



2016 Annual Market Report

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CARMEL REALTY COMPANY
ESTABLISHED 1913

A Cornerstone in Luxury Real Estate for Over 100 Years

Letter From Carmel Realty Company

Two thousand and sixteen was a great year for real estate on the Monterey Peninsula and another successful year for the agents of Carmel Realty Company. Our focus on representing luxury properties has led Carmel Realty Company to once again dominate the luxury high-end market. Of thirty properties sold in excess of \$5 million in Carmel and Pebble Beach, Carmel Realty Company represented the Buyer, Seller or both on thirteen of those transactions.

Over the past five years in the over \$10 million market we have represented Buyers and/or Sellers in 73.3% of the 30 transactions. We represented the Buyer and Seller on 50% of those transactions, making us the leader in Luxury Real Estate sales in Carmel and Pebble Beach.

In our three primary markets—Carmel, Pebble Beach and Carmel Valley—our sales associates represented the Buyer, Seller or both in the highest-priced transactions in each of those markets.

In Carmel we represented the Seller and Buyer in the sale of 7 & 9 Carmel Way. This property, known as the ultimate beach house, was listed for \$25.5 million.

Carmel Realty Company agents also represented the Seller on the highest price sale for 2016 in Pebble Beach, which was an off market property on 17 Mile Drive that was listed for \$35 million.

In Carmel Valley we represented the Seller in the sale of a Comstock true hacienda in the beautiful Miramonte neighborhood. This magnificent property was listed for \$7 million.

Please see the detailed synopsis of each of our markets inside. All statistics are based on Residential Single Family listings and sales reported on MLS and off market sales that we represented either the Buyer or Seller or both.

On behalf of everyone at Carmel Realty Company, we thank you for a great year and look forward to assisting you with all of your luxury real estate needs in the future.

Regards,

Stacey Supica

Senior Vice President, Operations | Broker



Letter From Courtney Jones

2017 marks my tenth year in real estate and I am thankful for finding a job I love...thanks to you, my clients.

The enclosed annual report takes a look back at the year with data from our local market segments. I've also included a calendar of events as a reference for you.

California outperformed the nation in 2016 and the Monterey Peninsula was no exception. We saw prices rise 8.2% over 2015. The beginning of the year started off strong with a high number of sales and prices peaked in late spring. As the year continued, we lost momentum, which can be attributed to uncertainty around the presidential election.

Here's what we experienced:

- Low inventory kept the marketplace competitive.
- Interest rates rose, yet remained attractive.
- Affordability challenges with prices at the highest level since '07.
- High-end, discretionary market began to slow down.
- Demand from investors' was the lowest since 2009.
- Demand from international buyers was the lowest in 9 years.
- Net cash gain to sellers was the highest since 2005.
- On average, sellers received about 95% of their asking price with the most multiple offers in Carmel Valley.
- In Carmel \$2-3M was the most active price segment.
- In Pebble Beach the \$3-5M price segment had the highest inventory and the most sales occurred between \$1-3M.

For the most part, I expect a continuation of these trends throughout the coming year. Interest rates will likely rise slightly and affordability will remain a challenge. Prices will continue to appreciate, although at a slower pace than in 2016. A lack of inventory will be our biggest obstacle. It looks as if 2017 will be another year for sellers!

Please feel free to reach out to me with any real estate related questions.

Here's to a happy and healthy 2017!

