

**REAL ESTATE AND BUSINESS HEADLINES IN THE GREAT NORTHWEST**  
**SUMMARY OF HIGHLIGHTS OF 2004 AND BREAKING NEWS**  
**February 1, 2005**

Presented By:  
James Girardot, President/CEO  
**APPRAISAL ONE, INC.**  
**A RESIDENTIAL APPRAISAL COMPANY**  
**SERVING THE NORTHWEST FOR 15 YEARS**

As we know from the recent election campaigns, the state of the economy is on the mind of every American. While reporting on the national scene is beyond my scope and desire, I would like to share with you why you and your company should be positive about the future of business in the Great Northwest. Following are A) highlights of recent business announcements that will undoubtedly confirm why Appraisal One, Inc. is so excited about business and living in this area in the next decade and B) specific facts of the housing industry in the areas serviced by Appraisal One, Inc. as reported by the Realtor NWMLS as well as by individual Realtor companies for 2004 compared to 2003.

From Seattle to Bellevue to Bremerton to Olympia, from King County to the outlying counties of Washington State, the following facts or announcements are just a few of the headlines from the Washington business community that are causing economic excitement for businesses and citizens alike:

**SEATTLE:**

- Starbucks Coffee: Posted a 31% increase in profits for the 1<sup>st</sup> quarter. Plans to open 1,500 stores worldwide in fiscal 2005, increasing its total to just under 10,500 outlets.
- Bill and Melinda Gates Foundation, a multi-billion dollar philanthropic foundation: Purchasing just over 12 acres across from the Seattle Center from the City of Seattle for its world headquarters. A 1,000-space parking garage to be built on a corner of the site. First building could be up to 300,000 square feet and be ready for occupancy as early as 2009.

**BELLEVUE:**

- Lincoln Square: A twin-tower mixed use project. Reportedly the largest mixed-use project under construction in the U.S. When complete, will be comprised of 1,400,000 square feet with a total cost of approximately \$500,000,000. The first tower includes a 337-room Westin Hotel that will provide concierge and food services to the 148 luxury condominiums that will occupy the top floors of a 42-story tower. Hotel and retail expected to open in November, 2005; condominiums to open in April, 2006. 137 of the condominiums are sold with commitments on nearly all 148 units. One unit, a penthouse unit, includes 6,416 SF with costs that could exceed \$6,000,000.

- Microsoft: Announced plans to expand its 2 office campuses by up to 2,000,000 square feet over a 10-20 year span, enabling the addition of up to 12,000 employees to increase its total to 40,000 in the area, most of them being in Redmond.
- \$1 Billion Superblock: First phase to begin construction in June, 2005. Reportedly will be twice the size of Lincoln Square, described above. A 10-acre site the equivalent of 9 regular city blocks. A mixed use development with 5 proposed, 22-story condominium towers and a retail section that will be neighborhood-type businesses rather than a mall.
- Overlake Hospital Medical Center: \$315,000,000 construction undertaking, one of the largest in WA. Expansion of professional facilities on the 20-acre property. Includes a 5-story building with 104 beds, a 40-bed trauma center, 6 operating rooms and a critical care unit. This building alone expected to house 500 new employees by late 2007.

Everett:

- The Boeing Company is rehiring workers. The company has landed several sizable contracts. If it is to resume the position of top plane maker in the world, it does not have the time to build new plants and train new skilled trades people in other states.

Bremerton:

- U.S. Naval ship arriving in January, 2005, which will reportedly bring 1,200 new crew.

Tukwila:

- Additional 550,000 square foot expansion of Southcenter Mall, increasing its total size to approximately 1,700,000 square feet, which will make it the state's largest mall. To begin summer 2005.

Auburn:

- Announcement of an \$11,000,000 proposed 5-story hotel-condominium-retail project on one acre.

Additionally, news articles continue to flow regarding out-of-state investors purchasing existing shopping malls throughout the region with the intention of expanding the retail area to accommodate the population growth. Tours of communities throughout the region, even areas that heretofore were categorized as "outlying," result in the observance of many new residential developments of all prices and sizes with accompanying development of commercial properties to service the population.

An article in the King County Journal stated that "local Realtors continue to credit low interest rates, a stabilizing stock market, improving consumer confidence, and the renewed signs of business growth as positive dynamics that are continuing to fuel one of the best housing markets in history."

An article in The Best of City Living which covers 4 neighborhoods of Seattle included a report from a Realtor that "2004 was another record-breaking year for luxury home sales

in the region, with 943 sales over the seven-figure mark . . . the high-end market continues to expand at a record pace across the region . . . the results of a continuing economic recovery, a large supply of exquisite homes and estates, and historically favorable conditions to purchase a home in any price range.”

The Seattle Post Intelligencer quoted the chief executive of an organization of technology companies as saying, “We’re back to doing business sanely.

Now, The Residential Real Estate Facts, 2004:

The following data was provided by the Realtor NWMLS, the largest multiple listing service in Washington encompassing 15 counties.

- 93,079 closed sales with value more than \$28.5 billion. Of these, 13,156 were condominiums, 10,082 of which had 2 bedrooms or less.
- 896 sales of single family homes at \$1,000,000 or more vs. 578 in 2003. 228 of these sales were in the City of Seattle followed by 113 in the Bellevue area and 111 in Mercer Island (a total of 502 such sales were in east King County, inclusive of Bellevue and Mercer Island).
- Sales of single family homes at \$1,000,000 or more by county: King County, 761; Snohomish County, 26; Pierce County, 22; Kitsap County, 32; Skagit County, 14; Thurston County, 1; Island County, 8; Jefferson County, 3; the balance in remaining counties serviced by NWMLS.
- Highest sale prices in 4 main counties: King County, \$9,000,000; Snohomish County, \$2,499,000; Pierce County, \$4,168,500 (Puget Sound frontage including 2 homes and 41 acres); Kitsap County, \$3,300,000.
- 382 sales of condominiums at \$500,000 or more vs. 255 in 2003. 47 of these sales were at \$1,000,000 or more. Of these sales, 26 were in the City of Seattle, 18 were in the City of Kirkland and 2 were in Snohomish County.
- More than 13,000 condominiums sold, about 19% more than in 2003.
- 7 of every 10 condominiums sold were in King County.
- In King, Snohomish, Pierce and Kitsap Counties: about 24% of single family homes sold under \$200,000.
- In the other counties serviced by the NWMLS, about 64% of single family homes sold under \$200,000.
- Median prices of single family homes by county and 2004 vs. 2003:
  - King County: \$324,000 vs. \$292,430.
  - Snohomish County: \$250,000 vs. \$230,950.
  - Pierce County: \$199,900 vs. \$178,500.
  - Kitsap County: \$206,900 vs. \$184,000.
  - Mason County: \$138,100 vs. \$125,000.
  - Skagit County: \$191,200 vs. \$175,000.
  - Grays Harbor County: \$104,000 vs. \$99,900.

- Lewis County: \$124,500 vs. \$115,000.
- Thurston County: \$184,900 vs. \$166,970.
- Island County: \$215,900 vs. \$190,000.
- Jefferson County: May-December, 2004, \$245,000. (New Member)

This information and news will hopefully be of interest and assistance to the clients of Appraisal One, Inc. as they plan for 2005 and beyond.

On behalf of everyone at Appraisal One, Inc., a special thank you for your business. Whenever Appraisal One, Inc. can be of service to you and your clients in the Great Northwest, we sincerely appreciate the opportunity to work for you.