



SAN JUAN COUNTY REAL ESTATE MARKET SUMMARY

This last year continued as a correction in our real estate market relating to dollar volume and number of transactions. We returned to a much more balanced approach with transaction negotiations during the year. However, even though the volume and transaction numbers were down, the days on market and percentage of sales price to list price were decent as they returned back similar to the pre COVID years. Please refer to more details on page Two of this summary.

TRANSACTIONS AND VOLUME BY YEAR		
San Juan County		
2023	325	\$343,832,549
2022	375	\$380,610,087
2021	663	\$567,862,152
2020	666	\$466,709,745
San Juan Island		
2023	156	\$150,699,250
2022	170	\$172,672,335
2021	319	\$241,242,793
2020	297	\$217,576,869

In reviewing the year-end results for 2023, the sales dollar volume for the real estate market in San Juan County per the Northwest Multiple Listing Service was \$343,832,549 which reflects a decrease in dollar volume of 10% as compared to 2022 when the dollar volume was \$380,610,087. The County closed 325 transactions which is a 13% decrease from last year. The average number of transactions per month was 27 compared to 31 last year.

Total dollar volume on San Juan Island in 2023 was \$150,699.250 as compared to \$172,672,335 in 2022. The decrease was 13% in dollar volume with a decrease of 8% in the number of transactions. The average number of transactions per month was 13.

As comparison, the decreases from 2021 to 2022 were mid-level double digits in both categories of dollar volume and number of transactions. This year's change in our market gives the appearance that the downward trend for dollar volume and transaction numbers may be slowing, if not leveling off.

Being that this is an election year and economic forecasts include decreases in the interest rates during the year, I believe that 2024 will offer a more stable level of activity which is a much more predictable market for buyers and sellers, and more equitable to both parties. In a balanced market, sellers feel as though they are getting market value for their property and buyers feel that they are not paying too much.

Currently the inventory level is brutal in all property types, but we assume that it will increase by Spring as it has done in past years. Sellers typically list their properties after they can process the Winter clean up, so their curb appeal is high. Many hope to close during the Summer of 2024 and listing by Spring gives them that edge.

During 2024, the average days on market for homes on San Juan was 83 and it was 57 for land. It was slightly longer for the County with 92 days for homes and 100 days for land.

In the expected market conditions for 2024, buyers will be granted time during their transaction to process their financing, home inspection, feasibility study and even close a home they have sold somewhere else. The typical transaction time is 45 days, if financing is involved, and 30 days if not.

Inventory should increase as sellers will want to list prior to Spring because the day count supports it. Average days on the market plus the number of days to process the transaction equate to a Summer closing. We have typically been a seasonal market, except for the COVID impact years.



Highlights of our market:

- The median home, condominium and manufactured home price for a 12-month period ending December 2023 for San Juan Island was \$815,000 which is a 4.4% decrease from 2022 when it was \$852,000. The median home price for the same period for the County was \$880,000 which is a 4.5% decrease from 2022 when it was \$921,000. The median is a typical market price where half of the homes sold for more and half sold for less. Median price is not an appreciation/depreciation calculation but merely a trend. It lags the market as we use a 12 month period for analysis due to the size of our market. The median home prices should stabilize during the first part of 2024, if the market remains on the current trend.
- The average days on market number (DOM) for homes, condominiums and manufactured housing on San Juan Island was 83 during 2023 which is an increase from the DOM of 53 during 2022 for the same 12-month period; however, it does vary on the price range. The average days on market for the County during 2023 was 92 days which is also an increase from 53 in 2022. Although, DOM has increased, it is similar to pre COVID years.
- On San Juan Island, 47 sales for all types of real estate closed in excess of \$1M each with a total 106 for the County. The number of sales is lower than 2022 for both San Juan Island and the County.
- Inventory levels in the San Juan Island and the County for all property types remain very low. On San Juan Island the total inventory as of January 3rd was 56 with 49 active and 7 pending. The total inventory for the County was 147 with 132 active and 15 pending. Inventory totals are down from January 3, 2022; San Juan Island is down 22.3% and the County is down 4.6%. The most notable is the percentage of pending transactions which is down close to 37% for both San Juan Island and County.
- During the last year, sellers negotiated on average 4.7% off the list price of homes at the time of sale on San Juan Island and an average of 6.2% off the list price of homes in the County. This is only a 1% change from 2022 for San Juan Island and a 1.7% change for the County. Again, the percentage has increased but it is similar to pre COVID years or a more normal percentage for our real estate market.
- Sellers negotiated on average 2.5% off the list price of land at the time of sale on San Juan Island and an average of 4.2% off the list price of land in the County. Inventory for land was tight all year, therefore sellers did not have to negotiate as much.

Many of the national economic forecasters working for Zillow, Red Fin and the National and Washington Association of Realtors are predicting that mortgage interest rates will decrease in 2024, perhaps 1% by year-end. Mortgage rates are influenced by the bond markets and other indexes. As I mentioned, it is an election year and our government will do their best to stabilize the national real estate markets prior to the voters deciding who their favorite candidates may be, if any.

As a hardworking agent in real estate on this island, I feel good about the market in 2024 and am looking forward to it. I much prefer a more balanced approach to price negotiation and transaction management. A balanced market makes it more equitable for the parties involved versus a market which favors one party over the other and the answer is always "no". I sleep better at night when I believe the transaction that I worked on produced results that treated all parties fairly.

Showcase of Listings: The Coldwell Banker San Juan Islands, Inc. Showcase of Listings deadline this year is March 31, 2024. 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 office as well as on the ferry system. Contact Terri or me should you have interest in selling and want a free opinion of value for your property.