Courtney Jones



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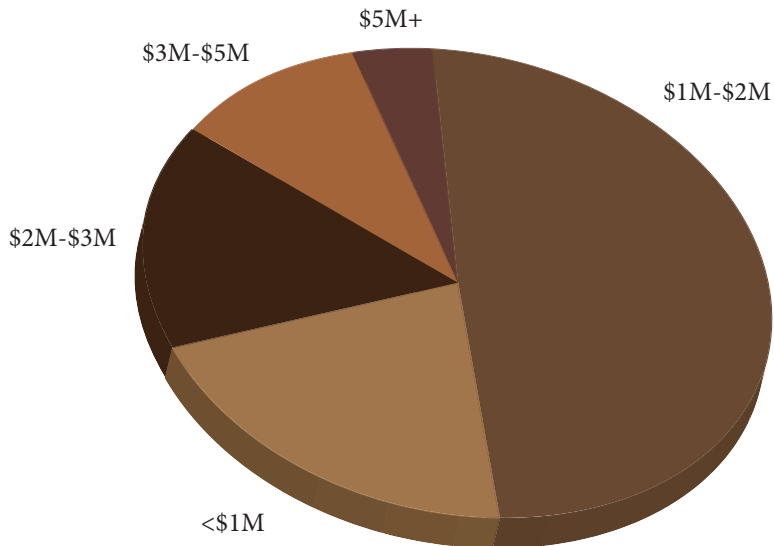
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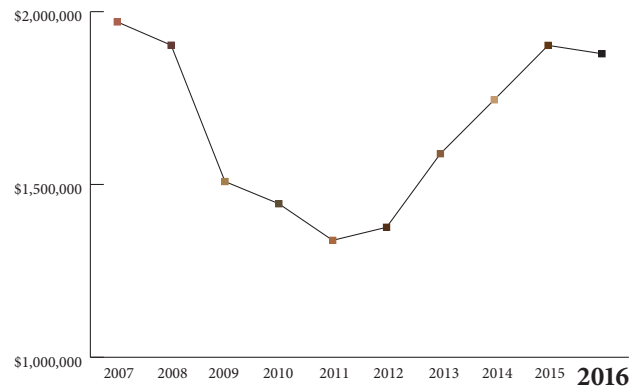
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Carmel

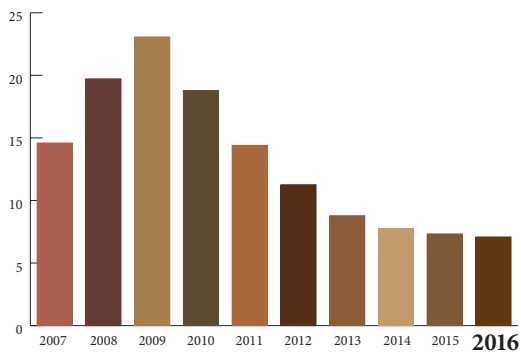
2016 Sales Volume by Segment



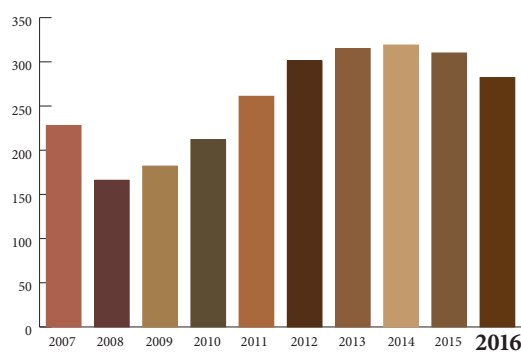
Average Sales Price



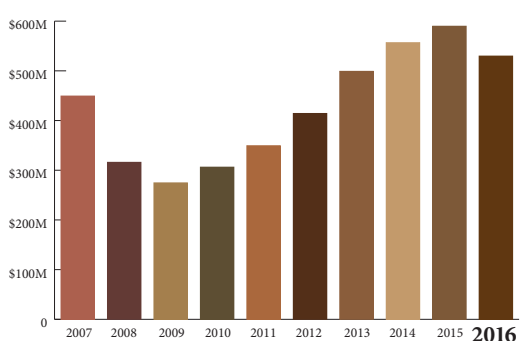
Months of Available Inventory



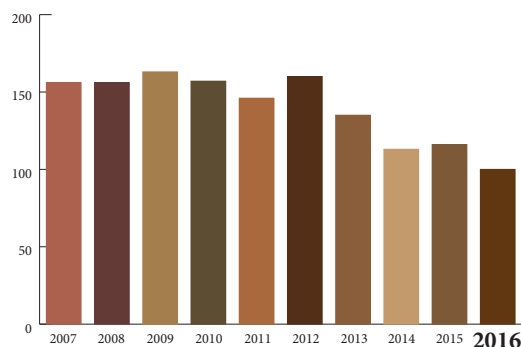
Number of Transactions



Total Sales Volume



Average Days on Market



The Carmel market remained stable in 2016. There were 282 closed transactions for a total sales volume of \$529,663,211 and an average sales price of \$1,878,238.

