



Marketplace Review

Keller Williams Realty is proud to present the Year End 2005 *Marketplace Review*, an easy-to-read overview of the current state of the marketplace in Monterey County.

The Keller Williams Realty *Marketplace Review* compares Monterey County's annual real estate activity during 2005 with the same time period one year ago. Our report examines a dozen different and unique markets across Monterey County.

We have seen our market explode with record sales being set year after year. According to the California Association of Realtors, sales of single family homes across California have increased 8 of the last 10 years, the longest run in the organization's 35 years of recorded statistics.

We saw another record year in Monterey County during 2005, with overall demand for real estate keeping up with supply, while aggressive pricing continued to fuel a steady climb in the average housing prices, which were up +19.7% for single family homes and up +12.3% for condos and townhomes for this same time last year. During the past year, sellers were really able to name their price. For single family homes, 70% of sellers achieved, on average, 98% or better of the original asking price! Other factors that affected the market included continued low interest rates. As you will see, based on the statistics in this report, 2005 was, without a doubt, a seller's market.

That said, everyone is asking, "What's going to happen to the market this year?"

While we can't predict the future, the market is already experiencing minor changes. One recent factor that has had a significant influence on the state of our market was an increase in inventory which contributed to maintaining a high level of buyer interest and activity. Our local marketplace, which has seen phenomenal activity and skyrocketing home prices for several years appears to be slowing slightly, allowing for a once red hot market to cool and return to a more normal market. Affordability will continue to be one of the area's hot issues.

We know the Market! We work here, we live here, we love it here! It is our goal to keep you up-to-date with what is happening in our marketplace and overall market changes. We hope you find this first edition of the *Marketplace Review* useful and informative. If you have any questions or comments about the *Review* and its contents, please contact us today.

www.MarketplaceReview.com



The Carmel marketplace remained strong and favorable to sellers. Overall closed sales for single family residences decreased, but the sales volume remained relatively unchanged due to a substantial +26% increase in the average sale price, which was nearing the \$2 million dollar mark at year's end. Inventory jumped by +34% while the average time on the market remained steady. Consumers paid aggressive prices in 2005 in many areas across the County, and in Carmel sellers received 94% or better of their original asking price. The condo/townhome market remained a small portion of the Carmel overall market, experiencing fewer sales. However, the median sale price rose to \$728,000.

Carmel

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	131	367	222	\$1,575,000	\$1,962,695	\$435,718,000	107	94.2%
Change	+34%	+3%	-17%	+22%	+26%	+4%	-4%	0%	
2004	98	358	269	\$1,295,000	\$1,560,805	\$419,857,000	111	94.2%	
Condos & Townhomes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	5	24	20	\$728,500	\$734,950	\$14,699,000	36	97.4%
Change	+67%	-23%	-23%	+13%	+10%	-16%	-53%	-1%	
2004	3	31	26	\$645,000	\$669,138	\$17,398,000	77	98.1%	

Big Sur



By the close of 2005, inventory in the Big Sur area had risen by +30%, while the number of new listings remained unchanged from the previous year. Demand drove the median price for single family homes up an incredible +43%. Fueled in part by demand and aggressive pricing, on average, sellers received 94% of their original asking price and the length of time homes remained on the market decreased by a moderate -17%.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	43	75	29	\$2,400,000	\$2,639,483	\$76,545,000	150	93.6%
	Change	+30%	0%	-26%	+43%	+29%	-4%	-17%	+3%
	2004	33	75	39	\$1,675,000	\$2,052,559	\$80,050,000	180	91.3%

Carmel Valley



Carmel Valley experienced no significant change in the number of sales or total volume. Single-family homes were moving +30% faster, while the median home price increased to \$1.16 million. The current inventory of single family homes rose by +24% counterbalancing the area's condo market, which experienced a marked drop off of -25%.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	84	234	141	\$1,162,500	\$1,275,252	\$179,811,000	90	94.6%
	Change	+24%	+8%	-5%	+16%	+6%	0%	-30%	-1%
	2004	68	217	149	\$1,000,000	\$1,205,710	\$179,651,000	129	95.7%

Condos & Townhomes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	12	61	60	\$635,000	\$691,279	\$41,477,000	62	98.0%
	Change	-25%	-12%	-13%	-7%	+11%	-3%	-26%	0%
	2004	16	69	69	\$680,000	\$620,748	\$42,832,000	84	97.6%

Marina



Supply of single-family homes in Marina increased a sensational +150% in 2005. The median sale price rose +19%, increasing total volume by +12% despite a slight decrease in overall closed sales. The average days on the market rose a stunning +74%.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	45	195	132	\$675,000	\$686,933	\$90,675,000	40	99.5%
	Change	+150%	+13%	-8%	+19%	+21%	+12%	+74%	0%
	2004	18	172	143	\$567,500	\$566,186	\$80,965,000	23	99.9%

Monterey



Single-family homes in Monterey saw a moderate decrease in sales resulting in a significantly higher current inventory at year end. Sales volume was relatively flat, with the median increasing by +25%. In general the condo market experienced a brisk gain, with the total sales volume increasing by a generous +42% and properties remained on the market a shorter time, decreasing by -43%.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	64	241	160	\$875,000	\$936,813	\$149,890,000	61	97.1
	Change	+60%	-1%	-16%	+25%	+22%	+2%	+2%	+1%
	2004	40	244	190	\$700,000	\$770,933	\$146,477,000	60	96.2

