

Real Estate  
News from...

**Merri Ann Simonson**



San Juan Islands, Inc.

**Autumn 2006**

## SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the third quarter results for 2006, the real estate market volume on San Juan Island remains somewhat lower than the same period in 2005. Year-to-date dollar volume is \$148,461,928 compared to \$167,544,781 in 2005. This reflects a decrease of approximately 11.5%. The number of transactions is 26% lower than that same period in 2005.

Based on this year-to-date figure, it is apparent that our volume will exceed that of 2004 but should close the year behind 2005 which was an exceptional year.

On San Juan Island, year-to-date, we have closed an average of 31 transactions per month compared to an average of 39 per month during 2005.

According to the Real Market Data report, the third quarter median sales price for a single family home on San Juan Island on less than five acres is \$479,000. The median sales price for land is \$192,500.

Overall for San Juan County, the volume is down only 5%. Total volume year to date for the County is \$300,897,907 compared to \$317,386,301 for the same period in 2005.

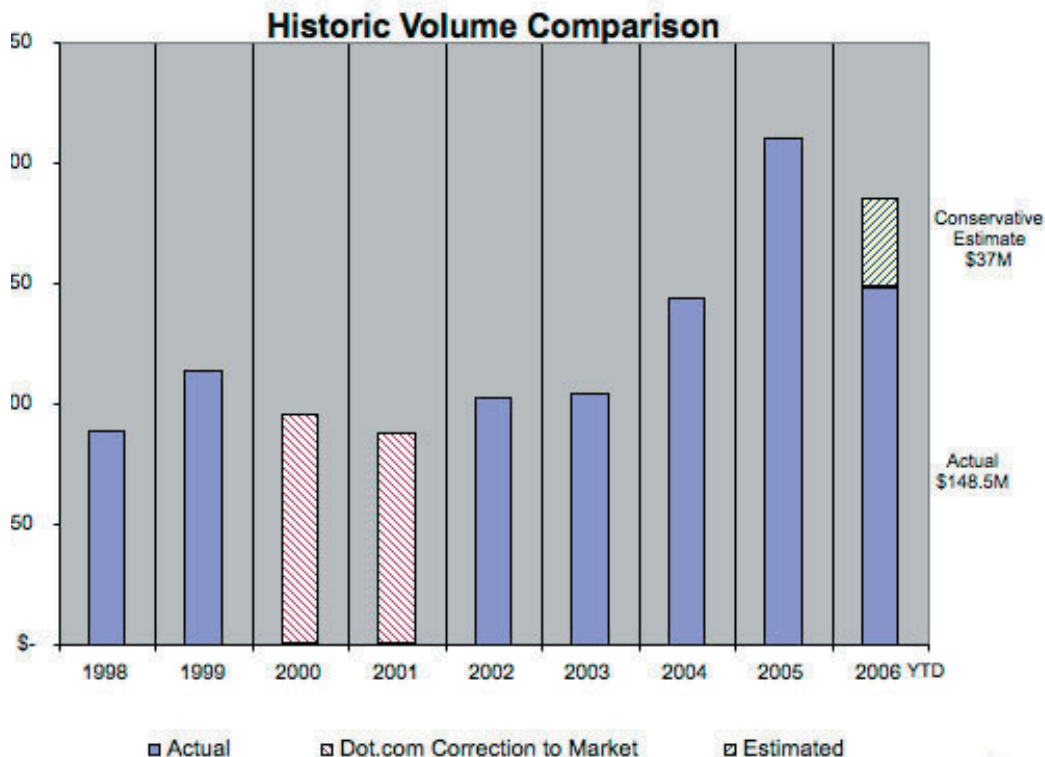
PERIOD	NO. OF TRANSACTIONS	DOLLAR VOLUME
First Quarter 2006	74	\$ 36,693,532.00
Second Quarter 2006	93	\$ 56,760,988.00
Third Quarter 2006	111	\$ 55,107,408.00
Total YTD	278	\$148,561,928.00
First Quarter 2005	119	\$ 42,425,287.00
Second Quarter 2005	124	\$ 58,216,171.00
Third Quarter 2005	133	\$ 66,903,323.00
Fourth Quarter 2005	93	\$ 43,482,266.00
TOTAL	469	\$210,663,047.00
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



Although the media has focused on the downside of the changing real estate market nationally; here in San Juan County and elsewhere in the State of Washington our market remains active. The state's population is projected to grow by about a million people through this decade. The gap between supply and demand is the dominant reason that home prices have not fallen in the State even though the reputed real estate "bubble" may be bursting elsewhere in the country.

The price reductions that we are experiencing on San Juan are attributable to the time of year and/or the original pricing decision. The demand and appreciation rates over the last few years may have induced a few sellers and their agents to over price their properties in hopes of capitalizing on or "testing" the market activity. As sellers' motivation levels change, their prices are reduced. However, some sellers are accepting of waiting for the market to catch up to their pricing.

Fewer properties will be sold this year and appreciation may not be as high but that doesn't equate to a cooling off of our real estate market and falling prices. Again, 2005 was an incredible year. The chart below illustrates how we have had steady gains since 1998 allowing for the market correction of the "dot.com" years. Our local demand should continue to be strong enough to ensure moderate price gains. Our estimate for the fourth quarter is \$37 million which would equate to a year-end total volume of \$185,500,000.



The recent extended drop in mortgage interest rates and the greater selection of available properties make this a good time to buy.

**Interest Rates  
as of October 24, 2006**

<i>TYPE</i>	<i>RATE</i>	<i>POINTS</i>	<i>APR</i>
<b>CONVENTIONAL LOANS (UNDER \$417,000)</b>			
30 Year Fixed	6.375%	1.00%	6.496%
15 Year Fixed	6.00%	1.00%	6.197%
3 Year ARM	6.00%	1.00%	7.175%
<b>JUMBO LOANS (OVER \$417,000)</b>			
30 Year Fixed	6.50%	1.00%	6.611%
15 Year Fixed	6.375%	1.00%	6.557%
3 Year ARM	6.00%	1.00%	7.175%

The rates continue to remain very attractive.

The quotes above have been supplied by Islanders Bank, Friday Harbor Office - 360-378-5200.

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.

**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