

Real Estate
News from...

Merri Ann Simonson



San Juan Islands, Inc.

Fall 2001

SAN JUAN ISLAND REALESTATE MARKET SUMMARY

In reviewing the third quarter of the 2001 Real Estate Market on San Juan Island, our activity level is below the level achieved the third quarter of 2000. The year-to-date totals as compared to 2000 are down 16% . The average amount per transaction continues to increase which is an indication of continued appreciation. We averaged 25 transactions per month as compared to 30 in 2000 which again is an indication of the higher sale prices.

Based on the real estate market trends and current events, it is apparent that our year-end dollar volume will end below that of year 2000. Immediately after the September 11th tragedy, many buyers cancelled their plans to inspect property in the islands. Most had concerns over air travel security. Per the agents in my office, most of their clients have since rescheduled their appointments. In fact, numerous buyers that were planning on relocating within the next few years are expediting their plans. They perceive the San Juans as a place that offers a higher quality of life with less security concerns.

PERIOD	NO. OF TRANSACTIONS	DOLLAR VOLUME
First Quarter 2001	68	\$ 19,351,350.00
Second Quarter 2001	77	\$ 21,256,469.00
Third Quarter 2001	85	\$ 24,155,965.00
First Quarter 2000	64	\$ 16,751,314.00
Second Quarter 2000	118	\$ 30,215,894.00
Third Quarter 2000	99	\$ 29,636,774.00
TOTAL 2000	361	\$ 95,302,250.00
TOTAL 1999	466	\$113,512,560.00
TOTAL 1998	431	\$ 88,754,026.00

We have been processing several price reductions which may be attributed to the time of year. Sellers typically price aggressively during the summer months and then consider a more realistic price as the year-end approaches. Some reductions may be due to the uncertain future direction of the real estate market as it relates to a possible recession.

Inventory levels remain low as compared to the levels in year 2000 and 1999. As per our MLS service, the listings for San Juan and the outer islands serviced by the agents here total 312. Coldwell Banker originated 153 of those listings or 49%. Our closest competitor is at 20%.

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Current Interest Rates

Reductions in the interest rates will continue to stimulate the economy. Many lenders are currently inundated with requests for refinances. You should consider a refinance only if you can breakeven or gain on the costs. Typically you need to reduce your interest rate by two percent and plan to retain the property for at least two years to achieve breakeven.

The following rates have been provided as a courtesy of Coastal Mortgage Lending. If you have mortgage questions, please give them a call at 1-877-230-2345. Rates are as of September 28, 2001.

Conventional loans up to \$275,000

30 year fixed	6.25% with 1% loan fee
15 year fixed	5.625% with 1% loan fee

Jumbo Loans

30 year fixed	6.625% with 1% loan fee
15 year fixed	6.125% with 1% loan fee
Adjustable Loans	2.95% with 0% loan fee

Land Loans 7.5%

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**.

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.

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