The amount of available inventory average continued to decline again this year. It would take seven months to sell through all of the Carmel inventory available at year end.

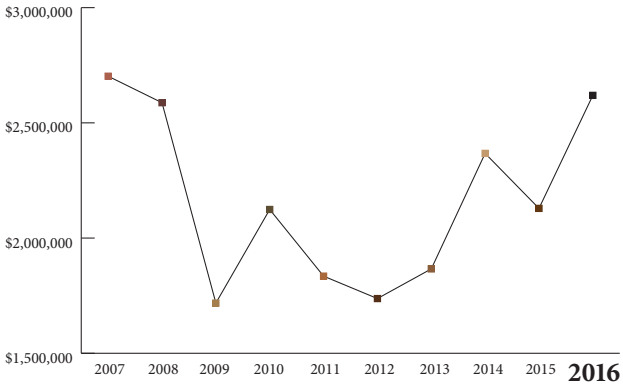
The distribution of sales at the higher end from \$3M and up remained at 14.5%. Almost half of the Carmel sales were in the \$1M-2M range. We did see a reduction in the number of transactions under \$1M, down to 57 transactions from 76 in 2015. Carmel Realty Company represented the Seller and Buyer on the highest price sale in Carmel in 2016. That property on Carmel Way, known as the Ultimate Beach House, was listed for \$25.5M.



