



Merri Ann Simanson
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SAN JUAN
 ISLANDS, INC.

SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

Due to the fact that Real Market Data no longer produces a report containing all of the transactions in the County, effective this quarter I am forced to use the NWMLS as my data source. The County's site is too cumbersome but complies with State regulations. The site reports property sales multiple times when more than one tax parcel is involved which requires deletion and many entries lack complete addresses, therefore too much manual manipulation. Unfortunately, the NWMLS lacks about 20%+/- of the volume as compared to actual. I had two choices; change or retire. I decided to deal with it as obviously I am not ready to retire.

TRANSACTION RECAP REPORT SAN JUAN			
Third Quarter	2016	66	\$35,251,524
Third Quarter	2015	54	\$28,732,100
Jan-Sept	2016	167	\$84,331,611
Jan-Sept	2015	151	\$74,147,405

Bottom line, the analysis I process is percentage driven so as long as I am using apples to apples, it should correlate to the actual market trends.

Per the NWMLS third quarter results for 2016 reflect a dollar volume increase of 22.6% for San Juan Island but the year-to-date dollar volume reflects a 14% increase. In both the quarter and year-to-date, the transaction numbers reflect an increase; 22% for the quarter and 10.6% for the year-to-date period over 2015. The 2016 third quarter volume for San Juan was \$35,251,524 as compared to \$28,732,100 in 2015. If this dollar volume pace remains steady, we will finish out 2016 above 2015, which is expected.

Overall, San Juan County's volume of \$169,809,266 for the period of January – September reflects an increase of 14% with 360 transactions in 2016 as compared to \$148,517,160 in dollar volume and 343 transactions in 2015. As the transaction number increase is only 5% and the dollar volume increase is 14%, we are closing transactions that are higher priced.

Year-to-date, San Juan Island is enjoying the highest number of sales over \$1M, the breakdown is as follows: San Juan 15, Orcas 11, Lopez 2 and Shaw and the outer islands have 3. The total number of high-end sales for the County is 31 which is a 59% increase over the 20 in 2015 for the same period. Total year-to-date dollar volume for the County attributed to high-end sales is \$48,055,022 or 28% of our entire dollar volume with an average of \$1,550,162 per sale. This is an increase over 2015 of 37.5%. For San Juan Island, the high-end sales dollar volume is \$26,152,695 year-to-date or 31% of total dollar volume with an average sales price of \$1,743,513.

Currently 11 sales in excess of \$1 M are pending in the NWMLS for the County; San Juan has 7, Orcas has 3, and Shaw has 1.

The number sales in excess of \$1M that are pending represent 13.4% for San Juan Island. The total number of pending sales is 52 with 7 of those being high-end transactions. This is greater than the year-to-date which is 9%; 167 transactions for San Juan Island with 15 of those being high-end.

RECAP SUMMARY

	San Juan YTD	San Juan County YTD
Dollar Volume	\$84,331,611	\$169,809,266
Transaction Number	167	360
Average Price for High-End Sales	\$1,743,513	\$1,550,162
Median Home Price	\$465,000	\$462,500

HISTORIC INVENTORY ON SAN JUAN ISLAND

All Listings Types	October 2016	October 2015	October 2014	October 2013
Number Pending	52	34	34	30
Number Active	284	337	338	359
Total	336	371	390	389

The most interesting section of the chart above is the amount of current pending sales and total inventory level as compared to year's past. As agents, we are on the front line and we are noting the transition in many of the pricing segments of our market, inventory under \$400,000 is extremely tight. The most telling sign of a changing market is when the previous three home sales could easily be sold again and perhaps at higher prices.

Further, for this time of year, we are continuing to enjoy good showing activity levels in most pricing categories of our market. Some of the listings that have been on the market for years are now having an increase in showing activity and offers. In some cases the activity was not due to the owner lowering the price to attract a buyer.

Waterfront lots sales continue to be sluggish and I attribute that to the regulation changes and impacts on their desirability. It is difficult to sell a waterfront lot at this time unless the buyer intends to build in the short term and hires a consultant to assist them with their feasibility.

The desired appreciation for property owners could be around the corner. As inventory decreases, there will be upward pressure on the prices and sooner or later, appreciation will be back in our market.

Even though this is a great market, sellers are still negotiating on average 7% off list at the time of sale for all types of homes. For those homes over \$1M, the sellers are negotiating on average 9.3% and for land and average discount is 10.9%. As compared to the metropolitan areas, we have more recovery needed.

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