

Real Estate
News from...

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San Juan Islands, Inc.

Summer 2007

SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the results of the first half of 2007, the real estate market volume on San Juan Island was less active when compared to the same period in 2006. The volume lags 2006 by \$16,415,949 or 18%. The average number of transactions each month during this period is down 16% which is an improvement over the first quarter when the average was down 30%. We have closed an average of 23.5 transaction per month. Overall, decreased volume or averages doesn't necessarily equate to reduced property values. The properties on San Juan Island are continuing to appreciate at a respectable rate. The sales price reductions that REALTORS® have been receiving for listed properties are due to increasing levels of inventory thus increasing competition and changes in seller's motivation. In addition, some of the sellers may have wanted to "test the market" with forward pricing and now have decided to adjust to market.

Even though the overall market on San Juan Island is lagging 2006, Coldwell Banker San Juan Islands' real estate volume is tracking very closely with the same period in 2006. Based on the average number of transactions closed each month, plus the industry standard fall-out rate for offers written but not accepted, at least one offer is written every day of the month on San Juan Island.

PERIOD	NO. OF TRANSACTIONS	DOLLAR VOLUME
First Quarter 2007	52	\$ 29,053,927.00
Second Quarter 2007	89	\$ 47,484,644.00
First Quarter 2006	74	\$ 36,693,532.00
Second Quarter 2006	93	\$ 56,760,988.00
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
TOTAL 2000	361	\$ 95,302,250.00
TOTAL 1999	466	\$113,512,560.00
TOTAL 1998	431	\$ 88,754,026.00

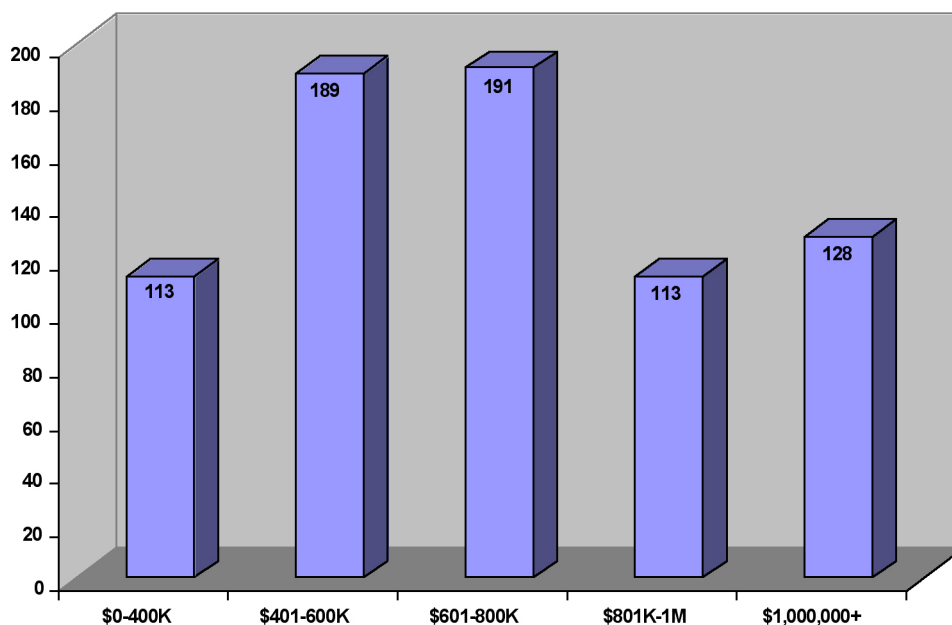


According to the Northwest Multiple Listing Service as of July 16th, the inventory level on San Juan Island is 349 of which 33, or 9.5%, are under contract. Our inventory level has been on the increase since January 07. With the increased inventories, buyers have more opportunities in selection and pricing. This may not last long considering demographic demand statistics and our limited potential supply.

The average Days On Market (“DOM”) for all types of property and price ranges on San Juan Island is 137 for the first half of the year. Residential homes are selling more quickly with an average DOM of 133, while vacant land averages out just about a week longer at 141 days. A metropolitan area such as Seattle runs much lower with an average of 41 DOM due to higher turnover and that the area supports a wider buyer demographic. In reviewing the historic DOM for San Juan Island, 2007 is much lower than years 2006 and 2005 when the average DOM was 166 and 208, respectively.

The length of time a property stays on the market is a direct reflection of the property pricing. Accurate pricing and the best marketing help sellers receive the most for their property in the shortest time frame. If a well marketed property isn’t selling, we have a saying in the real estate industry, “Lower the price and they will come.” The biggest motivating factor for buyers is price. Since properties on San Juan Island that are priced at market sell within a shorter period, the explanation for a lower DOM number for 2007 is that sellers are pricing closer to market or more accurately. Sellers recognize that they must stay competitive when inventory levels increase.

San Juan Island
AVG DOM for Closings from 01/01/07 - 06/30/07



**Interest Rates
as of July 7, 2007**

<i>TYPE</i>	<i>RATE</i>	<i>POINTS</i>	<i>APR</i>
CONVENTIONAL LOANS (under \$417,000)			
30 Year Fixed	6.625%	1.00%	6.744%
15 Year Fixed	6.250%	1.00%	6.443%
3 Year ARM	6.500%	1.00%	7.513%
JUMBO LOANS (over \$417,000)			
30 Year Fixed	7.000%	1.00%	7.106%
15 Year Fixed	6.500%	1.00%	6.670%
3 Year ARM	6.500%	1.00%	7.512%

The quotes above have been supplied by Islanders Bank Harbor Office 360-378-5200. Rates are subject to change daily.

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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