

SAN JUAN ISLANDS

REAL ESTATE TAB | NOVEMBER 2023



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SAN JUAN ISLAND AND COUNTY REAL ESTATE MARKET SUMMARY

The third quarter results for San Juan Island and San Juan County are reflecting a downward trend in volume and transaction numbers. Per the NWMLS, the dollar volume year-to-date on San Juan Island was \$117,630,750, with a total of 125 transactions. This reflects a 13% decrease in the dollar volume and a 9% decrease in the number of transactions.

For San Juan County, the total dollar volume was \$251,538,375 with a total of 248 transactions. The County's decreases were 16% in dollar volume and 19% in number of transactions.

Transaction Recap Report		
Time Frame	Number of Transactions	\$ Volume
San Juan Island		
January - September 2023	125	\$117,630,750
January - September 2022	137	\$135,602,214
January - September 2021	256	\$183,743,962
January - September 2020	188	\$139,281,708
January - September 2019	136	\$84,399,236
San Juan County		
January - September 2023	248	\$251,538,375
January - September 2022	306	\$300,172,413
January - September 2021	521	\$421,424,079
January - September 2020	430	\$292,879,941
January - September 2019	321	\$207,761,506

Coldwell Banker San Juan Islands Inc. is holding their own and maintaining 48% of the market share on the island and 6 of the top 10 production agents on San Juan Island work at our office.

For 2023, my Team is on schedule to close production volume very similar to our volume in 2022.

All of the experts predicted the market corrections regionally and nationally, it was inevitable. Further, when low inventory is coupled with high inflation and increasing interest rates, a housing market correction is by design.

The current market is still considered strong as those that need to buy, or sell can do so in a timely manner. The market is more balanced with negotiations on both sides of the transaction.

The activity tends to be price driven, the buyers will come out if the prices are market or below.

If sellers are ready, they can attract a buyer via their pricing. On San Juan, many of our sellers are not that motivated. Many of our transactions involve a rental, second home or land that were held for investment, so our sellers are not feeling any urgency. It is not like a seller in Seattle that just secured a job in Tacoma and needs to relocate, most of our sellers have the time to wait out the market.

As stated above, it is still a strong market, the average sales price to list price ratio for a home on San

Juan Island year-to-date is 95.7% or 4.3% off list price. For the County, the ratio is 96.1% or 3.9% off list price. In the past, I recall telling buyers that we can write the offer in the range of 8-10% off list price but expect to settle in around 4-6% off list price. Currently, we have returned to a more typical ratio in this category.

We still have a few situations where multiple offers are involved when a new listing with a good price is originated. In those cases, typically the seller is granted full price or above.

As of October 1st, the total inventory for San Juan Island was 91 listings for all types of properties with 19 of those pending in escrow and 72 were active listings.

For the County, the inventory total was 253 listings with 44 of those pending and 209 active listings.

The numbers are down in all three categories for the Island and County. The decrease in the number of pending transactions mirrors the market correction that we are currently involved in.

My comments to parties considering buying or selling in our market are noted below:

Sellers:

- We have buyers in our market; however, expect the offers to contain contingencies for inspection, feasibility and possibly financing. The transaction closing periods are back to 30-45 days.
- This is not the market to "test" the top if you want to sell in a timely manner.
- Most buyers purchasing in excess of \$1M are cash. The high interest rates have impacted those buyers under \$1M.
- As interest rates for land and construction loans are extremely high, sellers may want to consider carrying the paper for 1-3 years, interest only with a 6-8% yield, which is pretty attractive. The down payment recommended would be 25-30%.
- We haven't had very many low appraisals, so the appraisers are finding enough closed comparable sales to support market values.
- The number of transactions with multiple offers and/or escalating prices are few and far in between.
- Many sellers are recognizing the market change and the seasonal time of year, and are electing to reduce their price in order to attract the buyers.
- Buyers desire the property to be in good condition. Most do not want to experience a remodel or repairs and appear to shy away from those homes with a "honey do" list. Perhaps they know that our service providers are fewer in number and extremely busy.

To continue reading
San Juan Island and County Real Estate Market Summary

please visit our website:

<https://www.sanjuanislandslifestyle.com/blog>



ROCHE HARBOR RENTAL CONDOMINIUM
\$745,000 - MLS #2132058



FRIDAY HARBOR BUSINESS
\$800,000 - MLS #1808687



GREAT STARTER HOME
\$615,000 - MLS #2026337



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NEW



\$1,677,000 | Listing ID #2173781

Incredible opportunity to own 76 plus acres of pristine & wild property! Delightful mix of orchards from an old farmstead, ponds, a year round stream, waterfall, & various trails.

