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### SAN JUAN COUNTY REAL ESTATE MARKET SUMMARY

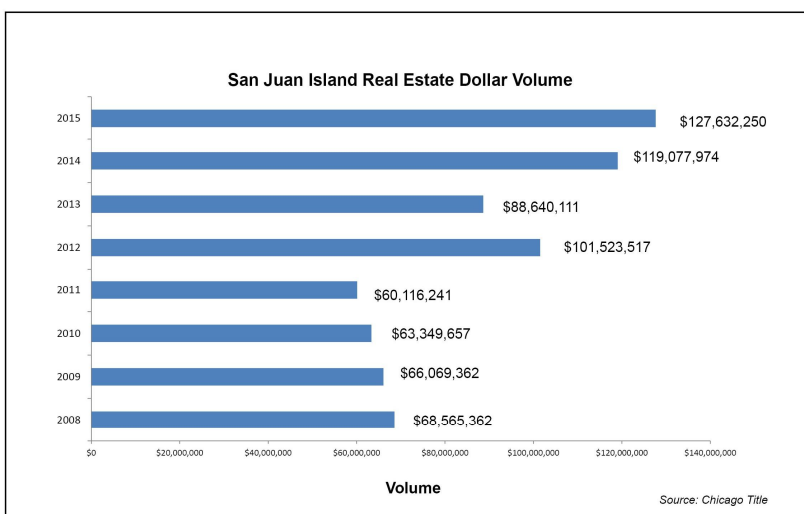
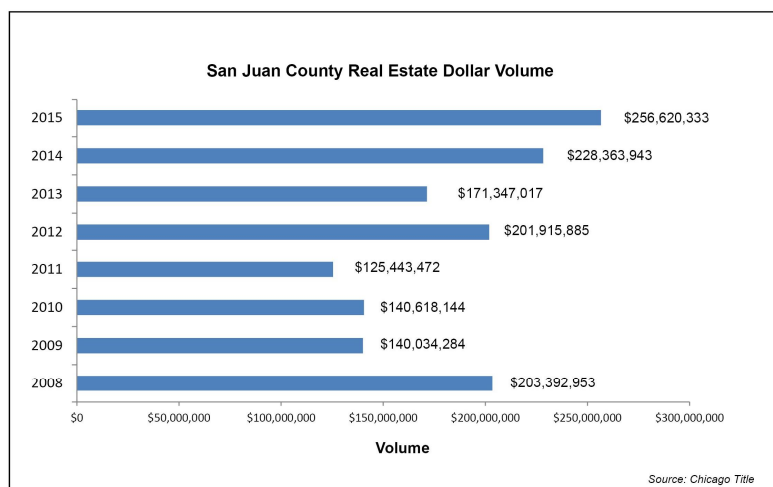
In reviewing the year-end results, the sales dollar volume for the real estate market in San Juan County per the Chicago Title data report was \$256,620,333, which reflects an increase in volume of 12.5% over 2014 when the volume was \$228,363,943. The percentage of growth this year is much less than the 33.5% increase 2014 enjoyed over 2013, however, stable and controlled growth is healthy.

The County closed an average of 49 transactions per month which is equal to 2014.

Total volume on San Juan Island in 2015 was \$127,632,250 as compared to \$119,077,974 in 2014. The increase is 6.7%, which again, is well below the 34.5% increase comparing 2014 to 2013.

On San Juan Island we closed an average of 21 transactions per month which is almost equal to last year.

To recap year-end volumes, San Juan's volume was up 6.7%, Orcas was up 39%,



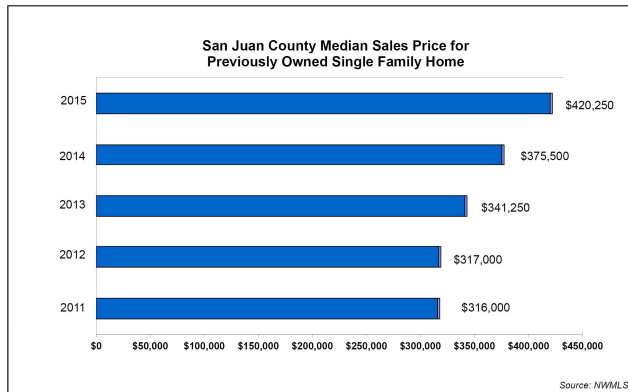
Lopez and the non-ferry serviced islands and Shaw were down 20% and 22%, respectively.

