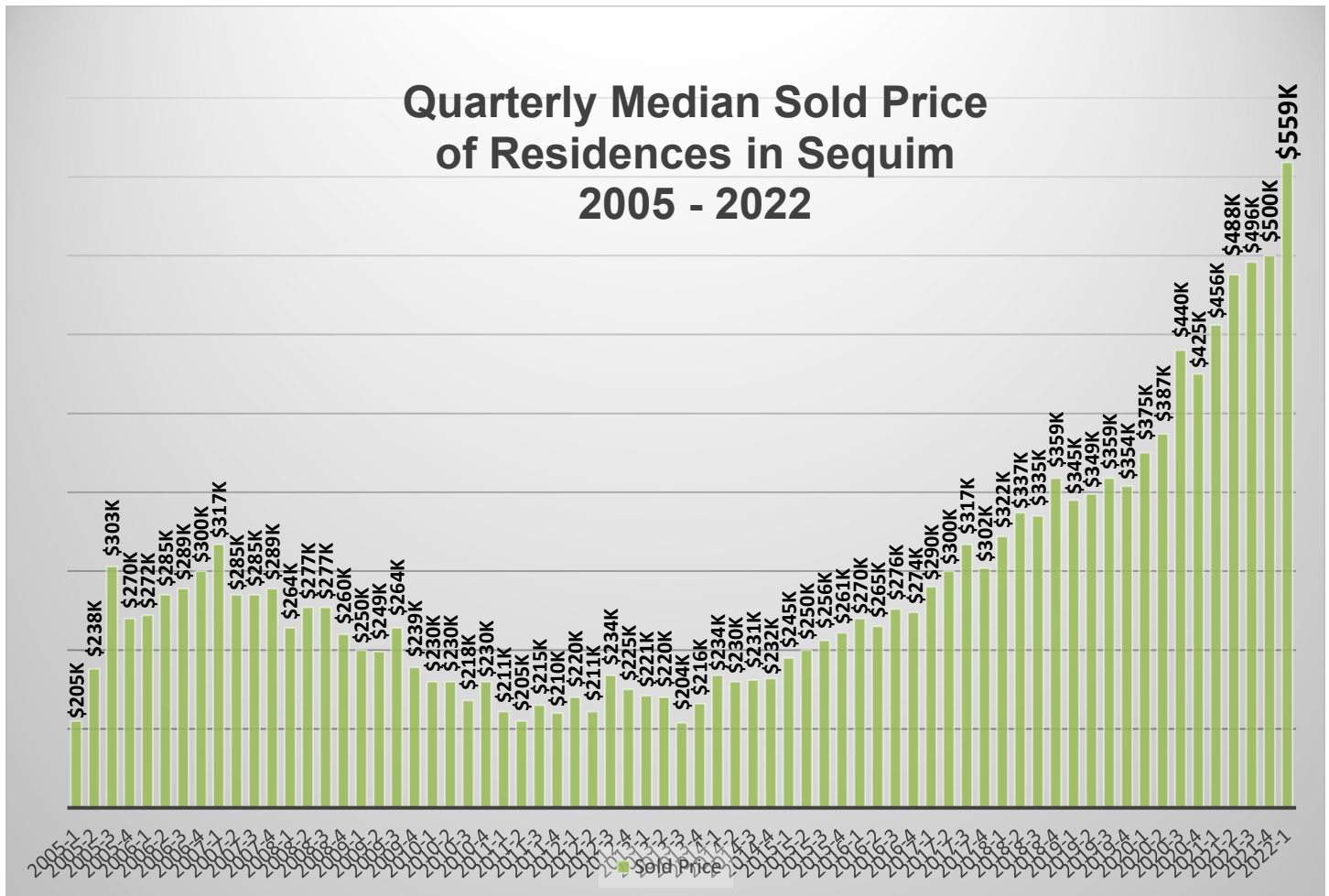




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1st Quarter 2022 Sequim Real Estate Report

