

# REGULAR REPORT

## KITSAP COUNTY, WASHINGTON

### NOVEMBER 2006

WITH COMPARISONS TO PAST YEARS

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DATA USED: RECORDED TRANSACTIONS FROM COUNTY RECORDS  
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## Top 25 Builders by Dollar Volume Recorded

Rank \$	SELLER	Units	Total Volume	High Price	Low Price	Average Price	Average \$/SF	% Mkt Volume
1	Opus Nwr Dev LLC	128	\$47,376,876	\$1,130,851	\$50,281	\$370,132		15.6%
2	Sunn Fjord Apartments LLC	87	\$13,294,805	\$200,280	\$126,078	\$152,814	\$153.56	4.4%
3	Camp Corp	43	\$12,866,453	\$345,281	\$245,715	\$299,220	\$106.54	4.2%
4	Bainbridge Island Commons LLC	43	\$10,408,221	\$329,281	\$199,280	\$242,052	\$258.53	3.4%
5	Capstone Homes Inc	32	\$10,086,379	\$654,281	\$195,980	\$315,199	\$174.05	3.3%
6	Newberry Woods LLC	10	\$5,961,782	\$940,230	\$510,230	\$596,178	\$171.62	2.0%
7	Eagle Homes Inc	17	\$5,491,248	\$485,280	\$242,230	\$323,015	\$148.69	1.8%
8	Phase II LLC	14	\$4,918,531	\$415,655	\$305,271	\$351,324		1.6%
9	Bartimaeus Cohousing Cmnty LLC	19	\$4,706,707	\$332,681	\$176,001	\$247,721		1.5%
10	Ferguson & Cole Inc	10	\$4,106,923	\$559,280	\$309,281	\$410,692	\$161.91	1.3%
11	Chaffey Corp	7	\$3,828,067	\$710,230	\$455,280	\$546,867	\$178.32	1.3%
12	Southlake Ridge LLC	9	\$3,710,940	\$450,230	\$387,230	\$412,327	\$163.20	1.2%
13	John F Buchan Construction Inc	3	\$3,580,540	\$1,379,080	\$950,230	\$1,193,513	\$284.62	1.2%
14	Grice Corp	10	\$3,551,036	\$368,680	\$333,030	\$355,104	\$133.13	1.2%
15	High School Group LLC	6	\$3,299,680	\$555,280	\$523,280	\$549,947	\$288.01	1.1%
16	Landmark LLC	3	\$3,289,583	\$1,133,180	\$1,050,000	\$1,096,528	\$193.69	1.1%
17	Meridian of Bainbridge Island LLC	6	\$3,146,680	\$625,280	\$425,280	\$524,447	\$398.19	1.0%
18	D Lane Homes	13	\$3,146,205	\$259,181	\$217,180	\$242,016	\$161.29	1.0%
19	Edgecliff Court LLC	15	\$3,122,421	\$275,280	\$110,281	\$208,161		1.0%
20	Pioneer Builders Inc	6	\$2,825,756	\$750,230	\$300,280	\$470,959	\$226.70	0.9%
21	Zwicker Construction Inc	1	\$2,322,280	\$2,322,280	\$2,322,280	\$2,322,280	\$271.68	0.8%
22	Holland Builders Inc	8	\$2,236,641	\$366,280	\$261,280	\$279,580	\$140.11	0.7%
23	Heritage Design Inc	3	\$2,222,334	\$978,161	\$604,392	\$740,778	\$152.39	0.7%
24	Eagle Crest Construction Inc	6	\$2,208,039	\$670,280	\$235,280	\$368,006	\$165.80	0.7%
25	Mdr Construction Inc	5	\$2,132,250	\$450,230	\$406,230	\$426,450	\$168.38	0.7%
	TOTAL	504	\$163,840,376	\$2,322,280	\$50,281	\$325,080		53.8%

