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## SAN JUAN ISLAND REAL ESTATE MARKET SUMMARY

The third quarter results for San Juan Island and San Juan County were consistent with the first quarter results; very robust. The second quarter was in COVID shock but that gave way to a strong third quarter. Per the NWMLS, the dollar volume year-to-date on San Juan Island was \$139,281,708 with a total of 188 transactions. This reflects a 65% increase in the dollar volume and a 38% increase in the number of transactions. For San Juan County, the total dollar volume was \$292,879,941 with a total of 430 transactions. The County also had an increase which was 41% in dollar volume and 34% in number of transactions. Based on the active market, we will complete this year above 2005 dollar volume, which was when the volume and number of transactions reached an all-time high.

### TRANSACTION RECAP REPORT

| San Juan Island |      |     |               |
|-----------------|------|-----|---------------|
| Jan-Sept        | 2020 | 188 | \$139,281,708 |
| Jan-Sept        | 2019 | 136 | \$ 84,399,236 |
| Jan-Sept        | 2018 | 180 | \$ 98,760,950 |
| Jan-Sept        | 2017 | 230 | \$113,662,656 |
|                 |      |     |               |
| San Juan County |      |     |               |
| Jan-Sept        | 2020 | 430 | \$292,879,941 |
| Jan-Sept        | 2019 | 321 | \$207,761,506 |
| Jan-Sept        | 2018 | 394 | \$218,972,280 |
| Jan-Sept        | 2017 | 443 | \$217,716,790 |

For the agents and brokerage firms, this market would be considered incredible. Coldwell Banker San Juan exceeded our entire 2005 year's volume by the third quarter in 2020. The majority of our agents, and those throughout the County are having their best year ever. The source of all this activity is extremely low interest rates, the exiting of the metropolitan areas towards a safe haven location away from COVID and civil unrest.

Further, many prospective buyers have been working out of the home and have realized, they

do not need to be in Seattle, they can work remote from paradise.

The buyer profile remains the same as always, the age group is mostly 45–65 years, looking for a second home that will become their future retirement location. Most are interested in water view or waterfront homes. Once lodging opened in the County, buyers were driving from the western Washington area and purchasing homes in the \$1m to \$2m range, which reduced our inventory sharply.

### SALE ACTIVITY OVER \$1M

|                 | CLOSED 2019 | CLOSED Y-T-D 2020 | PENDING | FORECASTED TOTAL FOR 2020 |
|-----------------|-------------|-------------------|---------|---------------------------|
| San Juan Island | 20          | 41                | 16      | 57                        |
| San Juan County | 43          | 81                | 29      | 110                       |

Per the chart above, sales activity over \$1m properties are ahead of 2019 with just our year-to-date closings. The numbers should be double that of 2019 at year-end 2020, if all the pending sales close. High-end sales provide upward movement in our median home price.

## Page 2 San Juan Market Summary

As of October 14, 2020 we have a total of 177 property listings on San Juan in the NWMLS, with 89 of those properties in escrow. This is compared to 254 listings with 34 of those in escrow same time last year. This reflects a 30% decrease in the total number of listings and a 161% increase in the number of escrows from last year same time. The inventory totals include all types of property.

The County reflects a decrease of 33% in total number of listings and an increase in the number of escrows from last year same time of 97%.

### Recap of our San Juan County Market:

- The median home price for a 12 month period ending September 30, 2020, for the County and San Juan Island is \$655,000 and \$675,000 respectively, these prices reflect an increase of 15% for the County and 24% for San Juan Island over last year same period. The median is a typical market price where half of the homes sold for more and half sold for less. This is not an appreciation calculation but merely a solid trend indicator.
- The median land price for a 12 month period ending September 30, 2020, for the County and San Juan Island is \$199,000 and \$207,000, respectively. The increase is 15% for the County and 17% for San Juan Island over last year same period.
- The average home price for a 12 month period ending September 2020 for the County and San Juan Island is \$889,985 and \$999,814, respectively. The increase is 12% for the County and 38% for San Juan Island. The average price for land for the County and San Juan Island is \$274,297 and \$244,366, respectively.
- YTD the average days on market number (DOM) for homes and condos in the County and on San Juan Island was 176 and 186, respectively. These numbers are very similar to last year, at this time. The average days on market number for land in the County was 369 days and it was 407 days for San Juan Island.
- YTD sales in excess of \$1m each represented 53% of our total dollar volume for the County and 60% for San Juan Island. This is a major increase from the numbers last year, at this time and explains why the inventory in this category is down to slim and none. The percentages in past years has been in the range of 35-38%.
- YTD sellers negotiated on average 3.9% off the list price at the time of sale for homes and condos in the County and 3.49% for San Juan Island. These percentages are down from last year.
- YTD sellers negotiated on average 10.1% off the list price at the time of sale for land in the County and 5.4% on San Juan Island. These percentage are also down from last year.

The bottom line is that the market is incredibly busy; agents, real estate brokerage firms, lenders, escrow, title, appraisers and the well, home and septic inspectors and land use consultants are all working to their maximum capabilities, if not more. If you are buying and selling in this market, please make sure your contract date expectations are reasonable given the current circumstances.

Due to my personal volume, I almost decided not to write this newsletter as I was trying to prioritize what file(s) I should be working first. Obviously, I caught a break in the action and belted this report out. It is all good news, so I hope you enjoyed reading it!