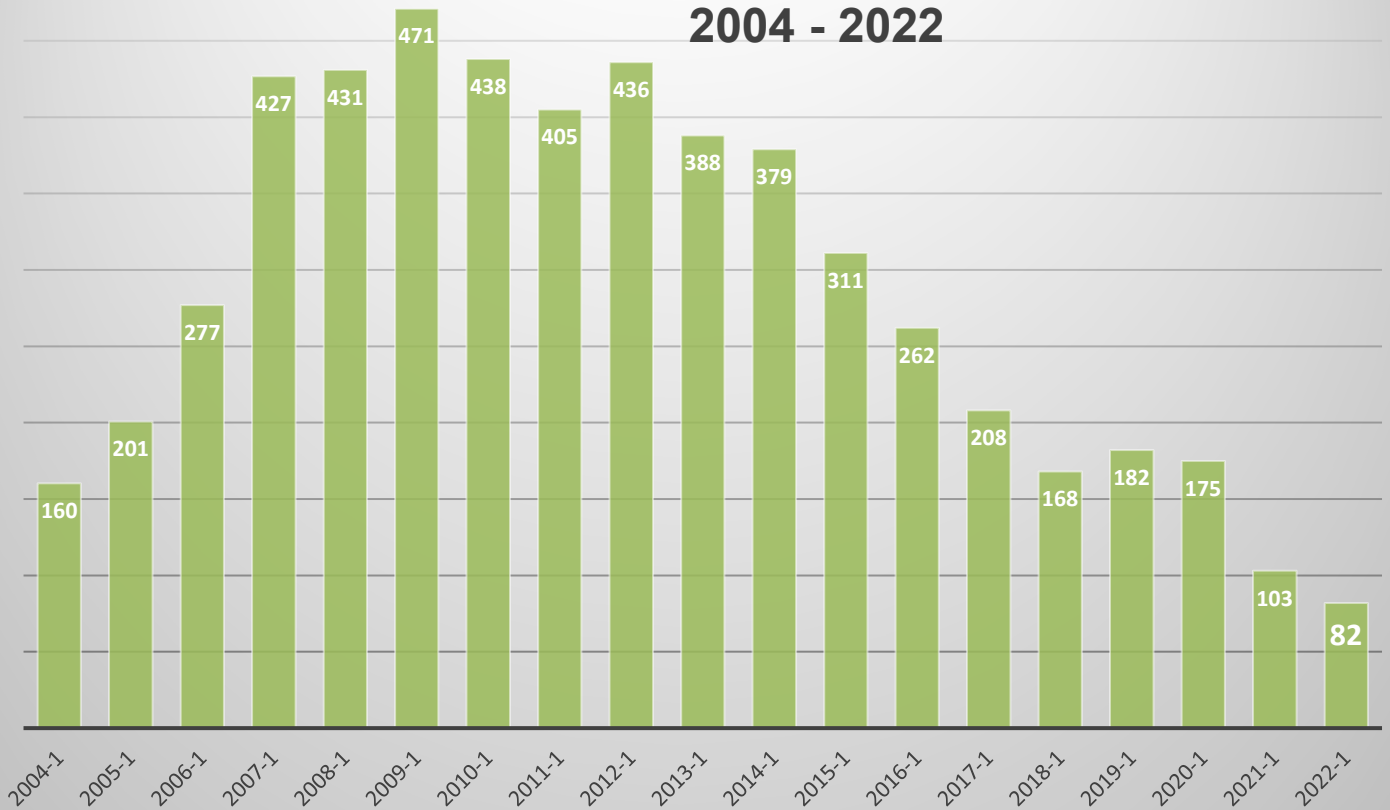
Residential Report – Home Sales in the Sequim Area*



Median Price - The median price rose to another all-time high of \$559K, up nearly 11% from the Q4 2021 median price of \$500K. Historically low inventory including a shortage of new construction, along with high demand continued to push prices higher. Interest rates have risen to a national average of 4.72% as of this writing with more raises expected. Over the past 30 years, the average mortgage rate was 8.99%, so rates are still relatively low. This appreciation will end at some point but the fact that 35% of homes in the US are owned free and clear and only 2% of mortgages nationwide have negative equity means our fundamentals are very different than in 2007 when mortgages were approved for just about anyone who applied.

