

Luxury Market Boomed in 2015-Year-end & 4th Quarter Report

 carmelabodes.com

Reprinted from The Carmel Pine Cone, February 12, 2016

Luxury Market Booms Fourth Quarter and Year-End Report

By: Paul Brocchini & Mark Ryan

The big news in 2015 was the incredible success of the luxury market.

Consider these numbers:

- 1) Largest sale in Carmel history, \$27,000,000, accompanied by a nearby property which closed at \$12,750,000: breathtaking! It is worth remembering, although it has been a few years now, that Carmel Valley Ranch sold for \$18,500,000, golf course, hotel and who knows how many acres of land.
- 2) There was one more sale of over ten million dollars and three in excess of eight million dollars.
- 3) Another fourteen properties closed for more than five million dollars.
- 4) Sixty three properties closed for more than three million dollars.

Town Breakdown

The geographical breakdown of these sales is as follows: Carmel-by-the-Sea, 11; Greater Carmel including Carmel Highlands, 27; Carmel Valley, 1; Monterey, 2; Pebble Beach, 22.

The success of the luxury market explains one of the mysteries of the year-end numbers. Gross dollar volume had a healthy 21% gain over 2014 in the ten Peninsula markets we survey, yet these numbers were achieved with a reduced number of transactions just like we reported during the year. Take a look at the chart titled Sales by Quarter, Seven Quarter Review. In the three quarters we illustrate both 2014 and 2015 the number of transactions in each of the 2015 quarters is fewer than in 2014

The easy conclusion to draw is that the increased dollar volume, based on fewer sales, was the result of higher prices.

But no! Prices showed little or no gain. Five of the markets surveyed had declines in median sales price and five were up but not by much. Only Seaside, plus 12%, and Carmel Valley, up 9%, had nice gains.

The 21% gain in dollar volume was the result of the strong luxury market.

Overall Market Picture

Outside of the luxury market 2015 was a solid year in local real estate, but not the “whoopie” year experienced at the high end. Still, for the most part it was a “seller’s” market. Our view is the lack of inventory was the principal spur to the decline in the number of transactions, not the lack of demand.

Ten-Year Charts

It is painful to look at the ten-year charts and compare today with the criminally fostered boom of 2005. The bare numbers are bad enough, but when you factor in the decline of the dollar it gets ugly. A way to mitigate the gloom is to write off the boom years as artificially inflated, which they were, and dismiss the numbers as fiction.

If they were fiction we do not have to concern ourselves with getting back to those levels.

Still, let us endure some pain and survey the numbers. The ten-year median sales prices are down in every instance, in five of the markets by 30% or more. If you are a masochist and enjoy math, re-calculate with the 21.4% decline of the dollar during the period, and punish yourself with the true numbers.

But enough numbers! We will all get dizzy. Let us be happy the crash did not take us down to our knees and that the recovery, at least around here, is pretty good.

Paul Brocchini and Mark Ryan are real estate agents with Carmel Realty Company, NE Corner of Dolores & 8th, Carmel-by-the-Sea. They can be reached at either 831-238-1498 or 831-601-1620

The charts are based in whole or in part on data supplied by MLSListings.com, our Multiple Listing Service (MLS). Neither the Monterey Association of Realtors nor the MLS guarantee or is responsible for their accuracy. Data maintained by the MLS may not reflect all real estate activity in the market.

| Monterey Peninsula Gross Dollar Volume | | |
|---|----------------------|----------------------|
| | 4th Qtr | 4th Qtr |
| Town | 2014 | 2015 |
| Carmel-by-the-Sea | \$48,457,635 | \$78,810,000 |
| Carmel Highlands | \$9,288,888 | \$20,340,000 |
| Greater Carmel | \$85,897,801 | \$83,077,120 |
| Carmel Valley | \$16,211,200 | \$12,849,319 |
| Del Rey Oaks | \$1,880,000 | \$987,500 |
| Marina | \$13,620,660 | \$16,132,579 |
| Monterey | \$46,800,052 | \$50,250,160 |
| Pacific Grove | \$38,355,038 | \$32,264,900 |
| Pebble Beach | \$79,092,388 | \$86,450,787 |
| Seaside | \$18,117,149 | \$19,071,657 |
| Totals | \$357,720,811 | \$400,234,022 |

A

| Market Barometer Five Quarter Review | | |
|---|-----------------|----------------|
| | <i>In</i> | |
| | Escrow | |
| | vs | |
| Date | Listings | Percent |
| Carmel-by-the-Sea | | |
| 01/01/16 | 22/55 | 40% |
| 10/01/15 | 13/57 | 23% |
| 07/01/15 | 14/60 | 23% |
| 04/01/15 | 16/52 | 31% |
| Carmel Highlands | | |
| 01/01/16 | 3/27 | 11% |
| 10/01/15 | 2/14 | 14% |
| 07/01/15 | 1/12 | 8% |
| Greater Carmel | | |
| 01/01/16 | 17/77 | 22% |
| 10/01/15 | 28/138 | 20% |
| 07/01/15 | 31/142 | 22% |
| 04/01/15 | 25/132 | 19% |

