

4th Quarter 2004 Report : Strong Fourth Quarter Closed Out Banner Year

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Dollar volume is the real estate story for 2004. The Peninsula real estate market obliterated previous dollar volume records registering a whopping \$1.6 billion dollars in sales, an increase of \$450 million dollars or 39% over last year.

No one foresaw this market. We reported at the end of last year that the billion dollar markets of 2000 and 2002 were maintained in 2003 due to the robust low-end of the market. The high end weakened substantially in 2003. The low end, driven by record-low interest rates, was red hot and made up for the decrease in high end sales.

As we entered 2004 the high-end market, which we now define as sales over \$2 million, was still in the doldrums and with no obvious indicators of any pending change. As we reported at the end of the first quarter, expensive properties suddenly began to sell in late January. Why so many qualified buyers appeared in such a short period is a mystery, but appear they did. And they kept on appearing for the entire year. The second quarter was especially strong with \$526 million of sales in that quarter alone, the record high to date.

The number of transactions was also the highest we have seen, 1,530 closed sales for the year. The distribution of prices continues to amaze. In the fourth quarter 10% of the sales were over \$2 million and 26% over \$1 million. The most popular price range was \$600,000 to \$799,000 with 101 sales and second was the \$1 million to \$1.99 million category with 90 sales. In Carmel the million dollar price tag is swiftly becoming the entry-level home cost.

Price Appreciation

The number that most fascinates home owners and prospective buyers is the annual increase in value. The number of years we can print in the Carmel Pine Cone is limited by available space, but in our data base we have annual number going back to 1996.

When the current boom began in 1996, Monterey lagged for a long time in terms of prices. Last year Monterey caught up!

The price appreciation from 2003 to 2004 was as follows: South Coast +43%; Seaside +41%; Marina +35%; Carmel +31%; Pacific Grove +28%; Pebble Beach +24%; Del Rey Oaks +19%; Carmel Valley +15%; Salinas Monterey Highway+13%; Monterey +12%.

Let's look at the five year appreciation rate. This is a particularly appropriate comparison since 1999 predates the boom that began in 2000. Here are the gains for that period: Seaside +197%; Marina +132%; Del Rey Oaks +124%; South Coast +118%; Carmel +99%; Salinas Monterey Highway +92%; Pacific Grove +91%; Monterey +76%; Pebble Beach +74%; Carmel Valley +64%.

The 4th Quarter

MARKET BAROMETER		
Five Quarter Review		
Hottest to Coldest Market		
Fourth Quarter 2004		
(In Descending Order)		
	<i>In</i>	
	<i>Escrow</i>	
	<i>vs</i>	
<i>Date</i>	<i>Listings</i>	<i>Percent</i>
Marina		
01/01/05	18/30	60%
10/01/04	16/33	48%
06/30/04	28/45	62%
04/01/04	18/24	75%
01/01/04	12/16	75%
Seaside		
01/01/05	24/47	51%
10/01/04	34/68	50%
06/30/04	24/64	38%
04/01/04	32/44	72%
01/01/04	21/32	66%
Monterey		
01/01/05	23/49	47%
10/01/04	31/78	40%
06/30/04	27/78	35%
04/01/04	33/60	55%
01/01/04	16/44	36%

We didn't get much of a break during the holidays. At a time when most think the real estate market would pause, people were out looking and buying. The activity was down a little bit from last year (352 sales in the quarter as opposed to 378 last year), but the dollar volume was up 19% reaching \$392,755,000.

Our Market Barometer, which measures the percentage of listing in escrow, was strong on January 1st pointing to a good first quarter of 2005. Marina topped the list with 60% of its listings in escrow. Seven of the ten markets had barometer readings over 30% and not a single market fell below 20%, our traditional benchmark for a decent market.

In all, it was a strong quarter capping off an unbelievable year. It is doubtful that the 2004 pace can be duplicated in 2005, yet the beginning of the year seems to indicate that the market will continue to be strong.

