Local Market Trends | Monterey County | February/March 2017

Monterey Peninsula Home Team

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The Real Estate Report

Strong Start to the Year

Prices, sales and inventory of single-family, re-sales homes in Monterey County started the year in the green.

Both the median and average prices were up by double-digits compared to last January.

Home sales, while still far below normal, were up 3.4% over last year.

Inventory was up 8.6%, although at only 581 homes listed for sale as of February 5th it is still far below the average of 1,344.

January 2017 Sales Statistics

Single-Family Homes

Year-Over-Year

- Median home prices increased by 17.5% year-over-year to $587,500 from $500,000.
- The average home sales price rose by 22.3% year-over-year to $968,677 from $791,797.
- Home sales rose by 3.4% year-over-year to 154 from 149.
- Total inventory* rose 1.0% year-over-year to 721 from 714.
- Sales price vs. list price ratio fell by 0.1% year-over-year to 97.6% from 97.7%.
- The average days on market rose by 2.4% year-over-year to 69 from 67.

Compared To Last Month

- Median home prices improved by 14.1% to $587,500 from $515,000.
- The average home sales price rose by 11.1% to $968,677 from $871,669.
- Home sales down by 25.6% to 154 from 207.
- Total inventory* dropped 0.4% to 721 from 724.
- Sales price vs. list price ratio increased by 0.2% to 97.6% from 97.4%.
- The average days on market increased by 2.1% to 69 from 67.

Condominiums

Year-Over-Year

- Median home prices increased by 1.0% year-over-year to $356,000 from $352,500.
- The average home sales price rose by 2.8% year-over-year to $436,850 from $425,071.
- Home sales rose by 26.1% year-over-year to 29 from 23.
- Total inventory* fell 14.7% year-over-year to 58 from 68.
- Sales price vs. list price ratio fell by 0.9% year-over-year to 97.6% from 98.5%.
- The average days on market fell by 2.4% year-over-year to 50 from 51.

Compared To Last Month

- Median home prices slipped by 5.1% to $356,000 from $375,000.
- The average home sales price rose by 10.2% to $436,850 from $396,396.
- Home sales up by 7.4% to 29 from 27.
- Total inventory* dropped 18.3% to 58 from 71.
- Sales price vs. list price ratio dropped by 0.2% to 97.6% from 97.8%.
- The average days on market dropped by 28.1% to 50 from 70.

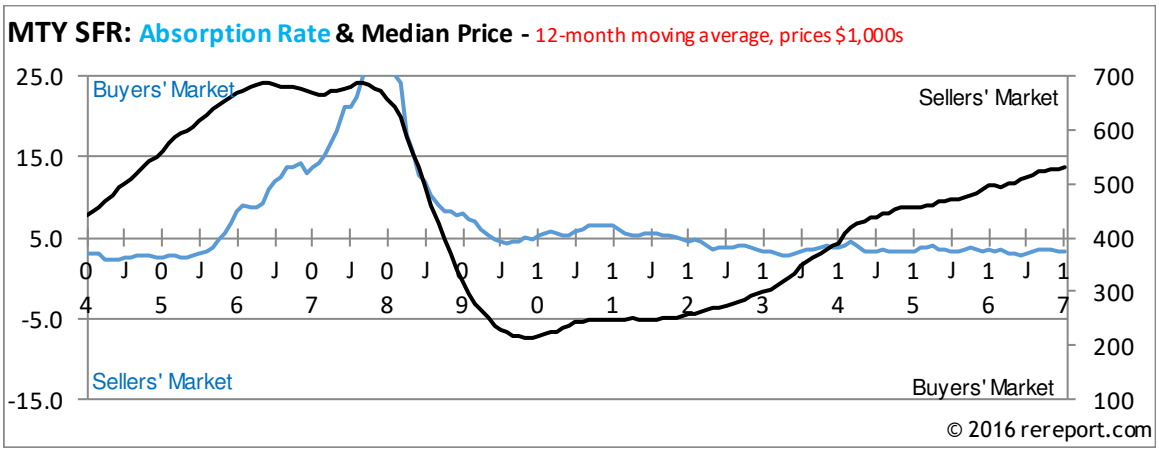
Trends at a Glance

(Single-family Homes)

	Jan 17	Dec 16	Jan 16
Median Price:	$587,500	$515,000	$500,000
Average Price:	$968,677	$871,669	$791,797
Units Sold:	154	207	149
Pending Sales:	140	148	179
Active Listings:	581	576	535
Sale/List Price Ratio:	97.6%	97.4%	97.7%
Days on Market:	69	67	67
Days of Inventory:	113	83	108

