

SAN JUAN ISLANDS

REAL ESTATE TAB | DECEMBER 2025

In this Issue:

ARTICLES:

**REAL ESTATE MARKET AND
YOUR TAX ASSESSMENT**

REAL ESTATE FOR SALE:

In Town Condo with VRBO Allowed
West Side Waterfront Home
Warm, Cozy, and Welcoming Home at The Oaks
~ and more ~



COLDWELL BANKER

**SAN JUAN
ISLANDS, INC.**

The Most Trusted and Productive Real Estate Brokerage in the San Juan Islands — Since 1960



MERRI ANN SIMONSON
360.317.8668
simonson@sanjuanislands.com

SIMONSON & ZAMBROVITZ

YOUR INFORMATION SOURCE



TERRI ZAMBROVITZ
360.375.5015
terriz@sanjuanislands.com



REAL ESTATE MARKET AND YOUR TAX ASSESSMENT

All of us Island property owners have just received your tax assessment notices from the County. As real estate agents we will be fielding many questions about the statements and new assessments. The Assessor's office is on an annual assessment update cycle. The current values are for a one-year period only and will be adjusted next year. Areas of properties are physically inspected every 6th year on a rotating basis. The current process is stable, refined and is an accurate system.

For the last 20 years, the majority of the properties have sold above their tax assessments the with the exception of 2008-2013 which was the recession. As assessments are based on sales in the previous year, after a downward trend in our market, some properties sell for lower than their assessed values.

For example, during the recession, properties were selling at or below the assessor's values. However, in recent years, many of the properties sold in an average range of 125%-170% or more over their tax assessments. These average percentages varied based on the type of property but generally that was the trend. .

Reviewing the tax assessment as compared to the actual sales price for high-end homes is not reliable as they are very difficult to appraise due to custom features. The assessor relies on indications of value from market sales, and when there are not enough sales to determine the value of custom features, it is difficult to find an accurate standard of value for assessment purposes.

I do have to admit, as an agent, processing an opinion of value for a home in excess of \$2.5M can be challenging; the owner typically builds a very custom home with an elaborate description of materials. Even licensed appraisers find it a challenge and some contact agents for more details. Again, there are fewer sales of similar homes in that segment of our market so there are not as many comparable properties to review.

As always, it is much easier to be accurate when you have ample data to use.

The Purpose of the Assessments

Most of the confusion around the issuance of the tax assessments stems from the purpose and process of the tax assessment. The assessor is required to value properties for tax purposes at true and fair market value. The valuation assigned by a REALTOR for the purpose of marketing, or the value assigned by an appraiser for the purpose of lending, estate planning or probate purposes, will most likely be a different amount. The process of the valuation is different for each; therefore, the results will vary. Generally, the differences in the process are described below:

Appraiser and Agents:

Both appraisers and agents conduct an interior inspection then identify at least 3 or more truly comparable sales that are recently closed that are physically inspected or at minimum, viewed via photographs in the

Northwest Multiple Listing Service. Ideally closed sales should be less than 90 days old. The appraiser and agents spend much more time on the property determining the desirability based on the features and amenities. They also rely upon a cost approach, but a depreciated figure is deducted based on the age of the home and its condition. They will analyze the income approach, if applicable. They base the value of docks at market.

Due to the size of our market, finding truly comparable property sales in our County has always been a challenge. A real estate agent even differs from an appraiser as we can use "Pending" transactions as comparable sales. We also consider the current level of similar inventory and absorption rate in the category to assist in pricing a property for the current market for our clients. Pricing against inventory versus closed sales is common in a positive trending market with low inventory.

Assessor's Office:

The assessor's office performs appraisals for purposes of ad valorem taxation. This is part of the process for how we provide funding to all local government services, including schools, libraries, ports, fire districts, the hospital district, emergency medical services, cemeteries, state schools, parks, roads, sheriffs and government.

Appraisers that work in the assessor's office generally use information gathered from site visits without the benefit of an interior inspection. The characteristics of the home and land are considered and compared on a "mass appraisal" basis to all other properties countywide, with statistical analysis of properties grouped by similar market influences and characteristics. The "mass appraisal" method provides more equal distribution of property taxes among property owners within the jurisdiction through standardization and improved consistency in the work of appraisers.

It is impossible with the size of our County, and the size of our assessor's staff to physically inspect every property on an annual basis. The properties are valued every year, and the assessor's appraiser physically inspects one-sixth of the County properties each year. There will always be a lag in the adjustments just due to the notice dates. The fall Change of Value Notices were based on arm's-length closed sales in 2024 and...

To continue reading
Real Estate Market and Your Tax Assessment

please visit our website:

www.sanjuanislandslifestyle.com/blog



IN TOWN CONDO WITH VRBO ALLOWED
\$1,475,000 - LISTING ID 2334078



WEST SIDE WATERFRONT HOME
\$3,225,000 - LISTING ID 2344313



VIEW HOME ON ACREAGE
\$1,200,000 - LISTING ID 2442781



FALSE BAY WATERFRONT HOME
\$3,300,000 - LISTING ID 2346749





Nancy Young
Managing Real Estate Broker
Global Luxury Specialist
(360) 317-1755
nancy@sanjuanislands.com
www.buysanjuanrealestate.com

105 Spring Street, P.O. Box 100, Friday Harbor, WA
Office: (360) 378-2101 · Toll Free: (800) 451-9054

NEW



Listed for \$249,000 • Listing ID 2458690

Affordable home at The Oaks offers a warm, cozy & welcoming feel with 3 bedrooms & 2 baths. Enjoy a comfortable room off the kitchen & living room, with open kitchen & dining area. Updated front & back decks.

REDUCED



Listed for \$435,000 • Listing ID 2387732

This stunning 5+/- acres offers a front-row seat to nature's finest performance - panoramic valley views paired with the majestic snow-capped presence of Mt. Baker. Includes power & metered water to the lot line.

REDUCED



Listed for \$749,000 • Listing ID 2449272

Tucked into a forested paradise on 4.6+/- private acres, this 2 bdrm/2.5 bath home w/ 1 bdrm/1bath guest space brims with character & charm. The unique home has a prep kitchen, an outdoor kitchen, & studio.



COLDWELL BANKER

SAN JUAN
ISLANDS, INC.



105 Spring Street, PO Box 100, Friday Harbor, WA 98250 | 360.378.2101 | property@sanjuanislands.com