



An early HAPPY 4TH OF JULY!

I just could not wait to bring you this greeting due to an announcement of our own: As Appraisal One, Inc. completes the celebration of its 15th anniversary, we are also introducing a new web site image. If you click on www.appraisalone.com, you will be immediately taken to this site. If you click on the headers at the top, you will have at your finger tips the information you need regarding the services and the service area of Appraisal One, Inc. as well as the newest format of our on-line appraisal order form.

HOUSING BUBBLE: This phrase is one of the hottest topics in America today. While delivering the above good news of Appraisal One, Inc., I would like to share our observation on this topic as it specifically applies to the Great Northwest. Recently, Alan Greenspan addressed the media and offered that while certain areas of the U.S. may be experiencing a “housing bubble,” that phrase is not a truism for the country as a whole. I personally was happy when Mr. Greenspan finally shared this observation because, until then, the clients of Appraisal One probably thought that I had lost it when I continually said that the Great Northwest is not in a “Housing Bubble”: our robust housing market is for real and, if anything, could be cause of a future dilemma.

First, due to county and statewide legislative effort to keep outlying areas in their natural habitat, Washington State governments collectively and cooperatively have created a human-made housing shortage caused by housing demand being in direct conflict with ability to spread housing developments out into more areas of the suburbs. This in itself contributes to higher housing values.

Second, along with the legislative effort, the Great Northwest is fortunate to have industry that is robust and growing, thus bringing the need for more workers with various skills and backgrounds to the area while, at the same time, having less area in which new housing can be developed. This area should be forever grateful to Bill Gates and Steve Ballmer at Microsoft: even though the cost of doing business for this company would probably be less and, thus, could contribute to higher profits for this company, the leadership of this company remains committed to this area as its world headquarters. Thus, while introducing new products and new programs, it is also increasing its real

estate holdings in the area to accommodate the 20,000 new employees it projects it will require in the next 10-20 years.

Then the area is blessed with the return of air travelers and, thus, the need for airlines to replace older carriers with new, more fuel efficient airliners. Now that Boeing appears to have its focus back and has its leadership challenges in the past, its aggressive and positive marketing strategy is obviously being well received world-wide. Within the last year alone, in addition to the many new jet orders including today's news that it came away from the Paris air show with more orders than Airbus, Boeing has also hired more than 5,000 new employees with many more hires projected to be able to fill the airplane orders.

In addition to these two major economic backbones of the Northwest, factor in other companies such as Nintendo, Costco and Safeco as well as many computer and non-computer companies that have their worldwide headquarters in this area along with the many institutions of higher education and the ever-expanding travel industry as the construction of new hotels in the region make the area even more attractive for future conventions and the picture is clear.

Even the U.S. military has contributed to this current and future picture: in addition to the Secretary of Defense not recommending any closures of the major military bases in this region, this week the U.S. Navy announced that this fall, it is moving a squadron of reconnaissance planes from Spain to Whidbey Island. The redeployment of this squadron alone will directly bring \$34 million to the area's economy with 90 officers who annually earn an average of \$115,600 and 408 enlisted personnel who average \$57,300.

A representative of a dominant regional developer summed up the area's future with this statement: "Within 2 years, we will be out of developable land in this area. This means that any large organizations that have not correctly analyzed this market or any developers with shallow pockets may have to looking elsewhere for business in 2 years."

Again, Happy 4th of July! I hope our new web site makes it easier for you to be able to access the services and the service areas of Appraisal One, Inc. and even make ordering appraisals easier as well.

Sincerely,
Jim Girardot

Appraisal One, a company large enough to service your appraisal needs in Western Washington and still personal enough that you can talk with the president and the appraisers.