NEW



\$1,199,000 | Listing ID #2174453

Light & bright single level home offers easy living on the Golf Course! Mt Baker & distant Griffin Bay views, on a lovely .90 acre landscaped yard feat. graceful Oak trees.

NEW



\$1,095,000 | Listing ID #2170925

Sunny 2.8 waterfront acres at the end of a private road. Beautiful no bank beach overlooking San Juan Channel to Mt Baker.

Co-Listed with Maryellen Foster, CBSJI Broker



\$1,590,000 | Listing ID #1995115

Serene paradise used as a Buddhist retreat center on 20 acres. Main building, detached art studio, greenhouse, organic garden, sleeping huts, tent platforms, & cozy yurts.



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SELLER FINANCING



WATERFRONT ESTATE | MLS #1977734 | \$4,950,000

One Of The Most Spectacular Waterfront Properties In All The San Juan Islands. 2 Acre West Side Estate on a point; 900 ft medium-low bank WF; Breathtaking views of the Straits, the Olympic Mtns, Canada, whales, marine traffic, sunsets, and the lights of Victoria. 3450 sf, 3 bed, 2.5 bath main home. Two 600 sf cottages with baths. 3-bedroom septic allows for in-house or detached office-bedrooms. 1248 sf garage-shop-exercise-office; treehouse; extensive landscaping; 2 fenced gardens, heated greenhouse; chicken run; fresh water is produced via D-sal at a rate of up to 1500 gallons per day with a large storage capacity; 20KW backup generator. Gift yourself the generational experience of this lease-hold property with 70 years remaining.



CUSTOM HOME ON ACREAGE | MLS #2160102 | \$2,495,000

On the grid or off, your choice. Twelve outstanding deer-fenced acres, 1.16 mi from town center, with a custom 3080 sf home utilizing wood burls from Alaska, 675 sf log guesthouse with vacation rental permit, both overlooking the lake, 600 sf studio with bathroom, 140 sf studio, 550 sf detached garage, 3200 sf multipurpose shop with walk-in cooler, Starlink internet, 46 solar panels with bank of huge batteries, automated back-up generator, 2000 gallons of underground propane storage, large fruit and nut orchard, commercial garden including mature blueberry and raspberry bushes, a greenhouse, large chicken run, and a 2 acre lake. Commercial opportunity and/or completely self-sustaining if needed or desired.

NEW



2 STORY CRAFTSMAN HOME | MLS #2175308 | \$1,245,000

Outstanding opportunity far under replacement value: Two Story NW Craftsman Home with 4125 sf, 3 bedrooms, 3 baths, living room, 2 family rooms, filtered water view, good sun, ham radio setup if interested, and a .52 acres corner lot. The first-class elevator is a major asset and having a 2 car attached garage, a heated detached 3 car garage/shop, RV parking, and greenhouse are yet more tremendous assets. Access is through a magnificent 1200 acre National Park with 5 miles of accessible shoreline. Community amenities: paved roads, outdoor swimming pool, beach, marina, and National Park hiking trails nearby.



INVESTMENT OPPORTUNITY | MLS #2144497 | \$4,000,000

Solid investment opportunity! The land and buildings, occupied by continually growing Pelindaba Lavender business, are being sold conditional to a 10-year continually renewable NNN leaseback to Pelindaba, adjusted every 5 yrs based on CPI changes. Investment translates to a 7% return on a purchase price of \$4M, even though conservative estimated land value and building replacement costs are over \$6M - Land value: 19+ acres as 3 parcels (4th parcel possible) = \$1,000,000; Improvements: 15,000 sf manufacturing/office building x \$300/sf = \$4.5M; 1500 sf store facility x \$250/sf = \$375K; and 430 sf, 1 bed/1 bath cottage x \$350/sf = \$150K.... Estimated total of \$6,025,000, with future tenant improvements adding further value.



REDUCED



NEWLY UPDATED HOME | MLS #2159302 | \$679,000

Newly updated with approximately 1300 sf, 2 bedrooms, 3 bathrooms, sunny and bright due to extensive windows and skylights, and new: whole-house water filter, free-standing propane stove, washer and dryer, exterior paint, roof, outdoor hot tub, and fenced garden. Newer siding and an approved 3-bedroom septic system. Located on a dead-end street within walking distance to town or to Jackson's Beach featuring a 70-acre waterfront park with about 4000 feet of shoreline.



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