Condos & Townhomes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	12	96	66	\$585,000	\$574,472	\$37,915,000	28	97.0
	Change	+50%	+48%	+22%	+23%	+16%	+42%	-43%	-1%
	2004	8	65	54	\$475,000	\$495,110	\$26,736,000	49	97.9

N. County



Single-family homes experienced a major gain, up +64% in current inventory. Closed sales were flat, while the median and average sale prices saw a solid increase of +21% and +22% respectively. Sellers received an average of approximately 99% of their original asking price for their properties.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	139	597	358	\$712,000	\$750,766	\$268,774,000	50	98.7%
	Change	+64%	+26%	-4%	+21%	+22%	+17%	-14%	0%
	2004	85	474	372	\$590,000	\$616,071	\$229,179,000	58	98.8%

Pacific Grove



In the Pacific Grove area, single-family homes performed well, with the median price up +16%. Homes were selling +25% faster in 2005 while inventory increased by an incredible +88% by year's end. More aggressive prices allowed sellers to receive 96-97% of their original asking price.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	60	226	145	\$882,500	\$1,044,438	\$151,444,000	49	96.3%
	Change	+88%	+4%	-16%	+16%	+22%	+3%	-25%	0%
	2004	32	217	172	\$762,500	\$855,360	\$147,122,000	65	96.3%

Pebble Beach



Demand for properties in Pebble Beach remained strong throughout 2005, with the average days on the market for a single family home decreasing by -17% while the average sale price leapt to \$2.4 million, a gain of +26% from the previous year. Pricing in this area appears to have outpaced demand, as sellers were only receiving, on average, 93% of their original asking price, statistically one of the lowest averages in all of the County.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	71	183	108	\$1,660,000	\$2,361,779	\$255,072,000	111	93.2%
	Change	+51%	+10%	-2%	+28%	+26%	+23%	-17%	0%
	2004	47	166	110	\$1,300,000	\$1,879,309	\$206,724,000	133	93.1%
Condos & Townhomes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	4	16	19	\$780,000	\$1,482,079	\$28,160,000	75	97.0%
	Change	-33%	-36%	-14%	+22%	+42%	+23%	-43%	+2%
	2004	6	25	22	\$640,000	\$1,043,955	\$22,967,000	131	95.2%

Salinas



2005 was a significant year for sellers in the Salinas marketplace. The area's diverse neighborhoods experienced a slowing in the length of time properties were on the market, due in part to a large inventory.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	487	2,110	1,324	n/a	\$596,270	\$789,462,000	36	n/a
	Change	+193%	+29%	-5%	n/a	+23%	+17%	+37%	n/a
	2004	166	1,636	1,394	n/a	\$485,921	\$677,374,000	26	n/a
Condos & Townhomes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	51	240	175	n/a	\$359,371	\$62,890,000	32	n/a
	Change	+50%	+34%	+26%	n/a	+26%	+58%	+36%	n/a
	2004	34	179	139	n/a	\$285,950	\$39,747,000	24	n/a

Slms/Mtry Hwy



The Highway 68 corridor experienced a slight decline in sales in the single-family home market in 2005, while experiencing a significant boost in overall sales volume which was up a robust +32%. This change was largely driven by a +35% and +21% increase in the average sale and median home prices, respectively. Current inventory rose +27% and new listings were up +20%, fueled in part by the continuing development of new homes from Pasadera to Corral de Tierra.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	93	344	223	\$1,002,000	\$1,250,879	\$278,946,000	76	96.1%
	Change	+27%	+20%	-3%	+21%	+35%	+32%	-4%	+1%
	2004	73	287	229	\$825,000	\$925,293	\$211,892,000	79	95.1%

Seaside



Seaside experienced an exhilarating increase in current inventory, up 76%. Closed sales were also up and the total volume increased. Like the Marina and Salinas Valley markets, Seaside also experienced an increase in the number of days a home was listed, rising by +24%.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	86	400	251	n/a	\$700,709	\$175,878,000	47	n/a
	Change	+76%	+36%	+10%	n/a	+23%	+35%	+24%	n/a
	2004	49	294	229	n/a	\$570,170	\$130,569,000	38	n/a

South County



South Monterey County experienced phenomenal growth despite a slow down in the length of time properties were on the market. Current inventory rocketed to new heights with gains over the previous year of +291% and +133% for single family homes and condos, respectively. By year's end, new listings for single family residences jumped a staggering +94% while condo activity saw a phenomenal increase of +227%! The total volume for single-family homes experienced a major increase up +76%.

Single-Family Homes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	219	749	411	\$487,800	\$509,692	\$209,484,000	37	99.6%
	Change	+291%	+94%	+34%	+28%	+31%	+76%	+37%	0%
	2004	56	387	306	\$380,000	\$389,607	\$119,220,000	27	99.5%
Condos & Townhomes	Year End	Units in Inventory	No. of New Listings	No. of Closed Sales	Median Price	Average Price	Total Sales Volume	Average Days on Market	% of List Price Received
	2005	7	36	29	\$309,900	\$311,093	\$9,022,000	32	98.5%
	Change	+133%	+227%	+263%	+130%	+89%	+586%	+167%	-2%
	2004	3	11	8	\$135,000	\$164,500	\$1,316,000	12	100.4%



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