It is a pleasure to report that our real estate market is continuing to recover with land sales lagging somewhat, especially the waterfront lots. During property showings, it is apparent that buyers are still concerned about purchasing waterfront lots due to the uncertainty, expense, and impact associated with restrictive building regulations.

The Coldwell Banker San Juan Islands Inc. office did well this year with 53% of our agents closing volume exceeding their

volume in 2014 and the company's overall volume up 20%. Our market share on San Juan increased to 50% with our closest competitor at 41%.

Per the NWMLS, we have 4 of the 5 top producing agents on San Juan working at our office. Basically, our volume in 2015 was similar to 2006; as you may recall, the volume peak was in 2005.



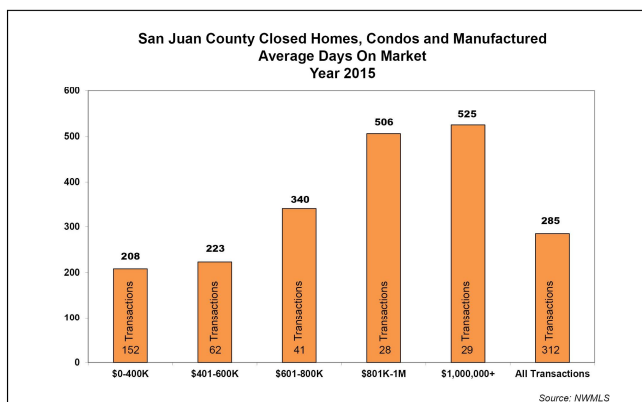
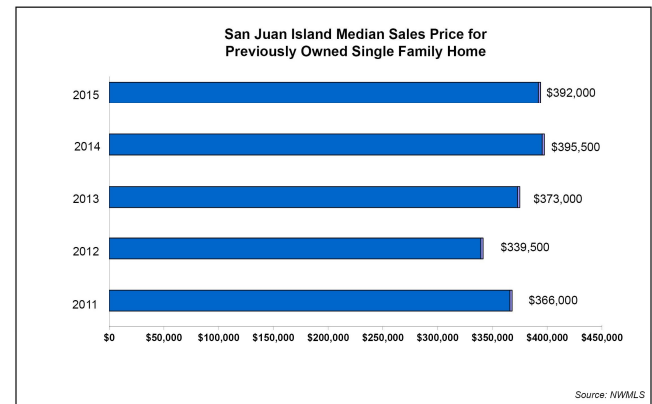
Further positive data includes the median home price for the County is up 12% over year ending 2014. The Median home price for San Juan was down 1%.

The median home price cited is for previously owned homes. The median is a typical market price where half of the homes sold for more and half sold for less.

Overall the County's median prices remained stable. Increases in median prices indicates our market is headed in the right direction but it is not a measurement of price appreciation. The actual computation of appreciation or depreciation would