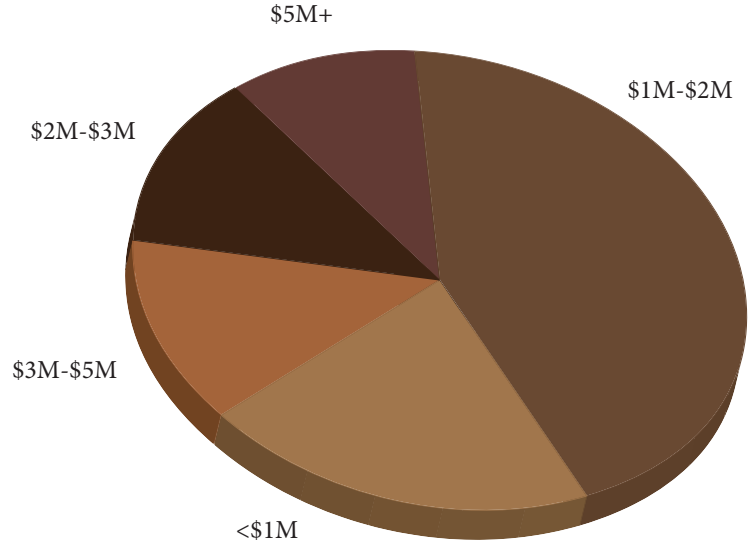


Pebble Beach

Average Sales Price

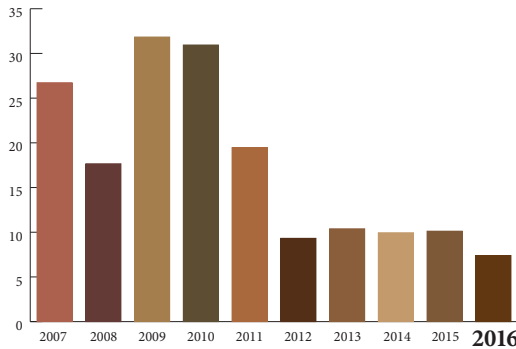


2016 Sales Volume by Segment

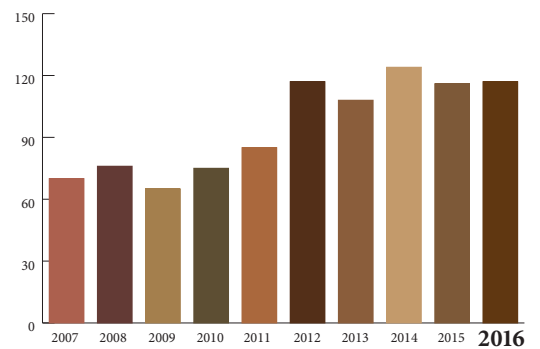


Pebble Beach had a strong 2016. The average sales price went up \$500K to \$2,619,262. \$306M in real estate changed hands. Although the bulk of the transactions were in the \$1M-2M range, there were 12 transactions over \$5M. Carmel Realty represented the Seller in the highest priced transaction in Pebble Beach in 2016. Listed for \$35M, Otter Cove is an Oceanfront French Normandy Estate on 17 Mile Drive sold in April. Since the beginning of 2017, three properties came to market listed in excess of \$20M, including 3167 Del Ciervo Road listed at \$37.9M. With only seven months of available inventory and strong property values, Pebble Beach is poised for another great year.

