

News on the Sequim Real Estate Market

2/1/2011

Sequim Real Estate, 2010 in Review

As 2010 ended we said goodbye to a year that few in real estate or related industries will miss. Still we saw sales, at least in housing, rise steadily throughout most of the year. While it was the second worst year yet in Sequim real estate history, it ended on a positive note. Sales were up considerably over the previous year. That had not happened for five years! Buyers in large numbers were taking advantage of record low interest rates, and low prices.

Housing

Housing sales were up considerably in 2010. While the average home price dropped again from \$239,166 to \$230,943 this represented the smallest price drop year over year in five years. We did also post the first gain in sales year over year in five years when we ended 2010 with 27 more homes sold. We also ended the year with almost \$3M USD higher volume than the previous year. Based on the slowing rate of value drop, the increase in sales numbers and volume, we believe that the market is at or close to some type of bottom.

Unfortunately there do not seem to be too many influences pushing sales prices higher or increasing demand. Our prediction is for relatively flat prices over the next two years in the housing market in Sequim.

Land

Land sales were down again slightly from 2009 in 2010. The number of properties sold dropped from 85 to 78, though this was the smallest year over year drop in five years. What was really quite remarkable though was the change in land prices: Average sales price was down by over \$20,000! Primarily this resulted from four different influences:

1. Land loans were very difficult to find, and many lenders totally discontinued them; the meant land buyers often had to buy with cash only.

2. Construction loans were very difficult to secure and increasingly difficult to qualify for.
3. Homes were plentiful, and interest rates and tax incentives favored home purchases from a purely financial standpoint.
4. Land in the city was devalued by the increased cost to hook-up to city utilities under the current regime in the city council. This created a financial situation where the builder or homeowner had to pay less for the property to come out the same.

Commercial

Commercial property was slow both for leasing and sales in 2010. Vacancy was high and in fact there were only five transactions in the OLS for the year. With only five transactions in the MLS the average value of each transaction was way up, but this was not really indicative of the market, which was much slower.

Looking forward

At the time I am writing this we are just heading into March 2011. There do seem to be some indications that the market is picking up. We predict modest increases in the number of transactions in all sectors of the market, and relatively flat prices across the board.

Brody Broker in 2010

In 2010 I had a very successful year. I averaged 1 transaction side about every 5 days. This meant at the end of the year I had closed over 70 sale sides. This was far more than any other agent in the county. I am thankful both to God and to many loyal clients that made me successful in a tough market.

If I can help you accomplish your goals in Sequim or Port Angeles real estate or just answer questions, feel free to give me a call.

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