

Monterey Peninsula Market Report



“There is gold in them thar hills”

“There is no reason anyone would want a computer in their home.”

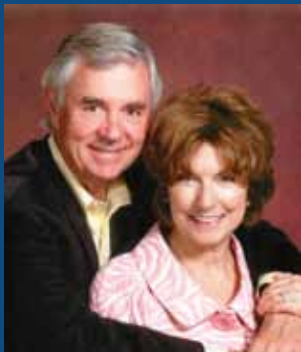
– Ken Olson, president, chairman and founder of Digital Equipment Corp., 1977

Beware the expert, the man from out of town, the one carrying the leather briefcase. Experts do their best but are sometimes spectacularly wrong about the future. So it is with the prognostications concerning the future trends of real estate. For example, no one predicted the recent amazing turnaround in the San Francisco Bay area markets, multiple offers and bidding over list price. Overnight the market control went from buyers back to the sellers. Purchasing a retirement home or second home is a serious decision and I have found over six business cycles that a common sense approach yielded the best results.

A Buyer’s motivation is usually the key. Looking for a killer deal and attempting to pick the bottom of the market often leads to frustration and errors in judgment. A common sense approach means “seeing” clearly a market that has been in decline for over 7 years and doing your homework. When you find the right home, negotiate the best price and create a market bottom for that individual transaction. Then relax and enjoy life on the Monterey Peninsula.

So here are the numbers for May. As shown in the accompanying chart, pending sales were again up in May and closed sales were well ahead of May 2011. Sales of over \$1,000,000 reflect a strong rebound in the San Francisco Bay area markets. There will be bumps and uneven data, but so far so good as the market slowly improves.

And for the history buffs: Who constructed the first dam on the Carmel River. Hint: There is gold in them there hills.



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MONTEREY PENINSULA* SINGLE FAMILY RESIDENCE SALES	2011	2012
May Pending Sales	67	87
May Closed Sales	58	92
May Closed Sales over 1 Million	10	35

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