

SAN JUAN ISLANDS

REAL ESTATE TAB | OCTOBER 2023

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MAKING IT COST MORE

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~ and more ~



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YOU CAN'T CREATE AFFORDABLE HOUSING BY MAKING IT COST MORE

If one reads the posts on the various Facebook pages, numerous community members are looking for rentals and can't find them. Other participants chime onto the post about the cost of affordable housing on a regular basis and that San Juan County needs to do something about it. Some people are having to leave the island because they can't find affordable housing, including people who have lived here for a long time. It is apparent, our County officials do not read Facebook.

Our real estate market in general is brutal on first time home buyers and middle and low income buyers as many don't qualify for homes at our median price, which is currently \$880,000 for the last 12 months. A person would need to have no other reoccurring debt, a ratio of 45%, earn \$178,000 per year to qualify for a 90% JUMBO loan with 8% interest and they need \$112,000 cash for their down payment and closing costs. Our prices are so high, the borrower must utilize a JUMBO loan which is always at a premium.

Every sale in the County generates approximately .5% that is targeted towards affordable housing. The majority of which is paid by the buyer as an excise tax. It is ironic that the buyer that needs affordable housing must pay the affordable housing tax. The total excise tax of 1.5% is a large burden on those buyers scraping together their down payment and closing costs. In the case of homes at our median price in the County, that totals \$13,200.

What is the solution to creating affordable housing?

Since the 80s, we have continued to state that we don't want to become Jackson's hole or Martha's Vineyard, but we continue to create regulations that make it cost more to build in our County. These regulations increase the cost of home ownership and make it much more difficult to provide affordable housing.

The State of Washington has passed laws that allow for the creation of affordable housing through several avenues. Unfortunately, we don't meet the population requirements stated in those laws to allow for higher density, but could we opt in under the Growth Management Act (GMA) or obtain a variance? I am sure the State would want our County to be aggressive and promote options towards affordable housing. If there is a will, there is a way.

The higher density would be in the urban growth areas; not countywide. It won't be possible for a 4-plex to be constructed on a residential lot on the waterfront. Nor would that make sense, the land price would be too high to support the concept. Further, some private CC&Rs for plats may prohibit and override any State or County rules regarding higher density or Accessory Dwelling Unit (ADU) construction.

I also think the higher density should not create housing that is built too tightly together as well. Building detached homes on very small lots doesn't afford the garage, carport or storage space that property owners and tenants desire and need. Without these extra spaces, the homes can become cluttered on the exterior with tools and equipment. Even though we need to create homes that are considered affordable, they need to have storage space and yards.

The state also passed ADU laws that our County should seriously consider for adoption and these laws do not have population requirements. The ADU structure could generate income for homeowners while the property is rented out on a long-term basis.

Further, by allowing the construction of an ADU on a smaller than 5-acre parcel, (current regulation) that would create more affordable rental housing. An ADU on a 1-acre lot would not offer as much privacy, would have a shared driveway, water and sewer source and would be a maximum of 1000 sf so it would rent for much less than a free standing 1000 sf home on a lot. The County should also consider increasing the 100 feet maximum distance from the main home to allow for more privacy.

Under the new ADU law, the State is allowing the condominium law to apply. Therefore, if the property owner decided to use the condominium process for the ADU, the property could become 2 separate units and they could sell off the ADU as a freestanding home that would be affordable.

To continue reading
You Can't Create Affordable Housing By Making It Cost More

please visit our website:

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



ROCHE HARBOR INVESTMENT OPPORTUNITY
\$745,000 - MLS #2132058



PENDING

AFFORDABLE HOME IN TOWN
\$433,000 - MLS #2156523



MOUNT PROSPECT ACREAGE
\$329,000 - MLS #2046800



REDUCED

WESTSIDE VIEW ACREAGE
\$649,000 - MLS #2047971



GAS STATION BUSINESS
\$800,000 - MLS #1808687





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NEW



WATERFRONT HOME | MLS #2163314 | \$2,950,000

Excellent quality east-facing Cape Cod with a low-bank gravel and sand beach at Cape San Juan with 2557 sf, 3 bedrooms, 3.5 baths, newly updated kitchen, with Cambria quartz countertops, and bathrooms, many built-ins, Brazilian Koa flooring, beautiful custom curved staircase, extensive storage, large Evergreen decks, oversized detached 2-car garage with office and multiple storage areas, washed aggregate driveway, low maintenance mature landscaping, and a small fenced garden area. You will find great attention to detail, stunning and very interesting views, and a wide variety of marine life including whales, seals, and sea lions, and SJ Channel is kind of like a river that runs both ways so there is always engaging marine activity.



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, & the lights of Victoria. 3450 sf, 3 bed, 2.5 bath main home. Two 600 sf cottages w/ 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 w/ 70 years remaining.



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

Solid investment opportunity! The land & buildings, occupied by continually growing Pelindaba Lavender business, are being sold conditional to a 10-year renewable NNN leaseback to Pelindaba at \$20K per month, adjusted every 5 yrs based on CPI changes. Investment translates to an initial 6% return on a purchase price of \$4M, even though conservative estimated land value & 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; & 430 sf, 1 bed/1 bath cottage x \$350/sf = \$150K. Estimated total of \$6,025,000, w/ future tenant improvements adding further value.



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.



REDUCED

NEWLY UPDATED HOME | MLS #2159302 | \$699,000

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.



SOLD

WATERFRONT HOME | MLS #2157195 | \$2,625,000

Medium-low bank beachfront manufactured home recently updated with approximately 1400 sf, 2 bedrooms, 2 baths, an office, beautiful views across famed Roche Harbor past Henry and Pearl Islands, extensive decking, and a shop with a carport. Includes one quarter interest in a deep-water dock, a heavy duty permitted mooring buoy, and a 4-bedroom septic system. Approximately 0.79 acre and 190 ft of waterfront.



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

This serene paradise has been used as a Buddhist retreat center on 20 acres graced with madrona, native fir trees, & rocky outcroppings. The main building has a beautiful hand-painted meditation room, a suite with living room, guest rooms, a caretaker's apartment, large kitchen, hardwood floor & tile floors, & a full wrap-around deck. Groomed paths meander to multiple sleeping huts, tent platforms, & cozy yurts & offer space for large gatherings.



Listed for \$1,295,000 | Listing ID #2164543

Delightful SW facing rustic log cabin at Yacht Haven includes tidelands & stairs to your own sandy beach! Built in 1981, this 1725 SF log cabin offers 1 bdrm ¾ bth on main level, & bonus room, bdrm & ¾ bth in loft.



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