## Subdivisions by Dollar Volume Recorded

Rank \$	SUBDIVISION	Units	Total Volume	High Price	Low Price	Average Price	Average \$/SF	% Mkt Volume
	Short Plat/Bndry Line Adj/Survey	172	\$82,196,681	\$2,322,280	\$128,280	\$477,888	\$190.36	27.0%
1	Harbor Square Condo	130	\$48,396,694	\$1,130,851	\$50,281	\$372,282		15.9%
2	Sunn Fjord Condo	87	\$13,294,805	\$200,280	\$126,078	\$152,814	\$153.56	4.4%
3	Esquire Hills	43	\$12,964,825	\$345,281	\$245,715	\$301,508		4.3%
4	Island Crossings Condo	45	\$10,952,781	\$339,280	\$199,280	\$243,395	\$257.22	3.6%
5	South Lake Ridge Pud	15	\$6,248,190	\$450,230	\$387,230	\$416,546	\$166.24	2.1%
6	Highlands @ Karcher Creek	21	\$5,998,240	\$519,951	\$244,181	\$285,630		2.0%
7	Newberry Woods	9	\$5,021,552	\$610,821	\$510,230	\$557,950	\$163.13	1.7%
8	Poulsbo Place	14	\$4,918,531	\$415,655	\$305,271	\$351,324		1.6%
9	Meadow Wood Cohousing	19	\$4,706,707	\$332,681	\$176,001	\$247,721		1.5%
10	Caldart Cottages	14	\$4,593,038	\$368,680	\$258,280	\$328,074	\$133.13	1.5%
11	Hidden Cove Estates	3	\$3,580,540	\$1,379,080	\$950,230	\$1,193,513	\$284.62	1.2%
12	White Horse	7	\$3,501,662	\$910,000	\$195,280	\$500,237	\$242.58	1.2%
13	Island Dawn	6	\$3,299,680	\$555,280	\$523,280	\$549,947	\$288.01	1.1%
14	Stetsons H A 05 Acre Tr	3	\$3,289,583	\$1,133,180	\$1,050,000	\$1,096,528	\$193.69	1.1%
15	Meridian of Bainbridge Island	6	\$3,146,680	\$625,280	\$425,280	\$524,447	\$398.19	1.0%
16	Forest Rdg Twnhms	13	\$3,146,205	\$259,181	\$217,180	\$242,016	\$161.29	1.0%
17	Hamar	7	\$3,083,486	\$479,681	\$419,401	\$440,498		1.0%
18	Manette Shoreline Condos	14	\$3,012,140	\$275,280	\$155,280	\$215,153		1.0%
19	Ole Hanson's Navy Yard Add	11	\$2,852,116	\$300,000	\$165,230	\$259,283	\$166.37	0.9%
20	Navy Yard Add	9	\$2,575,108	\$300,248	\$275,280	\$286,123	\$156.59	0.8%
21	Flower Meadows	7	\$2,045,600	\$365,280	\$261,230	\$292,229	\$211.15	0.7%
22	Ambleside	5	\$2,042,900	\$475,280	\$325,280	\$408,580	\$168.68	0.7%
23	Manchester Heights	6	\$2,018,920	\$565,000	\$260,180	\$336,487	\$159.06	0.7%
24	Jefferson Beach Estates	6	\$1,925,241	\$350,180	\$290,280	\$320,874	\$170.72	0.6%
25	Alasund Meadows	5	\$1,922,000	\$401,280	\$350,180	\$384,400		0.6%
	TOTAL	677	\$240,733,904	\$2,322,280	\$50,281	\$355,589	\$365.18	79.1%

**OUTLOOK**

The Federal Reserve held the line on rates. Real Estats does not believe that rates will be a problem for the housing markets in 2007. The difficulties will be with credit and appraisals, particularly for refinancing.

Is the housing market ready to rebound, as many are suggesting? Certainly it is off from the highs and has been for at least six months. Most analysts believe that the worst is behind us. Once again, Real Estats is not of that opinion.

