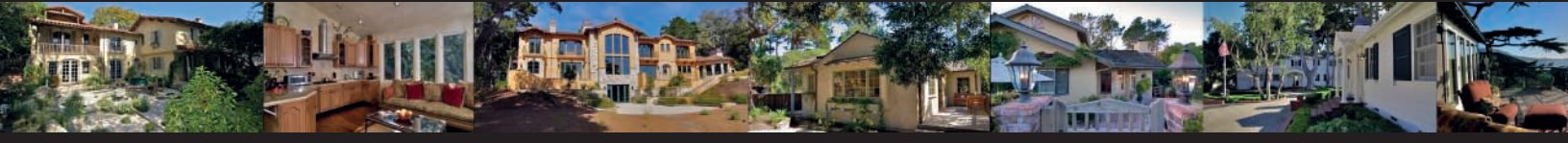


# LOCAL REAL ESTATE MARKET UPDATE



# CARMEL REALTY COMPANY

ESTABLISHED 1913



986 Coral Drive, Pebble Beach, Sale Pending in Only 9 Days! Representing Seller



970 Coral Drive in Pebble Beach, Sold!  
Represented Seller



12795 Sundance Lane, Corral De Tierra,  
Sale Pending! Representing Buyer



98 Copa Del Oro, Monterey, SOLD! Represented  
both Buyer and Seller, Off Market Sale!

Since my last newsletter, the high end market has made a slight recovery. There were more high-end sales compared to one year ago. Buyers are willing to pay a premium for truly one-of-a-kind properties. Notable sales in the past 3 months included two in Pebble Beach at \$18.75M and \$10.225M; and Pacific Grove had its highest sale ever at \$4M. Luckily, the worst of the recession is behind us. With that said, we seem to be slowly moving along a U-shaped recovery. Consumer confidence was down from May to June. We can point to the oil spill in the gulf, the lingering recession and unemployment. We can expect job growth later this year as companies begin to hire temporary workers. We expect inflation to remain in check for the next 12-18 months and we anticipate a ¼ point interest rate rise by year end, to up to a full percentage increase in a year's time. The forecasted GDP growth rate for 2010 is 3%, with 2.7% for 2011. California's unemployment is forecasted at 12.3% for 2010 and 10.7% for 2011. We have seen

foreclosures enter the high-end market and expect this to continue. A snap shot of Carmel tells us that the market is down almost 12% from May 2009 to May 2010. There is a 12.1 month supply of homes on the market with 35 in pre-foreclosure, 39 scheduled for auction and 24 bank owned properties. Happily, I can report that the short sale process is becoming more efficient. Over ½ the homes sold in Monterey County in 2009 had multiple offers and almost 20% of sales were all cash, 12% were investments. Foreclosures made up 37% of sales in February 2010 in the San Francisco Bay Area, down from 52% a year earlier. Buyers are planning on staying in their home for at least 5 years now. The days of buying and flipping are over. Down payments have increased with first time homebuyers putting down an average of 23%, and repeat buyers an average of 37%. Obtaining a loan, even for the most qualified, is difficult. Buyers are more optimistic and believe the current housing market presents a tremendous opportunity.

*"Courtney did a terrific job for us. She worked hard and held many open houses and after the house was in escrow followed through with all of the closing details. She works very professionally and with a lot of heart. I wish all of my real estate transactions in the past went as well. Thank you Courtney for your diligence and long hours of open houses to get the house sold."* – Seller

*"As out of town buyers, we relied extensively on Courtney to get our transaction done. She was a pleasure to work with - reliable, responsive, and very well organized. Her knowledge of the area was instrumental to us finding the right house. She coordinated all the inspections and was our local "eyes and ears" throughout the process. I can say without qualification that Courtney is the best real estate agent we've ever worked with."* – Buyer

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