

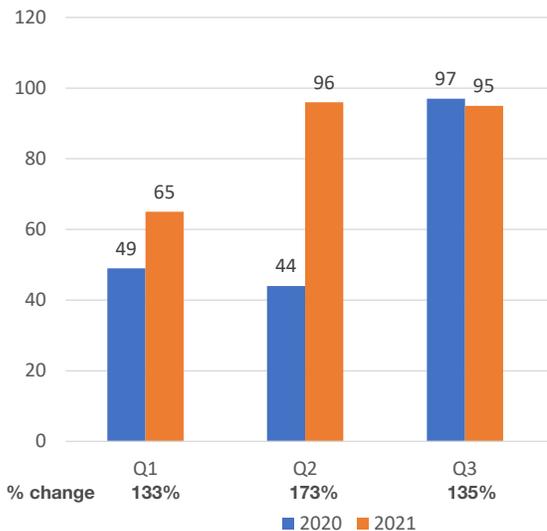


It's been an interesting 12 months for real estate to say the least- real estate has been on fire! Supply is still very low, demand is still very high. The 2021 real estate market has been an anomaly and is not predicted to continue on this path forever, it is predicted that the supply of houses will slowly catch up to the demand and the appreciation rates should level out to a more normal number. Currently in the top markets in the country, the average appreciation is the near 20% year over year, this is not normal nor is it sustainable.

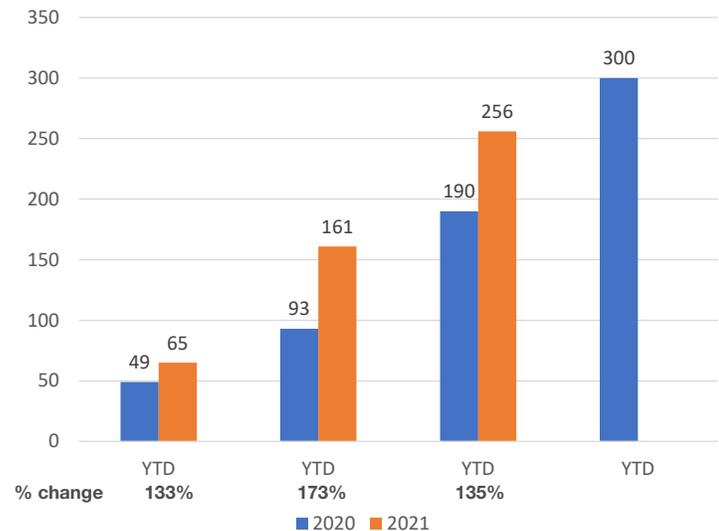
With what has been happening there are a lot of questions swirling about—will the prices continue to increase? Will the inventory improve? Are interest rates on the rise? Are we headed for a crash in the real estate market? All great questions! Things are changing a bit in most of these areas, we are anticipating a slight uptick in mortgage rates (keep in mind they are still at historically low levels), available inventory remains extremely low, and price are still inching upward. In the past 12 months sellers have really been able to push the market on list price and buyers have clamored to be the chosen offer.

The first 9 months have shown very strong sales activity. For San Juan Island, through the 3rd quarter, there have been 256 recorded sales, in 2020 there were 190 recorded sales for through the 3rd quarter. San Juan County 2021 has seen 521 recorded sales and 2020 experienced 433 sales through the 3rd quarter. Big jump year over year! Both number of transactions and dollar volume have seen significant increases when comparing 2020 to 2021.