In the previous seven cycles since 1959, hous-

ing starts have fallen an average of 51%. Each time starts have fallen more than 25%, an economic slowdown or recession has followed. Housing starts have declined 34% from their peak in January 2006.

Additionally, in the seven cycles since 1959, it has taken an average of 27 months for housing to bounce back. At best we are less than a year into this drop. There is more weakness to come.

So no matter how we look at it, the housing market will not bounce back soon.

Have a wonderful and safe Holiday Season.

Leonard A. Magazine, Publisher

**Highlights**

**November 2006** (vs. prior month)

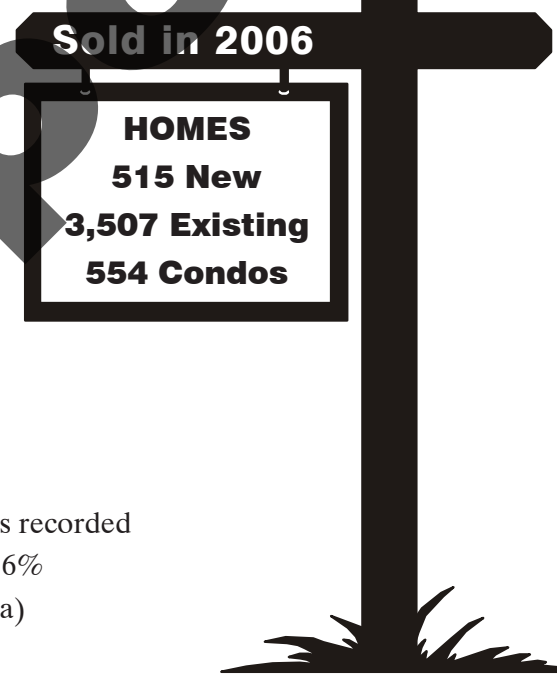
- ▣ Residential sales volume: off 16%
- ▣ Residential transactions: off 9%
- ▣ Existing home transactions: off 1%
- ▣ New home transactions: off 34%
- ▣ Condominium units sold: off 13%

**Year-to-date 2006** (vs. Year-to-date 2005)

- ▣ Residential sales volume: off 3% to \$1.6 billion
- ▣ Residential transactions: off 12% to 5,101
- ▣ Mobile home sales on land: up 5% to \$76 million
- ▣ Plexes (2-5 units) sales: off 17% to \$38 million
- ▣ Land sales: up 27% to \$285 million
- ▣ Commercial volume: off 8% to \$200 million
- ▣ Average residence: \$318,955, up 9%

**New Single Family Homes** (vs. Year-to-date 2005)

- ▣ Average sale price: \$407,803, up 11%
- ▣ Median sale price: \$340,205, up 2%
- ▣ New homes represent 15% of volume and 13% of units recorded
- ▣ 515 sold this year, off 24%; volume: \$210 million, off 16%
- ▣ Average \$/SF: \$186.22, off 12% (51% of sales with data)
- ▣ Best range: \$300,000 - \$350,000, with 8.6 per month
- ▣ Range with best increase: \$1,000,001 - \$2,000,000, up 87%, from 0.6 to 1.1 monthly



## Highlights (continued)

### Existing Homes (vs. Year-to-date 2005)

- ▄ Volume sold: \$1.2 billion, off 7%
- ▄ 3,507 units sold, down 15%
- ▄ Average price: \$328,395 up 9%
- ▄ Half homes (median) sold for more than \$267,780, up 11%
- ▄ Average \$/SF for homes sold at \$203.41 (all sales), up 16%
- ▄ Range with best increase: up 18%, \$500,001 - \$600,000, from 12.9 to 15.3 monthly
- ▄ Best range: \$225,000 - \$250,000, with 41 per month