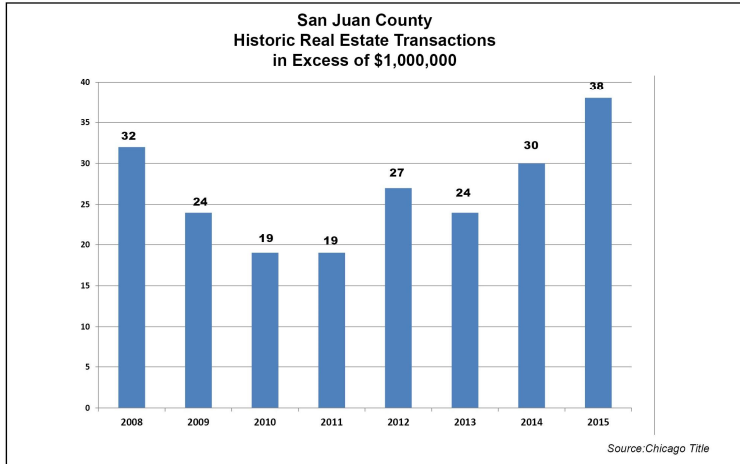
include analyzing a number of properties that were sold in 2014 and again in 2015. Then one would average those gains or losses to produce the actual appreciation or depreciation percentage. Due to how small of a market we are, it is difficult to have a reliable number of similar properties that transact in a two year period. Nationally, the economic forecasters are able to cite appreciation in the large metropolitan markets as they have large amounts of data to rely upon.

The median lot prices increased in both the County and San Juan Island.



Days on Market for the County has decreased in all categories except home sales over \$800,000 where it increased approximately 30% as compared to the Days on Market in year 2014. The average Days on Market for homes is 285 for all price categories for the County. For years, we have had a price segment of our market that has less activity; this is attributed to those home prices being above what some of the local islanders qualify for and below the price focus point for newcomers.

Days on Market for San Juan Island has decreased in all pricing segments except those homes listed above \$1,000,000 where it increased 83%. The average days on market for homes is 303 for all price categories.



The number of sales in excess of \$1,000,000 also increased this year. The County had 38 and San Juan Island had 22 sales. Orcas, Lopez, and non-ferry islands and Shaw had 13, 1, and 2, respectively.

As evidenced by the days on market for this segment of our market, many of the sales in 2015 had been on the market for over 500 days. One could say that this group of sellers was extremely patient.

### Inventory:

Per the NWMLS on January 15th, we had 652 listings for all types of properties in the County, of which 311 are located on San Juan Island. Last year at this time the County had 612 and San Juan had 328 listings.

Of those totals above, the County currently has 54 pending transactions and on San Juan we have 29, which is very similar to last year same time. The strong amount of pending properties suggests merit to sellers having their property on the market during the winter versus waiting until spring. Many sellers have removed their properties from active marketing and plan to re-list in the spring. At the present time, at least on San Juan Island, we have buyers in our market and inventory is down which equates to less selection for the buyer, which will favor the sellers currently listed during the negotiation process.

Per the NWMLS, other Counties in the state with a similar number of listings i.e., 500-700 listings, have a percentage of pending sale to inventory in the range of 13.5%-15% in January. Our County is currently at 8.2% and San Juan is at 9.3%. Counties reviewed include Pacific, Clallam and Chelan; all primarily second home markets with the main difference being our beloved ferry system, our median home price is much higher and they have a larger population base, employment centers, and goods and services. Historically, our recovery continues to lag behind the mainland.

### Interest Rates

The Federal Reserve raised the target federal funds rate a quarter point, its first hike in nearly a decade. That doesn't mean that the average rate on the 30-year fixed mortgage will be a quarter point higher in response - that's not how mortgage rates work. The media is trying to install a sense of urgency with borrowers and buyers based on fear of interest rate increases. This is an election year, so as always, rates will remain steady.

