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SAN JUAN
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SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

The third quarter results for San Juan Island and the County were consistent with the first and second quarter results. Per the NWMLS, the dollar volume year-to-date on San Juan Island was \$99,156,746 with a total of 181 transactions. This reflects a 12.5% decrease in the dollar volume and a 21.5% decrease in the number of transactions. For San Juan County, the total dollar volume was \$218,491,175 with a total of 392 transactions. The County had a slight gain of 1/2% in dollar volume and a decrease of 11.6% in number of transactions. I assume we will end up 2018 very similar to 2017 if we continue with the same level of activity we have been processing this last 60 days. Further, the inventory levels may have an impact on our volume in some of the pricing categories.

TRANSACTION RECAP REPORT

San Juan Island			
Jan-Sept	2018	181	\$99,156,746
Jan-Sept	2017	230	\$113,662,656
San Juan County			
Jan-Sept	2018	392	\$218,491,175
Jan-Sept	2017	443	\$217,716,790

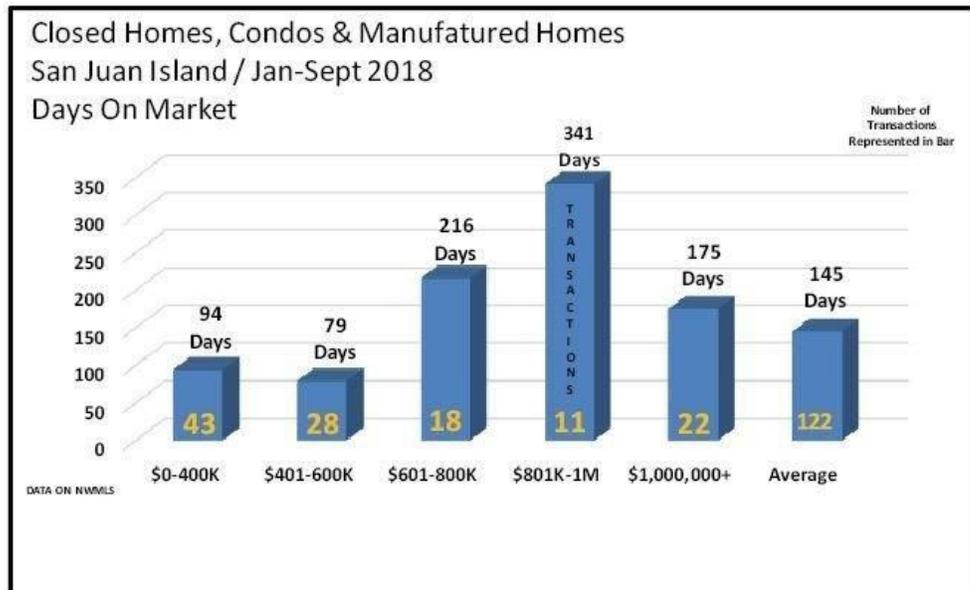
Historically we have had similar percentages of ups and downs since the recession so I would still consider this a steady market which is comforting. Lawrence Yun, the National Association of Realtors Chief Economist, has indicated that nationally, the job creation has a positive impact but the interest rate increases are negative. Based on this, he forecasts nationally a 2% decrease in volume for 2018 but a 2% increase in 2019.

Our island doesn't have a direct impact from job creation but there will be an impact from interest rate increases. As the high-end buyers in our market are less likely to be dependent upon institutional lenders, the rate increases will impact the buyers for our lowest priced homes the most.

The high-end buyer recognizes us a steady market and that confidence is reflected in the number of sales and associated volume. Year-to-date on San Juan, we have closed 23 sales in excess of \$1M each as compared to the 21 last year for the same period. The County is enjoying an increase level of activity in the high-end segment. Year-to-date, the County has had 43 sales in the category as compared to the 33 in 2017 for the same period.. The activity level in the County reflects an increase of 30%. As mentioned above, San Juan had 23 and Orcas had 11 high-end sales year-to-date.

High-end sales provide upward movement in our median home price. This is not a calculation of appreciation but it is a trend.

