

# 4th Quarter and Year-end 2011 Report: Weak Year Ends with Glimmer of Hope

Everybody knows the local real estate market experienced, for the most part, a tough 2009. As we have reported all year, the low-end markets have been hot and the high end slow. The hot markets were dominated by the sale of foreclosed properties, hardly a recipe for optimism. But the sale of those properties is moving lots of inventory, and we can hope that normal markets are in the offing.

Once clear of distressed inventory, Seaside and Marina should stabilize as should the lower-end properties in Monterey and Pacific Grove.

## The Good News

Before getting into the negatives of 2009, let's look at some of the positive numbers realized in the fourth quarter. First, and most promising, is the quarter ended with good to excellent Barometer readings in seven of the ten Peninsula markets. Seaside and Marina had an astounding 69%, and 57% of their listings under contract. Sellers in both markets received, on average, slightly above their asking prices.

Their numbers a year ago were not bad either, 43% and 36%, but they had a large number of listings. Now the listing inventory is substantially down. If they can maintain the trend, the path to a normal market free of the foreclosure inventory should be clearing.

Pacific Grove and the Salinas/Monterey Highway area had readings above 30% and Monterey and Carmel Valley reached 29% and 28% respectively. The reading in Carmel Valley was the big surprise to us as the Valley has been very slow. Looking deeper we found that Carmel Valley prices declined 39% in 2009. It seems that lower prices are beginning to drive demand in the Valley.

Other positive numbers for the quarter were that unit sales increased by 13% over the fourth quarter of last year from 293 to 331 and dollar volume was up 7% from \$227,875,479 to \$242,691,620

## The Bad News

There are three big stories from 2009. Story number one: prices. Prices cracked a little bit in 2008 but they made major downward adjustments in 2009: Carmel down 20%, Carmel Valley down 39% and Pebble Beach down 31%.

Story number two: dollar volume. Dollar volume was down across the board in the ten Peninsula markets falling to \$832,281,227 breaking a streak of seven straight years with volume over one billion dollars. The peak years were 2004 and 2005 with gross dollar volume reaching \$1.6 billion and almost \$1.8 billion Sales in 2001, after the dotcom crash, were \$764,551,000, still the low for the

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>
<b>Seaside</b>		
01/01/10	64/93	69%
10/01/09	82/108	76%
07/01/09	75/104	72%
04/01/09	68/121	56%
01/01/09	60/140	43%
<b>Marina</b>		
01/01/10	32/56	57%
10/01/09	40/65	62%
07/01/09	35/62	56%
04/01/09	29/73	40%
01/01/09	33/92	36%
<b>Del Rey Oaks</b>		
01/01/10	4/7	57%
10/01/09	4/9	44%
07/01/09	3/7	43%
04/01/09	4/9	44%
01/01/09	2/7	29%
<b>Pacific Grove</b>		
01/01/10	26/70	37%
10/01/09	28/97	29%
07/01/09	28/101	28%
04/01/09	15/89	17%
01/01/09	13/87	15%
<b>Salinas/Mty Highway</b>		
01/01/10	47/137	34%
10/01/09	51/179	28%
07/01/09	36/163	22%
04/01/09	31/75	18%
01/01/09	15/155	10%
<b>Monterey</b>		
01/01/10	25/87	29%

new century.

Carmel dollar volume was down 11% from one-year ago, Carmel Valley 21% and Pebble Beach 45%.

Story number three: foreclosures are on the rise in the rich markets. The data include bank owned properties, properties scheduled to go to auction on the courthouse steps, and pre-foreclosures, i.e., properties that have been given notice by the lender but not yet scheduled to go to sale.

A check on January 15th revealed the following foreclosure data. In 93921, Carmel-by-the Sea, there were eight properties listed; in 93923, greater Carmel including Carmel Highlands and Carmel Valley to mid-valley, 78; in 93924, Carmel Valley, 50; in 93953, Pebble Beach, 17.

We will keep an eye on these numbers in 2010 and report them to you.

