

SINGLE-FAMILY BUILDING PERMITS/AVERAGE PRICES

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 (Updated once per Year for Spring/Summer Edition)

Market Overview/Highest Level in Seven Years:

Based on activity over the past decade, it appears that the residential market in Kitsap County has hit bottom and is rebounding. Units permitted in 2003 were at their highest level in seven years. And, new ten-year highs were seen in home price appreciation (excluding Bainbridge Island) and the number of residential sales that occurred through the Multiple Listing Service. Inventory was low with a ten-year low seen in the average number of homes that were marketed for sale during 2003. Together with the construction of a second Tacoma Narrows Bridge, Kitsap County’s desirability as a “bedroom community” for the employment centers of the eastern Puget Sound region should continue to rise. A steady and above-average growth pattern is likely to continue to characterize the Kitsap County market as a whole during the next few years.

Kitsap County Single-Family Building Permits hit a 7-Year High:

As indicated in TABLE #1, the number of building permits was up more than 14% in 2003. This is the highest level in the last seven years.

TABLE 1

RESIDENTIAL BUILDING PERMITS BREMERTON/KITSAP COUNTY AREA							
Year	Single-Family		Multi-Family		Mobile Home		Total #
	#	%	#	%	#	%	
1996	1,374	66.3%	256	12.4%	442	21.3%	2,072
1997	1,030	66.6%	71	4.6%	445	28.8%	1,546
1998	970	68.2%	38	2.7%	415	29.2%	1,423
1999	1,132	75.2%	20	1.3%	354	23.5%	1,506
2000	1,107	72.6%	103	6.8%	315	20.7%	1,525
2001	1,069	72.2%	111	7.5%	301	20.3%	1,481
2002	1,144	77.8%	65	4.4%	261	17.8%	1,470
2003	1,359	80.8%	75	4.5%	247	14.7%	1,681

Source: Richards & Associates (1996-2003)

Home Sales Through MLS Continue to Rise:

The number of home sales, that were marketed through the Northwest MLS, continued to climb in 2003. As can be seen in TABLE #2, home sales reached a new ten year high when 4,525 homes were sold county wide. This represents a 14% increase over 2002. The South Kitsap area had the most activity.

TABLE 2

NUMBER OF RESIDENTIAL SALES BY AREA MULTIPLE LISTING SERVICE DATA										
MLS Area	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1 South Kitsap	845	739	770	671	819	919	914	1,095	1,005	1,249
2 West/Central	580	512	396	382	477	465	480	471	502	558
3 W. Bremerton	237	216	243	240	304	321	359	349	389	425
4 E. Bremerton	155	136	143	131	182	215	232	215	228	252
5 East/Central	290	334	267	288	301	326	331	413	390	450
6 North Kitsap	646	639	581	589	712	814	705	826	828	922
7 Bainbridge Island	322	279	320	359	481	472	418	384	419	457
Total Single Family	3,075	2,855	2,650	2,660	3,276	3,532	3,439	3,753	3,761	4,313
Condos	99	94	88	68	130	160	134	158	208	212
Total Residential	3,174	2,949	2,738	2,728	3,406	3,692	3,573	3,911	3,969	4,525

New Home Sales Declined as a Percentage of Overall Sales:

New home sales marketed through the NW MLS (see TABLE #3) represented 13.5% of all home sales in 2003. This is a decline over the 14.0% and 16.9% rates experienced in 2002 and 2001.

TABLE 3

NUMBER OF NEW & USED HOME SALES BY AREA MULTIPLE LISTING SERVICE DATA									
MLS Area	2001			2002			2003		
	New	Used	Total	New	Used	Total	New	Used	Total
S. Kitsap	179	916	1,095	125	880	1,005	204	1,045	1,249
Silverdale	51	420	471	40	462	502	61	497	558
W. Bremerton	15	334	349	15	374	389	25	400	425
E. Bremerton	15	200	215	22	206	228	14	238	252
Central Kitsap	99	314	413	84	306	390	97	353	450
N. Kitsap	176	650	826	135	693	828	126	796	922
Bainbridge Island	99	285	384	107	312	419	57	400	457
TOTALS	634 16.9%	3,119 83.1%	3,753 100.0%	528 14.0%	3,233 86.0%	3,761 100.0%	584 13.5%	3,729 86.5%	4,313 100.0%

Average Home Prices Continue to Climb While Days on Market Remain at Low Levels:

Average prices for homes marketed through the NW MLS (see TABLE #4) continued to climb and hit new all time highs in all market areas in 2003. The county-wide average home price increased to \$227,661. Excluding the Bainbridge Island market, the county-wide average home price was \$197,875. The number of Days On the Market (DOM) averaged 73 for 2003. This was a slight increase over the 2002 average DOM.

Price appreciation (see TABLE #5) averaged over 12%. The lower priced homes in the Bremerton market areas experienced the highest home price appreciation.