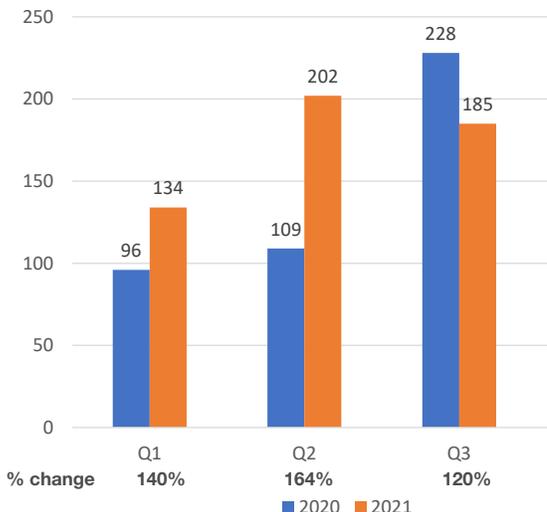
### By the Quarter / Sold Transactions SAN JUAN ISLAND



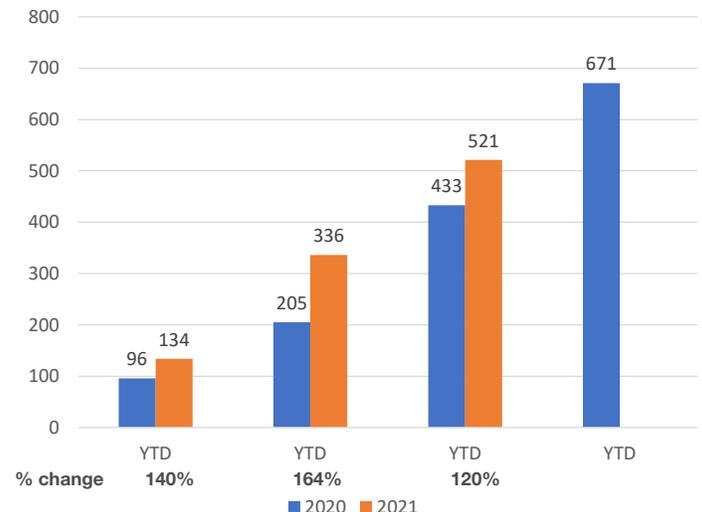
### Year-to-Date / Sold Transactions SAN JUAN ISLAND



### By the Quarter / Sold Transactions SAN JUAN COUNTY



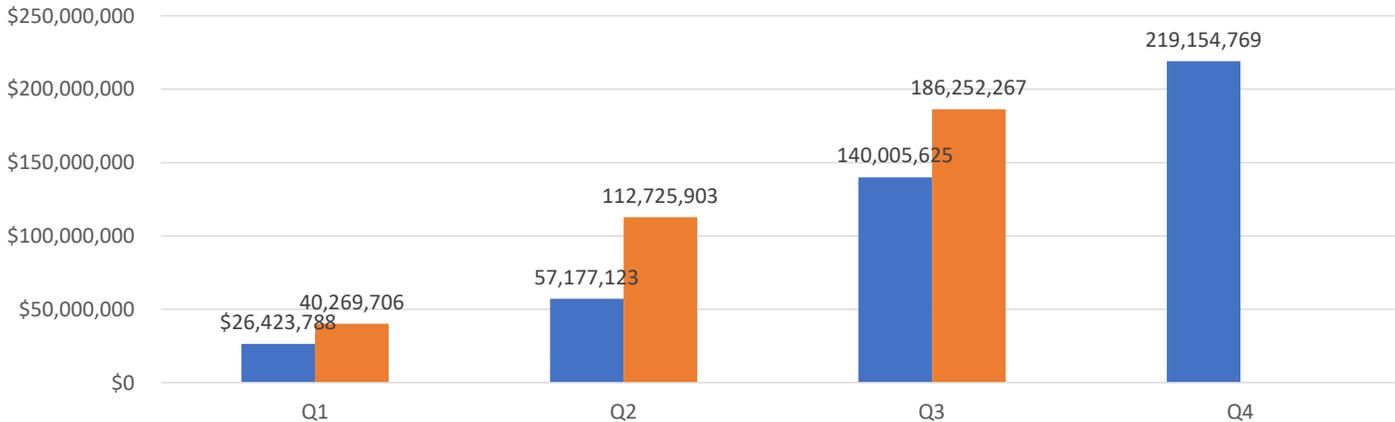
### Year-to-Date / Sold Transactions SAN JUAN COUNTY



