

4th Quarter and Year-End 2008 Report: Market Maintains Billion Dollar Level

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When we look at the numbers for the period we are reporting on, we are always amazed at the many different tacks and emphasis available to us. If we wanted to paint a picture of doom, we could scare the pants off of you with the 2008 local real estate numbers and send you packing. The problem today is: where would you go?

The economic news is bad everywhere. Since there is no escape, let's just stay home and try to figure out what has been happening and what we might expect in the near future.

We start by stating the obvious: it was not a good year for "sellers" and we emphasize **sellers**. Declining prices offer great opportunities for buyers. So far the declines at the high end have not turned buyers on as they have at the low end where unit sales are sharply up.

The Positive Side

No one is immune to the kinds of global problems besetting all of us at present, not even our happy little Peninsula. It is not all bad for us, however, as we benefited more than most from the boom in real estate prices. So, let's start on the positive side of the ledger and look at how well we have done.

Please review the median sales price chart covering the years 1998 to 2008. You will see big median sales price drops from 2007 to 2008 with the exception of Carmel which had a fractional increase. Every other market was down for the year, some sharply like Seaside, Marina, Del Rey Oaks and Pebble Beach. Pebble Beach is, we think, more of a case of the high end market drying up while the lower end did better, hence much lower median "sales" prices.

After you have looked at the one year decline, have a look at the 11 year gain. Wow! Not too bad. If you owned a home during that period, you got this great "unearned" gain, and you got to live in the place too and enjoy one of the truly great areas in the world.

A Down Year

We all know that 2008 was a down year. Let's look at by how much.

Our headline states that we still had a billion dollar real estate market in 2008, which is true and quite a rotund number for a tiny place like ours. We are way off the peak of 2005 when \$1,793,979,000 changed hands in local real estate transactions, yet given current circumstances a billion dollar plus market seems like a robust result to us.

Dollar volume dropped from \$1,166,152,592 in 2007 to \$1,001,765,600 in 2008, a decline of \$164,386,992 or 14%. Because of the hot markets in Seaside and Marina unit sales were actually up from 846 in 2007 to 992 in

MARKET BAROMETER		
Hottest to Coldest Market		
Five Quarter Review		
(In Descending Order)		
	<i>In</i>	
	<i>Escrow</i>	
	<i>vs</i>	
<i>Date</i>	<i>Listings</i>	<i>Percent</i>
Seaside		
01/01/09	60/140	43%
10/01/08	70/170	41%
07/01/08	57/180	32%
04/01/08	23/167	14%
01/01/08	16/154	10%
Marina		
01/01/09	33/92	36%
10/01/08	35/104	34%
07/01/08	29/96	30%
04/01/08	20/116	17%
01/01/08	9/92	10%
Del Rey Oaks		
01/01/09	2/7	29%
10/01/08	6/9	67%
07/01/08	8/17	47%
04/01/08	2/12	17%
01/01/08	1/10	10%
Pacific Grove		
01/01/09	13/87	15%
10/01/08	17/109	16%
07/01/08	16/118	14%
04/01/08	11/103	11%
01/01/08	8/85	9%
Salinas/Mty Highway		
01/01/09	15/155	10%
10/01/08	25/175	14%
07/01/08	24/179	13%
04/01/08	18/163	11%
01/01/08	11/140	8%
South Coast		
01/01/09	3/31	10%
10/01/08	1/62	2%

2008, a gain of 17%. The markets in both towns were dominated by purchases of foreclosures and short sales. The steep declines in median sales prices in both places illustrate the basis of their hot markets.

As stated above, median sales prices dropped in all markets with the exception of Carmel. Carmel was not immune to the down turn, however, as dollar volume slipped in the last year from \$364,149,869 to \$249,057,575, a decline of 32%. Unit sales in Carmel fell from 191 to 134, a drop of 30%. In our 11 year survey the top year in unit sales was 1999 with 300 transactions.

Looking Ahead

We have always liked distinguished Danish physicist Niels Bohr's quote about the future. Bohr famously said: "Prediction is very difficult, especially about the future." Sounds sort of like Yogi Berra, but it is true.

With that caveat we dare to take a peek into the immediate future around here: 1) since there will not be a quick resolution to national or global problems, we think there is no quick rebound to our real estate market; 2) our market barometer, a measure of the percentage of listings in escrow, with the exception of the low end markets of Del Rey Oaks, Marina and Seaside, had dismal readings on January 1. The barometer predicts continued weakness in the first quarter. Beyond that is anyone's guess.

The wild card is, we think, psychology. If the overall psychology improves, our high end markets, where untold numbers of people dream of owning properties, may flourish.