### Condominiums (vs. Year-to-date 2005)

- ▄ Average sale price: \$261,196, up 29%
- ▄ Median sale price: \$225,280, up 50%
- ▄ 554 sold, up 50%; 60% (335 units) new
- ▄ Volume: \$145 million, up 93%
- ▄ Average \$/SF existing: \$177.00, up 1%; new: \$173.99 up 27% (35% of sales with data)
- ▄ Best range new: \$250,001 - \$300,000 with 4.8 per month
- ▄ Best range existing: \$300,001 - \$400,000, with 2.5 monthly

### Acreage Sales (vs. 2005)

- ▄ 55.5 per month of existing homes sold, off 12%; average price: \$456,503, up 7%
- ▄ Median price for existing homes: \$385,280, up 12%
- ▄ 10.9 new single family homes sold monthly, off 26%; average price: \$511,635, up 15%
- ▄ Median price for new homes: \$411,154, up 4%
- ▄ The \$/SF for existing homes: \$231.18, up 4%; new: \$193.21, off 23% (63% of sales with data)
- ▄ Average lot sizes, for existing homes: 2.7 acres, off 7%; for new: 3.8 acres, up 25%

### Subdivisions (vs. 2005)

- ▄ The average lot sold for \$110,040, up 3%; median: \$88,280, up 4%
- ▄ 52.8 sold monthly, off 16% from the 62.8 that sold per month last year
- ▄ Best range: \$100,001 - \$150,000 with absorption of 11.2 per month, off 6%
- ▄ The average lot represents 27% of the average new home; median to median is 25.9%
- ▄ Average acreage residential lot sold for \$156,741, up 25%; average \$/Acre: \$60,538, up 16%
- ▄ 31.1 acreage lots sold monthly, off 33% from the 46.3 that sold last year

### Projections ↗

- ↗ Relative inventory remained at 4.7 months for third straight month. Prices will soften.
- ↗ The market will remain slow in typical seasonal fashion through the beginning of 2007.