Pebble Beach		
01/01/05	24/57	42%
10/01/04	17/88	19%
06/30/04	19/78	24%
04/01/04	33/87	38%
01/01/04	11/65	17%
Pacific Grove		
01/01/05	16/40	40%
10/01/04	22/64	34%
06/30/04	22/71	31%
04/01/04	23/50	46%
01/01/04	19/43	44%
Salinas/Mty Highway		
01/01/05	31/84	37%
10/01/04	30/106	28%
06/30/04	12/66	18%
04/01/04	37/111	33%
01/01/04	22/100	22%
Del Rey Oaks		
01/01/05	3/10	33%
10/01/04	3/7	43%
06/30/04	1/4	25%
04/01/04	3/3	100%
01/01/04	1/5	20%
Carmel		
01/01/05	33/112	29%
10/01/04	23/123	19%
06/30/04	42/155	27%
04/01/04	59/151	39%
01/01/04	23/139	18%
South Coast		
01/01/05	7/32	22%
10/01/04	10/39	26%
06/30/04	10/44	23%
04/01/04	10/47	21%
01/01/04	4/42	10%
Carmel Valley		
01/01/05	12/60	20%
10/01/04	22/93	24%
06/30/04	25/93	27%
04/01/04	30/93	32%
01/01/04	20/79	25%

Median Sales Price Comparisons			
	<i>Full Year</i>	<i>4th Qtr</i>	<i>4th Qtr</i>
<i>Town</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>
Carmel	\$1,295,000	\$1,091,000	\$1,460,000
Carmel Valley	\$1,000,000	\$872,500	\$1,154,000
Del Rey Oaks	\$615,000	\$505,000	\$601,000
Marina	\$567,500	\$449,500	\$599,500
Monterey	\$700,000	\$612,000	\$704,565
Pacific Grove	\$762,500	\$635,000	\$812,000
Pebble Beach	\$1,300,000	\$1,075,000	\$1,400,000
Salinas Hwy	\$825,000	\$800,000	\$884,000
Seaside	\$549,000	\$437,500	\$602,000
South Coast	\$1,675,000	\$1,175,000	\$1,962,500

Days on Market		
<i>4th Qtr 2003/2004</i>		
<i>Town</i>	<i>2003</i>	<i>2004</i>
Carmel	125	90
Carmel Valley	124	125
Del Rey Oaks	33	61
Marina	32	31
Monterey	75	49
Pacific Grove	84	90
Pebble Beach	128	112
Salinas Hwy	120	92
Seaside	64	50
South Coast	228	160

Monterey Peninsula Gross Dollar Volume

<i>Town</i>	<i>4th</i>	<i>4th</i>
	<i>2003</i>	<i>2004</i>
Carmel	\$73,774,100	\$76,123,000
Carmel Valley	\$40,771,000	\$48,911,000
Del Rey Oaks	\$2,484,000	\$1,992,000
Marina	\$14,019,000	\$21,104,000
Monterey	\$28,449,125	\$42,532,000
Pacific Grove	\$35,211,850	\$35,445,000
Pebble Beach	\$52,337,500	\$60,882,000
Salinas Hwy	\$50,445,996	\$46,295,000
Seaside	\$22,466,271	\$38,293,000
South Coast	\$7,775,000	\$21,178,000
Totals	\$327,733,842	\$392,755,000

SALES BY QUARTER -- Seven Quarter Review

<i>Town</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>
	<i>2003</i>	<i>2003</i>	<i>2003</i>	<i>2004</i>	<i>2004</i>	<i>2004</i>	<i>2004</i>
Carmel	43	54	53	48	99	77	45
Carmel Valley	25	39	42	32	49	33	35
Del Rey Oaks	6	8	5	6	3	5	3
Marina	26	31	31	27	36	45	35
Monterey	40	51	42	26	65	46	53
Pacific Grove	41	59	53	37	48	47	40
Pebble Beach	18	34	38	17	44	20	29
Salinas Hwy	62	72	55	51	67	65	45
Seaside	51	60	52	44	51	58	59
South Coast	5	7	7	7	15	9	8
Totals	317	415	378	295	477	405	352