07/01/08	2/57	4%
04/01/08	7/52	13%
01/01/08	4/51	8%
Carmel		
01/01/09	13/151	9%
10/01/08	24/156	15%
07/01/08	17/160	11%
04/01/08	20/147	14%
01/01/08	12/128	9%
Pebble Beach		
01/01/09	9/96	9%
10/01/08	12/118	10%
07/01/08	6/107	6%
04/01/08	9/98	9%
01/01/08	11/81	14%
Carmel Valley		
01/01/09	9/121	7%
10/01/08	16/148	11%
07/01/08	13/123	11%
04/01/08	8/108	7%
01/01/08	7/88	8%
Monterey		
01/01/09	6/81	7%
10/01/08	24/140	17%
07/01/08	18/116	16%
04/01/08	9/91	10%
01/01/08	14/88	16%

Monterey Peninsula Gross Dollar Volume		
	4TH QTR	4TH QTR
<i>Town</i>	2007	2008
Carmel	\$83,494,650	\$47,589,325
Carmel Valley	\$24,220,500	\$15,896,100
Del Rey Oaks	\$1,485,000	\$1,814,900
Marina	\$11,291,300	\$19,988,293
Monterey	\$17,454,672	\$28,318,051
Pacific Grove	\$18,764,999	\$14,892,160
Pebble Beach	\$32,652,500	\$32,834,200
Salinas Hwy	\$23,444,400	\$33,795,500
Seaside	\$10,548,000	\$27,746,950
South Coast	\$17,508,453	\$5,000,000
Totals	\$240,864,474	\$227,875,479

Distribution of Sales - 4TH Quarter 2008							
	\$0	\$700	\$800	\$1-M	\$1.3-M	\$1.7-M	
<i>Town</i>	\$699	\$799	\$999	\$1,299	\$1,699	\$1,999	\$2M +
Carmel	1	3	4	2	3	6	8
Carmel Valley	4	0	2	4	3	0	1
Del Rey Oaks	4	0	0	0	0	0	0
Marina	53	0	0	0	0	0	0
Monterey	27	6	4	5	1	0	0
Pacific Grove	15	4	0	2	0	1	0
Pebble Beach	2	2	4	1	2	1	5
Salinas Hwy	12	1	5	3	2	1	3
Seaside	83	0	2	0	0	0	0
South Coast	0	0	0	0	0	1	1
Totals	201	16	21	17	11	10	18

Median Sales Price Comparisons			
<i>Town</i>	Full Year 2008	4th Qtr 2007	4th Qtr 2008
Carmel	\$1,550,250	\$1,500,000	\$1,715,000
Carmel Valley	\$1,182,000	\$1,247,000	\$1,161,000
Del Rey Oaks	\$ 505,000	\$ 742,500	\$ 442,450
Marina	\$ 400,000	\$ 547,500	\$ 365,000
Monterey	\$ 685,000	\$ 736,000	\$ 630,000
Pacific Grove	\$ 672,500	\$ 775,000	\$ 537,817
Pebble Beach	\$1,570,000	\$2,525,000	\$1,025,000
Salinas Hwy	\$ 770,000	\$ 887,500	\$ 825,000
Seaside	\$ 326,000	\$ 515,000	\$ 316,500
South Coast	\$1,600,000	\$1,935,226	\$5,000,000

Days on Market 4th Qtr 2007 - 2008		
<i>Town</i>	2007	2008
Carmel	176	157
Carmel Valley	113	224
Del Rey Oaks	173	160
Marina	137	120
Monterey	108	89
Pacific Grove	111	98
Pebble Beach	133	196
Salinas Hwy	194	113
Seaside	116	180
South Coast	160	59

SALES BY QUARTER -- Seven Quarter Review							
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Town	2007	2007	2007	2008	2008	2008	2008
Carmel	57	43	41	28	42	36	27
Carmel Valley	16	28	16	9	18	16	14
Del Rey Oaks	2	3	2	1	2	9	4
Marina	19	21	20	17	32	34	53
Monterey	29	25	20	20	18	25	43
Pacific Grove	26	27	21	17	21	34	22
Pebble Beach	10	22	15	20	22	18	17
Salinas Hwy	33	35	20	14	25	27	27
Seaside	20	20	20	28	56	89	85
South Coast	5	5	4	3	9	1	1
Totals	217	229	179	157	245	289	293