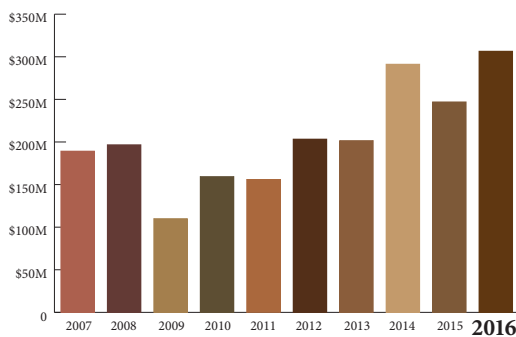
Months of Available Inventory



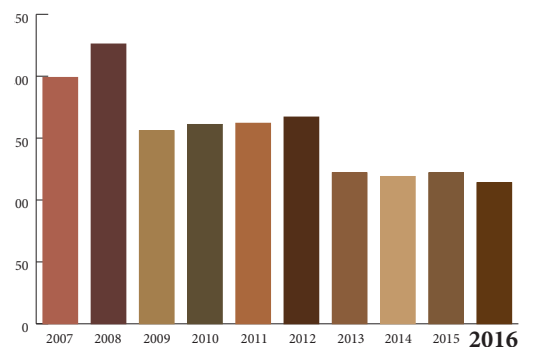
Number of Transactions



Total Sales Volume

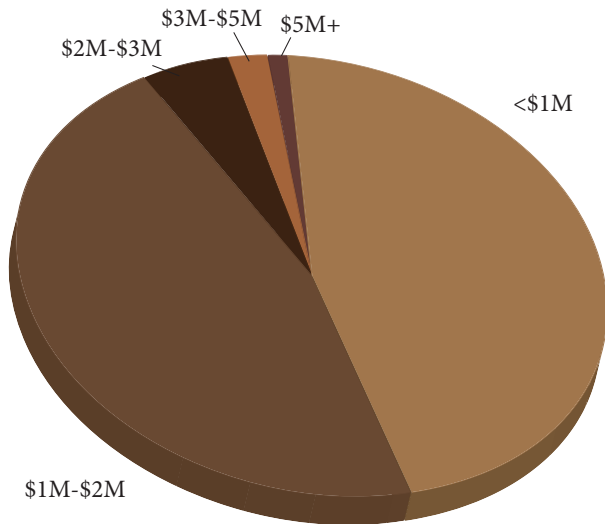


Average Days on Market

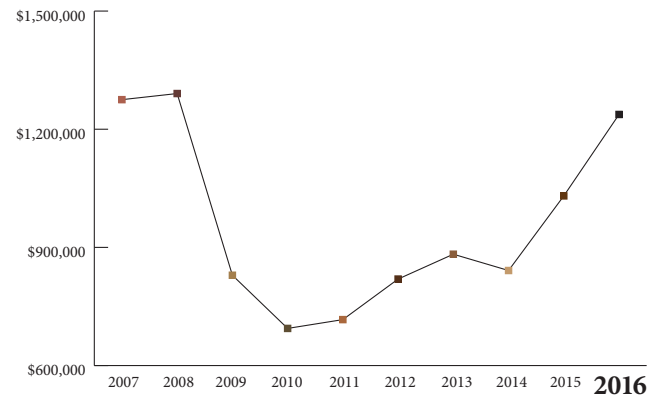


Carmel Valley

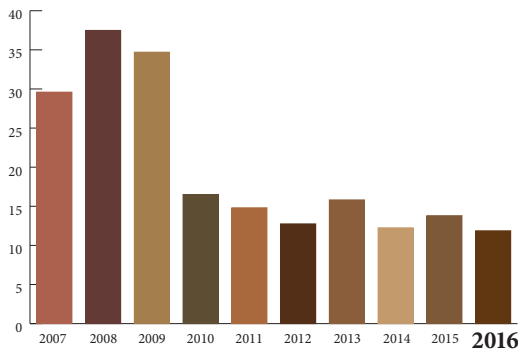
2016 Sales Volume by Segment



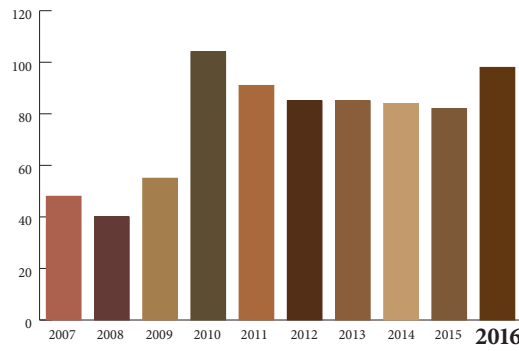
Average Sales Price



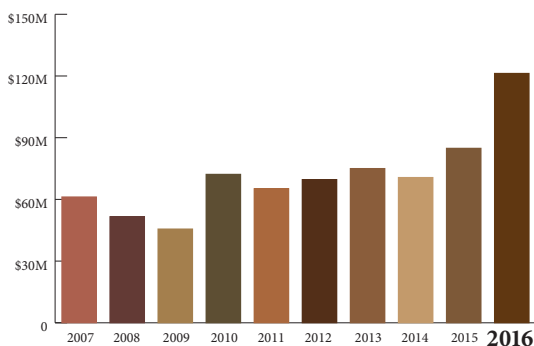
Months of Available Inventory



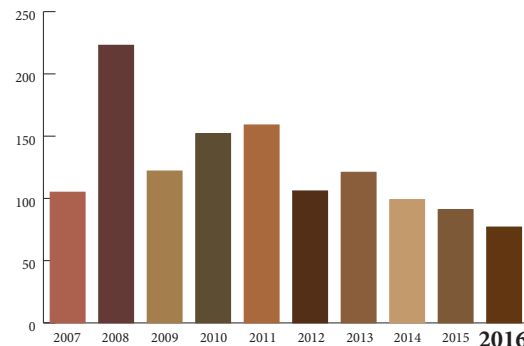
Number of Transactions



Total Sales Volume



Average Days on Market



Carmel Valley market continues to grow which is evidenced by another 20% increase in average sales price and an almost 20% increase in total number of transactions from 82 to 98. Average days on market hit a new low for the past ten years at only 77 days.

Although the number of sales under \$1M went up slightly, the number of sales in the \$1M-2M range almost doubled as a result of the higher sales prices. Again this year there was only one transaction on a property over \$5M which was the sale on a Comstock True Hacienda in the Miramonte neighborhood listed for \$7M by Carmel Realty Company.

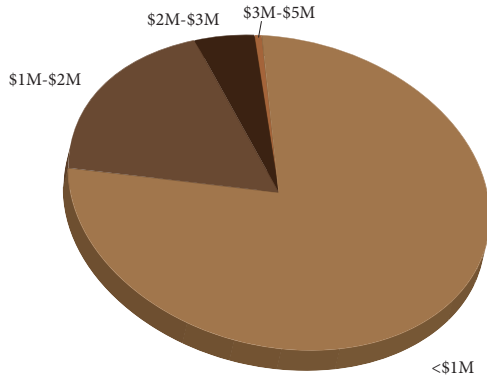
Inventory levels remain strong with an average of ten months of inventory available in 2016. 2017 should be another banner year for the Carmel Valley market.



