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## SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

In reviewing the year-end results for 2018, the sales dollar volume for the real estate market in San Juan County per the Northwest Multiple Listing Service was \$305,674,278 which reflects a tiny increase in volume of 1.5% over 2017 when the volume was \$300,622,909. The percentage of growth this year was pretty flat which was evidenced in all preceding quarter end numbers. The County closed an average of 45 transactions per month which is 9% below last year.

### VOLUME COMPARISON

San Juan County	\$305,674,278	540	2018
San Juan County	\$300,622,909	593	2017
San Juan County	\$251,020,953	505	2016
San Juan County	\$215,561,667	464	2015
San Juan Island	\$126,419,356	234	2018
San Juan Island	\$147,981,053	293	2017
San Juan Island	\$124,582,355	232	2016
San Juan Island	\$106,889,601	207	2015

Total volume on San Juan Island in 2018 was \$126,419,356 as compared to \$147,981,053 in 2017. The decrease was 14.5%. Of all the islands, Orcas performed the best with a volume increase of 13% but with a transaction decrease of 7%. The top 3 production agents in 2018 in the County, all work on Orcas and rocked their year.

Inventory levels on San Juan Island are very similar to last year at this time. The notable difference is in the amount of escrow transactions which reflects a 48% decrease.

Inventory did have an impact on our sales volume this year in some categories. The inventory for affordably priced homes is very low. Currently, a buyer needs to spend at least \$375,000 to purchase a single family dwelling that isn't a remodel. There are some condominium listings slightly under \$300,000.

The lowest water view home is priced at \$559,000 with the lowest waterfront cabin at \$460,000, but it has tidal conditions. The non-tidal waterfront homes start around \$700,000 and the majority of those that are under \$1m, typically need updating.

### SAN JUAN ISLAND INVENTORY

Date	Total	# of Escrows	Net Inventory
Jan 2019	190	17	173
Jan 2018	186	33	153
Jan 2017	237	36	201
Jan 2016	311	29	282
Jan 2015	357	38	319
Jan 2014	328	24	304

The lowest priced lot is around \$80,000 but it would be considered a challenging build. Lots that offer a water view start around \$150,000 and the waterfront lots start at \$250,000. A level sunny medium bank waterfront lot would be around \$350,000.

I understand that numerous builders in the private sector are positioning to construct affordable housing and rental units in 2019. I know of 27 homes that will be starting around \$250,000 each with the pre-sales starting by spring. These homes are located within town limits and are 2 bedroom, 2 bath and offer 965 square feet. This group of homes alone should create opportunities for first time home buyers and seniors for affordable housing.

### SAN JUAN ISLAND CLOSING RECAP

Closed	\$0-\$400,000	\$401,000-\$600,000	\$601,000-\$800,000	\$801,000-\$1m	\$1m+	Total
Land	59	2	1	0	0	62
Homes	51	35	22	14	26	148

There are many positive statistics regarding the market trends in our County and I have provided the details below.

**Highlights of our market:**

- The median home price for a 12 month period ending December 2018 for the County and San Juan Island reflect increases of 6% and 1%, respectively. The median is a typical market price where half of the homes sold for more and half sold for less.

Increases in median prices indicate our market is headed in the right direction but it is not a measurement of price appreciation. The actual computation of appreciation or depreciation would include analyzing a number of properties that were sold in 2017 and again in 2018. Due to how small of a market we are, it is difficult to have a reliable number of similar properties that transact in a two year period. Bottom line, we are too small of a market to quote an appreciation figure.

- The Average days on market number (DOM) for homes in the County and on San Juan Island was 185 and 143, respectively. In all categories of our properties and prices, the days on market has decreased since 2016. The DOM varies on the price range.
- Waterfront home sales represented 34.4% of our total dollar volume for the County and 27.5%% for San Juan Island. These percentages are typical for a healthy market in the Islands and very similar to last year although San Juan Island's percentage was a decrease from last year. The average waterfront home price for the County and San Juan Island was \$1,253,006 and \$1,241,675, respectively.
- During the year, sellers negotiated on average 5.0% off the list price at the time of sale for homes in the County and 3.7% for San Juan Island. This is down slightly from year-end 2017. This percentage varies based on the price range.
- Sellers negotiated on average 6.6% off the list price at the time of sale for land in the County and 5.8% on San Juan Island. This percentage of negotiation has reduced by almost 50% from year-end 2017. Again, this percentage varies based on the price range.
- The number of sales in excess of \$1,000,000 for the County and on San Juan Island was 62 and 26, respectively. The numbers reflect an increase in the number of transactions for the County but a decrease for San Juan Island.
- Inventory is similar to last year same time for San Juan in most all categories of listings. One should note that I am using year-end figures and many agents set their listing expiration date for 12-31 so the decrease in inventory is also impacted by the expired listings. Year-after-year it is the same situation, therefore still applies to apples.
- Absorption has been strong in almost every category. Based on the current inventory levels and number of closed sales in 2018 for San Juan Island, we have 4.7 months of supply for homes under \$1M and a 8 month supply for homes listed above \$1M. The supply for homes listed under \$400,000 is less than 2 months as we only have 7 listings in that pricing category. Six months is considered a balanced market. The calculation for months of inventory is just a point in time and any changes in inventory render the calculation incorrect.

**Showcase of Listings:** The Coldwell Banker San Juan Islands Showcase of Listings deadline this year is March 31, 2019. If you are considering selling your property this year, this is an excellent publication to be included in. The showcase is a handout at our Friday Harbor and Roche Harbor offices as well as on the ferry system.