The most contributing factors in the consistency of our market were the median home prices, days on market and percentage of seller negotiating. For the preceding 12 month period ending 9-30-2018, our median home price for listed homes on San Juan Island was \$525,000 as compared to \$450,000 for the 12 month period ending 9-30-2017. The average home prices for the same periods were \$704,776 and \$680,583 for 2018 and 2017, respectively.



Year-to-date, the average days on market for listed homes, condominiums and manufactured homes was 145 for San Juan Island as compared to 195 days and 290 for the same period in 2017 and 2016, respectively.

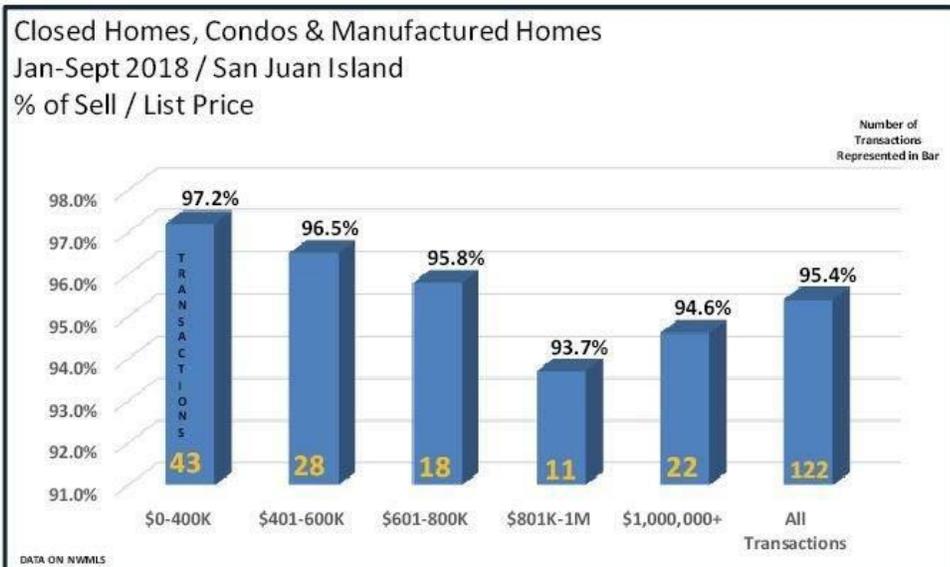
The sellers of all price categories of homes, condominiums and manufactured homes negotiated on average 4.6% off their list price at closing. The sellers of homes that closed in excess of \$1m each, negotiated on average 5.4%. The highest negotiation occurred in the range of \$801,000 to \$1M. This has always been a

tough pricing category; too high for most islanders and this category doesn't offer as many waterfront homes which is the typical choice of a newcomer.

Year-to-date, the days on market for land remains high at 395 along with a 5.8% average negotiation. It is an improvement over the same period in 2017 when the average days on market was 551 and the average negotiation was 7.1%.

Shorter days on market, tighter level of seller negotiation and increasing median prices all point to a steady real estate market.

As of October 1, 2018, we have a total of 221 property listings on San Juan in the NWMLS, with 43 of those properties in escrow. This is compared to 250 listing with 48 in escrow same time last year. This reflects a 12% decrease year over year. These totals include all types of property. When you are preparing to show property, the inventory feels much lower, we are typically only showing 3-4 properties to the client now as compared to 6-8 in the past. This decrease may have also changed due to internet pre-screening. Clients have reduced their choices as they have eliminated many properties prior to their arrival. Hence, the importance of decent photographs on the websites!!!



We have had several multiple offers as of recent, but it is not the norm. Most multiple offers stem from a new origination but at times are a result of the property "growing" into its pricing and becoming more desirable as compared to the competition.

All of the trends are in the right direction; our real estate market is healthy.

The information listed above was generated from a search by Coldwell Banker San Juan Islands from the Northwest Multiple Listing Service and the SJC Assessors web site and represents listings and closings from all of the brokerage firms on San Juan Island, not just Coldwell Banker San Juan Islands Inc. If your property is already listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other brokers.