(Townhomes/Condos)

	Jan 17	Dec 16	Jan 16
Median Price:	$356,000	$375,000	$352,500
Average Price:	$436,850	$396,396	$425,071
Home Sales:	29	27	23
Pending Sales:	11	20	17
Active Listings:	47	51	51
SP/LP Ratio	97.6%	97.8%	98.5%
Days on Market:	50	70	51
Days of Inventory:	49	57	67



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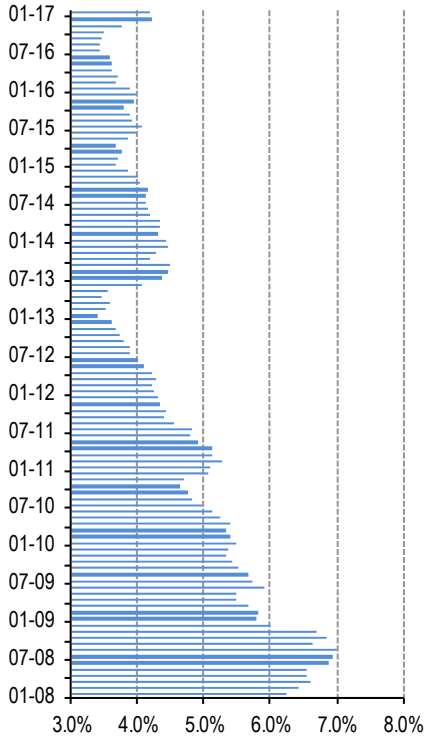
for a free on-line market analysis of your property. You can also search for recent sales & listings in your neighborhood.

Fed, Mortgage Rates Hold Steady Amid Busy Week

30-Year Fixed Mortgage Rates



The chart above shows the National monthly average for 30-year fixed rate mortgages as compiled by HSH.com. The average includes mortgages of all sizes, including conforming, "expanded conforming," and jumbo.

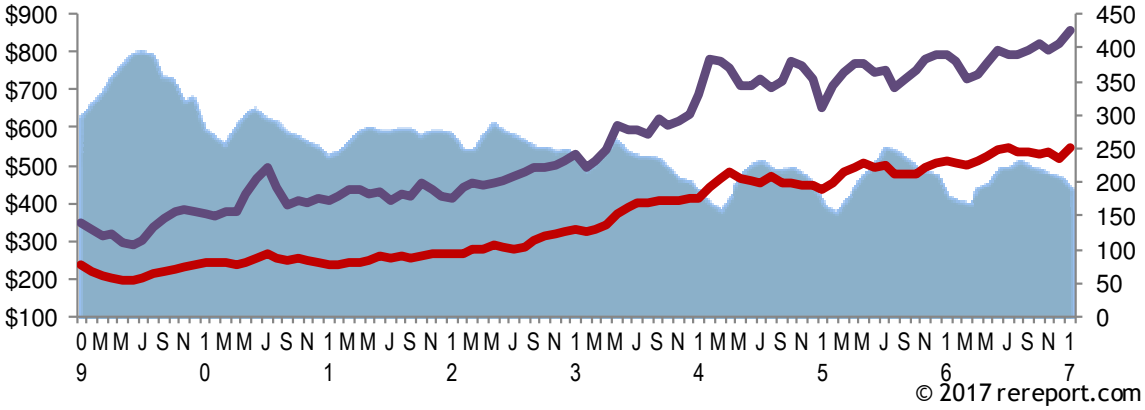
Feb. 3, 2017 -- Thanks to an early-week settling of interest rates from a soft stock market, our expected small bump for mortgage rates failed to materialize this week. That's actually a good sign, given the onslaught of new data to process and a Federal Reserve meeting to digest, situations that have produced higher rates in the not-that-distant past.

The Federal Reserve met on Tuesday and Wednesday to discuss monetary policy. No action by the central bank was expected, and none came, but we did detect perhaps a bit more confidence being expressed by the Fed in the statement that closed the two-day affair. Although the text was mostly unchanged from the prior missive, those usually noted that "Inflation is expected to rise to 2 percent over the medium term"; the latest was more absolute, stating that "inflation will rise to 2 percent over the medium term."

Futures markets had already discounted the likelihood of a move by the Fed at its next meeting in mid-March to less than a 20 percent chance, but new data in the days after the meeting took this to below 10 percent by late Friday. Our view is that a lot can change in six weeks, and if the Fed is serious about making perhaps three moves in short-term rates this year it may not want to cram them all in to the last half of 2017. We'll see how all that plays out as we go.