Monterey & Pacific Grove

2016 was another great year for the Monterey and Pacific Grove markets. Both saw increases in their average sales prices and a reduction in days on market. Pacific Grove's average sales price is now \$933,950 with Monterey's at \$904,102. Both markets saw an increase in the number of transactions under \$1M. Although Monterey saw an uptick in the \$2M-3M price range with five closings, Pacific Grove's market was steady with nine sales in the \$2M-3M range. Inventory levels remained low in both markets. Monterey and Pacific Grove both have an average of four months of inventory available to sell. Most sales take place in 54 days or less.

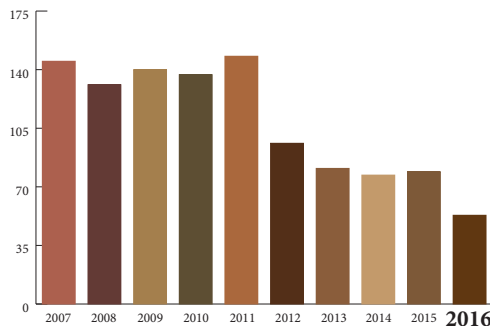
2016 Sales Volume (Monterey)



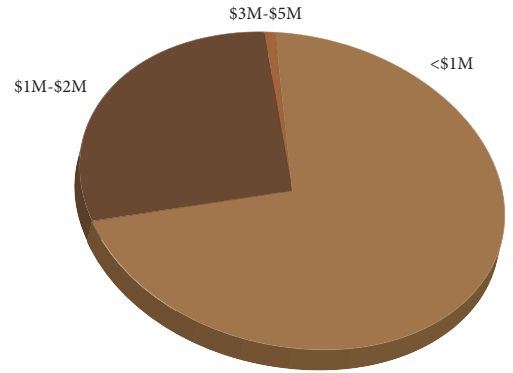
Average Sales Price



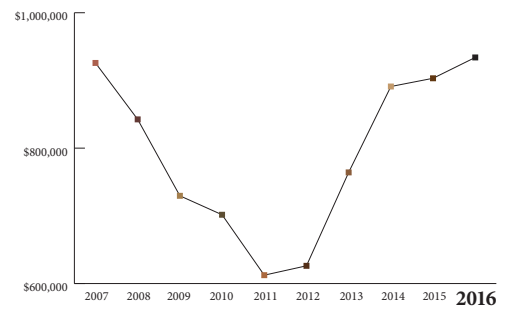
Average Days on Market



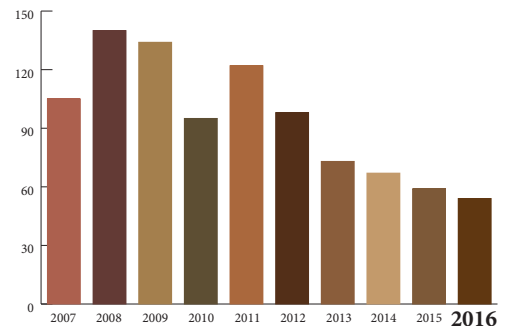
2016 Sales Volume (Pacific Grove)