DISTRIBUTION OF SALES -- 4th Quarter 2004							
<i>Town</i>	\$300-399	\$400-499	\$500-599	\$600-799	\$800-999	\$1Mil-1.99	\$Two Mil +
Carmel	0	0	0	3	7	23	12
Carmel Valley	0	0	2	5	4	20	4
Del Rey Oaks	0	0	1	2	0	0	0
Marina	0	2	16	17	0	0	0
Monterey	0	1	6	29	7	7	2
Pacific Grove	0	1	4	13	13	9	0
Pebble Beach	0	0	0	0	6	13	10
Salinas Hwy	0	0	2	10	19	12	2
Seaside	1	4	22	22	8	2	0
South Coast	0	0	0	0	0	4	4
Totals	1	8	53	101	64	90	34

Charts for Year 2004

TOTAL ANNUAL SALES 1999-2004						
<i>Town</i>	1999	2000	2001	2002	2003	2004
Carmel	300	265	149	208	186	269
Carmel Valley	145	132	93	138	136	149
Del Rey Oaks	5	11	14	26	24	17
Marina	87	110	95	115	115	143
Monterey	187	163	106	174	163	190
Pacific Grove	176	194	118	164	190	172
Pebble Beach	142	136	67	84	109	110
Salinas Hwy	188	167	153	212	218	229
Seaside	162	151	153	196	206	212
South Coast	31	56	19	21	44	39
Totals	1423	1385	967	1338	1391	1530

Median Sales Price Comparisons - Full Year 1999 to 2004

	Year	Year	Year	Year	Year	Year
Town	1999	2000	2001	2002	2003	2004
Carmel	\$650,000	\$900,000	\$850,000	\$910,000	\$985,000	\$1,295,000
Carmel Valley	\$610,000	\$670,000	\$762,500	\$825,000	\$870,000	\$1,000,000
Del Rey Oaks	\$275,000	\$365,000	\$435,000	\$457,250	\$515,000	\$615,000
Marina	\$245,000	\$290,000	\$343,500	\$369,000	\$420,000	\$567,500
Monterey	\$398,000	\$489,000	\$476,100	\$535,000	\$625,000	\$700,000
Pacific Grove	\$398,250	\$510,000	\$555,000	\$529,500	\$595,000	\$762,500
Pebble Beach	\$745,000	\$987,250	\$930,000	\$1,006,250	\$1,050,000	\$1,300,000
Salinas Hwy	\$430,000	\$510,000	\$540,000	\$650,000	\$730,000	\$825,000
Seaside	\$185,000	\$255,779	\$317,000	\$339,000	\$388,500	\$549,000
South Coast	\$770,000	\$1,292,500	\$1,100,000	\$1,660,000	\$1,175,000	\$1,675,000

Monterey Peninsula Gross Dollar Volume 2000 to 2004

	Year	Year	Year	Year	Year
Town	2000	2001	2002	2003	2004
Carmel	\$308,424,000	\$189,831,000	\$249,200,000	\$252,697,213	\$419,857,000
Carmel Valley	\$105,971,000	\$79,831,000	\$136,412,000	\$134,789,075	\$179,651,000
Del Rey Oaks	\$4,158,000	\$6,205,000	\$11,980,000	\$12,403,538	\$11,110,000
Marina	\$33,087,000	\$33,816,000	\$43,621,000	\$49,481,850	\$80,965,000
Monterey	\$92,308,000	\$66,926,000	\$102,473,000	\$111,686,616	\$146,477,000
Pacific Grove	\$111,666,000	\$73,508,000	\$103,933,000	\$127,843,400	\$147,122,000
Pebble Beach	\$269,604,000	\$110,720,000	\$146,953,000	\$157,428,013	\$206,724,000
Salinas Hwy	\$99,657,000	\$121,389,000	\$180,003,000	\$186,966,146	\$211,892,000
Seaside	\$40,332,000	\$50,703,000	\$68,367,000	\$81,958,608	\$119,459,000
South Coast	\$120,248,000	\$31,622,000	\$36,903,000	\$38,315,000	\$80,050,000
Totals	\$1,185,455,000	\$764,551,000	\$1,079,845,000	\$1,153,569,459	\$1,603,307,000

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.

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