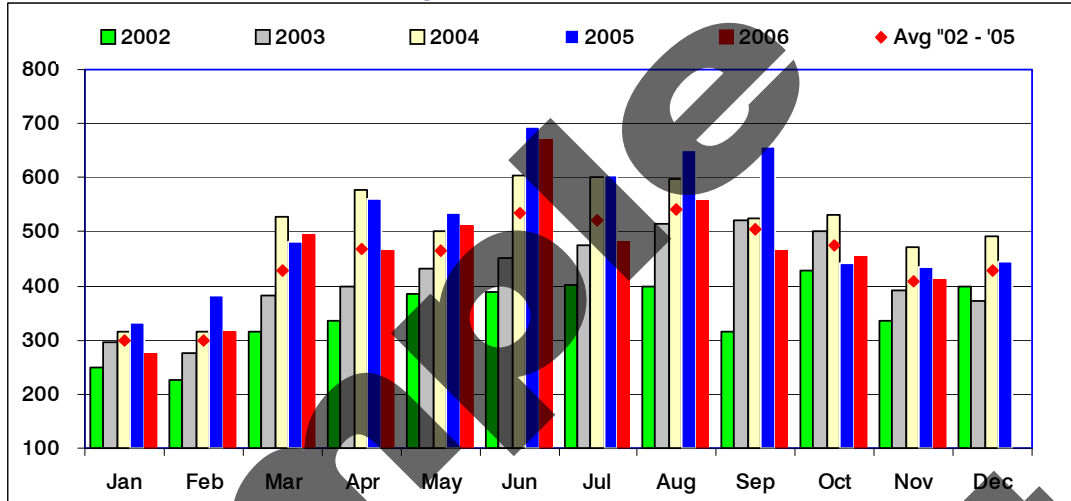
## Four Years-to-date Compared

County Records	Jan-Nov 2003	Ch '03 vs '02	Jan-Nov 2004	Ch '04 vs '03	Jan-Nov 2005	Ch '05 vs '04	Jan-Nov 2006	Ch '06 vs '05
<b>Existing Residences</b>	\$780,999,575	40.1%	\$1,000,475,621	28.1%	\$1,236,116,738	23.6%	\$1,151,681,326	-6.8%
<b># In County</b>	3,433	21.6%	4,040	17.7%	4,119	2.0%	3,507	-14.9%
<b>Largest</b>	\$2,150,000	72.0%	\$3,300,000	53.5%	\$3,000,000	-9.1%	\$3,500,000	16.7%
<b>Average</b>	\$227,498	15.2%	\$247,642	8.9%	\$300,101	21.2%	\$328,395	9.4%
<b>Median</b>	\$180,375	10.6%	\$198,557	10.1%	\$241,356	21.6%	\$267,780	10.9%
<b>\$/SF</b>	\$120.62	13.0%	\$136.87	13.5%	\$174.79	27.7%	\$203.41	16.4%
<b>New Construction</b>	\$145,291,375	45.4%	\$211,977,504	45.9%	\$248,818,001	17.4%	\$210,018,608	-15.6%
<b># In County</b>	550	48.2%	691	25.6%	675	-2.3%	515	-23.7%
<b>Largest</b>	\$1,695,000	47.4%	\$1,900,000	12.1%	\$2,200,280	15.8%	\$2,322,280	5.5%
<b>Average</b>	\$264,166	-1.9%	\$306,769	16.1%	\$368,619	20.2%	\$407,803	10.6%
<b>Median</b>	\$215,696	-4.2%	\$282,047	30.8%	\$334,514	18.6%	\$340,205	1.7%
<b>% Of \$ New</b>	15.7%	3.2%	17.5%	11.5%	16.8%	-4.2%	15.4%	-8.0%
<b>% Of Units New</b>	13.8%	18.9%	14.6%	5.8%	14.1%	-3.6%	12.8%	-9.1%
<b>Condominiums</b>	\$39,344,261	46.4%	\$64,318,950	63.5%	\$74,841,626	16.4%	\$144,702,834	93.3%
<b># In County</b>	217	22.6%	315	45.2%	370	17.5%	554	49.7%
<b>Average</b>	\$181,310	19.4%	\$204,187	12.6%	\$202,275	-0.9%	\$261,196	29.1%
<b>Mobile Homes</b>	\$37,252,162	20.3%	\$49,372,592	32.5%	\$72,517,865	46.9%	\$76,469,032	5.4%
<b># in County</b>	304	4.5%	347	14.1%	431	24.2%	385	-10.7%
<b>Plexes</b>	\$22,387,542	30.5%	\$33,107,876	47.9%	\$45,420,733	37.2%	\$37,935,908	-16.5%
<b># Buildings</b>	136	17.2%	167	22.8%	186	11.4%	138	-25.8%
<b>Units</b>	291	14.6%	375	28.9%	402	7.2%	301	-25.1%
<b>Average Unit</b>	\$76,933	13.9%	\$88,288	14.8%	\$112,987	28.0%	\$126,033	11.5%
<b>Total Volume (Residential)</b>	\$1,025,274,915	40.0%	\$1,359,252,544	32.6%	\$1,677,714,963	23.4%	\$1,620,807,708	-3.4%
<b># In County</b>	4,640	22.8%	5,560	19.8%	5,781	4.0%	5,099	-11.8%
<b>Average Res'l Unit (No Plexes)</b>	\$222,666	14.0%	\$245,901	10.4%	\$291,742	18.6%	\$319,063	9.4%
<b>Land</b>	\$91,949,687	38.4%	\$152,391,111	65.7%	\$224,782,096	47.5%	\$285,245,172	26.9%
<b># In County</b>	664	55.5%	1,164	75.3%	1,289	10.7%	980	-24.0%
<b>Largest</b>	\$4,360,795	105.9%	\$4,600,000	5.5%	\$6,500,000	41.3%	\$16,400,280	152.3%
<b>Average</b>	\$138,478	-11.0%	\$130,920	-5.5%	\$174,385	33.2%	\$291,067	66.9%
<b>Commercial</b>	\$140,899,482	59.4%	\$123,446,996	-12.4%	\$216,232,116	75.2%	\$199,938,676	-7.5%
<b># In County</b>	147	14.0%	148	0.7%	171	15.5%	171	0.0%
<b>Grand Total Volume</b>	\$1,258,124,084	41.8%	\$1,635,090,650	30.0%	\$2,118,729,175	29.6%	\$2,105,991,556	-0.6%
<b>Total # In County</b>	5,451	25.7%	6,872	26.1%	7,241	5.4%	6,250	-13.7%