Average Sales Price



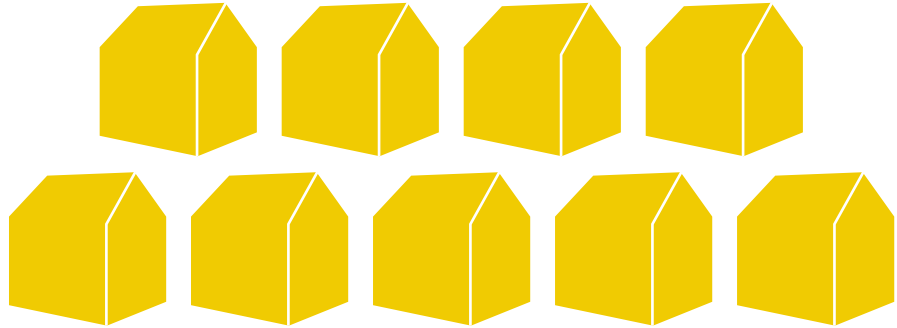
Average Days on Market



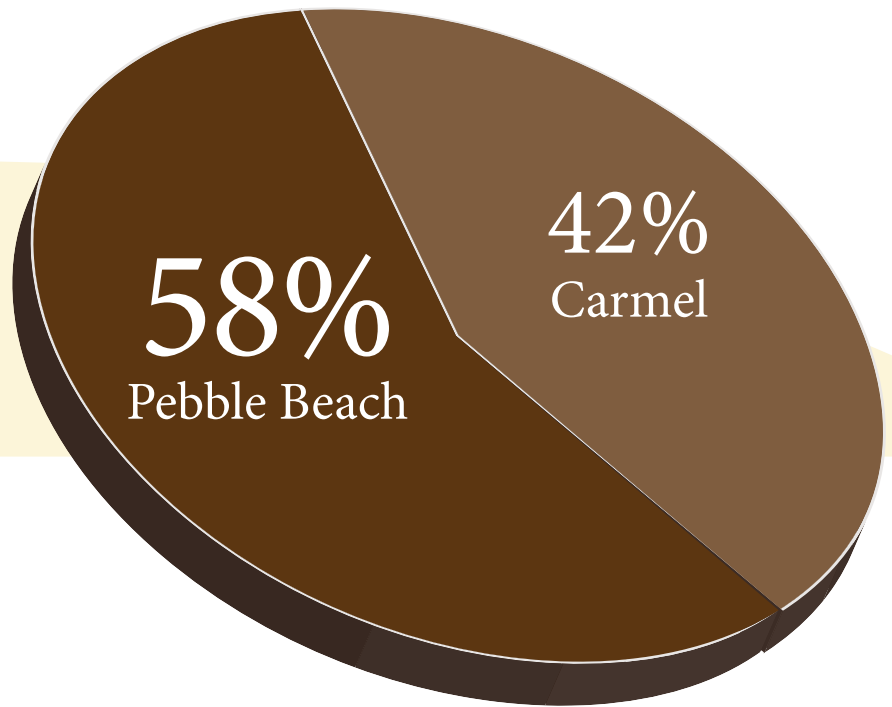
2016 High-End Luxury Market Report of Carmel & Pebble Beach

