

Real Estate  
News from...

**Merri Ann Simonson**



San Juan Islands, Inc.

**Autumn 2004**

## SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the year-to-date results for 2004, the real estate market volume on San Juan Island has continued to be very strong as it has surpassed the volume in 2003 for the same period by \$13,240,468. or 16%. This growth is very strong when you take into consideration that the first quarter's volume was below the first quarter in 2003. We averaged 29.9 transactions per month as compared to the 28.5 per month during the year 2003.

This has been the year for the high-end sales. Year-to-date, we have had 11 transactions close that were in excess of \$1,000,000. In addition, we have had 9 transactions close between \$750,000-\$999,000. This is a very strong high-end market for us when you compare to all of year 2003 when we only had 10 transactions close in excess of \$1,000,000.

The pending transaction report reflects another 5 transactions scheduled to close before year end between \$750,000-\$999,000. and another 5 scheduled to close in excess of \$1,000,000. This activity level balances with the "wealthy index" information recently published that offers a high consumer confidence level in the wealthy American population. It also supports that many investors prefer real estate investments over the stock market. Most of the homes and properties that sold in excess of \$1,000,000. were waterfront or water view properties. These types of properties, per our tax assessments have appreciated at a rate of at least 13% during the last three years on average. Based on my market review, I believe many waterfront homes on San Juan have appreciated in the range of 13-16% over the last three years on average. With yields in this range, why not invest in real property in the islands. How are your stock market yields this year?

PERIOD	NO. OF TRANSACTIONS	DOLLAR VOLUME
First Quarter 2004	68	\$ 19,993,832.00
First Quarter 2003	80	\$ 21,329,283.00
Second Quarter 2004	94	\$ 33,644,891.00
Second Quarter 2003	89	\$ 25,412,394.00
Third Quarter 2004	107	\$ 43,799,898.00
Third Quarter 2003	111	\$ 37,456,476.00
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

## Interest Rates

The rates continue to remain very attractive.

### BOND MARKET

10 YEAR TREASURY	3.990%
1 YEAR T-BILL	2.240%
PRIME INDEX	4.750%

### RATES\* October 27, 2004

LOAN PROGRAM	RATE	Min. Down	APR	Term	Pmt Per \$100K
30-year fixed	5.375%	5%	5.516%	30	\$559.97
15-year fixed	4.750%	5%	4.987%	15	\$777.83
Jumbo 30-year fixed	5.500%	5%	5.642%	30	\$567.79
1/1 ARM	2.125%	3%	2.242%	30	\$375.90
3/1 ARM	3.625%	5%	3.752%	30	\$456.05
5/1 ARM	3.750%	5%	3.878%	30	\$463.12
5/1 ARM (80/20/0 DOWN)	4.875%	0%	5.012%	30	\$529.21
5/1 ARM JUMBO	4.500%	10%	4.634%	30	\$506.69
7/1 ARM	4.625%	5%	4.760%	30	\$514.14
Investment 30-year	5.750%	10%	5.895%	30	\$583.57
Lot 20 Year Fixed	6.500%	20%	6.751%	20	\$632.07
Lot 1 Year ARM Interest Only	4.750%	20%	4.975%	30/1	\$521.65
Construction OTC	4.750%	10%	4.975%	30/1	\$521.65

The quotes above have been supplied by Larry Wikan from First Horizon. 206-691-6918

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.



Maintaining inventory has been difficult in this active market. According to the Northwest MLS service for San Juan Island, we have a total of 250 listings on San Juan. Coldwell Banker represents 118 of the listings or 47%; our closest competitor has 59 listings or 23%. Currently, 53 properties are under contract and heading towards escrow.

The typical seller in the San Juan market is an investor, a second home owner or an islander. In many cases, the absorption time for the sale of their property is not a major concern. We are not like the King County market where a seller must relocate due to a job change and therefore, the sale of their property is urgent. Due to this, some sellers price their property above the market and wait for the market to "catch their pricing". In some instances, it may take several years.

In our current market, we have been experiencing numerous sales on listings that have been on the market for two or more years. This is due to the low inventory level plus the great appreciation rates that we have enjoyed. It is also another sign of how active our market is.

This year, the average time on the market for single family residences is 147 days. This is down from the 180 days average time in 2003.

The average sales price in 2003 was 95.3% of the list price at the time of sale. It is very typical for the seller to build into their list price at least 5-7% allowing room for buyer negotiations. In our market, the buyer expects some negotiation from the seller unless their offer is contingent upon the sale of their home elsewhere or there is a multiple offer situation.

When properties are priced at market, they have been selling in less than 30 days and many with multiple or back-up offers.

This time of year, many sellers contemplate removing their properties from active marketing. They prefer to give their property a "rest" from the market so it doesn't get "shop worn." Due to the low level of inventory and high volume of buyers in our market place, I would say it is an excellent time to have property listed. Granted, during the fall/winter months our showing volume is lower than in the summer however, the buyer is much more serious. It is the best time of year to inspect property for a buyer as the leaves are off the trees and visibility to the adjacent land uses is improved.

Based on the level of transactions in escrow, it is apparent that we will have a strong last quarter for volume.

## CONTACT INFORMATION FOR MERRI ANN SIMONSON

e-mail: [simonson@sanjuanislands.com](mailto:simonson@sanjuanislands.com)  
web site: [www.sanjuanrealproperty.com](http://www.sanjuanrealproperty.com)

1-800-451-9054 WORK • 360-378-2101 WORK • 360-378-6665 HOME • 360-317-8668 CELL