

San Juan Island Real Estate Market Update

The second quarter results which complete the first half of the year for San Juan Island were very similar to 2015 as the real estate dollar volume reflected a decrease of 1% over the same period. The first half volume for 2016 was \$56,700,175 as compared to \$57,435,820 in 2015. The number of transactions was also down with a 4% decrease. This is almost a mirror of the first half of 2015 as compared to 2014, same period, when the dollar volume was an increase of 2%.

Overall, San Juan County's volume of \$109,335,541 for the first half was down 3.5% with 258 transactions in 2016 as compared to volume of \$113,235,425 in 2015. The number of transactions in 2016 is down 11% for the County. Similar dollar volume with a decrease in transaction number is an indication of fewer but higher priced property sales.

If anything, our market has been extremely consistent since 2014 with higher priced properties being sold, which is partly due to the low inventory levels for homes listed below \$400,000.

First Quarter	2016	56	\$23,822,208
Second Quarter	2016	68	\$32,877,967
First Half	2016	124	\$56,700,175
First Half	2015	129	\$57,435,820
First Half	2014	133	\$56,371,551
First Half	2013	82	\$28,893,248
First Half	2012	83	\$37,430,741
First Half	2011	83	\$34,278,952

Sales in excess over \$1 M total 17 year-to-date in the County with San Juan enjoying 9, Orcas with 4, and Lopez and Shaw with 2 each. As in the case of total dollar volume, the total of high-end sales is very similar to 2015 and 2014 for the same period. Currently 11 high-end sales are pending in the NWMLS for the County which is very similar to the number in 2015. Literally, we could have just re-issued the June 30, 2015 real estate market update but we suspected as a reader, you may have noticed.

San Juan Island Historic Data

YEAR	NUMBER OF PENDING				
	NUMBER OF LISTINGS IN JUNE	PER NWMLS	NUMBER OF CLOSED TRANSACTIONS	RATIO OF INVENTORY TO CLOSINGS	PENDING TO LISTED RATIO
	PER NWMLS	JUNE	At Year End		
2016	355	44	?	?	12%
2015	350	45	252	72%	13%
2014	407	35	288	71%	9%
2013	418	36	212	51%	9%
2012	439	33	227	52%	8%
2011	465	14	156	34%	3%

As indicated by the chart above, inventory has been status quo in June of each of the last few years. The number of pending sales is also very similar and the ratio for the number of pending to number of listed properties has improved since 2014. This steady increase in pending activity will place absorption pressure on the current inventory and future inventory is not originating as it has in the past. In 2015 between May and June, 74 residential home listings were originated, in 2016, same period, only 43 were originated.

Based on all of the indicators, the closing volume should be primed to move upward.

As agents, we all have numerous buyers currently viewing properties and the amount of showings on each of our residential home listings is above normal. Based on the ratio of showings to contracts, it is still apparent that many buyers feel they have the luxury to wait longer for the "perfect" property.

As agents, we are on the front line and we are noting the transition in many of the pricing segments of our market changing. Inventory under \$400,000 is extremely tight and high-end sales continue to increase.

Our advice to buyers is not to wait too much longer if you hope to purchase before prices start to increase. We generally feel that based on the statistical data, now is a good time to buy.

As I mentioned above, our agents are working with numerous buyers and our listings are very active with showings. We are fortunate as Coldwell Banker San Juan Islands Inc. is **enjoying a 21%** increase in dollar volume year-to-date even though the San Juan Island real estate market dollar volume is very similar to last year same period.

CURRENT PENDING LISTED PROPERTIES BY PRICE ON SAN JUAN ISLAND

on July 14, 2016

\$0 –	\$401,000 –	\$601,000 –	\$801,000 –	\$1,000,000+	Land	Other & Commercial	TOTAL
12	11	6	1	4	10	0	44

RECAP OF LISTED PROPERTY CLOSINGS JAN-JUNE BY PRICE ON SAN JUAN ISLAND

\$0 –	\$401,000 –	\$601,000 –	\$801,000 –	\$1,000,000+	Land	Other & Commercial	TOTAL
37	16	11	4	9	23	0	100

DETAILS OF LISTED PROPERTY CLOSINGS JAN-JUNE BY PRICE ON SAN JUAN ISLAND

	\$0 –	\$401,000 –	\$601,000 –	\$801,000 –	\$1,000,000+	Land
% off List	4.1%	6.9%	5%	7.4%	10.7%	10.9%
AVG DOM	265	368	535	692	528	718

Another indicator of recovery is the average percentage negotiated off list price at the time of sale is less and the result is sale prices are closer to full price. In 2014 the average percentage off list price for all types of property was 9%, in 2015 it was 6% and the first half of 2016 the percentage is less than 2015 in each price category. As an example, in 2015 the average percentage off list price for over \$1 M properties was 14.56% and now it is 10.7%.

We are sure you have noticed the days on market is rather lengthy in some price range categories but that is an average which includes a number properties that were on the market for 5-7 years and have finally sold. **Another sign of changing times**

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