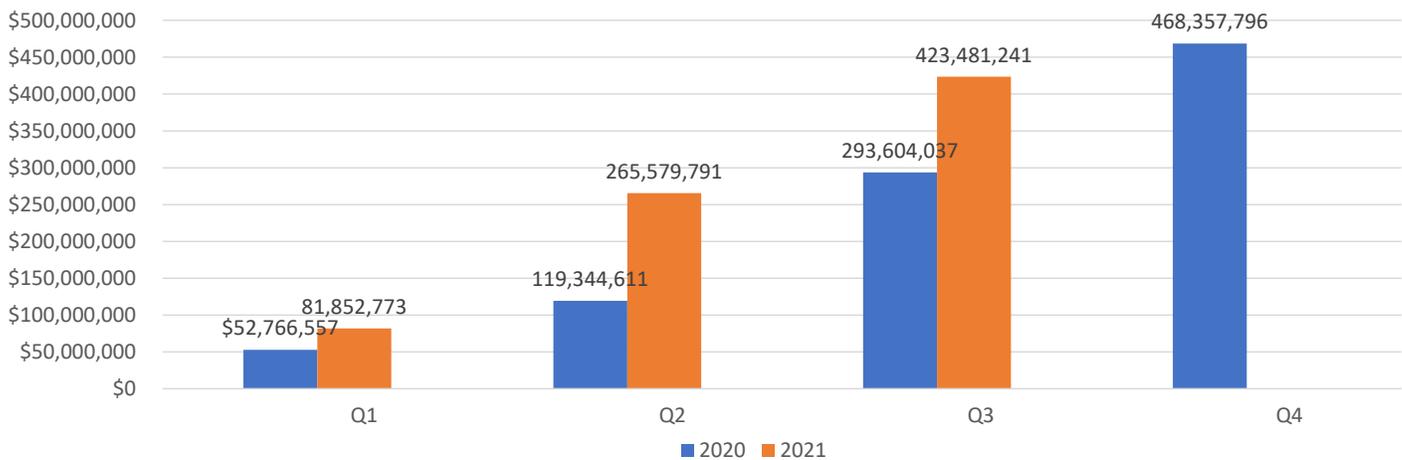


Nationally prices continue to increase gradually and homes continue to sell quickly. Locally we are seeing our trends follow many of those of the National market. CoreLogic, which is a data & analytics company, computes that prices increased year of year by an average of 18.1% August 2021 vs August 2020. Our local market has seen increases as well, although not as steep, with a 5% increase in prices for 2021 compared to 2020 on San Juan Island and 24% increase in the entire county. Keep in mind that these prices can be easily influenced by multiple high end sales, the point being that we are experiencing price increases as is happening nationally. The chart below shows the comparisons more specifically.

### Year-to-Date Sold Dollar Volume SAN JUAN ISLAND



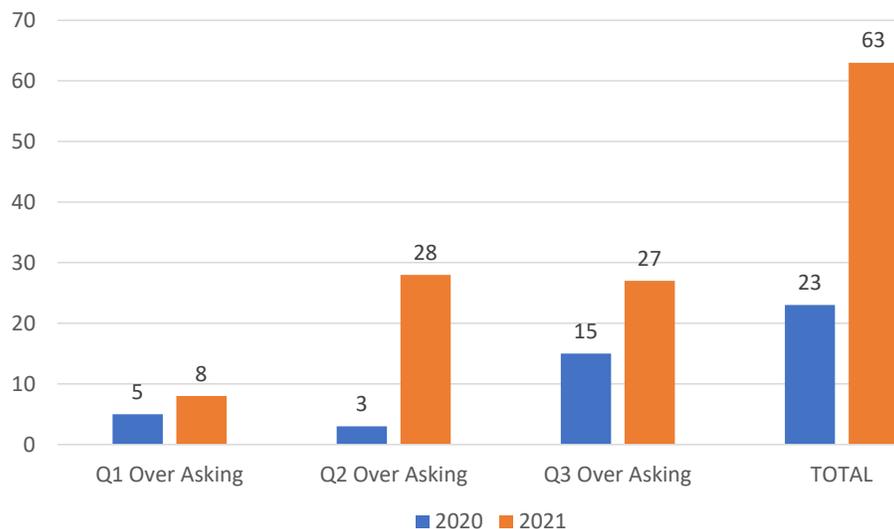
### Year-to-Date Sold Dollar Volume SAN JUAN COUNTY



