



Bainbridge Island Real Estate Buzz 2010 YEAR IN REVIEW



Windermere Real Estate/B.I., Inc.

- In late 2009, there was a 50% increase in Bainbridge home sales from the same period in 2008.
- Q1 2010: sales were up 24.5% from Q1 2009.
- Q2 2010: sales were up 109% from Q2 2009.
- Between July and October (after the tax credit expired) home sales decreased 25.6% from Q3 2009.
- By year's end, the market recovered and sales rebounded to end above 2009 totals.

BUYERS ARE BUYING The "under contract" line in the stats below indicates better market health than any other single statistic. We see a slow but steady growth since 2007, without "artificial" inflation by tax bills. Buyers are in the marketplace but they are extremely price conscious.

LAND IS SELLING Bainbridge saw only 11 land sales in 2009; in 2010 we had 24 land sales. This is a noteworthy statement of confidence. (All 24 sales were below \$400,000, which means that, although sales more than doubled, sellers of higher-priced land did not benefit.)

PRICE DECLINES ARE LEVELING Depending on the segment of the market, there are indications that the rate of decrease has slowed. The median dropped 13.3% from 2007 to 2008, 7.4% from 2008 to 2009 and 1% from 2009 to 2010. These stats do not relate directly to any home; it simply shows the median price buyers paid for homes during a specific period. Individual home prices are determined by their competition (or comparables) and the number of buyers in their market segment. The table below shows a promising trend with steady year-over-year gains in volume across some price ranges.

SINGLE FAMILY HOMES SOLD 2010

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Change %</u> <u>(09-10)</u>
Average Prices:	\$820,569	\$749,970	\$662,668	\$640,701	-3.7%
Median Prices:	\$680,000	\$589,500	\$546,000	\$541,000	-1%
Number of Sales:					
\$0-\$400,000	14	23	45	52	+15.5%
\$400,000-\$600,000	106	75	76	94	+23.7%
\$600,000-\$800,000	94	37	39	59	+51.3%
\$800,000-\$1M	53	20	23	23	+0%
Greater than \$1M	<u>65</u>	<u>33</u>	<u>29</u>	<u>26</u>	<u>-10%</u>
Total Sales:	332	188	212	254	+19.8%
Inventory*	207	203	186	193	
Under Contract	18	24	31	38	
"Available Inventory"	189	179	155	155	

* Homes for sale on January 3, 2011

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WHAT'S NEXT?

Our housing market isn't out of the woods yet...especially in certain market segments. Possible interest rate increases and the presence of bank-owned properties and short sales will continue to impact prices for the near future. (Bank-owned sales represent 13% of our pending sales; short sales represent 23%.)

Even so, I am 'cautiously optimistic' about 2011. Our current market statistics are not what they were prior to 2007, but they're the best we've seen since the beginning of Q3 2007. There are many signs pointing to a more stable market than we've had for some time; consumer confidence is better than it's been in years; people are buying homes they perceive to be good values; and we feel prices will further stabilize in the more active parts of our marketplace. As always, I believe in the long-term strength of the Bainbridge Island real estate market.

HOME IMPROVEMENT OPPORTUNITY!

Free Home Energy Assessment – RePower Bainbridge

For a limited time residents of Bainbridge Island have access to a free home energy assessment, a service offered to all households on the island by RePower Bainbridge. (The assessment will be limited to 4000 total Bainbridge Island households.) The process is thorough, enlightening and non-invasive.

Last week I had a home-energy specialist from RePower Bainbridge at my house for a couple of hours. At the end of his assessment, I had a short list of cost effective home improvements that would significantly improve the energy efficiency of my house (which is small, old and partially remodeled).

Call their toll free number at **1-877-741-4340** to set an appointment. It is free and can save you money!

Most of all...

Thank you for your trust and business through the years. And thank you for the honor of once again being voted a "Five Star Agent, Best in Client Satisfaction", awarded by Seattle Magazine, this time for 2010.

Please keep in touch & let me know if there is anything I can do for you in the coming year.

Warmly,

Carleen

