

Real Estate
News from...

Merri Ann Simonson



San Juan Islands, Inc.

Spring 2003

SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the first quarter of 2003, the real estate market volume on San Juan Island exceeded last year's volume for the same period by 42% which reflects a very strong first quarter. The dollar volume for this quarter is almost equal to the first quarter in 1999, which was our most productive year in the last five. The average for the quarter was 26 transactions per month which is below the 29 per month average in year 2002.

Fewer number of transactions for the same dollar volume is a direct reflection of an appreciating market. However, due to our market size, one cannot analyze the trend of our market based on one quarter alone.

PERIOD	NO. OF TRANSACTIONS		DOLLAR VOLUME
First Quarter	2003	80	\$ 21,329,283.00
First Quarter	2002	58	\$ 15,081,100.00
TOTAL	2002	352	\$102,852,851.00
TOTAL	2001	297	\$ 87,058,702.00
TOTAL	2000	361	\$ 95,302,250.00
TOTAL	1999	466	\$113,512,560.00
TOTAL	1998	431	\$ 88,754,026.00

Market Recap

During the spring, many new listings were originated. As per the Multiple Listing Service, San Juan has a total of 306 property listings including escrows as compared to 253 in January 2003. The increase in inventory was approximately 18%. As always, Coldwell Banker represents 50% of the total inventory with our closest competitor at 20%.

Our property showings have been strong as reflected by our closing volume and number of escrows. Coldwell Banker has a very high level of transactions in escrow for this time of year. Our escrow volume is more similar to the number we experience in June versus April.

I would say that the world events have had a neutral effect on our San Juan market. A few buyers have revised their plans but many more have decided that the San Juan Islands offer a quality life style.

With inventory at a good level, low interest rates, the weather improving and school season nearing a close, the next quarter may be very active. Please be sure to contact me in advance if your plans include property viewing this spring or summer.

We should be mailing out the 2003 catalog of Coldwell Banker listings in May. This publication will provide you with details regarding the property listings that Coldwell Banker has in inventory. In order to view all of the listings offered by the various brokerage firms, you can conduct a search for listings on my web site which is located at www.sanjuanrealproperty.com.

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Page Two

Over the last five years, the "typical" buyer profile has not changed much. The majority of the buyers are between the age of 45-65 and interested in purchasing a second home or future retirement property. Their children are grown or in college and they are near or already in retirement. During the last two years, the buyers are using institutional financing versus stock market margins or liquidations. A high percentage are cash buyers using savings or funds from the sale or refinance of another property. Often, after their primary purchase, they are interested in investing in their community and will purchase additional property as an investment. In my opinion, which is contrary to many articles in the newspaper, most of the buyers are in the middle class income level versus wealthy.

In addition, I have found my clients to be environmentally conscious, enjoy boating and are interested in improving their quality of life. The younger families interested in relocating here are typically self-employed, attracted to our school system due to test scores and the safe environment.

Interest Rates

The low interest rates have encouraged a tremendous amount of property owners to process a refinance or purchase more real estate.

The rates have been at a 45 year low. The rates as of April 15 are listed below:

	30 YEAR FIXED	15 YEAR FIXED	3/1 ARM
Interest Rate	5.50%	4.875%	3.50%
Loan Fees	2 points	2 points	2 points

The quotes above have been supplied by **Tracy James from Countrywide Home Loans**, Friday Harbor Branch. She offers home and land loans and can be reached at 360-378-7411.

As a prospective purchaser, I thought this information would be of interest. If you would like additional information regarding our market, please be sure to contact me.

If your plans have changed and you no longer desire to purchase property in the San Juans, please be sure to contact me so that I may remove you from my e-mail and other mailing lists.

The information listed above was generated from the Northwest Multiple Listing Service and the San Juan County Digest. It represents listings and closings from all of the brokerage firms on San Juan Island, not just Coldwell Banker San Juan Islands, Inc.

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