Mortgage rates seem to us to be back in a place where they are in no hurry to run strongly in one direction or the other, at least not by much and not for long. As such, we'll figure on a wobble of a few basis points in Freddie Mac's average 30-year FRM, probably downward (but nearly equally as likely to rise).

Monterey County Homes - Median & Average Prices & Sales
(3-month moving average—prices in $000's)



Monterey County - January 2017

Single-Family Homes	Prices							% Change from Year Before Prices				
Cities	Median	Average	Sales	Pend	Inv	DOI	SP/LP	Med	Ave	Sales	Pend'	Inven'
MC	$ 587,500	$ 968,677	154	140	581	113	97.6%	17.5%	22.3%	3.4%	-21.8%	8.6%
Carmel	$ 1,510,000	$ 2,383,100	24	10	117	146	94.0%	-2.4%	4.7%	20.0%	-9.1%	28.6%
Carmel Valley	$ 805,000	$ 894,898	3	3	40	400	101.5%	2.2%	23.4%	-25.0%	-40.0%	5.3%
Marina	$ 518,000	$ 533,858	6	4	22	110	99.5%	12.6%	12.5%	-33.3%	0.0%	144.4%
Monterey	$ 768,000	$ 895,433	15	8	42	84	96.8%	-1.8%	9.3%	50.0%	-20.0%	-17.6%
Pebble Beach	$ 1,797,500	$ 2,356,250	6	3	66	330	92.2%	41.0%	65.9%	20.0%	-25.0%	26.9%
Pacific Grove	$ 850,000	$ 877,450	10	7	26	78	98.0%	-2.9%	-8.1%	11.1%	0.0%	-10.3%
Salinas	$ 485,000	$ 511,924	57	63	156	82	98.7%	11.5%	19.8%	0.0%	-21.3%	26.8%
Seaside	$ 480,000	$ 452,833	9	6	26	87	96.2%	-4.5%	-10.8%	12.5%	-57.1%	44.4%

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Looking to Downsize?

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Keep Your Property Tax Base

Under Proposition 60, California homeowners 55 and older get a one-time chance to sell their primary residence and transfer its property-tax assessment to a new one, but the market value of the new home generally must be equal to or less than the market value of the old home.

Prop. 60 was designed to help longtime California homeowners who want to downsize but don't want to give up the low property-tax assessment they enjoy in their existing home.

Under Proposition 13, homes are reassessed for property-tax purposes when there is a change in ownership or new construction. In between ownership changes, the assessed value can go up by an inflation rate not to exceed 2% a year. (Homeowners can get temporary reductions when property values go down.)

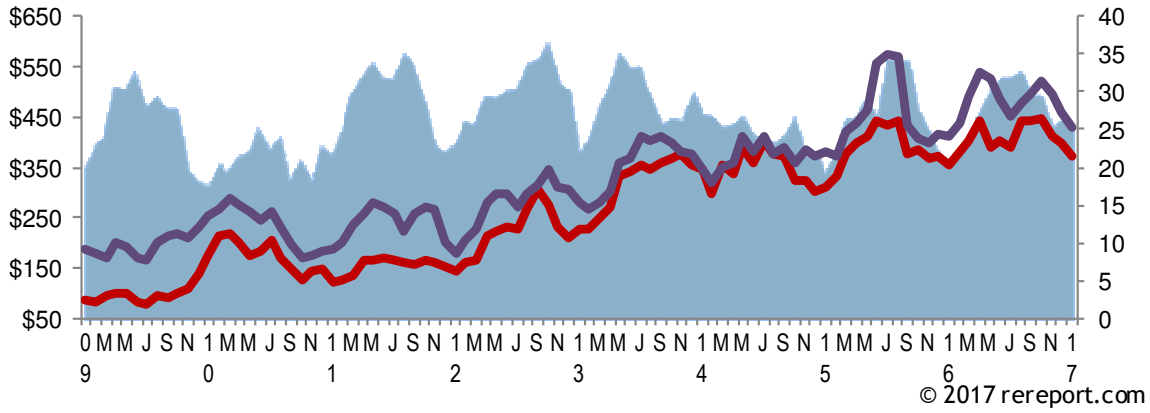
Prop. 60 lets homeowners 55 or older transfer their base-year value from an existing primary residence to a new primary residence, but there are restrictions.

The new home must be in the same county as the old one or, as Proposition 90 added, in one of eleven counties that accept transfers of base-year value from other counties. The eleven counties are: Alameda, El Dorado, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Tuolumne and Ventura.

