

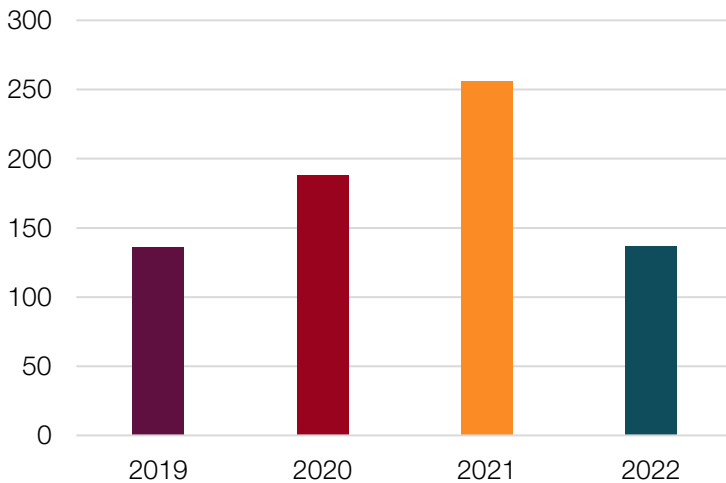


The end of the 3rd quarter of 2022 paints us a picture of a market that is continuing to correct on San Juan Island and in San Juan County. As per the NWMLS, the dollar volume year-to-date on San Juan Island was \$135,602,193, with a total of 137 transactions. Compared to 2021's numbers for the same time frame, this reflects a 26% decrease in dollar volume and a 47% decrease in the number of transactions. In fact, all of San Juan County experienced a significant slowdown with a 29% decrease in dollar volume and a 42% decrease in the number of transactions.

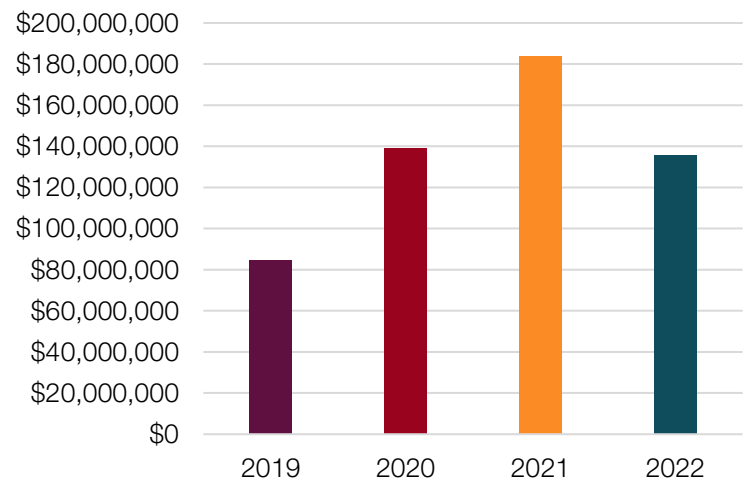
In our previous market report, at the end of the 2nd quarter of 2022, we had reported that, though our market was experiencing a downward trend when compared to 2021, we were still on pace with what we experienced in 2019 which was, by all accounts, a very good year in real estate. That is still a true statement, though the slowing pace we are experiencing is now much more pronounced. Though the data shows that we are on pace with 2019 in the number of transactions and on pace with 2020 for dollar volume, our market is continuing to correct from the hyperactive one we saw in 2021. Keep in mind we were very happy with 2019 & 2020 at the time!

\*DATA COURTESY OF NWMLS

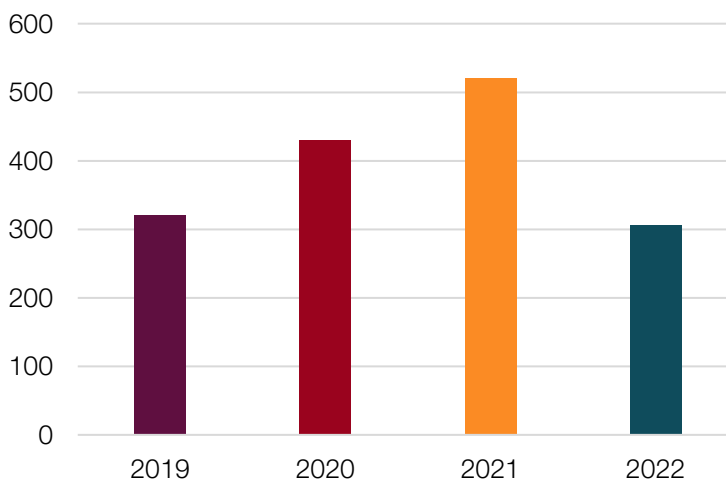
**Number of Transactions on San Juan Island YTD**



