

4th Quarter 2007 Report : Market Woes Continue

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With all the negativity bombarding us from the media at present, we do not want to add to the feeling of malaise. So, we begin with a piece of what we hope is good advice: do NOT assume that national real estate news applies to us.

We are fortunate in our little enclave to be somewhat insulated from the economic storms of the nation at large. We are not totally protected of course, as you will learn from what follows. Before getting into the meat of this report, there is an ancient Carmel joke which, we think, sheds some light on our local peculiarity:

It goes like this: a Carmelite having coffee with a friend says: "I was thinking this morning of taking a trip to New York to see what the world is like, and I suddenly had this amazing insight: Most people, you know, go on holiday to escape reality. We Carmelites, however, leave town **to find it!**"

Well, we do have a local reality, and here is its real estate component. As we pointed out in our third quarter report, the sunshine within the gloom was the local high-end market. It was holding up reasonably well whereas the entry level market was being leveled by the mortgage crisis. The fourth quarter and year-end figures show that continues to be true.

Gross Dollar Volume

Let's start with gross dollar volume numbers. The amount of money changing hands is, to us, the most important figure to look at. On a year-to-year basis, comparing 2006 to 2007, only Carmel had an increase. Gross dollar volume in Carmel in 2007 reached \$364,149,869 an increase of 13 percent over the \$321,720,000 recorded in 2006. This was a sterling result in a severe down market situation where all of the nine other markets were down.

Pebble Beach fared reasonably well with a minor decrease of 5 percent. In addition, Pebble Beach had a healthy gain in the median sales price. It increased to \$2,312,500 from \$1,657,500 in 2006 on four fewer sales.

The overall Peninsula market did not fare as well. Gross sales for the year were \$1,166,152,592 down \$99,562,408 or 8 percent from the \$1,265,715,000 logged in 2006. In comparison to 2005, the peak volume year, 2007 sales volume decreased by almost \$628 million, a decline of 35%. The recent decline in the value of the dollar makes these figures even worse than they appear.

Comparing the 4th quarter of 2007 with the same quarter in 2006 we find that all of the markets were down except for Marina which had a minor increase. Overall, the Peninsula markets grossed \$70,031,526 less in the fourth quarter this year than last, a decrease of 22.5%.

MARKET BAROMETER		
Five Quarter Review		
Hottest to Coldest Market		
Fourth Quarter 2007		
(In Descending Order)		
	<i>In</i>	
	<i>Escrow</i>	
	<i>vs</i>	
<i>Date</i>	<i>Listings</i>	<i>Percent</i>
Monterey		
01/01/08	14/88	16%
10/01/07	10/111	9%
07/01/07	17/101	17%
04/01/07	15/109	14%
01/01/07	19/78	24%
Pebble Beach		
01/01/08	11/81	14%
10/01/07	10/113	9%
07/01/07	8/99	8%
04/01/07	11/114	10%
01/01/07	14/77	18%
Del Rey Oaks		
01/01/08	1/10	10%
10/01/07	1/11	9%
07/01/07	2/7	29%
04/01/07	1/12	8%
01/01/07	0/3	0%
Marina		
01/01/08	9/92	10%
10/01/07	10/126	8%
07/01/07	10/99	10%
04/01/07	13/120	11%
01/01/07	11/88	13%

Unit Sales

In 2007, 846 houses changed hands, 45% fewer than were sold in the record breaking year of 2004. This is the fewest number of transactions in ten years. Only 2001 and 2006, with 967 and 968 sales respectively, had fewer than 1,000 transactions. 2004 topped the ten-year list with 1,530 sales. The low number of sales in 2007 is another indicator of how the overall market has been struggling.

Carmel was the only up market in 2007 recording 191 transactions as opposed to 173 last year, an increase of 10%.

Median Sales Prices

For the most part, prices peaked in 2005. Pebble Beach, Carmel Valley and Del Rey Oaks are exceptions, all achieving their highest median sales prices in 2007, \$2,312,500 in Pebble, \$1,295,000 in the Valley and \$735,000 in Del Rey Oaks. Carmel has maintained a median sales price in the \$1,500,000 range during the downturn.

Market Barometer

The Market Barometer, a measure of the percentage of listings in escrow, remains weak though not as pathetic as the October 1, 2007 reading. On January 1, 2008 Monterey posted the highest reading with 16% of its listings in escrow. The highest reading on October 1, 2007 was 11%, so the January reading looks a little better.

Looking back, however, illustrates just how weak current numbers are. On January 1, 2008 93 of the 917 listings in our ten local markets were in escrow. This is an overall Barometer reading of 10%. On that date there were 824 available active listings, i.e., listings without sales contracts. On January 1, 2007 there were 693 available listings and on January 1, 2005 only 330. You can see how many more sellers there are today pursuing buyers.

