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## SAN JUAN COUNTY REAL ESTATE MARKET SUMMARY

The first quarter results for San Juan County and San Juan Island maintained the momentum that was present during last year. As compared to the first quarter in 2020; the data for both the County and San Juan Island reflects an increase in volume and transaction numbers for the period ending March 31, 2021. San Juan County's dollar volume is up 52% with the number of transactions up 37%. San Juan Island's dollar volume is up 46% with the number of transactions up 28%.

### SAN JUAN COUNTY VOLUME RECAP REPORT

Area	2021 1st Quarter Dollar Volume	2021 1st Quarter Transactions	2020 1st Quarter Dollar Volume	2020 1st Quarter Transactions	Percentage of Change Volume / Number
San Juan County	\$80,099,226	130	\$52,766,667	95	52% Increase Vol / 37% Increase No.
San Juan Island	\$38,744,860	62	\$26,423,788	49	46% Increase Vol / 28% Increase No.

Coldwell Banker San Juan Islands Inc. is up 30% for the first quarter as well. The first quarter is always volatile and not necessary a direct reflection of how the year will finish out.

However, we continue to note the demand from buyers desiring to relocate to rural areas, work from their homes and avoid the high-density metropolitan locations. The showing activity is normal for this time of year, but the inventory is critically low. The client leads from the platforms such as Zillow, Trulia, and REALTOR.com are originating at a similar pace to last year, at this time.

As of April 5, 2021, the total inventory for the County is 212 for all types of properties, excluding business opportunities. Of that total, 84 are pending and in escrow. Active listings of 128 is less than 2 a month supply for the County. The total inventory on San Juan Island was 94 for all types, with 40 of those pending and in escrow. The pending transaction numbers are up as compared to last year, same time and inventory totals are down. The County is down 55% in inventory and up 39% in the number of pending transactions. San Juan is down 53% in inventory and up 66% in number of pending transactions.

It has been very difficult for agents to originate new listings as many of our sellers do not have the ability to purchase in a new location. Our typical seller is 65-85 years of age and desires to relocate to be closer to family members and/or near health facilities. If they sell now, which may be the top of our market, many of the popular markets around Seattle are very challenging for buyers. The metropolitan areas have multiple offers with escalating prices and one needs to be a cash buyer with very few or no contingencies to be successful.

Our market is experiencing multiple offers with many buyers paying above list price as well. Having cash here is key but our sellers are still accepting of allowing the buyer, a period of time to inspect the home and process their due diligence. This may change if we are not able to originate more inventory and the demand continues at this pace. The San Juan County sellers that have entered the market and listed their properties are mostly those selling their investment property or their second homes. They are capitalizing on the great opportunity to sell in an extremely favorable market.

Some sellers are not formally listing their properties, just selling with the assistance of agents to a buyer that they have located or that approached them. In some cases, agents are sending letters/emails to certain neighborhoods to find a property for a buyer; again, no formal listing.

The lack of Inventory will slow down our transaction numbers but the escalation in prices may very well keep our dollar volume high. If inventory fails to build, our market will stall and buyers will become frustrated with the poor selection. Time will tell.

The buyers that live here or have taken a rental have the advantage over those that are trying to buy remotely. We have been using Facetime and making videos for our remote buyers but, it is difficult for them to compete when they have yet to see the property. Year-to-date, we have had numerous multiple offer situations for land, homes, and condominiums. Sellers get to pick and choose which offer is most suitable based on terms, and whether a buyer has seen the property, is a very important element.

Agents, buyer and sellers are all having to adapt safely to our new COVID normal. Our service providers have all developed their technologies to accommodate working with clients in this environment. Escrow, notaries, insurance, lenders, title, and the County Recorder's office are open to the public via appointment and operational; however, most still conduct the majority of the transactions on-line and remote.

Surveying, well testing, septic inspections, repairs, home inspections and bids for the repairs are all back to business but the individuals are using masks and distancing while on sites. Even though we have all the new technology "bells and whistles", real estate is still a people industry, and it comes down to relationships. Real estate is local and boots on the ground are critical. I miss driving around with clients in my car sharing information and answering questions about our community, it gave us a sense of pride. An agent's introduction to the island is a large part of the experience for the buyers.

With the low inventory, showings are quick; barely 1-2 properties for any buyer to view.

**SAN JUAN ISLAND INVENTORY RECAP**

<b>Area</b>	<b>Homes &amp; Condominiums</b>	<b>Land</b>	<b>Commercial &amp; Multi-Family</b>	<b>Total</b>
<b>San Juan County</b>	<b>58</b>	<b>55</b>	<b>15</b>	<b>128</b>
<b>San Juan Island</b>	<b>26</b>	<b>21</b>	<b>7</b>	<b>54</b>

We have brutally low inventory levels across the board for all property types and the most difficult segment of our market are homes and condominiums listed under \$500,000; San Juan County only has 6 listings with 4 of those on San Juan Island.

Land sales have increased this year as the selection for existing homes is very low. Our general contractors are all very busy with new construction and remodels and the sub-contractors are even busier. An individual trying to arrange a plumber or electrician to service their home realizes quickly that it can be a character building experience. We need more service providers on the island as many of our existing crews are not spring chickens, I know of several retiring or headings toward semi-retirement.

We are not out of the woods with COVID and many of our local businesses were financially impacted by the closures. The real estate and construction industries have done well and continue to do so. Hopefully, these industries will help prop up our local economy with the trickle down, until other businesses can reach their new normal. San Juan County is a proactive County and had a comprehensive pandemic plan with proper restrictions in place this last year. I feel safer here surrounded by my community and friends as I believe them to be a responsible and a considerate population base.

As always if you need additional information, please be sure to contact one of us. To read all our past market updates and industry related articles or view our San Juan Island Lifestyle videos, please visit our blog at: <http://sanjuanislandlestyle.com/blog/>