TABLE 4

MLS AVERAGE PRICES DAYS ON THE MARKET (NEW & USED HOMES BY AREA)										
CMLS Area	1998		1999		2000		2001		2002	
	Price	DOM	Price	DOM	Price	DOM	Price	DOM	Price	DOM
1 South Kitsap	\$147,924	94	\$149,754	90	\$149,594	82	\$159,104	85	\$166,353	67
2 West/Central	\$159,393	90	\$162,472	82	\$168,894	77	\$177,702	87	\$188,754	65
3 W. Bremerton	\$97,066	83	\$97,810	75	\$108,358	77	\$105,859	63	\$120,920	58
4 E. Bremerton	\$117,846	85	\$115,871	68	\$124,236	81	\$128,923	52	\$143,652	53
5 East/Central	\$132,374	93	\$138,806	65	\$140,272	72	\$149,512	72	\$160,555	50
6 North Kitsap	\$171,771	94	\$188,771	95	\$190,273	87	\$201,808	73	\$220,237	54
7 Bainbridge Isl.	\$339,973	97	\$382,044	93	\$416,975	112	\$434,697	128	\$423,115	95
CountyAverages	\$175,155	92	\$183,669	85	\$186,214	84	\$191,299	82	\$203,134	70
Less Bainbridge	\$146,791		\$153,070		\$154,285		\$163,557		\$175,554	

TABLE 5

MLS SINGLE-FAMILY APPRECIATION RATES (AVERAGE PRICES)										
MLS Area	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
1. South Kitsap	1.9%	2.3%	3.3%	0.8%	12.2%	1.2%	-0.1%	6.4%	4.6%	12.8%
2. West/Central	1.9%	-6.1%	5.3%	6.1%	2.3%	1.9%	4.0%	5.2%	6.2%	11.8%
3. W. Bremerton	3.5%	-6.9%	7.0%	12.9%	-3.4%	0.8%	10.8%	-2.3%	14.2%	18.1%
4. E. Bremerton	2.1%	-2.2%	5.9%	2.8%	8.8%	-1.7%	7.2%	3.8%	11.4%	14.7%
5 East/Central	3.5%	-0.7%	0.5%	6.1%	4.6%	4.9%	1.1%	6.6%	7.4%	14.6%
6. North Kitsap	2.3%	-0.2%	9.2%	3.2%	6.4%	9.9%	0.8%	6.1%	9.1%	11.2%
7. Bainbridge Island	8.4%	8.5%	-1.3%	3.0%	13.1%	12.4%	9.1%	4.3%	-2.7%	13.2%
County Totals	5.3%	-0.3%	5.2%	7.0%	8.6%	4.9%	1.4%	2.7%	6.2%	12.1%
Less Bainbridge	2.6%	-1.4%	3.4%	5.1%	6.2%	4.3%	0.8%	6.0%	7.3%	12.7%

The Average Price of a New Home Went Up in All Markets Except South Kitsap:

The previous data (TABLE #4) details the average MLS sales prices for new and used homes combined. TABLE #6 summarizes new homes only. As the table indicates, new home prices increased in all market areas. And, for the first time, all market areas had averages over \$200,000.

TABLE 6

AVERAGE "NEW HOME" PRICES BASED ON THE DIGEST AND NWMLS DATA									
<i>Digest Area</i>	1994	1995	1996	1998	1999	2000	2001	2002	2003
North Kitsap	\$139,562	\$145,562	\$163,076	\$182,576	\$202,517	\$214,040	\$227,973	\$275,937	\$287,153
Bainbridge Island	\$249,673	\$260,458	\$304,735	\$348,819	\$382,306	\$410,050	\$453,023	\$481,114	\$559,698
Central Kitsap	\$149,333	\$150,264	\$148,161	\$145,979	\$147,269	\$150,782	\$165,656	\$181,313	\$200,218
Bremerton	\$123,596	\$126,331	\$123,303	\$137,049	\$136,048	\$155,137	\$173,459	\$181,590	\$221,694
South Kitsap	\$140,896	\$145,001	\$148,424	\$160,975	\$175,148	\$178,600	\$207,873	\$196,518	\$225,278
County Totals	\$148,880	\$153,131	\$162,651	\$195,219	\$226,200	\$232,136	\$240,117	\$269,881	\$264,249
Less Bainbridge Isl.	\$141,826	\$146,819	\$150,911	\$165,298	\$178,201	\$182,202	\$200,179	\$216,194	\$232,293

For the Sixth Year, Home Inventory Is Declining:

A trend toward increased average sales prices is consistent with a decline in inventory of available homes for sale and is detailed in TABLE #7. As the Table indicates, average monthly inventory dropped to 1,410 units in 2003 and continued the trend that began in 1997 when average inventory stood at 2,388 residential units.

TABLE 7

MLS SINGLE-FAMILY HOME INVENTORY (MONTHLY AVERAGE)								
<i>MLS Area</i>	1996	1997	1998	1999	2000	2001	2002	2003
1 South Kitsap	623	636	532	531	504	421	361	425
2 Silverdale	327	336	276	233	205	175	152	151
3 W. Bremerton	162	231	176	163	155	117	115	109
4 E. Bremerton	123	130	98	93	93	68	59	59
5 Central Kitsap	220	230	162	137	131	107	83	87
6 North Kitsap	492	547	419	352	360	376	423	367
7 Bainbridge Isl.	213	278	227	202	204	234	242	212
County Totals	2,160	2,388	1,890	1,711	1,652	1,498	1,435	1,410