The market is exceedingly competitive. The problems in the financial markets do not help, but the Federal Reserve's unprecedented action in lowering rates may be what the doctor ordered. 2008 should be an interesting year in real estate.

Seaside		
01/01/08	16/154	10%
10/01/07	11/178	6%
07/01/07	13/119	11%
04/01/07	10/187	5%
01/01/07	13/93	14%
Carmel		
01/01/08	12/128	9%
10/01/07	21/190	11%
07/01/07	26/172	15%
04/01/07	20/176	11%
01/01/07	12/153	8%
Pacific Grove		
01/01/08	8/85	9%
10/01/07	9/107	8%
07/01/07	17/83	20%
04/01/07	9/110	8%
01/01/07	7/63	11%
Carmel Valley		
01/01/08	7/88	8%
10/01/07	9/123	7%
07/01/07	13/114	11%
04/01/07	16/129	12%
01/01/07	10/87	11%
Salinas/Mty Highway		
01/01/08	11/140	8%
10/01/07	10/173	6%
07/01/07	17/101	17%
04/01/07	15/109	14%
01/01/07	19/78	24%
South Coast		
01/01/08	4/51	8%
10/01/07	4/49	8%

Median Sales Price Comparisons			
	<i>Full Year</i>	<i>4th Qtr</i>	<i>4th Qtr</i>
<i>Town</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
Carmel	\$ 1,550,000	\$1,610,000	\$1,500,000
Carmel Valley	\$ 1,295,000	\$1,150,000	\$1,247,500
Del Rey Oaks	\$ 735,000	\$ 709,000	\$ 742,500
Marina	\$ 580,000	\$ 646,800	\$ 547,500
Monterey	\$ 795,000	\$ 750,000	\$ 736,000
Pacific Grove	\$ 805,000	\$ 777,500	\$ 775,000
Pebble Beach	\$ 2,312,500	\$1,457,500	\$2,525,000
Salinas Hwy	\$ 932,500	\$ 900,000	\$ 887,500
Seaside	\$ 619,000	\$ 640,000	\$ 515,000
South Coast	\$ 2,215,000	\$3,900,000	\$1,935,226

Monterey Peninsula Gross Dollar Volume		
	<i>4th Qtr</i>	<i>4th Qtr</i>
<i>Town</i>	<i>2006</i>	<i>2007</i>
Carmel	\$ 87,173,000	\$ 83,494,650
Carmel Valley	\$ 26,441,000	\$ 24,220,500
Del Rey Oaks	\$ 2,865,000	\$ 1,485,000
Marina	\$ 10,498,000	\$ 11,291,300
Monterey	\$ 30,563,000	\$ 17,454,672
Pacific Grove	\$ 24,881,000	\$ 18,764,999
Pebble Beach	\$ 43,540,000	\$ 32,652,500
Salinas Hwy	\$ 35,564,000	\$ 23,444,400
Seaside	\$ 23,885,000	\$ 10,548,000
South Coast	\$ 25,485,000	\$ 17,508,453
Totals	\$ 310,895,000	\$ 240,864,474

Days on Market 4th Qtr 2006 - 2007		
Town	2006	2007
Carmel	153	176
Carmel Valley	136	113
Del Rey Oaks	90	173
Marina	130	137
Monterey	94	108
Pacific Grove	90	111
Pebble Beach	130	133
Salinas Hwy	166	194
Seaside	109	116
South Coast	82	160

SALES BY QUARTER -- Seven Quarter Review							
Town	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007
Carmel	42	50	42	49	57	43	41
Carmel Valley	23	20	21	19	16	28	16
Del Rey Oaks	4	2	4	2	2	3	2
Marina	19	27	16	20	19	21	20
Monterey	32	28	36	20	29	25	20
Pacific Grove	25	31	28	23	26	27	21
Pebble Beach	21	15	20	22	10	22	15
Salinas Hwy	32	36	31	29	33	35	20
Seaside	43	30	35	27	20	20	20
South Coast	7	4	7	5	5	5	4
Totals	248	243	240	216	217	229	179

DISTRIBUTION OF SALES -- 4thQuarter 2007							
Town	\$0- \$699	\$700- 799	\$800- 999	\$1M- \$1.299	\$1.3M- \$1.699	\$1.7M- \$1.999	\$Two Mil +
Carmel	1	3	1	11	6	5	14
Carmel Valley	3	0	1	5	4	1	2
Del Rey Oaks	0	2	0	0	0	0	0
Marina	17	3	0	0	0	0	0
Monterey	8	5	2	2	3	0	0
Pacific Grove	6	5	4	4	1	0	1
Pebble Beach	0	0	1	3	2	1	8
Salinas Hwy	3	5	3	3	2	2	2
Seaside	14	2	4	0	0	0	0
South Coast	0	0	1	0	1	0	2
Totals	52	25	17	28	19	9	29

