



**COLDWELL BANKER**

**SAN JUAN ISLANDS, INC.**

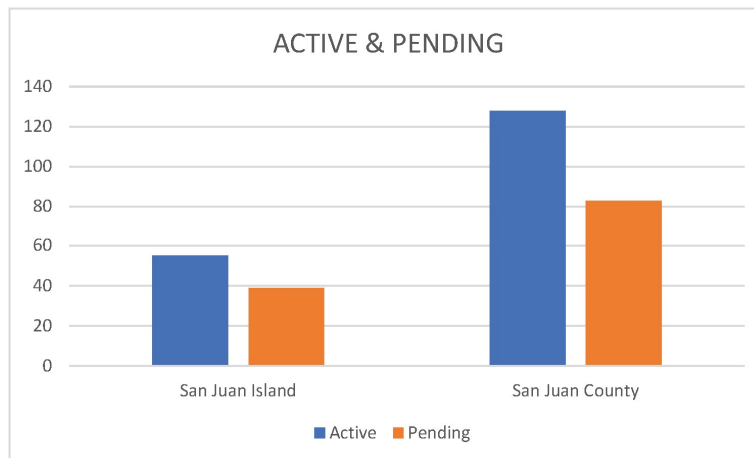
105 Spring Street Friday Harbor WA 98250 ~ PO Box 100 ~ 360.378.2101

*Visit [sanjuanislands.com](http://sanjuanislands.com) to see all listings locally, nationwide, and even worldwide – as well as just about anything else you would like to know about the San Juan Islands!*

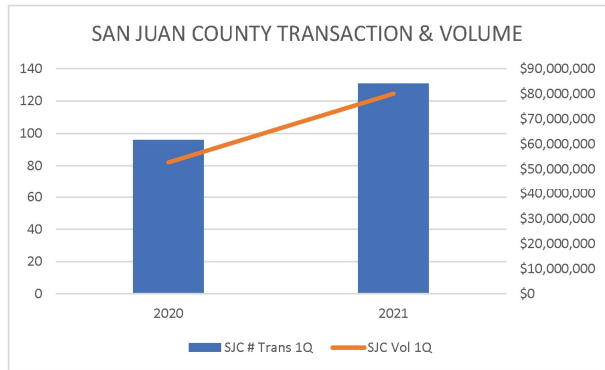
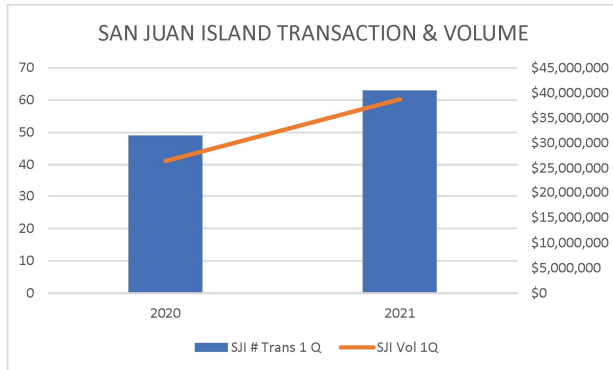
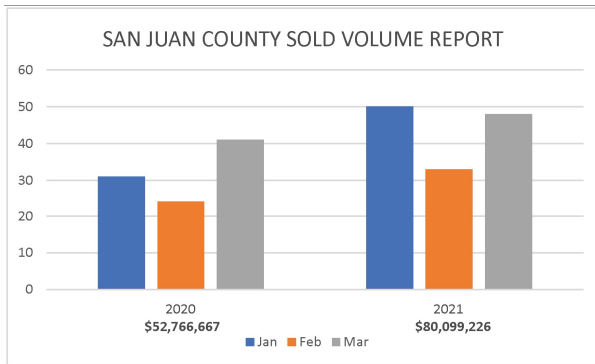
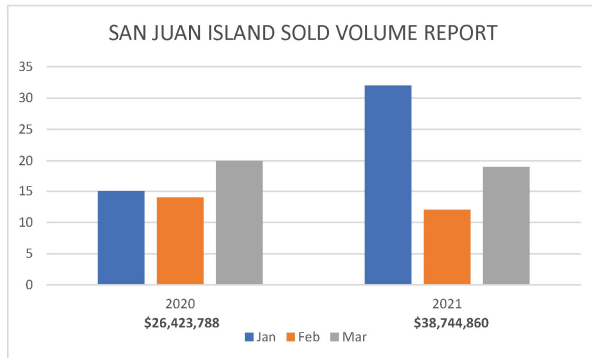
With us now in the 4<sup>th</sup> month of 2021 the market continues to be competitive for buyers resulting in prices increasing and fast sales everywhere you look! This pressure from high demand and low supply is expected to continue for a time in 2021. The only way it will end is if inventory increases or demand decreases and as history tells us, spring and summer in the San Juan Islands is not the time for demand to decline.

