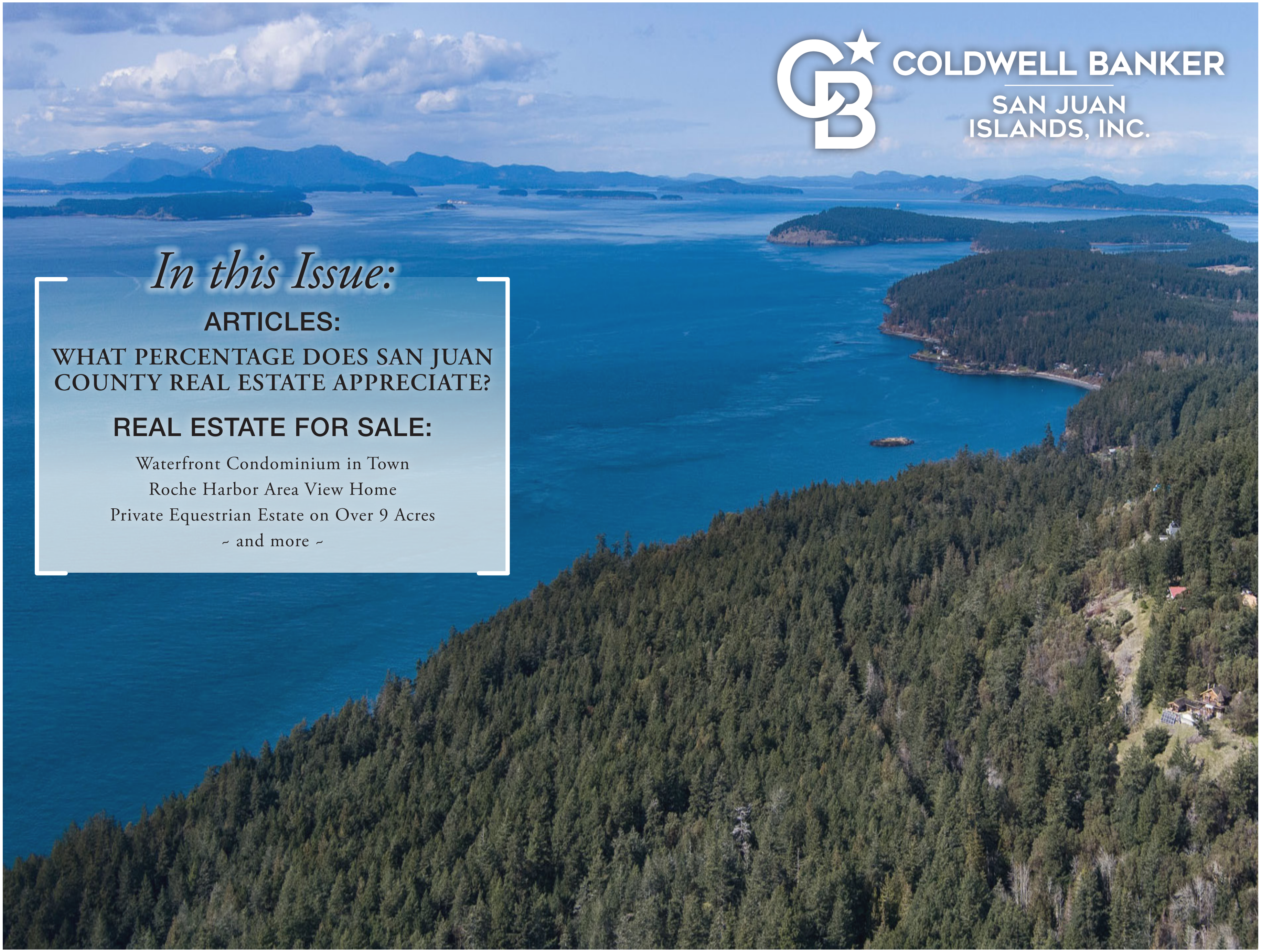
SAN JUAN ISLANDS

REAL ESTATE TAB | SEPTEMBER 2026



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WHAT PERCENTAGE DOES SAN JUAN COUNTY REAL ESTATE APPRECIATE?

In the course of my real estate business, I am often asked by clients what percentage of appreciation they should expect if they invest here. It is a very difficult question to answer because, in my opinion, our market is not large enough to accurately calculate appreciation.

On an individual property, you could calculate average appreciation or depreciation per year by taking the current appraised value less the acquisition price. The gain or loss is then divided by the number of years owned and converted to a percentage. Remember, real estate agents are not licensed to prepare a market value opinion for a property unless it is for the purpose of buying or selling. The Washington State Department of Licensing prohibits agents from providing opinions of value for estate planning, divorce, litigation, and IRA evaluations. To determine the appreciation of your individual property, you would want to contact a Washington State licensed appraiser.

The data is simply not available for an agent to state that San Juan County appreciates by a specific percentage over the last five years. Most of the construction on the islands has been, and continues to be, custom homes. Other than condominium complexes, very few homes with an abundance of similarities have been built. Therefore, we do not have enough comparable homes being bought and sold within a short period of time to accurately calculate average appreciation.