| SALES BY QUARTER -- Seven Quarter Review | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Town | 2014 | 2014 | 2014 | 2015 | 2015 | 2015 | 2015 |
| Carmel-by-the-Sea | 15 | 20 | 16 | 11 | 14 | 23 | 28 |
| Carmel Highlands | 1 | 1 | 2 | 6 | 3 | 3 | 7 |
| Greater Carmel | 111 | 89 | 72 | 86 | 65 | 50 | 47 |
| Carmel Valley | 30 | 27 | 21 | 23 | 24 | 21 | 16 |
| Del Rey Oaks | 0 | 7 | 4 | 4 | 7 | 1 | 2 |
| Marina | 33 | 34 | 37 | 29 | 32 | 25 | 34 |
| Monterey | 76 | 72 | 84 | 79 | 51 | 67 | 62 |
| Pacific Grove | 57 | 47 | 51 | 39 | 51 | 45 | 34 |
| Pebble Beach | 34 | 39 | 34 | 26 | 31 | 25 | 37 |
| Seaside | 64 | 52 | 49 | 44 | 45 | 51 | 45 |
| Totals | 421 | 388 | 370 | 347 | 323 | 311 | 312 |

Annual Charts

| Carmel Valley | | |
|----------------------|--------------|------------|
| 01/01/16 | 10/46 | 22% |
| 10/1/2015 | 12/57 | 21% |
| 07/01/15 | 16/59 | 27% |
| 04/01/15 | 9/48 | 19% |
| Del Rey Oaks | | |
| 01/01/16 | 1/3 | 33% |
| 10/01/15 | 0/1 | 0% |
| 07/01/15 | 1/1 | 100% |
| Marina | | |
| 01/01/16 | 14/27 | 52% |
| 10/01/15 | 23/38 | 61% |
| 07/01/15 | 20/31 | 65% |
| 04/01/15 | 27/34 | 79% |
| 01/01/15 | 19/32 | 59% |
| Monterey | | |
| 01/01/16 | 25/75 | 33% |
| 10/01/15 | 33/108 | 31% |
| 07/01/15 | 43/106 | 41% |
| 04/01/15 | 34/91 | 37% |
| 01/01/15 | 20/59 | 34% |

| Pacific Grove | | |
|----------------------|--------------|------------|
| 01/01/16 | 18/48 | 38% |
| 10/01/15 | 21/62 | 34% |
| 07/01/15 | 27/66 | 41% |
| 04/01/15 | 22/49 | 45% |
| 01/01/15 | 19/53 | 36% |
| Pebble Beach | | |
| 01/01/16 | 8/65 | 12% |
| 10/01/15 | 22/90 | 24% |
| 07/01/15 | 19/79 | 24% |
| 04/01/15 | 18/84 | 22% |
| 01/01/15 | 11/68 | 16% |
| Seaside | | |
| 01/01/16 | 19/39 | 49% |
| 10/01/15 | 28/47 | 60% |
| 07/01/15 | 34/48 | 71% |
| 04/01/15 | 37/48 | 77% |
| 01/01/15 | 31/48 | 65% |

| Average Days to Sell 4th Qtr 2014-2015 | | |
|---|-------------|-------------|
| Town | 2014 | 2015 |
| Carmel-by-the-Sea | 74 | 116 |
| Carmel Highlands | 173 | 230 |
| Greater Carmel | 137 | 107 |
| Carmel Valley | 100 | 58 |
| Del Rey Oaks | 111 | 50 |
| Marina | 63 | 31 |
| Monterey | 81 | 69 |
| Pacific Grove | 86 | 87 |
| Pebble Beach | 135 | 130 |
| Seaside | 37 | 57 |