Charts for Year 2007

TOTAL ANNUAL SALES 2002-2007						
Town	2002	2003	2004	2005	2006	2007
Carmel	208	186	269	222	173	191
Carmel Valley	138	136	149	141	87	79
Del Rey Oaks	26	24	17	27	12	9
Marina	115	115	143	132	83	79
Monterey	174	163	190	160	125	95
Pacific Grove	164	190	172	145	111	98
Pebble Beach	84	109	110	108	75	70
Salinas Hwy	212	218	229	223	137	118
Seaside	196	206	212	224	139	88
South Coast	21	44	39	29	26	19
Totals	1338	1391	1530	1411	968	846

Median Sales Price Comparisons - Full Year 2002 to 2007

<i>Town</i>	<i>Year</i> <i>2002</i>	<i>Year</i> <i>2003</i>	<i>Year</i> <i>2004</i>	<i>Year</i> <i>2005</i>	<i>Year</i> <i>2006</i>	<i>Year</i> <i>2007</i>
Carmel	\$ 910,000	\$ 985,000	\$1,295,000	\$1,575,000	\$1,525,000	\$1,550,000
Carmel Valley	\$ 825,000	\$ 870,000	\$1,000,000	\$1,162,000	\$1,198,500	\$1,295,000
Del Rey Oaks	\$ 457,250	\$ 515,000	\$ 615,000	\$ 725,000	\$ 715,000	\$ 735,000
Marina	\$ 369,000	\$ 420,000	\$ 567,500	\$ 675,000	\$ 669,000	\$ 580,000
Monterey	\$ 535,000	\$ 625,000	\$ 700,000	\$ 875,000	\$ 835,000	\$ 795,000
Pacific Grove	\$ 529,500	\$ 595,000	\$ 762,500	\$ 882,500	\$ 865,000	\$ 805,000
Pebble Beach	\$1,006,250	\$1,050,000	\$1,300,000	\$1,660,000	\$1,657,500	\$2,312,500
Salinas Hwy	\$ 650,000	\$ 730,000	\$ 825,000	\$1,002,000	\$ 925,000	\$ 932,500
Seaside	\$ 339,000	\$ 388,500	\$ 549,000	\$ 660,000	\$ 670,000	\$ 619,000
South Coast	\$1,660,000	\$1,175,000	\$1,675,000	\$2,400,000	\$2,450,000	\$2,215,000

Monterey Peninsula Gross Dollar Volume 2003 to 2007

<i>Town</i>	<i>Year</i> <i>2003</i>	<i>Year</i> <i>2004</i>	<i>Year</i> <i>2005</i>	<i>Year</i> <i>2006</i>	<i>Year</i> <i>2007</i>
Carmel	\$ 252,697,213	\$ 419,857,000	\$ 435,718,000	\$ 321,720,000	\$ 364,149,869
Carmel Valley	\$ 134,789,075	\$ 179,651,000	\$ 179,811,000	\$ 127,213,000	\$ 116,897,500
Del Rey Oaks	\$ 12,403,538	\$ 11,110,000	\$ 20,117,000	\$ 8,794,000	\$ 6,513,640
Marina	\$ 49,481,850	\$ 80,965,000	\$ 90,675,000	\$ 56,223,000	\$ 46,855,100
Monterey	\$ 111,686,616	\$ 146,477,000	\$ 149,890,000	\$ 112,543,000	\$ 85,651,512
Pacific Grove	\$ 127,843,400	\$ 147,122,000	\$ 151,444,000	\$ 108,858,000	\$ 90,731,999
Pebble Beach	\$ 157,428,013	\$ 206,724,000	\$ 255,072,000	\$ 199,843,000	\$ 189,166,939
Salinas Hwy	\$ 186,966,146	\$ 211,892,000	\$ 278,946,000	\$ 160,167,000	\$ 138,197,325
Seaside	\$ 81,958,608	\$ 119,459,000	\$ 155,761,000	\$ 96,426,000	\$ 55,992,455
South Coast	\$ 38,315,000	\$ 80,050,000	\$ 76,545,000	\$ 73,928,000	\$ 71,996,253
Totals	\$1,153,569,459	\$ 1,603,307,000	\$ 1,793,979,000	\$1,265,715,000	\$1,166,152,592

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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