

2013 MARKET REPORT PEBBLE BEACH

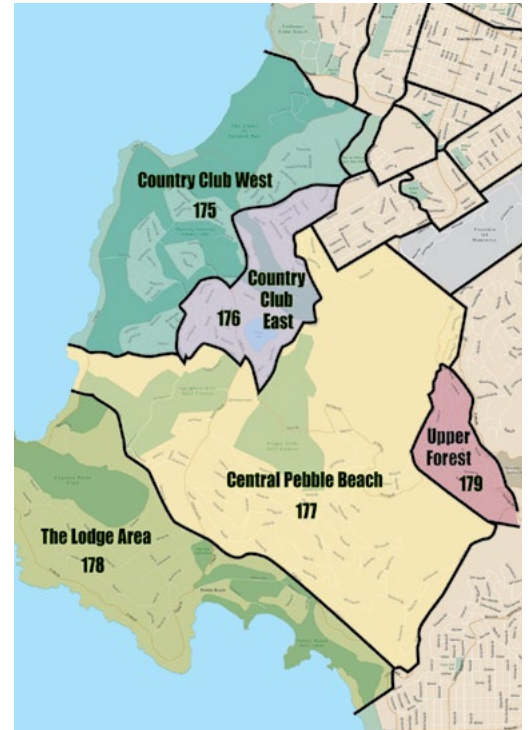


CARMEL REALTY COMPANY
ESTABLISHED 1913

Pebble Beach is known internationally for its golf courses, magnificent estates, the Pebble Beach Lodge, and 17 Mile Drive. It may come as a surprise to learn there are 2,900 developed lots in Del Monte Forest (Pebble Beach) the majority of which are homes under 2,800 square feet. While there are homes of larger size and higher price throughout the forest, the majority of the more expensive homes are located closest to the coast, The Lodge, on one of the golf courses, and on streets with ocean views. As with our other markets, there is a great deal of price variability based on location, and home size.

One hundred and eight homes were reported as sold to the MLS in Pebble Beach for a volume of \$201,540,943. In the previous year there were 117 homes reported sold valued at \$155,653,099. Pebble is a small enough market that the sale of a single high priced listing can swing the statistics. It is also an area that frequently has off market sales that are not incorporated in the year to year statistics gleaned from the Multiple Listing Service. For example, in the last year Carmel Realty Company agents represented both the buyer and sellers on two properties that traded at \$28,000,000 and \$22,500,000. Neither of these sales appears in the data.

AREA	MLS AREA NO.	DAYS ON MKT.	AVG. SALE PRICE	\$/SQ. FT.
Central Pebble Beach	177	243	\$2,815,255	\$652
Country Club West	172	107	\$1,288,205	\$538
The Lodge Area	178	93	\$4,934,583	\$946
Country Club East	176	86	\$1,019,954	\$443
Upper Forest	179	55	\$794,000	\$378



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PEBBLE BEACH QUARTILES

If one divides the market in fourths or quartiles, it is clear that the velocity of sales at the lower end of the range is greater, at 166 average days on market, than amongst the Pebble Beach estates for which the area is famous at an average of 292 days on market. Although the upper quartile (the most expensive homes), with a median price of \$8,547,500 are taking longer to sell than their lower cost counterparts, they are moving much faster than in 2011 when upper tier homes were spending an average of 494 days on the market.

Of the 108 sales in 2013, thirty three were above \$2,000,000 while 53 were at or below \$1,000,000. [For comparison in 2011, twenty sales were at or above \$2,000,000 and 33 were below \$1,000,000. In 2006 there were 75 homes sold. Thirty of those sales were at or above \$2,000,000 and only five were at or below \$1,000,000.]