Let's look at one more set of numbers before closing 2009. Check the chart with the quarterly median sales price comparisons and look at the column headed %LP Received (Percentage of Listing Price Received). Note in the markets with strong Barometer readings, defined as 20% or higher, sellers received more than 90% of listing price. The one exception was Carmel Valley. In spite of a nice Barometer reading of 28%, sellers received only 84.96% of listing price. The sharp 39% decline in median sales price in the Valley, however, is an indicator that the current properties in escrow are being acquired at favorable prices. Carmel Valley sellers are adjusting.

Carmel and Pebble Beach are both still slow and with anemic Barometer readings of 14% on January 1st. During the 4th quarter sellers received only 89% and 88% respectively of their asking prices. What we deduce from these figures is that asking prices in both of those markets will have to be adjusted downward to kick start a new cycle of strong buying.

10/01/09	31/82	38%
07/01/09	31/100	31%
04/01/09	19/94	20%
01/01/09	6/81	7%
<b>Carmel Valley</b>		
<b>01/01/10</b>	<b>37/132</b>	<b>28%</b>
10/01/09	23/147	16%
07/01/09	19/135	14%
04/01/09	17/138	12%
01/01/09	9/121	7%
<b>Carmel</b>		
<b>01/01/10</b>	<b>19/139</b>	<b>14%</b>
10/01/09	30/199	15%
07/01/09	26/209	12%
04/01/09	16/178	9%
01/01/09	13/151	9%
<b>Pebble Beach</b>		
<b>01/01/10</b>	<b>15/111</b>	<b>14%</b>
10/01/09	9/124	7%
07/01/09	12/116	10%
04/01/09	6/110	5%
01/01/09	9/96	9%
<b>Carmel Highlands</b>		
<b>01/01/10</b>	<b>4/30</b>	<b>13%</b>
10/01/09	3/37	8%
07/01/09	3/64	5%
04/01/09	2/25	8%
01/01/09	3/31	10%

<b>Monterey Peninsula Gross Dollar Volume</b>		
	<b>4th QTR</b>	<b>4th QTR</b>
<i>Town</i>	<b>2008</b>	<b>2009</b>
Carmel	\$47,589,325	\$65,860,000
Carmel Highlands	\$5,000,000	\$9,090,000
Carmel Valley	\$15,896,100	\$24,266,200
Del Rey Oaks	\$1,814,900	\$2,693,500
Marina	\$19,988,293	\$15,618,535
Monterey	\$28,318,051	\$16,574,200
Pacific Grove	\$14,892,160	\$32,398,102
Pebble Beach	\$32,834,200	\$26,386,124
Salinas Hwy	\$33,795,500	\$28,790,300
Seaside	\$27,746,950	\$21,014,659
<b>Totals</b>	<b>\$227,875,479</b>	<b>\$242,691,620</b>

Median Sales Price Comparisons				
<i>Town</i>	<i>Full Year</i> 2009	<i>4th Qtr</i> 2008	<i>4th Qtr</i> 2009	<i>% LP</i> Received
Carmel	\$1,240,000	\$1,715,000	\$1,200,000	88.93%
Carmel Highlands	\$1,387,500	\$5,000,000	\$1,387,500	91.96%
Carmel Valley	\$725,000	\$1,161,000	\$759,700	84.96%
Del Rey Oaks	\$405,000	\$442,450	\$460,000	98.35%
Marina	\$354,900	\$365,000	\$360,000	100.56%
Monterey	\$520,000	\$630,000	\$517,500	95.04%
Pacific Grove	\$603,750	\$537,817	\$673,980	95.40%
Pebble Beach	\$1,100,000	\$1,025,000	\$1,122,500	87.94%
Salinas Hwy	\$573,500	\$825,000	\$530,000	96.00%
Seaside	\$270,598	\$316,500	\$250,000	101.00%