Also, the new home must be purchased or built within two years - before or after - the sale of the original property.

If the new house is purchased before the old house is sold, the market value of the new house on its purchase date cannot exceed 100% of the old home's market value on the date it is sold.

Monterey County Condos- Median & Average Prices & Sales
(3-month moving average—prices in $000's)



Monterey County - January 2017													
Condos/Townhomes									% Change from Year Before				
	Prices								Prices				
Cities	Median	Average	Sales	Pend	Inv	DOI	SP/LP		Med	Ave	Sales	Pend'	Inven'
MC	$ 356,000	$ 356,000	29	11	47	49	97.6%		1.0%	2.8%	26.1%	-35.3%	-7.8%
Carmel	$ 458,000	$ 458,000	4	1	20	150	96.6%		17.4%	7.9%	0.0%	300.0%	11.1%
Monterey	$ 332,500	$ 332,500	4	1	7	53	98.0%		-8.9%	-19.3%	0.0%	-85.7%	-41.7%
Salinas	$ 210,500	$ 210,500	10	5	10	30	97.3%		-28.6%	-21.0%	42.9%	25.0%	100.0%

Table Definitions

Median Price
The price at which 50% of prices were higher and 50% were lower.

Average Price
Add all prices and divide by the number of sales.

SP/LP
Sales price to list price ratio or the price paid for the property divided by the asking price.

DOI
Days of Inventory, or how many days it would take to sell all the property for sale at the current rate of sales.

Pend
Property under contract to sell that hasn't closed escrow.

Inv
Number pf properties actively for sale as of the last day of the month.

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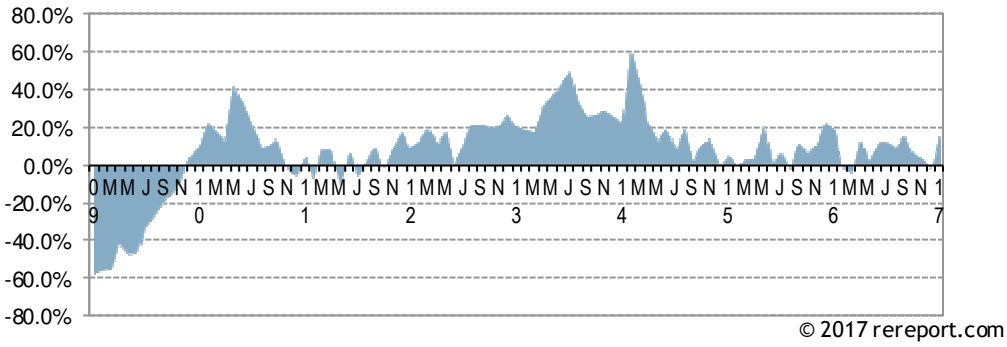
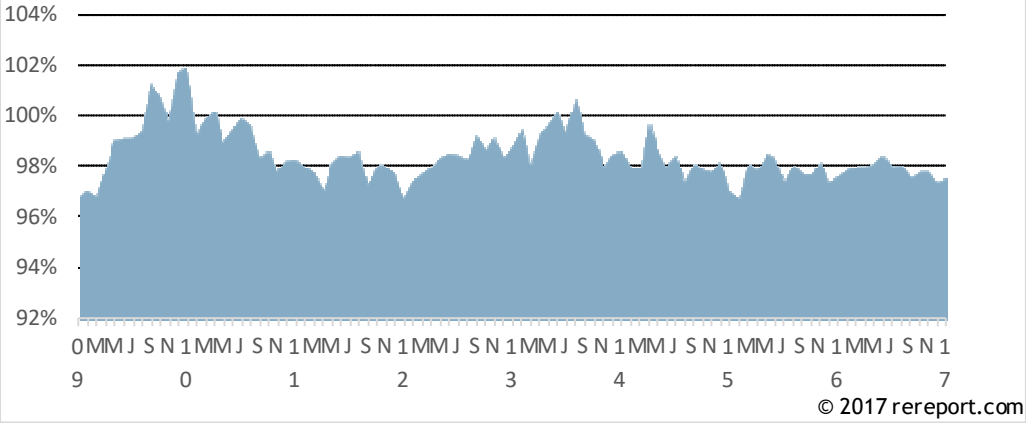
This is not intended as a solicitation if your home is currently listed.

Monterey County Homes: Year-Over-Year Median Price Change



Monterey County Homes: Sales Price/Listing Price Ratio



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