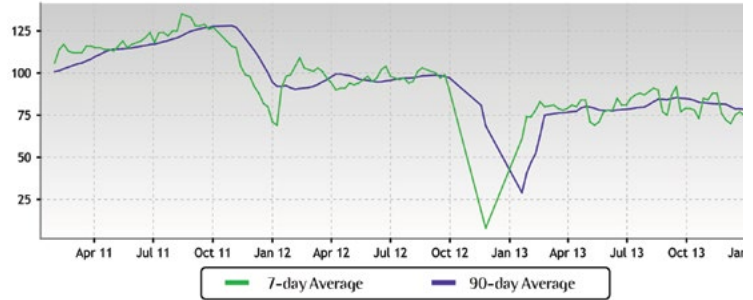
QUARTILE	MEDIAN PRICE	SQ. FT.	BEDS	BATHS	AGE	INVENTORY	DOM
Top/First	\$8,547,500	7089	6	5	24	20	292
Upper/Second	\$2,987,500	3539	4	4	48	20	218
Lower/Third	\$1,275,000	2800	3.5	3	41	20	195
Bottom/Fourth	\$789,000	1998	3	2.5	40	21	166

CARMEL REALTY SIGNIFICANT 2013 PEBBLE BEACH SALES



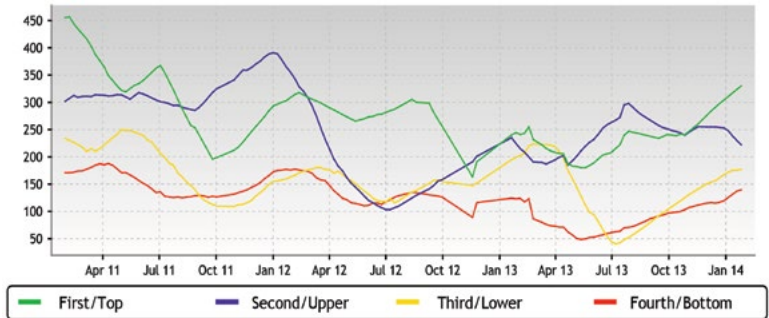
INVENTORY

The seasonal drop in inventory in late 2013 was less than in previous years. Inventory in 2013 was relatively flat at a level below 2012 and off of the peak in inventory seen in 2011. There has been a slight climb in inventory in January of 2014 but this modest trend does not signal a weakening market.



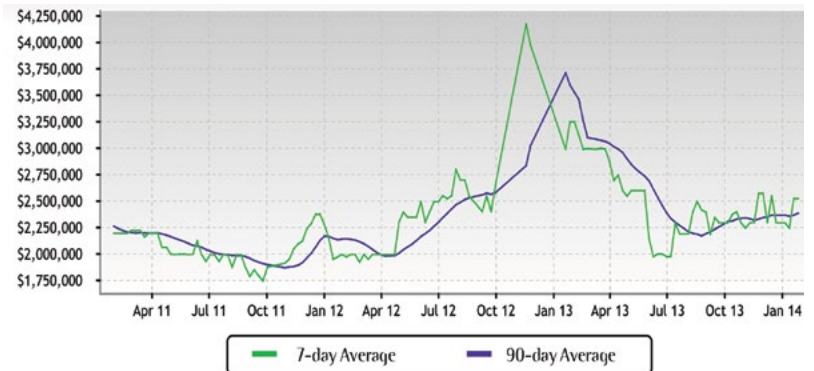
DAYS ON MARKET

Given the small number of homes listed for sale in Pebble Beach, a quick sale of a few homes can impact the Days on Market curve. Regardless, Days on Market clearly climbed over the course with some leveling of the curve occurring as we begin 2014. Properties have been on the market for an average of 217. Half of the listings have come newly on the market in the past 210 days or so.



MEDIAN PRICE

Having said that, median price is off of the heights seen in late 2012 and early 2013. The steep climb out from January 2012 was followed by a slightly less steep drop off in January 2013 to the relatively flat levels seen in the second half of last year.



MARKET ACTION INDEX

Sometimes in looking at market statistics key indicators can be running counter to each other. For example, median price might be increasing at the same time that inventory levels are increasing while days on market is relatively flat. The Market Action Index (MAI) combines these and other statistics to generate a number (indexed to 30) to provide insight into market trends. An MAI value greater than 30 typically indicates a “Seller’s market” because demand is high enough to quickly absorb available supply. An MAI under 30 indicates a “Buyer’s market” where the inventory of already-listed homes will last for several months. An index that hovers around 30 tends to indicate a balanced market where the traits of the individual house, its pricing, and specific location will be more in play than the health of the overall market.

