 | 28 | 33 | 41 | 54 | 33 | 36 |
| Pebble Beach | 9 | 19 | 19 | 24 | 24 | 19 | 17 |
| Salinas Hwy | 34 | 47 | 40 | 43 | 53 | 57 | 58 |
| Seaside | 45 | 35 | 35 | 43 | 61 | 52 | 40 |
| South Coast | 4 | 6 | 4 | 8 | 6 | 6 | 1 |
| Totals | 236 | 247 | 243 | 319 | 390 | 331 | 298 |

| DISTRIBUTION OF SALES -- 4th Quarter 2002 | | | | | | | |
|--|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|
| <i>Town</i> | Under \$200 | \$200- \$299 | \$300- \$399 | \$400- \$499 | \$500- \$599 | \$600- \$999 | One+ Mlns |
| Carmel | 0 | 0 | 1 | 2 | 5 | 16 | 21 |
| Carmel Valley | 0 | 0 | 0 | 4 | 4 | 19 | 3 |
| Del Rey Oaks | 0 | 0 | 0 | 2 | 1 | 0 | 0 |
| Marina | 0 | 0 | 25 | 6 | 1 | 0 | 0 |
| Monterey | 0 | 0 | 3 | 9 | 10 | 12 | 3 |
| Pacific Grove | 0 | 0 | 2 | 9 | 8 | 14 | 3 |
| Pebble Beach | 0 | 0 | 0 | 0 | 0 | 7 | 10 |
| Salinas Hwy | 0 | 0 | 2 | 10 | 12 | 23 | 11 |
| Seaside | 1 | 2 | 24 | 10 | 3 | 0 | 0 |
| South Coast | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Totals | 1 | 2 | 57 | 52 | 44 | 91 | 52 |

Year End Tables

Monterey Peninsula Gross Dollar Volume

| <i>Town</i> | <i>Year</i> 2001 | <i>Year</i> 2002 |
|--------------------|-----------------------------------|-----------------------------------|
| Carmel | \$189,831,000 | \$249,200,000 |
| Carmel Valley | \$79,831,000 | \$136,412,000 |
| Del Rey Oaks | \$6,205,000 | \$11,980,000 |
| Marina | \$33,816,000 | \$43,621,000 |
| Monterey | \$66,926,000 | \$102,473,000 |
| Pacific Grove | \$73,508,000 | \$103,933,000 |
| Pebble Beach | \$110,720,000 | \$146,953,000 |
| Salinas Hwy | \$121,389,000 | \$180,003,000 |
| Seaside | \$50,703,000 | \$68,367,000 |
| South Coast | \$31,622,000 | \$36,903,000 |
| Totals | \$764,551,000 | \$1,079,845,000 |

TOTAL ANNUAL SALES 1997-2002

| <i>Town</i> | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Carmel | 286 | 272 | 300 | 265 | 149 | 208 |
| Carmel Valley | 186 | 200 | 145 | 132 | 93 | 138 |
| Del Rey Oaks | 21 | 17 | 5 | 11 | 14 | 26 |
| Marina | 101 | 106 | 87 | 110 | 95 | 115 |
| Monterey | 152 | 166 | 187 | 163 | 106 | 174 |
| Pacific Grove | 158 | 154 | 176 | 194 | 118 | 164 |
| Pebble Beach | 147 | 135 | 142 | 136 | 67 | 84 |
| Salinas Hwy | 148 | 183 | 188 | 167 | 153 | 212 |
| Seaside | 131 | 179 | 162 | 151 | 153 | 196 |
| South Coast | 30 | 37 | 31 | 56 | 19 | 21 |
| Totals | 1360 | 1449 | 1423 | 1385 | 967 | 1338 |

Median Sales Price Comparisons - Full Year 1996 to 2002

| Town | Year 1996 | Year 1997 | Year 1998 | Year 1999 | Year 2000 | Year 2001 | Year 2002 |
|---------------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|
| Carmel | \$480,000 | \$522,500 | \$567,500 | \$650,000 | \$900,000 | \$850,000 | \$910,000 |
| Carmel Valley | \$413,000 | \$488,500 | \$493,000 | \$610,000 | \$670,000 | \$762,500 | \$825,000 |
| Del Rey Oaks | \$209,000 | \$210,000 | \$230,000 | \$275,000 | \$365,000 | \$435,000 | \$457,250 |
| Marina | \$188,750 | \$189,500 | \$199,250 | \$245,000 | \$290,000 | \$343,500 | \$369,000 |
| Monterey | \$282,000 | \$282,125 | \$300,000 | \$398,000 | \$489,000 | \$476,100 | \$535,000 |
| Pacific Grove | \$266,000 | \$295,000 | \$352,500 | \$398,250 | \$510,000 | \$555,000 | \$529,500 |
| Pebble Beach | \$530,000 | \$585,000 | \$750,000 | \$745,000 | \$987,250 | \$930,000 | \$1,006,250 |
| Salinas Hwy | \$317,000 | \$369,500 | \$375,000 | \$430,000 | \$510,000 | \$540,000 | \$650,000 |
| Seaside | \$143,800 | \$145,000 | \$160,000 | \$185,000 | \$255,779 | \$317,000 | \$339,000 |
| South Coast | \$775,000 | \$742,500 | \$627,500 | \$770,000 | \$1,292,500 | \$1,100,000 | \$1,660,000 |

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.

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

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Days on Market

4th Qtr 2001/2002

| Town | 2001 | 2002 |
|---------------|------|------|
| Carmel | 120 | 87 |
| Carmel Valley | 92 | 107 |
| Del Rey Oaks | 58 | 48 |
| Marina | 53 | 65 |
| Monterey | 60 | 102 |
| Pacific Grove | 64 | 79 |
| Pebble Beach | 114 | 183 |
| Salinas Hwy | 74 | 92 |
| Seaside | 68 | 63 |
| South Coast | 185 | 187 |