



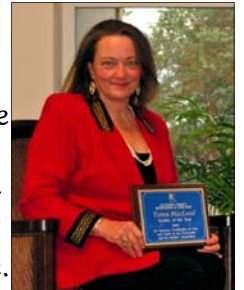
# Terendipity Tab....



Welcome to the *Terendipity Tab*. I offer this newsletter to my friends, clients and future clients with the very best wishes coming to you from my new office at RE/MAX FIRST in the Madrona Hill Professional Center, Port Townsend. We'll focus here on our current real estate market and compare where we are now with where we were a year ago. Future issues will include cost vs. value on home renovations, and Feng Shui cures and influences on your home and land-scapes.

## 2006 "REALTOR OF THE YEAR" AWARD

I am excited and honored to receive this award. The coming months and years will define how we, as Realtors, regulators and landowners can work together to ensure a healthy balance between people and ecosystems. By raising our community voice in the policy building process we can demonstrate just how unique Jefferson County is in developing innovative approaches to environmental protection that provide viable opportunities for the people who live here, now and into the future.



## Port Townsend Real Estate - Breath-Catching?

Timing is everything! When I stepped into the real estate arena in 2000, following ten years in various roles as an environmental educator and program manager, I wasn't sure what to expect. Now, seven years later and on the heels of tremendous escalations in property values, I understand the market forces and the bigger picture.

People tend to come here, fall in love, and then tell their friends. It's hard not to. Some of my first clients purchased homes as future retirement properties to ensure they would be able to live here in 5-10 years. Many are more than halfway to realizing that dream. The trend continues.

With all the talk of downward real estate markets nationally, I decided to take a close look at ours and make some comparisons between 2005 (it was a very good year) and 2006, which has been perceived as a lackluster real estate year. The exercise was fun - and informative.



Tracking specific trends from data compiled from the Northwest Multiple Listing Service from January 15<sup>th</sup> to October 12<sup>th</sup> of 2005 and 2006, I looked at four distinct areas: Port Townsend; Discovery Bay; east Jefferson County without PT; and all of east Jefferson County...a summary of key points follows.

Property values (based on SOLDS) have increased over 20 % from 2005 for homes and 13% to 16% for land, with the highest increase in land prices for parcels in Port Townsend and the Discovery Bay area. General property availability has not changed a lot, but we do see some slowing in 2006 for length of time from listing to closing. The sales price as compared to list price is still, in most cases, in the upper 90% of asking for both land and residential sales.



The average days on market (DOM) is slightly greater. Almost 60% of homes sold in Port Townsend in 2005 closed within 60 days of listing, while only 43% closed within that time in 2006. In the Discovery Bay area, only 28% of land parcels closed after 120 days in 2005, yet 45% required a longer closing time in 2006. Land purchases often require longer closing times to allow buyers to conduct feasibility studies.

The good news is that our real estate market in Port Townsend and on the Olympic Peninsula remains healthy. We are merely taking a gentle and much needed breath of air in a market that promises excitement well into the future. Memories of the previous two or three years with 30% - 40% per year market increase may make our current market seem slow - for which I am grateful. It allows us time to catch our breath.

"We're nearing the end of the slowdown for most markets," says Ethan S. Harris at Lehman Brothers. Mr. Harris expects price declines next year to be confined to "bubble" markets, such as those in Florida, California and cities in Nevada and Arizona, where large numbers of investors have artificially inflated prices. "There's no reason for prices to be falling in areas without a bubble," he said. "People are just slowing down purchase decisions." This has been evident in our market. A Wall Street Journal forecasting survey of 49 economists including Harris expect that home prices will have risen 2.8% nationally in 2006, as compared to a 13.4% increase in 2005. Our 20%+ increase in 2006 followed a year of well over 30% in some areas in 2005....



Timing is everything! May we all have lots of opportunities to perfect the art as we go. Please let me know if I can assist you in the process.



# A Look at Comparisons of Home & Land Sales in East Jefferson County (from January 15th to October 12th)

## Homes Sold— \$ Averages by Area

Area	2005	2006
Port Townsend	303,439	379,665
Discovery Bay	413,632	393,491
All except PT	316,445	393,287
Jefferson County East	313,363	389,379

## Land Sold— \$ Averages by Area

Area	2005	2006
Port Townsend	93,039	143,664
Discovery Bay	113,712	104,796
All except PT	101,361	129,982
Jefferson County East	100,156	132,359

## Homes Sold— Average % of Selling Price to Listing Price East Jefferson County

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	120+ Days
2005	99.34	98.78	96.62	97.22	97.35
2006	98.76	97.65	96.01	94.90	98.47

## Land Sold— Average % of Selling Price to Listing Price East Jefferson County

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	120+ Days
2005	99.37	95.37	96.70	94.74	96.13
2006	97.89	97.92	96.19	96.18	94.78

## East Jefferson County Average Days On Market

Area	2005	2006
Port Townsend	93	107
Discovery Bay	117	124
Jefferson County East	108	111

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*“We make a living by what we get, we make a life by what we give”*

*Winston Churchill*

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