\$5M & up sales of 2016

2016 \$10M↑
Sales

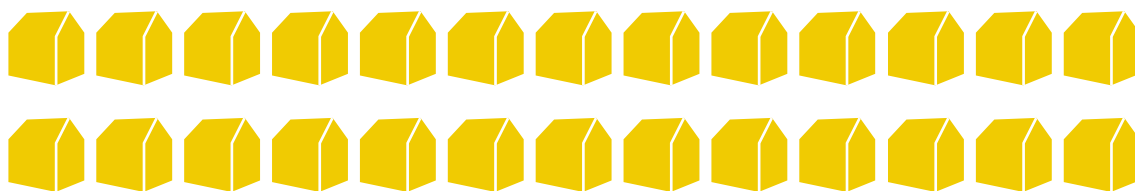


2016 \$5M↑
Sales



Twenty-six total transactions, eleven in Carmel and fifteen in Pebble Beach

\$5M & up 2016 Sales



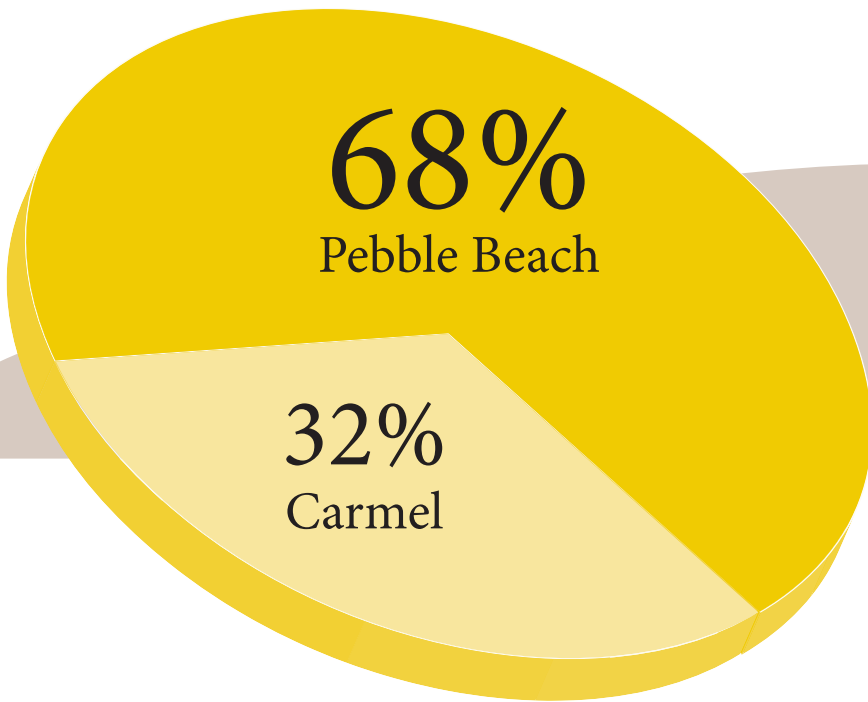
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Historical High-End Luxury Market Report of Carmel & Pebble Beach

Five years of cumulative sales greater than \$10M since 2011

\$432,658,987

Total sales volume over the past 5 years
\$10M & up segment



5 years \$10M↑ Sales

Twenty-eight total transactions, nine in Carmel and nineteen in Pebble Beach

\$10M & up Sales since 2011

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PARTNERSHIPS

Luxury Real Estate ■ Pacific Union



As the exclusive Board of Regents member of Luxury Real Estate for the entire Monterey Peninsula, Carmel Realty Company has access to an exclusive network of the world's most elite luxury real estate professionals. Access to this network not only offers Carmel Realty Company clients an expanded global reach, but exclusive networking opportunities amongst the nation's top real estate professionals. Additionally, LuxuryRealEstate.com remains the #1 portal for luxury properties on the internet with their network of professionals collectively selling \$128 Billion of real estate annually.

PACIFIC UNION

Carmel Realty Company and Pacific Union are proud to align to deliver extraordinary results to all of our valued clients. This relationship allows for cross-marketing opportunities that benefit all of our clients throughout the San Francisco Bay Area, Monterey Peninsula and beyond.



CARMEL REALTY COMPANY
ESTABLISHED 1913

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Carmel Realty Company's Notable Sales of 2016



Otter Cove ■ Pebble Beach ■ \$35M



7 & 9 Carmel Way ■ Carmel ■ \$25.5M



3177 Del Ciervo Road ■ Pebble Beach ■ \$22M



3350 17 Mile Drive ■ Pebble Beach ■ \$13.75M



26200 Ocean View Avenue ■ Carmel ■ \$12.75M



3958 Ronda Road ■ Pebble Beach ■ \$9.8M



Scenic 7NW of 8th ■ Carmel-by-the-Sea ■ \$9.2M



1041 Marcheta Lane ■ Pebble Beach



1700 Crespi Lane ■ Pebble Beach ■ \$7M



9 Miramonte Road ■ Carmel Valley ■ \$7M

2016 Sales Highlights

3114 Spruance Road, Pebble Beach
REPRESENTED BUYER

711 Carmelo, Carmel-by-the-Sea
REPRESENTED SELLER

18 Sleepy Hollow, Carmel Valley
REPRESENTED BUYER

26675 Pancho Way, Carmel
REPRESENTED SELLERS

28000 Selfridge Lane, Carmel Valley
REPRESENTED SELLERS

9932 Holt Road, Carmel
REPRESENTED SELLER

Dolores NW Crnr 10, Carmel-by-the-Sea
REPRESENTED SELLER

13370 Middle Canyon, Carmel Valley
REPRESENTED SELLER

Junipero 1 NE 11, Carmel-by-the-Sea
REPRESENTED SELLER

26189 Mesa Drive, Carmel
REPRESENTED BUYER

26259 Mesa Place, Carmel
REPRESENTED BUYER

3 El Caminito Del Norte, Monterey
REPRESENTED BUYER



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