## Current Month Compared

County Records	Nov '03	Ch '03 vs. '02	Nov '04	Ch '04 vs. '03	Nov '05	Ch '05 vs. '04	Nov '06	Ch '06 vs. '05
<b>EXISTING RESIDENCES</b>	\$61,071,158	22.2%	\$85,366,611	39.8%	\$97,253,736	13.9%	\$86,419,250	-11.1%
<b># IN COUNTY</b>	285	17.8%	342	20.0%	301	-12.0%	269	-10.6%
<b>LARGEST</b>	\$1,300,100	66.7%	\$1,435,000	10.4%	\$1,550,280	8.0%	\$936,280	-39.6%
<b>AVERAGE</b>	\$214,285	3.7%	\$249,610	16.5%	\$323,102	29.4%	\$321,261	-0.6%
<b>MEDIAN</b>	\$175,000	2.4%	\$208,250	19.0%	\$250,180	20.1%	\$264,780	5.8%
<b>\$/SF</b>	\$115.30	3.6%	\$137.48	19.2%	\$193.08	40.4%	\$171.67	-11.1%
<b>NEW CONSTRUCTION</b>	\$15,042,263	74.0%	\$19,750,902	31.3%	\$19,191,411	-2.8%	\$16,478,761	-14.1%
<b># IN COUNTY</b>	54	63.6%	57	5.6%	50	-12.3%	39	-22.0%
<b>LARGEST</b>	\$1,664,321	142.3%	\$1,104,451	-33.6%	\$1,045,280	-5.4%	\$1,379,080	31.9%
<b>AVERAGE</b>	\$278,560	6.3%	\$346,507	24.4%	\$383,828	10.8%	\$422,532	10.1%
<b>MEDIAN</b>	\$217,418	2.6%	\$309,567	42.4%	\$314,824	1.7%	\$345,280	9.7%
<b>% OF \$ NEW</b>	19.8%	34.1%	18.8%	-4.9%	16.5%	-12.3%	16.0%	-2.8%
<b>% OF UNITS NEW</b>	15.9%	32.7%	14.3%	-10.3%	14.2%	-0.3%	12.7%	-11.1%
<b>CONDOMINIUMS</b>	\$3,317,643	-11.4%	\$3,271,593	-1.4%	\$8,373,135	155.9%	\$21,208,453	153.3%
<b># IN COUNTY</b>	16	-38.5%	21	31.3%	44	109.5%	69	56.8%
<b>AVERAGE</b>	\$207,353	43.9%	\$155,790	-24.9%	\$190,299	22.2%	\$307,369	61.5%
<b>MOBILE HOMES</b>	\$3,169,672	-8.7%	\$5,897,381	86.1%	\$4,507,427	-23.6%	\$4,506,780	0.0%
<b># IN COUNTY</b>	26	-18.8%	32	23.1%	24	-25.0%	22	-8.3%
<b>PLEXES</b>	\$1,737,500	175.9%	\$4,021,850	131.5%	\$4,509,447	12.1%	\$4,149,493	-8.0%
<b># BUILDINGS</b>	10	233.3%	19	90.0%	17	-10.5%	13	-23.5%
<b>Units</b>	22	266.7%	43	95.5%	34	-20.9%	26	-23.5%
<b>Average Unit</b>	\$78,977	-24.8%	\$93,531	18.4%	\$132,631	41.8%	\$159,596	20.3%
<b>Total Volume (Residential)</b>	\$84,338,236	26.9%	\$118,308,337	40.3%	\$133,835,155	13.1%	\$132,762,737	-0.8%
<b># IN COUNTY</b>	391	16.4%	471	20.5%	436	-7.4%	412	-5.5%
<b>Average Res'l Unit (No Plexes)</b>	\$216,800	9.6%	\$252,846	16.6%	\$308,653	22.1%	\$322,339	4.4%
<b>LAND</b>	\$12,937,264	-27.5%	\$8,006,114	-38.1%	\$16,275,334	103.3%	\$49,749,551	205.7%
<b># IN COUNTY</b>	71	54.3%	81	14.1%	89	9.9%	59	-33.7%
<b>LARGEST</b>	\$3,345,000	57.9%	\$518,000	-84.5%	\$719,880	39.0%	\$16,400,280	2178.2%
<b>AVERAGE</b>	\$182,267	-53.0%	\$98,893	-45.7%	\$182,921	85.0%	\$843,265	361.0%
<b>COMMERCIAL</b>	\$9,501,900	378.7%	\$9,566,427	0.7%	\$17,160,269	79.4%	\$57,774,924	236.7%
<b># IN COUNTY</b>	15	66.7%	10	-33.3%	18	80.0%	21	16.7%
<b>Grand Total Volume</b>	\$106,777,400	23.7%	\$135,880,878	27.3%	\$167,270,758	23.1%	\$240,287,213	43.7%
<b>Total # In County</b>	477	22.0%	562	17.8%	543	-3.4%	492	-9.4%

