

Real Estate
News from...

Merri Ann Simonson



San Juan Islands, Inc.

Summer 2002

SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the second quarter results for year 2002, the real estate market volume on San Juan Island equaled that of the same period in year 2001. Year to date, we have closed 145 transactions for a dollar volume of \$40,336,500. and in 2001 for the same period, we closed 145 transactions for a dollar volume of \$40,607,819. We are averaging 25 transactions per month which is equal to the 25 per month average in year 2001. Per North West Multiple Listing Service, on July 22, 2002, for San Juan Island only, we have a total of 351 listings of which 22 are under contract and in escrow. The total number of listings is still slightly lower than we had in 2001 however, our marketing time has reduced. If homes are priced properly, they are selling in a timely manner. Coldwell Banker originated 53% of the current listing volume

PERIOD	NO. OF TRANSACTIONS	DOLLAR VOLUME
First Quarter 2002	58	\$ 15,081,100.00
First Quarter 2001	68	\$ 19,351,350.00
Second Quarter 2002	87	\$ 25,255,400.00
Second Quarter 2001	77	\$ 21,256,469.00
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

The average home price for the 6 month term is \$328,950. and the average unimproved land price is \$196,211. In 2001, the year-end averages were \$355,342 for homes and \$118,457, for land. Due to the size of our market, it is somewhat unreliable to use a 6 month average figure to review pricing in the market as it only takes one or two multi-million dollar sales to change the average dramatically. With the 6-month averages, it is apparent that land prices are considerably higher than in 2001.

Year to date, we have closed 15 transactions that were each in excess of \$500,000. The pricing in our market has reached a point where a waterfront home priced under \$500,000. is a tear-down, a small cabin or a major remodel. A buyer needs to spend at least \$640,000 on a three bedroom waterfront home in order to purchase a home that has been well maintained, has a good floor plan and has a current interior design. It takes at least \$250,000. to purchase a nice waterfront lot that is not tidal or has views of commercial uses.

Water view homes start around \$350,000. and continue upward based on the size of the view and condition of the home. It takes over \$200,000. to purchase a stick-built home on a small lot with no views. As you can note, the first time home buyers market on San Juan is brutal and almost non-existent. Lots without water views range from \$55,000 to \$75,000. Lots with small water views start around \$78,000.

As is typical this time of the year, showing activity is very strong and our office is very busy. However, the buyers are being cautious and are only writing offers when the property meets all of their criteria. It is a buyer's market that is very steady but not robust. We have been regularly writing offers in the range of 8-10% off of the list prices and settling in around 4-6% for the final contract. This is typical except in the event of a multiple offer situation, then the competition between the buyers may reward the seller with a full price offer.

Sellers often "pad" their sale prices to take this negotiation into consideration. Unfortunately, when the property is not priced at or near the market, the absorption time is lengthen and sellers tend to get frustrated.

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There is some speculation nationally that the real estate trends will follow the stock market. I personally have a hard time with that concept due to the stock market sell-off and low mortgage rates. One can only assume that funding for real estate purchases is readily available and real estate appears to be the best safe haven for investment funds.

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 represents listings and closings from all of the brokerage firms on San Juan Island, not just Coldwell Banker San Juan Islands, Inc.

As a prospective purchaser, I thought this information would be of interest. If you would like additional information regarding our market or would like to schedule an appointment for viewing property, please contact me at **800-451-9054** or by e-mail at **simonson@sanjuanislands.com**.

Be sure to visit my personal site which is located at **www.sanjuanrealproperty.com**.

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