For several years, Zillow estimated what they called an appreciation calculation in rural markets, including San Juan County. I am sure they relied on their proprietary programs and believed the results to be accurate. However, they eventually stopped offering that calculation to the public. I suspect they realized that in small rural real estate markets, such as ours, their algorithms do not perform as well as they do in large metropolitan areas with hundreds of sales and numerous similar homes closing per month.

I have studied our real estate market for more than 30 years and have used numerous indexes to monitor the market trends. Regularly, I review median prices for land and homes, days on market, average home and land prices, and the percentage sellers negotiate off their list price at the time of sale. These indexes reflect trends in market direction, but none of them provide an appreciation calculation. Due to the size of our market and the limited number of transactions each month, we often review data over a rolling 12-month period to analyze most of these indexes. Comparing a Year-over-Year works for some indexes, but not all.

Bottom-line, our market is simply not large enough for one of the universities' economics department to collect and study the data and produce regular reports. The Northwest Multiple Listing Service, (NWMLS) which all local agents are members, does provide statistical data, but it is compiled in a way that best serves metropolitan markets. In rural counties, the data can be distorted.

For example, most of the indexes are compiled monthly. In a small market, the result is that the numbers can vary wildly from month-to-month, especially average home price and median home price. The data from the NWMLS can be very confusing for buyers trying to analyze our market or for sellers trying to determine whether it is a good time to list their property for sale.

One of the analyses I have conducted several times during my career is a review of the entire real estate tax assessment base as issued by the County Assessor. That information provides me with data over a longer period of time and reflects their adjustments; both up and down, based on the changing market conditions. On the chart below, you can see that the Assessor has calculated the total value of the county's real estate assessment base, adjusting for recessions, market slowdowns caused by events such as the dot-com bust and wars, as well as periods of aggressive growth during events such as COVID.

For the last 10-year average, the increase in the total assessed value of real estate in the County has been approximately 9% per year. For the 20-year average and 30-year average, the percentage was 6% and 7%, respectively. The 10-year period is less reliable as it includes the COVID acceleration, and it is unlikely that will occur again. These figures include all property types: residential homes, condominiums, vacant land, commercial properties, multifamily properties, and manufactured homes.

Another item to consider during the long-term analysis is that our assessor has changed their process several times over the last 10, 20 and 30 years. Most recently they changed to an annual assessment process in 2012 for 2013 taxes, which would contribute to the marked drop in total values from 2012 to 2013. Prior to 2012, they valued on a 3-year cycle, so roughly 2/3 of the County did not change in value each year, only 1/3 was revalued, and it was revalued from its value set three years prior. Changes in the process are necessary but do have an impact on consistency.

This is not an appreciation calculation either, but it is an indication of market value movement. Having said that, the Assessor's valuations are not typically what most people define as market value. The Assessor values property for taxation purposes, not for the marketing and sale of real estate, which is what agents and appraisers do. Therefore, the values will differ because the process is designed that way.

However, the Assessor is consistent in the application of that process. Their office generally lags the market...

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What Percentage Does San Juan County Real Estate Appreciate?
please visit our website:
www.sanjuanislandslifestyle.com/blog

WATERFRONT CONDOMINIUM
$1,170,000 - LISTING ID 2480726

ROCHE HARBOR AREA VIEW HOME
$1,475,000 - LISTING ID 2566226

REMODELED HOME IN TOWN
$560,000 - LISTING ID 2560448

WATER VIEW PARCEL
$635,000 - LISTING ID 2495125

WATER VIEW TOWN CONDO
$1,295,000 - LISTING ID 2479947

NORTH END BUILDING LOT
$325,000 - LISTING ID 2495071

WESTSIDE ACREAGE PARCEL
$695,000 - LISTING ID 2549421

WATERFRONT HOME WITH DOCK
$5,750,000 - LISTING ID 2495071

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Listed for $1,075,000 · Listing ID 2505360
Immaculate & spacious home with partial views of the Straits, valleys, & sunrises. 3-bed, 3-bath layout supports easy main-floor living. Updated kitchen. Lower level has additional bedroom, bath, and large great room.

Listed for $1,999,500 · Listing ID 2493219
Understated elegance in this architecturally pleasing 2142 +/- SF Cape Cod beach home. Private setting on over 1 acre, with tranquil and everchanging views into False Bay and your own private beachfront.

Listed for $1,295,000 · Listing ID 2565156
Private equestrian paradise on over 9 picturesque acres. Three well-appointed animal stalls, an outdoor riding arena, and a versatile shop building. Custom-built 2,100 sf home offers comfortable island living.

Listed for $549,000 · Listing ID 2497114
Front row seat from this West Side waterfront parcel! Spectacular views of breaching whales, bald eagles, sunsets, and boating activity. Located in a fabulous neighborhood, a paved road leads to this parcel.

Listed for $389,000 · 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. A perfect canvas with incredible views.

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