



SAN JUAN COUNTY REAL ESTATE MARKET SUMMARY

The first quarter results for San Juan County and San Juan Island reflects the impact of higher interest rates and inflation that have created hesitant buyers and sellers.

Per the NWMLS, the dollar volume in San Juan County was \$45,358,580 with a total of 51 transactions. The numbers reflect a 39% decrease in dollar volume and a 19% decrease in the number of transactions as compared to the same quarter in 2023.

For San Juan Island, the dollar volume was \$18,908,580 with a total of 23 transactions. This was a 39% decrease in dollar volume and a 36% decrease in the number of transactions. The percentage of decrease in this first quarter in both dollar volume and number of transactions is much greater than the first quarter in 2023. Not good.

SAN JUAN COUNTY VOLUME RECAP REPORT					
AREA	2024 1st QUARTER DOLLAR VOLUME	2024 1st QUARTER TRANSACTIONS	2023 1st QUARTER DOLLAR VOLUME	2023 1st QUARTER TRANSACTIONS	PERCENTAGE OF CHANGE VOLUME / NUMBER
San Juan County	\$45,358,580	51	\$73,938,200	63	39% Decrease Vol / 19% Decrease No.
San Juan Island	\$18,908,580	23	\$30,759,250	36	39% Decrease Vol / 36% Decrease No.

First quarter results are always volatile and do not necessarily set the trend for the year. The first quarter is more susceptible to weather conditions for travel, buyers waiting for their tax return, and low inventory which affects buyer selection. Historically, the summer has always been the most active time of year in our market.

The decreases in dollar volume are directly associated with the current inventory levels, some sellers have decided to wait until summer before listing their property for sale. Less inventory and economic uncertainty equates to fewer buyers.

Our inventory as of April 1, is a total of 177 for San Juan County and 72 for San Juan Island. These totals are slightly lower than March 2023; however, the most notable difference is on San Juan Island, the number of pending transactions has doubled since March 1, 2024. As of April 1, San Juan County has 26 pending transactions with 16 of which are on San Juan Island.

Due to the seasonality of our market, inventory should increase by Summer. Many of our sellers relocate off island due to Ferrys, health and wanting to be closer to family. Many own their properties free and clear and plan to pay cash for the replacement property off island. They are not as affected by high interest rates as the newcomers to the island.

Further, for buyers this current type of market can be beneficial. There are not as many other buyers in direct competition and considerably less multiple offer situations. Although, reports from the Seattle Metropolitan areas include an increase in multiple offers and escalating prices. We tend to mirror that market with a lag time.

By year-end 2023, our 12-month median home price had actually decreased. However, the median home price for San Juan Island for the 12 month period of March 2023 through March 2024 is \$862,500 which is an increase of 5.6% as compared to year-end. The entire County's median home price also reflects an increase of 1.7% to \$895,000. The Median Price calculation is not a reflection of appreciation but merely a trend in the market. Median Price is defined as half of the homes sold for a higher price and half sold for less. It is less biased than the average price.

In our current market, sellers are accepting the standard purchase contingencies and time limits, which is very comforting. However, sellers negotiated on average 4.7% off the list price for homes at the time of sale during the first quarter. This is less than the first quarter in 2023.

In recap for the County, our volume and number of transactions for the first quarter were not good, but the median home price appears to be on the increase, sellers are negotiating less off their sales price, we have increases in number of pending transactions, the average of 111 days on market for homes for the quarter is manageable, and we are approaching the summer season.

I believe that the buyer activity will increase over the next few months. The indications from the amount of Zillow leads and listing "hits" from the various websites, all reflect increased activity levels. Further, agents are experiencing more direct contact from buyers with inquiries. These are all the necessary steps that buyers take before they set their showing appointments with the intent to purchase property.

Real estate is one big cycle with cause and effect.

In this market, there are pros and cons on either side of the transaction, buying or selling. I am going out on the limb and state there are some indicators that we have turned the corner in the market correction. My only concern is the elephant in the room, which is dollar volume.

To state the obvious, the dollar volume and number of transactions will increase once we have more inventory and more buyers in the market. If property prices remain on an increasing trend, more sellers will list. More inventory will originate more buyers. I think buyers are becoming accustomed to higher interest rates. As I am older, I recall 18% ... now that was a high interest rate!

Of course it is an election year, so all my bets could be off.

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