Distribution of Sales - 4th Quarter 2009								
<i>Town</i>	\$0-\$399	\$400-\$699	\$700-\$799	\$800-\$999	\$1-M-\$1,299	\$1.3-M-\$1,699	\$1.7-M-\$1,999	\$2M +
Carmel	0	4	5	7	8	11	5	6
Carmel Highlands	0	0	0	1	0	2	0	1
Carmel Valley	1	9	4	1	4	1	0	3
Del Rey Oaks	2	4	0	0	0	0	0	0
Marina	34	12	0	0	0	0	0	0
Monterey	11	14	2	3	2	0	0	0
Pacific Grove	4	20	3	5	5	3	0	1
Pebble Beach	0	1	3	3	4	2	0	3
Salinas Hwy	4	29	6	4	1	3	0	0
Seaside	56	14	0	0	0	0	0	0
<b>Totals</b>	<b>112</b>	<b>107</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>22</b>	<b>5</b>	<b>14</b>

Days on Market 4th Qtr 2008 - 2009		
<i>Town</i>	2008	2009
Carmel	157	155
Carmel Highlands	59	289
Carmel Valley	224	145
Del Rey Oaks	160	97
Marina	120	67
Monterey	89	86
Pacific Grove	98	93
Pebble Beach	196	138
Salinas Hwy	113	126
Seaside	180	40

SALES BY QUARTER -- Seven Quarter Review							
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Town	2008	2008	2008	2009	2009	2009	2009
Carmel	42	36	27	31	21	47	46
Carmel Highlands	9	1	1	4	3	2	4
Carmel Valley	18	16	14	14	20	21	23
Del Rey Oaks	2	9	4	1	4	2	6
Marina	32	34	53	41	32	32	46
Monterey	18	25	43	12	24	40	32
Pacific Grove	21	34	22	21	21	36	41
Pebble Beach	22	18	17	14	14	20	16
Salinas Hwy	25	27	27	23	48	38	47
Seaside	56	89	85	65	63	71	70
<b>Totals</b>	<b>245</b>	<b>289</b>	<b>293</b>	<b>226</b>	<b>250</b>	<b>309</b>	<b>331</b>

Monterey Peninsula Gross Dollar Volume 2000 to 2009										
Town	Year 2000	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009
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	\$220,497,763
Carmel Highlands	\$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	\$26,839,900
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	\$72,302,445
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	\$5,523,400
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	\$52,497,752
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	\$61,314,500
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	\$85,882,672
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	\$109,626,027
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	\$110,843,805
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	\$86,952,963
<b>Totals</b>	<b>\$1,185,455,000</b>	<b>\$764,551,000</b>	<b>\$1,079,845,000</b>	<b>\$1,153,569,459</b>	<b>\$1,603,307,000</b>	<b>\$1,793,979,000</b>	<b>\$1,265,715,000</b>	<b>\$1,166,152,592</b>	<b>\$1,001,765,600</b>	<b>\$832,281,227</b>

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	Year 2009	1 Yr Change	11 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	\$1,240,000	-20%	119%
Carmel Highlands	\$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	\$1,387,500	-13%	121%
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	\$725,000	-39%	47%
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	\$405,000	-20%	76%
Marina	\$199,250	\$245,000	\$290,000	\$343,500	\$369,000	\$420,000	\$567,500	\$675,000	\$669,000	\$580,000	\$400,000	\$354,900	-11%	79%
Monterey	\$300,000	\$398,000	\$489,000	\$476,100	\$535,000	\$625,000	\$700,000	\$875,000	\$835,000	\$795,000	\$685,000	\$520,000	-24%	73%
Pacific Grove	\$352,500	\$398,250	\$510,000	\$555,000	\$529,500	\$595,000	\$762,500	\$882,500	\$865,000	\$805,000	\$672,500	\$603,750	-10%	71%
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	\$1,100,000	-31%	47%
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	\$573,500	-26%	53%
Seaside	\$160,000	\$185,000	\$255,779	\$317,000	\$339,000	\$388,500	\$549,000	\$660,000	\$670,000	\$619,000	\$326,000	\$270,598	-17%	69%

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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