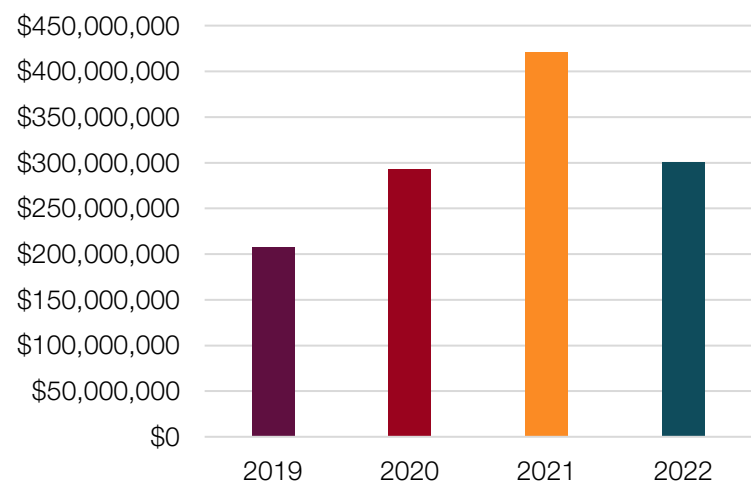
**Dollar Volme on San Juan Island YTD**



**Number of Transactions in San Juan County YTD**



**Dollar Volme in San Juan County YTD**





In 2021 we experienced a decidedly one-sided market. One in which sellers often found themselves in the driver's seat: frequently in a multiple offer scenario, often with cash buyers, escalation clauses, and offers with very few to no contingencies. The market we find ourselves in today is one that is working its way toward balance. Here is what we are seeing:

**Sales Price to Ask Price Ratio:** In May of 2022, we saw our highest ratio of sales price to ask price with homes selling on average at 5% over asking price. At the end of September, the average sales price was at 3% under asking price.

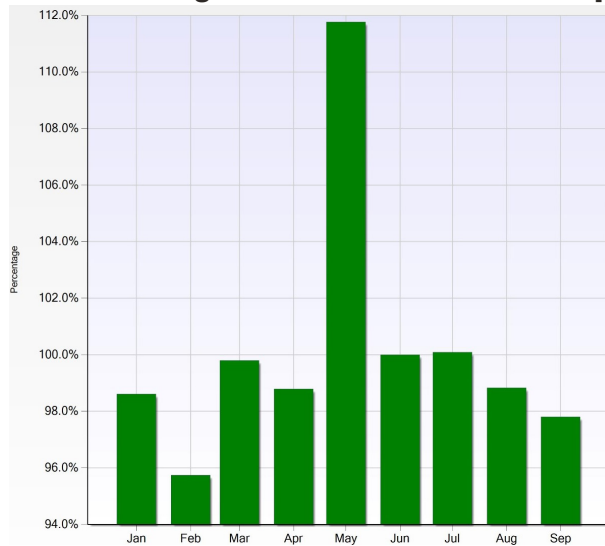
**Months of Inventory:** Though we experienced a slight, and possibly seasonal, dip at the end of September, inventory is on the rise. In August of 2022 we had 8 months supply of inventory compared to the 1.7 months we had of inventory in August of 2021. This means our absorption rate has slowed considerably.

**Current Inventory:** At the end of September, on San Juan Island, we have a total of 104 listings on the market with 21 of those pending in escrow and 83 actively listed for sale. In San Juan County there are 259 listings with 49 of those pending in escrow and 210 actively listed.

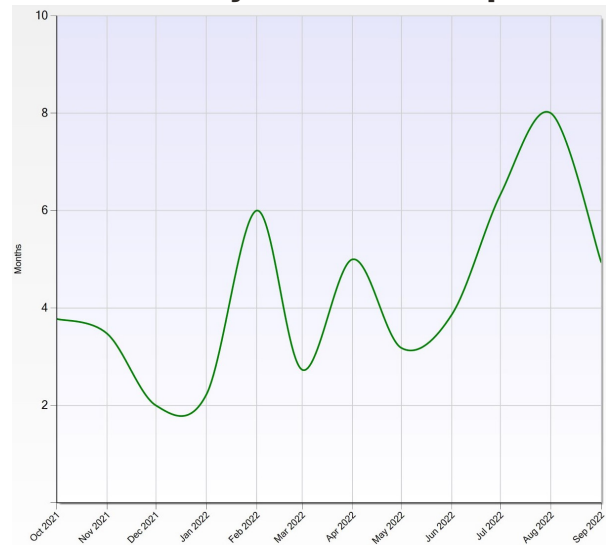
**Number of Pending Properties:** There has been a significant decline in the number of pending transactions on San Juan Island which was 39 at the end of September 2021. We have now seen a 46% decrease in 2022.

**Interest Rates:** Interest rates have hit highs that we haven't seen in many years. After several years of enjoying ultra-low interest rates around 3%, rates, which have now hit 7% toward the beginning of October, have caused many buyers to lose a significant portion of their buying power.

**Sales to Listing Price Ratio 2022 Jan. - Sept.**



**Months of Inventory October '21 - September '22**



Looking at these factors together tells us that our market is indeed very different today than it was in 2021, and it appears to be continuing a corrective trajectory. Buyers now have more inventory to choose from and are up against fewer cash buyers. Sellers are finding themselves with fewer competing offer scenarios, and offers are, more often than not, being written with more contingencies. Asking prices are adjusting in turn and that creates more opportunity for buyers. The bottom line is that we now find ourselves in a more balanced market – one that will require sellers to adjust in their expectations and one that provides more opportunity for buyers.

If you have any questions at all about the current state of our market or are looking for a professional Realtor to assist you in your real estate pursuits, be sure to contact your preferred Coldwell Banker San Juan Islands, Inc broker. With over 50% of the market share on San Juan Island, we have the highest producing team of brokers to choose from.