

Wrapping up the 3rd quarter of 2024, it's clear that we continued to experience a cooling real estate market here in the San Juans in 2024. YTD, across all property types, there was \$92,982,280 in volume sold with 98 transactions on San Juan Island at the end of Q3 as compared to the previous year which ended the quarter at \$117,630,750 sold with 125 transactions – a 22% decrease in volume and a 21% decrease in the number of transactions. Similarly, throughout San Juan County, volume sold, and number of transactions also declined by 18% and 13%, respectively, down to \$206,075,546 with 217 transactions versus the \$251,538,375 sold in volume in 248 transactions at the end of Q3 in 2023.

As compared to the previous 4 years, outlined in the graph below, you can see the real estate market has been steadily cooling by an average of 21% every year since our COVID boom in 2021.

As we all know, rising interest rates, economic uncertainty (including a volatile bond market), and lack of inventory have largely contributed to this cooling effect we have been experiencing. The good news is that the Fed cut overnight lending rates by 0.5% in late September and they're currently forecasting another 0.5% drop by the end of 2024 and potentially an additional 1% cut in 2025. While it's not a one-for-one decrease (meaning how much the Fed lowers prime is not directly proportional to how much home mortgage interest rates will fall) it does allow lenders to offer better rates which was immediately reflected in mortgage rates dropping to the lowest rates the nation has seen since February 2023, according to Freddie Mac.

Inventory has also been on the rise – as of this writing there are 136 listing on the NWMLS on San Juan Island, of which 21 are pending. Compared to the levels seen at the beginning of October 2023, which were 85 total with 19 pending, it appears that inventory has increased by roughly 37%.

With the rise in inventory and the lowering of mortgage rates, it is conceivable that we are heading toward an active market in the last quarter of 2024 and on into the first quarter of 2025.

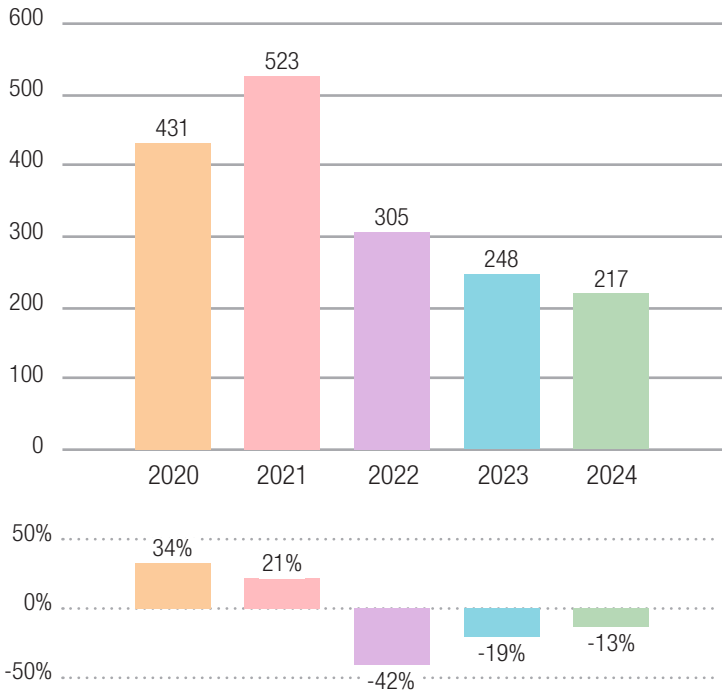
If you have been considering purchasing but have been waiting for interest rates to drop, it may behoove you to enter the market now, while inventory is still slightly higher and consider refinancing when the rates further improve. As inventory dwindles in the winter months and rates improve, competition in the marketplace may also increase.

Sellers who have been considering selling but, like some buyers, have been waiting for the market to improve, may wish to reconsider their timeline. Getting their property on the market sooner rather than later to take advantage of the natural decrease we see in inventory over the winter months, locally, may work in their favor.

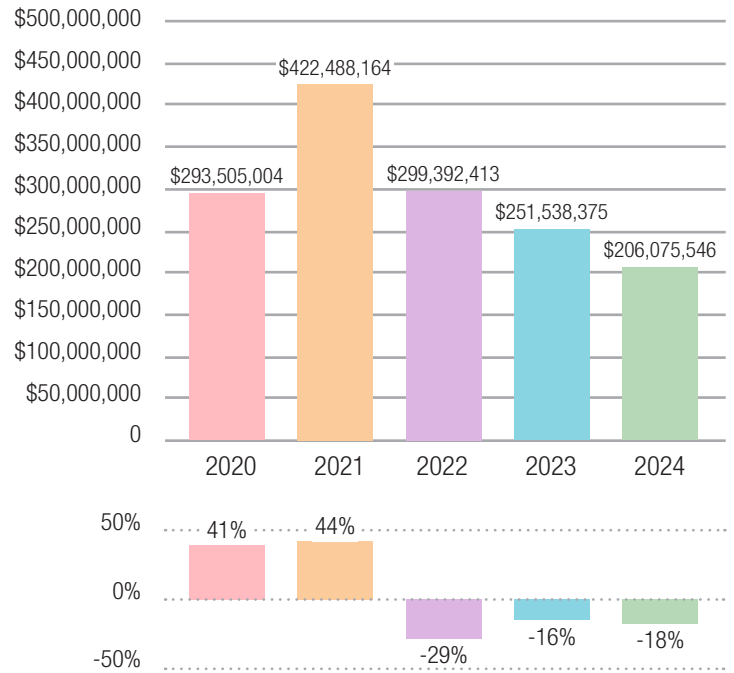
If you are considering buying or selling real estate in the San Juan Islands, you need professional advice from Coldwell Banker San Juan Islands, Inc. for informed decision-making. As we enter the final quarter of 2024, staying informed and leveraging expert guidance is paramount in navigating the current real estate landscape in the San Juans.

