

HOMES & LAND

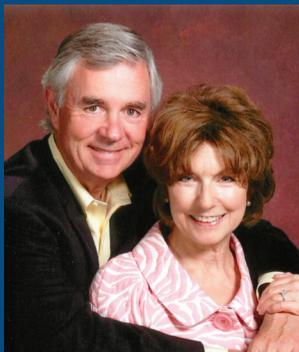
MONTEREY COUNTY

Monterey Peninsula Market Report



The Monterey Peninsula real estate market is one of the most eclectic and richly diverse areas in the country. Stemming from a mix of world class coastal beauty and bucolic scenery, this marketplace offers an immense array of choices to the buying public. Not to mention the many varied micro climates, fog patterns, elevations and range of temperatures. Buyers also have as many reasons to be here as there are possible choices, from the second home buyer to the young family entering the market, the high end purchaser of luxury estates or the literati looking for a Big Sur retreat. A better description of the Monterey Peninsula marketplace is like an onion, layers of markets within markets. With this in mind let's look at the numbers, peel back a few layers, and briefly reflect on any trends that may be useful in seeing ahead.

First the numbers. As shown in the accompanying chart, sales of homes are up in the 1st Quarter of 2012 as compared to the same time in 2011. Market sales are still very active in the under \$500,000 ranges with numerous distressed sales, but we also see improvement in the over \$1 million price range. Historically markets improve first in the lower prices and as those homes sell, capital is available to keep moving up the ladder. Inventories have stabilized and in many markets are well below their highs.



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The Monterey Peninsula also benefits from being attached at the hip to one of the most powerful economic engines in the world, Silicon Valley. The Northern California real estate market is one of the bright spots in our country, and as 65-70% of our buyers come from this dynamo, we will feel the ripples on the pond.

Conclusions? We are through the worst and I look to better times ahead. It will continue to be uneven and bumpy in spots, but I can officially pronounce it is time to get out of the storm cellar and feel the warm sunshine.

And for the history buffs: What was the location of the earliest ocean front golf course on the Monterey Peninsula?



MONTEREY PENINSULA* - 1ST QUARTER	2011	2012
Total Sales	164	207
Under 500,000	33	58
Over 1 Million	53	59

*Excluding North, South, East, Salinas and Salinas Monterey Highway