

Real Estate
News from...

Merri Ann Simonson



San Juan Islands, Inc.

Spring 2007

SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the first quarter results for 2007, the real estate market volume on San Juan Island was less active when compared to the same period in 2006. The number of transactions reflects a 30% decrease. The volume lags 2006 by \$7,639,605 or 19%. The average number of transactions each month during the first quarter was only 17, which is considerably less than the 29 and 39 per month during 2006 and 2005 respectively. The late arrival of spring weather may have contributed to the lower activity level.

Even with a 19% decrease in the first quarter, most agents on San Juan Island believe that 2007 will end up very similar in volume to that of 2006. This impression is supported by the economic forecast for the Puget Sound Region which is very strong. Real estate is local. Our real estate activity level is driven by our market demand. Reports of the real estate market nation wide can have a negative impact as that information may influence a buyer to delay purchasing property in the Islands. With the growing inventory, buyers should be taking advantage of an abundant selection of properties for sale on San Juan Island and the strength of our local market.

Decreased volume doesn't necessarily equate to reduced sale prices as long as the market has a balance of supply and demand.

PERIOD	NO. OF TRANSACTIONS	DOLLAR VOLUME
First Quarter 2006	74	\$ 36,693,532.00
First Quarter 2007	52	\$ 29,053,927.00
Total 2006	348	\$182,591,404.00
TOTAL 2005	469	\$210,663,047.00
TOTAL 2004	368	\$143,716,501.00
TOTAL 2003	343	\$104,238,973.00
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
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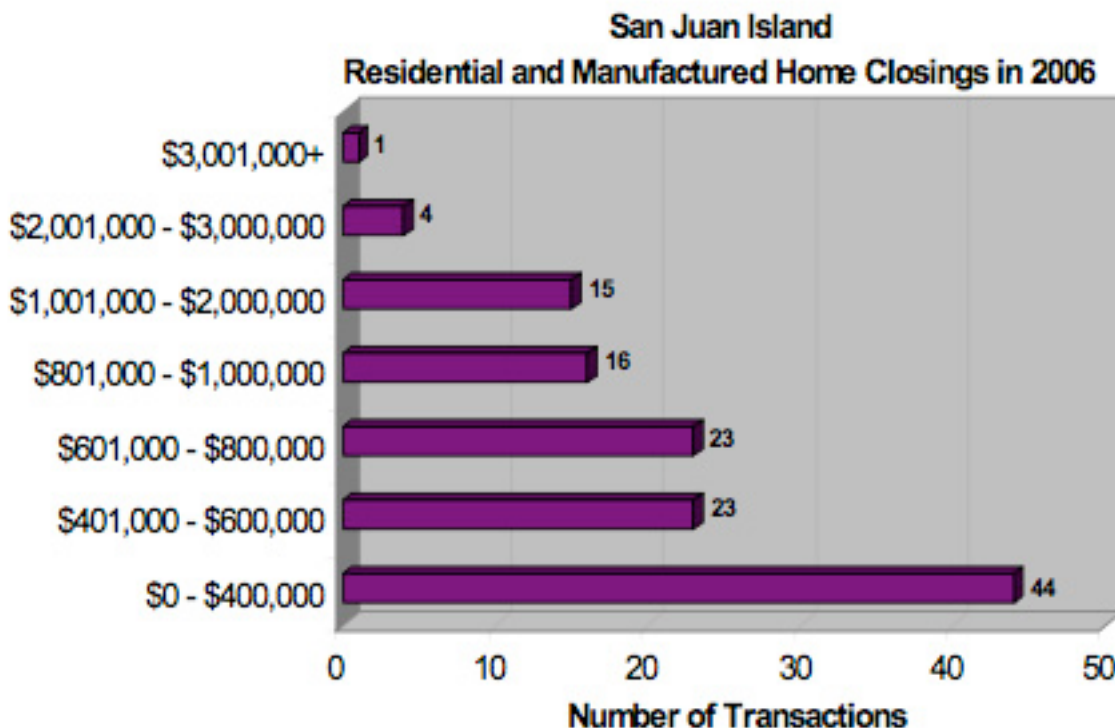
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Many of the national markets that are in correction modes are not balanced markets. This means that increased levels of inventory in those markets are placing downward pressure on the pricing and sellers may be in a position where they have to negotiate. San Juan Island inventory levels have maintained a similar pattern since 2005. Each spring brings an increase in supply. The summer season typically results in a higher level of sales activity and listings which are priced correctly are sold.

In January 2007, the listing count was approximately 161; as of April 10th our inventory increased to a total of 252, which is typical for our spring market. Of that total, we have approximately 43 transactions under contract and in escrow, or 17% which is slightly higher than 2006 and very similar to 2005. The next quarter has the appearance of being a strong one.

Year-to-date, four homes and one condominium have closed in excess of \$1,000,000 each. Of the 43 transactions under contract, seven homes are in excess of \$1,000,000 each. This is very favorable to building our market volume. This also speaks to the confidence level that buyers in this category have in investing in our local market. In 2006, a total of 23 transactions were in excess of \$1,000,000 each: 20 homes, one land parcel, one apartment building and one commercial building in town.

As noted by the chart below, we also had 106 homes that sold for under \$1,000,000 each. This reflects a balanced market for this mix of transaction types.



**Interest Rates
as of April 13, 2007**

<i>TYPE</i>	<i>RATE</i>	<i>POINTS</i>	<i>APR</i>
CONVENTIONAL LOANS (UNDER \$417,000)			
30 Year Fixed	6.125%	1.00%	6.2451%
15 Year Fixed	5.750%	1.00%	5.9881%
5/1 Year ARM	6.000%	1.00%	7.1629%

The quotes above have been supplied by Julie Greene at Wells Fargo Bank/Friday Harbor Office 360-378-4412.

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 Real Market Data LLC. 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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