Inventory levels are a huge influence on the speed at which properties sell and the likelihood of multiple offers coming in on a listing. Currently inventory levels are extremely low in our area. As of October 7th there are 68 available listings on San Juan Island (34 of which are homes and/or condos) and 169 in all of San Juan County (144 of which are homes and/or condos). 34 active, livable properties on San Juan Island! This is similar to the case Nationally, where the supply is the lowest it's been since the 70s.



## Numer of Sales Over Asking SAN JUAN ISLAND



Another anomaly we have experienced in our market this past year is the number of sales prices that were over the asking price. On San Juan Island through the 3rd Quarter of 2020 12% of the sales were for more than the asking price. In 2021 that more then doubled and 25% of sales are for more than the listing price.

There is conversation nationally that the housing supply will be increasing and therefore relieve some demand and bring the market back to some sort of normalcy. We will just have to see how this develops. Regarding the potential of a crash looming, most experts do not predict a crash anytime soon due to the equity most homeowners have in their home which was not the case in the previous market crash. There may be more occurrences of foreclosures later in 2022 as mortgage relief programs end, but it's not likely that our vicinity will be affected to a high degree.

## CURRENT INTEREST RATES

Loan Type	Interest Rate	A Week Ago	Change
30-year fixed rate	3.11%	3.13%	-0.02
15-year fixed rate	2.37%	2.40%	-0.03
30-year jumbo mortgage rate	2.80%	2.79%	+0.01
30-year mortgage refinance rate	3.07%	3.11%	-0.04

Even though the market is challenging for buyers, this is still a great time to buy a home due to the interest rates which actually dropped slightly this past week after a small increase in late September. Here is a look at rates today, rates change daily so be sure to monitor this often to stay informed about the current rates.

Per Tracy James at Movement Mortgage, the limits for Jumbo Loans will be changing come January 2022. Currently jumbo mortgage rates begin at a loan amount of \$548,250, in January the limit will increase to \$625,000. "Movement Mortgage is allowing its loan originators to lock conforming loans for a primary residence purchase or refi up to \$625,000 as of October 13, 2021. Minimum down payment is 10% for purchase transaction. This allows borrowers up to \$76,750 more buying power without the tighter restrictions of a jumbo loan." A great benefit to buyer's looking in a market that is priced similar to our local market. Reach out to Tracy for more details!

The projection is for rates to slowly begin increasing which will mean that those looking to purchase will have less buying power. The good news for buyers is that these rates are incredible! Take advantage of them now if you can because they will continue to rise. And besides, the security and pride of homeownership cannot be beat.

If you are considering selling this is the time to sell, the average days on market is lower so the process will move quickly and with the pent up demand for homes from buyers you can choose the offer that fits your needs the best. Take advantage of the all time sellers' market, it won't last forever!

It will be interesting to see what the final quarter of 2021 offers up, but if you are in need of real estate services or advice, contact your preferred Coldwell Banker San Juan Islands, Inc. broker to see how they can be of service to you!

*Why should you choose to work with a broker at Coldwell Banker San Juan Islands, Inc. vs our competitor? Easy, our Brokers Sell!*

Coldwell Banker San Juan Islands, Inc. brokers have out sold our next highest competitor by over **\$47,000,000** so far in 2021!

**That's 38% more business done by the ultra qualified brokers at Coldwell Banker San Juan Islands, Inc.**

In San Juan County, Coldwell Banker San Juan Islands, Inc. brokers have sold **25% more** in dollar volume, over **\$38,000,000** more than our next competitor.