The record-low supply of properties for sale coupled with very strong buyer demand is resulting in homes today often selling for more than the list price. In some cases, they sell for a lot more! According to the *Home Buyers and Sellers Generational Trends* report just released by the *National Association of Realtors* (NAR), 45% of buyers paid full price or more. We do not see this changing as the weather improves and more people look to the San Juan Islands to be their next home.

As of April 7, 2021, according to the NWMLS there are currently 55 properties (homes, land, condos, etc.) actively available for sale and 39 properties currently in contract to sell on San Juan Island. San Juan County has 128 active properties for sale while 83 properties are in contract to sell.



San Juan Island and the county as a whole has seen a great start to the year in terms of number of sales as well as dollar volume closed. With an increase in both, it is a very fast-moving market. Compared to the same timeframe in 2020 the dollar volume for San Juan Island increased 46% and the number of sales increased 28%. This indicates that the prices are appreciating. San Juan County followed a similar trend with dollar volume up 52% and number of sales up 37%. We will have to take into consideration at the end of the second quarter that in 2020 the entire world was essentially shut down for the entire quarter, so it is expected that the numbers for 2021 compared to 2020 for Q2 will look quite impressive!



### Things to consider as a seller...

As interest rates continue to tick up and the anticipation of increased inventory on the market, whether it be the usual seasonal increase or due to the increase in number of vaccines in arms easing seller apprehension, all signs point to the present as being the best time to be in the market to sell.

Keep in mind that appreciation is happening in all areas of the market. 2020 appreciation nationally averaged 10%, predictions for 2021 is slightly lower at 5-10%. If your plan is to sell your current home or property, then purchase something else at a higher price point, and you wait, you may actually lose money. For example, say someone is considering selling their home for \$700,000 but are hesitant because if they wait a year they might make an additional \$70,000 due



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to appreciation. If the type of home they are considering buying is currently worth \$1,000,000, and the same rate of appreciation applies, then in a year that type of home would be worth \$1,100,000. Therefore, by waiting a year there would be a potential cost of \$30,000. This does not take into account the increases in interest rates that may factor into the costs to purchase your next home. Further, if inventories continue to go downward, the number of homes to choose from will also be reduced. The moral of the story; take advantage of this face paced, robust market as a seller!

Things to consider as a buyer...

We are experiencing a new style of real estate acquisition, very similar to a live auction. In this ultra-competitive market, when a property is newly listed, in order to position yourself as a viable buyer, one must often think of the list price as the reserve price in an auction. It is the minimum the seller will accept, the floor of the negotiation. It's a powerful position if you are the seller and a very stressful position if you are a buyer.

It's not a completely hopeless situation for buyers. While things are competitive, and prices are increasing (sellers will call that appreciating) the great news is that with interest rates at record lows the buying power of your money is still great. Don't hesitate and wait for things to "cool off", you may miss the opportunity to buy your dream property! Yes, you have to be organized and have your financing in order and you have to be ready to make a quick decision with no guarantee of success. But it only takes 1 successful offer to realize the joy of buying your dream home or property.

