

SAN JUAN ISLANDS

REAL ESTATE TAB | OCTOBER 2026



COLDWELL BANKER

SAN JUAN
ISLANDS, INC.

In this Issue:

ARTICLES:

CUSTOM CONSTRUCTION OR
BUY EXISTING AND REMODEL?

REAL ESTATE FOR SALE:

Roche Harbor Resort View Lot
Cannery Waterfront Condominium
Ready to go and more ~

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



CUSTOM CONSTRUCTION OR BUY EXISTING AND REMODEL?

In the current market, it is more affordable to buy an existing home than it is to purchase new or custom construction. Why is that?

The obvious reason is we live on an island; transportation costs are factored into every supplier and service provider. Housing costs are expensive, whether it be for temporary workers or our full-time island labor force. Delays are a regular occurrence due to ferries, lack of service providers and tradesmen. The costs of materials and labor have escalated over the last few years to all-time highs. Compliance with the current and ever-changing development and building regulations add to the cost of new construction. High interest rates and during the course of construction insurance also add to the costs. General Contractors are quoting no less than \$550 per foot for starter homes and many of the contractors are starting at \$750 with quotes of \$1000 per foot on a regular basis. This price per foot will offer some hardwood floors, custom cabinetry, granite and a high-end appliance package, if you spend wisely. Of course, for over \$1000 per foot, the quality is superior.

We used to think that \$1000 or more per foot was rare on the island, however; it is not uncommon now. Many property owners elect to customize their homes to that level of quality. Only time will tell if the value of those homes based on the market approach will be greater than the cost approach or the owner's actual basis, should those owners decide to sell. The good news with real estate is that time heals all, or at least most issues. All the receipts in the world do not make a home more valuable than the market is willing to pay. The buyers rely on the market approach to value — comparing similar homes that have sold and that are available for sale, more than the replacement cost approach.

Now that home inventory is built up and the market favors buyers, the selection of existing homes and some homes that may need a remodel is a viable option. For a buyer, there are numerous advantages to purchasing an existing home and remodeling. Those advantages include views, footprints and other amenities such as guest houses, mooring buoys and docks, that current regulations make difficult or impossible to recreate.

To demonstrate the calculation for buying existing versus new construction comparison, I've created two hypothetical options for a hypothetical buyer, these transactions are loosely based on real properties. I chose a waterfront home to use in my comparison as it is the type of property that many buyers would considering for custom construction. However, the premise is the same for all types of homes. However, the lot price/value is higher for a waterfront parcel versus inland, unless it is a large view or acreage parcel.

Option A: This week our clients can buy an existing northwest facing home on a .73 of an acre lot with 100 feet of low bank gravel beach frontage. The waterfront home offers 2850 square feet with 3 bedrooms, 2 baths, an attached 2-car garage with a 800 sf studio above. It has nice landscaping and good sun exposure

and views. The home was originally built in 2014 and is somewhat current with interior design and was well maintained. The home was on the market for 41 days and was offered at \$2,900,000.

For the current market on San Juan Island, our waterfront homes are starting around \$1.2 for cabins or smaller homes. However, you need to be over \$2 M to find a home offering at least 2500 sf, unless it has conditions on site that have an impact on desirability. Steep driveways, high bank waterfront, difficult road or driveway access, or overall condition, may all have an impact to desirability which places downward pressure on the price.

The average negotiation from sellers for properties listed in this price range is 4%. My hypothetical buyers were able to purchase slightly below the list price. Their basis would include their buyer's closing costs and possible loan expense.

Some homes that were built in 2014 need updating as the interiors may be worn and/or may be dated. Based on the cost of remodeling and current regulations, it is difficult to update a home of this size for under \$300,000 and would most likely be closer to \$500,000. A typical kitchen update is \$100,000 and each bathroom can be \$40,000. Other updates for living, dining, great rooms and bedrooms for carpet and hard surfaces add up quickly as well. Further, one might want to upgrade windows, hardware, lighting fixtures, and decking for quality, but the roof and siding should still have some life expectancy and not need upgrading, unless in the buyer's opinion they are not attractive.

Other advantages of buying an existing home include:

- The lot may have been originally cleared back in the 1970s letting the sunshine in and widening the water views. The footprint may be much closer to the waterfront. There may be stairs to the beach.
- If the buyer wants to make some changes, less time is needed for a remodel permit and the construction than to build a new custom home. The remodel permit process is less complicated and fewer sub-contractors are required, so less time is needed. Of course, if they are planning on a remodel, the cost of that would need...

To continue reading
Custom Construction or Buy Existing and Remodel?

please visit our website:

www.sanjuanislandslifestyle.com/blog



REDUCED
RESORT VIEW LOT
\$1,695,000 - LISTING ID 2534572



CANNERY WATERFRONT CONDO
\$1,040,000 - LISTING ID 2486373



REDUCED
ESTATE QUALITY WATERFRONT HOME
\$4,999,900 - LISTING ID 2477851



MITCHELL BAY WATERFRONT HOME W/ DOCK
\$5,750,000 - LISTING ID 2562460



CESSNA LOT - READY TO BUILD
\$1,050,000 - LISTING ID 2485601



REDUCED
FARM ACREAGE
\$825,000 - LISTING ID 2495125



WATERFRONT HOME WITH DOCK ON BROWN ISLAND
\$2,100,000 - LISTING ID 2483494



REDUCED
WATER VIEW TOWN CONDOMINIUM
\$1,295,000 - LISTING ID 2479947



COLDWELL BANKER

**SAN JUAN
ISLANDS, INC.**



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

SOLD



Sold for \$1,599,000

Custom 1984 Northwest Contemporary waterfront home offers breathtaking views and direct access to your own private pocket beach. 2 bedrooms, 2 baths, & 1,985 sq ft of thoughtfully designed living space.



Listed for \$499,000 • Listing ID 2550877

Ready to build lot with full set of house plans, current building permits, excellent water, & septic. Sunny lot at the beautiful Cattle Point Estates neighborhood offers private community beach. Parcel is over 1.2 acres.

REDUCED



Listed for \$2,099,000 • Listing ID 2499486

Experience the coveted Henry Island lifestyle, just minutes from Roche Harbor. Exceptional turnkey with remodeled main residence featuring 3 beds, a loft, & 2 baths. A separate, updated 1,100 sf guest cottage.



COLDWELL BANKER

SAN JUAN
ISLANDS, INC.



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