### Charts

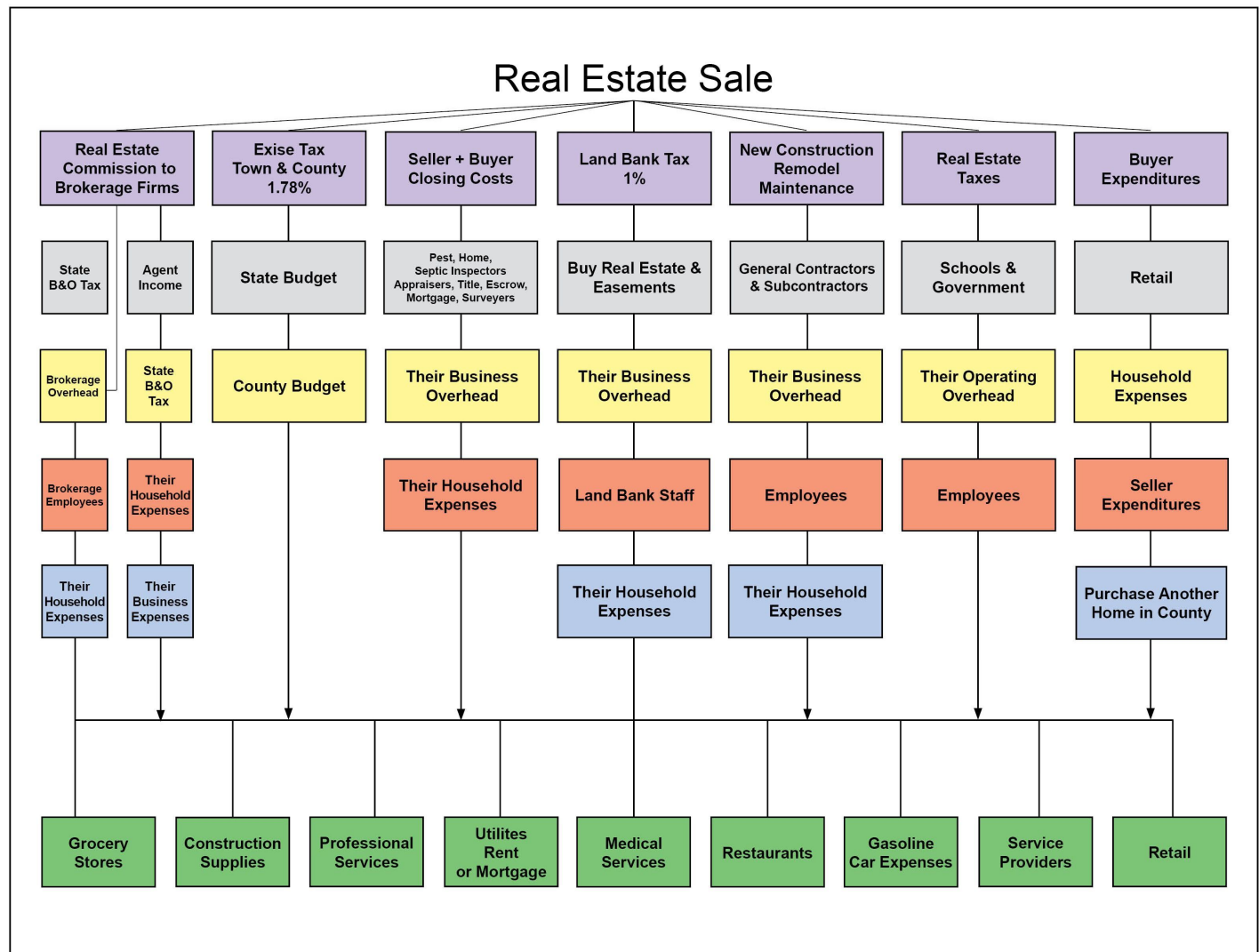
Below is a link to numerous charts that reflect data from 2015 and historic comparable statistics.

Link: [View All 2015 Charts](#)

### Showcase of Listings

The Coldwell Banker San Juan Islands Showcase of listings deadline this year is April 1, 2016. If you are considering selling your property this year, this is an excellent publication to be included in. The showcase is a handout at our Friday Harbor and Roche Harbor offices as well as on the ferry system.

As agents we are all anticipating more market recovery in 2016 which will be favorable to our local economy. As we work in the industry daily, it is clear to us how many service providers depend upon a decent real estate market to maintain and grow their businesses. Each real estate transaction results in a **trickle down economy** that impacts the construction industry, retailers, government, and other related service providers and even Matt Pranger, the parking ticket guy. When working with clients, agents are often distracted and unable to relocate their vehicles in time!



Coldwell Banker San Juan Islands looks forward to a successful 2016 and I would like to be considered your agent should you need my services. Be sure to contact me if you have any questions regarding our real estate market.