With a 45% market share on San Juan Island, versus our nearest competitor, Brand X, at just 26%, Coldwell Banker handles the lion's share of real estate transactions on San Juan Island. Contact your trusted Coldwell Banker San Juan Islands, Inc agent today to see how they can help you realize your goals and dreams.

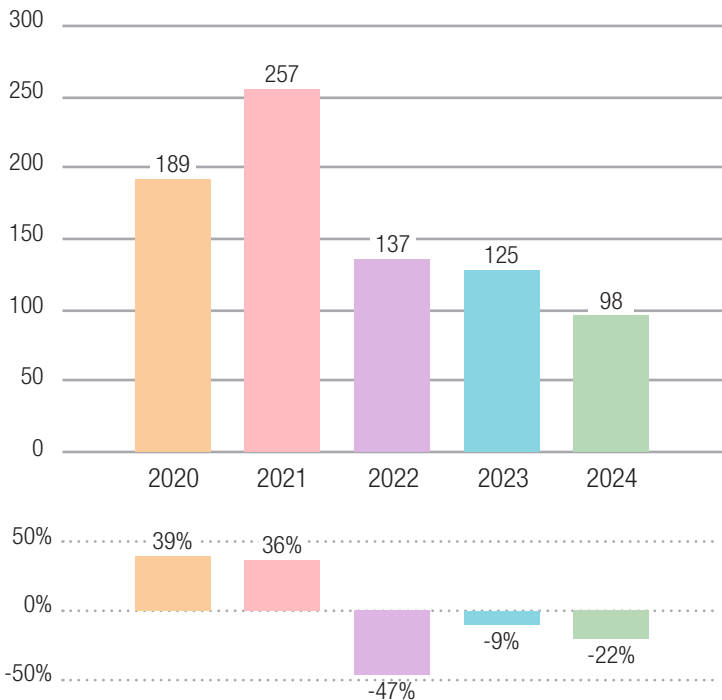
Number of Transactions in San Juan County Qtr 3 YTD



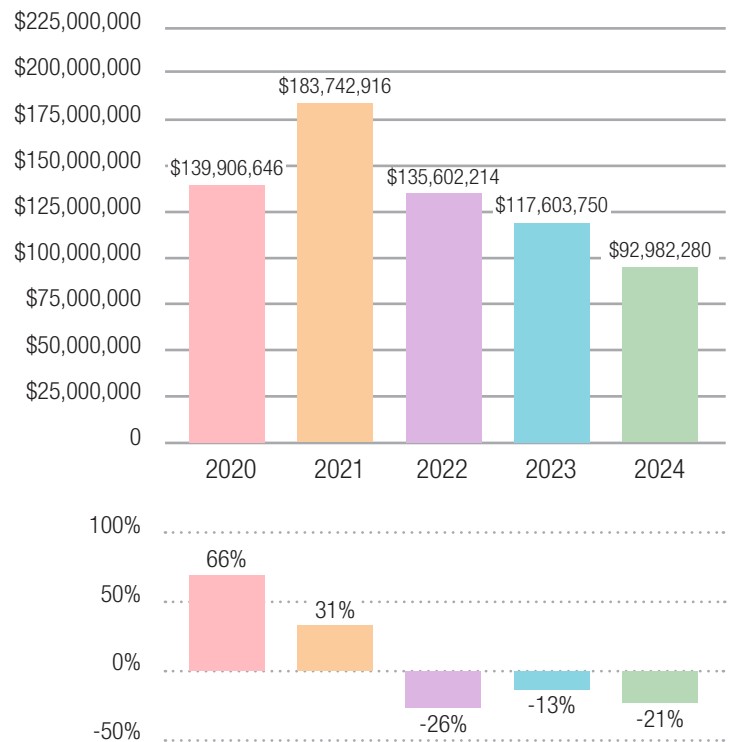
Dollar Volume Sold in San Juan County Qtr 3 YTD



Number of Transactions on San Juan Island Qtr 3 YTD



Dollar Volume Sold on San Juan Island Qtr 3 YTD



*DATA COURTESY OF NWMLS



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