### Bar Chart of Monthly Residential Sales 2002 - 2006



### REO as % of Existing Homes Sold (Real Estate Owned - Lender Sales)

County Records	Repossessed Existing Sold									
	2002		2003		2004		2005		2006	
Month	#	% of All Sold	#	% of All Sold	#	% of All Sold	#	% of All Sold	#	% of All Sold
Jan	6	3.4%	7	3.5%	10	4.7%	2	0.9%	3	1.6%
Feb	6	3.8%	9	4.4%	7	3.1%	2	0.7%	2	0.9%
Mar	4	1.6%	9	3.2%	9	2.6%	7	2.1%	1	0.3%
Apr	6	2.4%	8	2.8%	9	2.2%	4	1.0%	0	0.0%
May	11	3.7%	8	2.5%	4	1.1%	6	1.5%	2	0.6%
Jun	9	3.1%	5	1.5%	7	1.5%	5	1.0%	2	0.4%
Jul	10	3.3%	9	2.5%	8	1.7%	3	0.7%	3	0.8%
Aug	3	1.0%	8	2.0%	5	1.1%	3	0.6%	2	0.5%
Sep	12	4.8%	10	2.5%	7	1.8%	1	0.2%	0	0.0%
Oct	10	3.3%	11	3.1%	12	3.2%	3	0.9%	3	1.1%
Nov	2	0.8%	6	2.1%	7	2.0%	1	0.3%	1	0.4%
Dec	8	2.6%	4	1.6%	5	1.4%	0	0.0%		
<b>Total</b>	<b>87</b>	<b>2.8%</b>	<b>94</b>	<b>2.5%</b>	<b>90</b>	<b>2.0%</b>	<b>37</b>	<b>0.8%</b>	<b>19</b>	<b>0.5%</b>
			Change		Change		Change		Change	
<b>Average \$</b>	<b>\$152,039</b>		<b>\$173,068</b>	<b>13.8%</b>	<b>\$212,618</b>	<b>22.9%</b>	<b>\$250,045</b>	<b>17.6%</b>	<b>\$228,466</b>	<b>-8.6%</b>

There are currently 25 foreclosed homes for sale, down 18 units from last month.

Relative inventory is unchanged  
from last month's 4.7 months of supply.



Currently there are 1,929 residences  
for sale, about a 4.7 month supply  
since 412 sold in November.\*

\* - Equilibrium exists  
when the market  
has 4 - 6 months  
of supply for sale.

