

Subject: Mansions in Western Washington State

Dear Client:

Appraisal One, Inc. completes many high-dollar, mansion and mini-mansion, private banking and TLC appraisals for clients in Western Washington, sometimes not even being provided the name of the owner of the property being appraised for confidentiality and anonymity reasons.

Appraisal One, Inc. was recently engaged for the appraisal of a proposed construction of a mansion in King County, the county in which the cities of Seattle, Bellevue, Kirkland, Redmond, Issaquah, Renton and Kent, to name a few, are located. An important part of addressing this assignment was the creation of a market analysis chart typically utilized in marketing presentations.

Based on discussions I have had with clients regarding any impact the "dot.com" bust might have had on the residential housing market in the Northwest, specifically the \$1,000,000 and higher market, vs., for example, the impact of the "dot.com" bust on the high-tech regions of California or Oregon, I thought the data gathered for this project might be of interest.

The research source was MetroScan; the time frame was January 1, 2000 into August 2004. In addition to single-family, residential and \$1,000,000 and higher, the only other search parameters were waterfront--lakes or Puget Sound--and non-waterfront.

\$1M-\$2M: 2000: 261 Total Sales; 217 Non-Waterfront. 2001: 280 Total Sales; 234 Non-Waterfront. 2002: 408 Total Sales; 337 Non-Waterfront. 2003: 520 Total Sales; 427 Non-Waterfront. 2004: 442 Total Sales; 366 Non-Waterfront.

\$2M-\$3M: 2000: 60 Total Sales; 36 Non-Waterfront. 2001: 55 Total Sales; 37 Non-Waterfront. 2002: 70 Total Sales; 50 Non-Waterfront. 2003: 138 Total Sales; 109 Non-Waterfront. 2004: 80 Total Sales; 48 Non-Waterfront.

\$3M-\$4M: 2000: 11 Total Sales; 5 Non-Waterfront. 2001: 18 Total Sales; 15 Non-Waterfront. 2002: 16 Total Sales; 6 Non-Waterfront. 2003: 23 Total Sales; 14 Non-Waterfront. 2004: 19 Total Sales; 7 Non-Waterfront.

\$4M-\$5M: 2000: 7 Total Sales; 1 Non-Waterfront. 2001: 12 Total Sales; 9 Non-Waterfront. 2002: 6 Total Sales; 4 Non-Waterfront. 2003: 36 Total Sales; 31 Non-Waterfront. 2004: 12 Total Sales; 8 Non-Waterfront.

\$5M-\$6M: 2000: 6 Total Sales; 4 Non-Waterfront. 2001: 0 Sales. 2002: 1 Total Sale; 1 Non-Waterfront. 2003: 6 Total Sales; 5 Non-Waterfront. 2004: 3 Total Sales; 0 Non-Waterfront.

\$6M-\$7M: 2000: 1 Total Sale; 1 Non-Waterfront Sale. 2001: 0 Sales. 2002: 2 Total Sales; 1 Non-Waterfront. 2003: 1 Total

Sale; 1 Non-Waterfront. 2004: 3 Total Sales; 0 Non-Waterfront.

\$7M-\$8M: 2000: 1 Total Sale; 0 Non-Waterfront. 2001: 0 Sales. 2002: 1 Total Sale; 1 Non-Waterfront Sale. 2003: 1 Total Sale; 0 Non-Waterfront. 2004: 1 Total Sale; 0 Non-Waterfront.

During this same time period, there were also at least 1 sale of a residence in excess of \$10,000,000 and at least 2 sales of residences at \$20,000,000 or higher. [I can also state that Appraisal One, Inc. was involved in one new construction project in which the property had a cost in excess of \\$30,000,000.](#)

It should also be noted that the above data does not reflect the number of new building starts of mansions in excess of \$2,000,000 in King County during this time period.

As the data shows, while companies such as Boeing downsized during this time period and several "dot.com" businesses did, indeed, collapse or shrink, the housing market in just King County in the price ranges shown above has remained strong. While similar searches were not completed in Snohomish County on the north and Pierce County on the south, the experience of Appraisal One, Inc. in those counties in the same time period would indicate similar trends--albeit lesser numbers--in those counties.

I hope that this communication is not only interesting, but that it might also be helpful to Appraisal One, Inc.'s clients.

Thank you, again, for your business. We sincerely appreciate the opportunity to be of service to you in Western Washington.

Sincerely,
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