Interest rates are creeping up, with today's rates higher than what we have seen in over 6 months. Keep in mind that these rates are phenomenal! Not that many years ago, people were celebrating when they dropped below 10%. The average interest rate today for a 30-year fixed rate mortgage with a conforming loan balance (\$538,250 or less) is 3.33% with points at .39%. Check with your loan officer for rates specific for your situation. Take advantage of the buying power this offers buyers!

If you are curious about Real Estate across Washington state, see the chart below. The last 2 columns on the right, months of inventory, paint the picture of how low our inventory is at this point, a balanced market offers 6 months of inventory.



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Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES			MONTHS OF INVENTORY	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	4,117	1,769	4,054	2,956	\$928,617	\$740,000	0.60	1.15
Snohomish	1,594	336	1,631	1,192	\$651,568	\$607,475	0.28	0.98
Pierce	1,686	444	1,861	1,251	\$512,728	\$470,000	0.35	1.09
Kitsap	445	143	456	338	\$553,568	\$450,000	0.42	1.30
Mason	137	53	148	88	\$391,369	\$325,900	0.60	1.91
Skagit	208	106	206	158	\$539,720	\$485,550	0.67	1.98
Grays Harbor	154	104	156	125	\$344,900	\$280,000	0.83	2.66
Lewis	127	75	151	132	\$371,353	\$348,000	0.57	2.24
Cowlitz	122	46	148	109	\$378,484	\$358,000	0.42	1.21
Grant	136	85	145	96	\$286,649	\$245,177	0.89	2.87
Thurston	522	138	558	371	\$463,428	\$424,947	0.37	0.95
San Juan	34	56	44	24	\$692,975	\$501,250	2.33	9.25
Island	168	54	167	121	\$619,243	\$479,500	0.45	2.20
Kittitas	86	44	83	48	\$693,805	\$517,500	0.92	2.58
Jefferson	63	54	54	41	\$490,227	\$468,000	1.32	2.93
Okanogan	43	64	43	35	\$402,645	\$258,500	1.83	4.69
Whatcom	377	232	375	282	\$543,038	\$492,250	0.82	2.24
Clark	91	27	100	78	\$466,445	\$408,500	0.35	2.08
Pacific	69	48	91	55	\$329,747	\$274,500	0.87	5.07
Ferry	8	17	9	5	\$274,880	\$320,000	3.40	5.67
Clallam	77	40	83	78	\$462,442	\$399,000	0.51	2.45
Chelan	103	63	102	71	\$451,183	\$410,000	0.89	2.89
Douglas	62	32	64	44	\$434,841	\$420,000	0.73	2.71
*Adams	10	16	10	16	\$236,153	228,498	1.00	2.44
*Walla Walla	62	40	60	47	\$395,957	362,500	0.85	7.00
*Columbia	4	6	5	4	\$181,250	190,000	1.50	N/A
Others	57	61	59	38	\$405,012	\$357,450	1.61	3.62
<b>Total</b>	<b>10,562</b>	<b>4,153</b>	<b>10,863</b>	<b>7,803</b>	<b>\$678,786</b>	<b>\$548,199</b>	<b>0.53</b>	<b>1.40</b>

*\*Adams, Walla Walla and Columbia counties are added as separate rows this month; previously, statistics for these counties were included in the row for "Others/Out of area."*

What's the takeaway? No one can predict with great accuracy what will happen in the months ahead. If you are ready to sell your property, sell. If you are ready to buy a property, buy. For help with the sale or purchase of real estate, reach out to your well qualified and preferred Coldwell Banker San Juan Islands, Inc. Broker and let them guide you through the process!

Michele Mayer  
Designated Managing Broker  
Coldwell Banker San Juan Islands, Inc.

Statistics and graphs courtesy of NWMLS as reported April 2021