| Median Sales Price - Ten Year Review | | | | | | | | | | | | 1Yr | 10 YR |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Town | Year 2005 | Year 2006 | Year 2007 | Year 2008 | Year 2009 | Year 2010 | Year 2011 | Year 2012 | Year 2013 | Year 2014 | Year 2015 | Gain (Loss) | Gain (Loss) |
| Carmel-by-the-Sea | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$1,625,000 | \$1,416,000 | -13% | N/A |
| Carmel Highlands | \$2,400,000 | \$2,450,000 | \$2,215,000 | \$1,600,000 | \$1,387,500 | \$1,600,000 | \$1,137,000 | \$1,150,000 | \$1,550,000 | \$2,743,602 | \$2,525,000 | -8% | 5% |
| Greater Carmel | \$1,575,000 | \$1,525,000 | \$1,550,000 | \$1,550,250 | \$1,240,000 | \$1,045,000 | \$1,082,500 | \$1,020,000 | \$1,205,000 | \$1,300,000 | \$1,100,000 | -15% | -30% |
| Carmel Valley | \$1,162,000 | \$1,198,500 | \$1,295,000 | \$1,182,000 | \$ 725,000 | \$ 706,000 | \$ 700,000 | \$ 800,000 | \$ 842,250 | \$ 730,000 | \$ 795,000 | 9% | -32% |
| Del Rey Oaks | \$725,000 | \$ 715,000 | \$ 735,000 | \$ 505,000 | \$ 405,000 | \$ 390,000 | \$ 385,000 | \$ 363,000 | \$ 450,500 | \$ 456,500 | \$ 470,000 | 3% | -35% |
| Marina | \$675,000 | \$ 669,000 | \$ 580,000 | \$ 400,000 | \$ 354,900 | \$ 334,900 | \$ 312,000 | \$ 305,000 | \$ 385,124 | \$ 427,000 | \$ 440,000 | 3% | -35% |
| Monterey | \$875,000 | \$ 835,000 | \$ 795,000 | \$ 685,000 | \$ 520,000 | \$ 550,000 | \$ 522,079 | \$ 490,000 | \$ 590,224 | \$ 685,000 | \$ 626,750 | -9% | -28% |
| Pacific Grove | \$882,500 | \$ 865,000 | \$ 805,000 | \$ 672,500 | \$ 603,750 | \$ 630,000 | \$ 537,500 | \$ 558,000 | \$ 682,500 | \$ 739,000 | \$ 780,000 | 6% | -12% |
| Pebble Beach | \$1,660,000 | \$1,657,500 | \$2,312,500 | \$1,570,000 | \$1,100,000 | \$1,100,000 | \$1,104,000 | \$1,130,000 | \$1,147,500 | \$1,440,000 | \$1,400,000 | -3 | -16% |
| Seaside | \$660,000 | \$ 670,000 | \$ 619,000 | \$ 326,000 | \$ 270,598 | \$ 279,200 | \$ 299,249 | \$ 296,000 | \$ 327,400 | \$ 358,000 | \$ 399,500 | 12% | -39% |

| Monterey Peninsula Gross Dollar Volume 2004 to 2014 | | | | | | | | | | | | |
|---|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|--|
| Town | Year 2005 | Year 2006 | Year 2007 | Year 2008 | Year 2009 | Year 2010 | Year 2011 | Year 2012 | Year 2013 | Year 2014 | Year 2015 | |
| Carmel-by-the-Sea | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$183,227,419 | \$215,137,364 | |
| Greater Carmel | \$435,718,000 | \$321,720,000 | \$364,149,869 | \$249,057,575 | \$220,497,763 | \$221,469,840 | \$276,650,490 | \$303,606,360 | \$353,095,307 | \$350,787,894 | \$321,678,040 | |
| Carmel Highlands | \$76,545,000 | \$73,928,000 | \$71,996,253 | \$29,705,585 | \$26,839,900 | \$24,407,625 | \$21,739,500 | \$47,993,000 | \$68,557,000 | \$24,319,990 | \$52,087,500 | |
| Carmel Valley | \$179,811,000 | \$127,213,000 | \$116,897,500 | \$91,218,600 | \$72,302,445 | \$125,311,300 | \$111,961,760 | \$131,614,015 | \$145,647,985 | \$70,670,168 | \$85,550,999 | |
| Del Rey Oaks | \$20,117,000 | \$8,794,000 | \$6,513,640 | \$9,018,800 | \$5,523,400 | \$5,683,000 | \$4,907,000 | \$3,524,300 | \$8,868,000 | \$5,875,000 | \$7,800,750 | |
| Marina | \$90,675,000 | \$112,543,000 | \$46,855,100 | \$58,231,593 | \$52,497,752 | \$40,840,494 | \$33,510,171 | \$37,621,835 | \$38,621,768 | \$41,735,778 | \$55,400,050 | |
| Monterey | \$149,890,000 | \$108,858,000 | \$85,651,512 | \$75,696,710 | \$61,314,500 | \$72,083,450 | \$78,311,945 | \$93,167,009 | \$119,638,782 | \$167,057,326 | \$200,495,966 | |
| Pacific Grove | \$151,444,000 | \$199,843,000 | \$90,731,999 | \$79,207,460 | \$85,882,672 | \$90,716,675 | \$90,818,100 | \$120,959,800 | \$126,936,130 | \$138,110,121 | \$149,925,985 | |
| Pebble Beach | \$255,072,000 | \$160,167,000 | \$189,166,939 | \$198,687,253 | \$109,626,027 | \$159,179,850 | \$151,834,099 | \$203,278,900 | \$201,540,943 | \$291,206,413 | \$246,937,861 | |
| Seaside | \$155,761,000 | \$155,761,000 | \$55,992,455 | \$94,363,390 | \$86,952,963 | \$71,494,628 | \$71,819,802 | \$57,077,970 | \$63,168,288 | \$70,626,332 | \$74,609,715 | |
| Totals | \$1,515,033,000 | \$1,268,827,000 | \$1,166,152,592 | \$885,186,966 | \$721,437,422 | \$811,186,862 | \$841,552,867 | \$998,843,189 | \$1,126,074,203 | \$1,160,389,022 | \$1,409,624,230 | |

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

Copyright © Brocchini - Ryan Properties 2015