Monterey Peninsula Gross Dollar Volume 2000 to 2008									
Town	Year 2000	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008
Carmel	\$308,424,000	\$189,831,000	\$249,200,000	\$252,697,213	\$419,857,000	\$435,718,000	\$321,720,000	\$364,149,869	\$249,057,575
Carmel Valley	\$105,971,000	\$79,831,000	\$136,412,000	\$134,789,075	\$179,651,000	\$179,811,000	\$127,213,000	\$116,897,500	\$91,218,600
Del Rey Oaks	\$4,158,000	\$6,205,000	\$11,980,000	\$12,403,538	\$11,110,000	\$20,117,000	\$8,794,000	\$6,513,640	\$9,018,800
Marina	\$33,087,000	\$33,816,000	\$43,621,000	\$49,481,850	\$80,965,000	\$90,675,000	\$56,223,000	\$46,855,100	\$58,231,593
Monterey	\$92,308,000	\$66,926,000	\$102,473,000	\$111,686,616	\$146,477,000	\$149,890,000	\$112,543,000	\$85,651,512	\$75,696,710
Pacific Grove	\$111,666,000	\$73,508,000	\$103,933,000	\$127,843,400	\$147,122,000	\$151,444,000	\$108,858,000	\$90,731,999	\$79,207,460
Pebble Beach	\$269,604,000	\$110,720,000	\$146,953,000	\$157,428,013	\$206,724,000	\$255,072,000	\$199,843,000	\$189,166,939	\$198,687,253
Salinas Hwy	\$99,657,000	\$121,389,000	\$180,003,000	\$186,966,146	\$211,892,000	\$278,946,000	\$160,167,000	\$138,197,325	\$116,578,634
Seaside	\$40,332,000	\$50,703,000	\$68,367,000	\$81,958,608	\$119,459,000	\$155,761,000	\$96,426,000	\$55,992,455	\$94,363,390
South Coast	\$120,248,000	\$31,622,000	\$36,903,000	\$38,315,000	\$80,050,000	\$76,545,000	\$73,928,000	\$71,996,253	\$29,705,585
Totals	\$1,185,455,000	\$764,551,000	\$1,079,845,000	\$1,153,569,459	\$1,603,307,000	\$1,793,979,000	\$1,265,715,000	\$1,166,152,592	\$1,001,765,600

Annual Sales 1998 to 2008											
Town	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Carmel	272	300	265	149	208	186	269	222	173	191	134
Carmel Valley	200	145	132	93	138	136	149	141	87	79	59
Del Rey Oaks	17	5	11	14	26	24	17	27	12	9	17
Marina	106	87	110	95	115	115	143	132	83	79	138
Monterey	166	187	163	106	174	163	190	160	125	95	106
Pacific Grove	154	176	194	118	164	190	172	145	111	98	94
Pebble Beach	135	142	136	67	84	109	110	108	75	70	77
Salinas Hwy	183	188	167	153	212	218	229	223	137	118	93
Seaside	179	162	151	153	196	206	212	224	139	88	261
South Coast	37	31	56	19	21	44	39	29	26	19	13
Totals	1449	1423	1385	967	1338	1391	1530	1411	968	846	992

Median Sales Prices													
Town	Year 1998	Year 1999	Year 2000	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	1 Yr Change	10 Yr Gain
Carmel	\$567,500	\$650,000	\$900,000	\$850,000	\$910,000	\$985,000	\$1,295,000	\$1,575,000	\$1,525,000	\$1,550,000	\$1,550,250	Flat	173%
Carmel Valley	\$493,000	\$610,000	\$670,000	\$762,500	\$825,000	\$870,000	\$1,000,000	\$1,162,000	\$1,198,500	\$1,295,000	\$1,182,000	-8.73%	163%
Del Rey Oaks	\$230,000	\$275,000	\$365,000	\$435,000	\$457,250	\$515,000	\$615,000	\$725,000	\$715,000	\$735,000	\$505,000	-31.29%	120%
Marina	\$199,250	\$245,000	\$290,000	\$343,500	\$369,000	\$420,000	\$567,500	\$675,000	\$669,000	\$580,000	\$400,000	-31.03%	101%
Monterey	\$300,000	\$398,000	\$489,000	\$476,100	\$535,000	\$625,000	\$700,000	\$875,000	\$835,000	\$795,000	\$685,000	-13.84%	128%
Pacific Grove	\$352,500	\$398,250	\$510,000	\$555,000	\$529,500	\$595,000	\$762,500	\$882,500	\$865,000	\$805,000	\$672,500	-16.46%	91%
Pebble Beach	\$750,000	\$745,000	\$987,250	\$930,000	\$1,006,250	\$1,050,000	\$1,300,000	\$1,660,000	\$1,657,500	\$2,312,500	\$1,570,000	-32.11%	109%
Salinas Hwy	\$375,000	\$430,000	\$510,000	\$540,000	\$650,000	\$730,000	\$825,000	\$1,002,000	\$925,000	\$932,500	\$770,000	-17.43%	105%
Seaside	\$160,000	\$185,000	\$255,779	\$317,000	\$339,000	\$388,500	\$549,000	\$660,000	\$670,000	\$619,000	\$326,000	-47.33%	104%
South Coast	\$627,500	\$770,000	\$1,292,500	\$1,100,000	\$1,660,000	\$1,175,000	\$1,675,000	\$2,400,000	\$2,450,000	\$2,215,000	\$1,600,000	-27.77%	155%

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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