***The Sequim area is defined generally as the Sequim School District boundaries as far as east as Discovery Bay and west to Blue Mountain Rd., excluding homes on leased land. Data is collected from the Olympic Listing Service.**

Average Number of Homes for Sale per Month by 1st Quarter Only 2004 - 2022

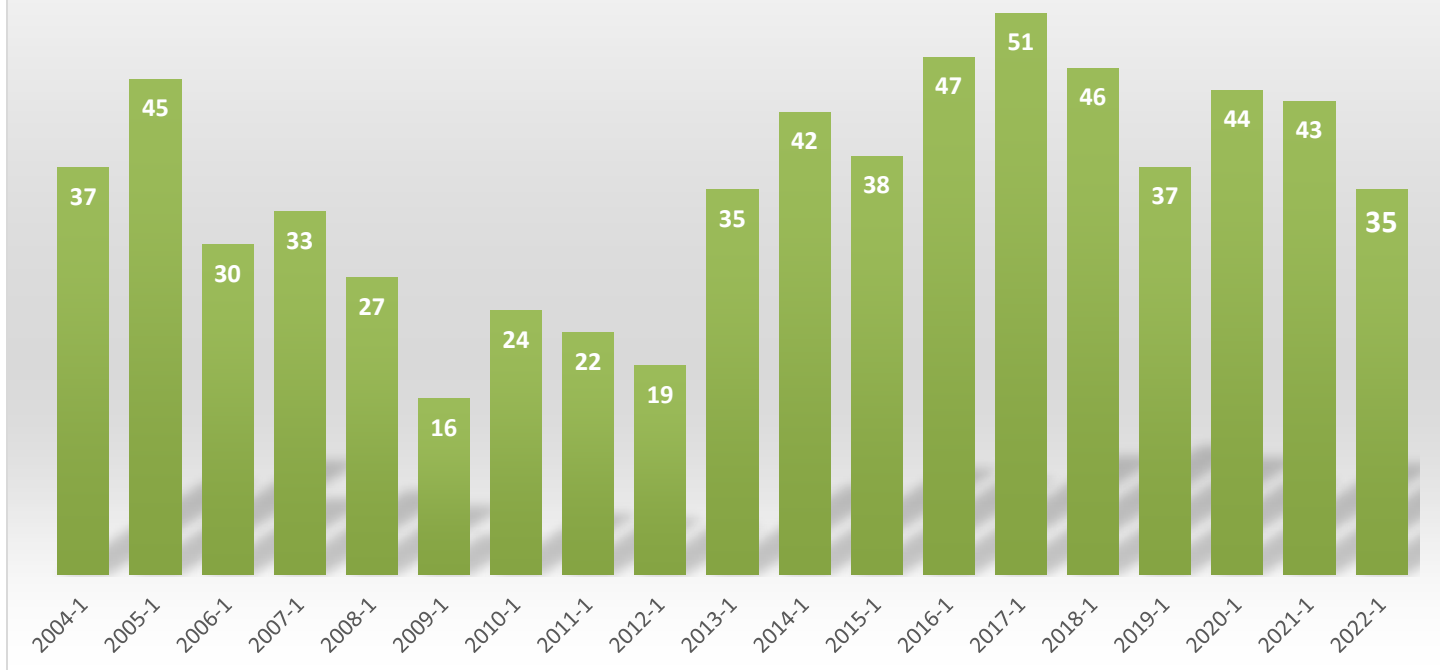


Housing Inventory Falls to Record Low - The 1st quarter average of 82 homes on the market (calculated at the start of each month) was down another 20% compared to Q1 of 2021. It is amazing given the limited inventory that the sales volume was as high as it was.

As of this writing, there are only 89 homes for sale in the Sequim area. Of those listings, 55 of them are pending sales leaving only 34 homes to sell. The median asking price for those pending sales is \$569K whereas the median asking price of the remaining 34 homes is \$805K.

Lack of Affordable/Workforce Housing - As rents continue to rise at record rates, what is needed is high density, affordable housing inside the city limits for young people and those at the lower rungs of our economic ladder. The lack of affordable/workforce housing is having a significant impact on businesses and their ability to find and retain workers. Wages have not kept up with rents and many of our young people are being pushed out of Sequim. It will take political will and capital investment to correct this growing problem.

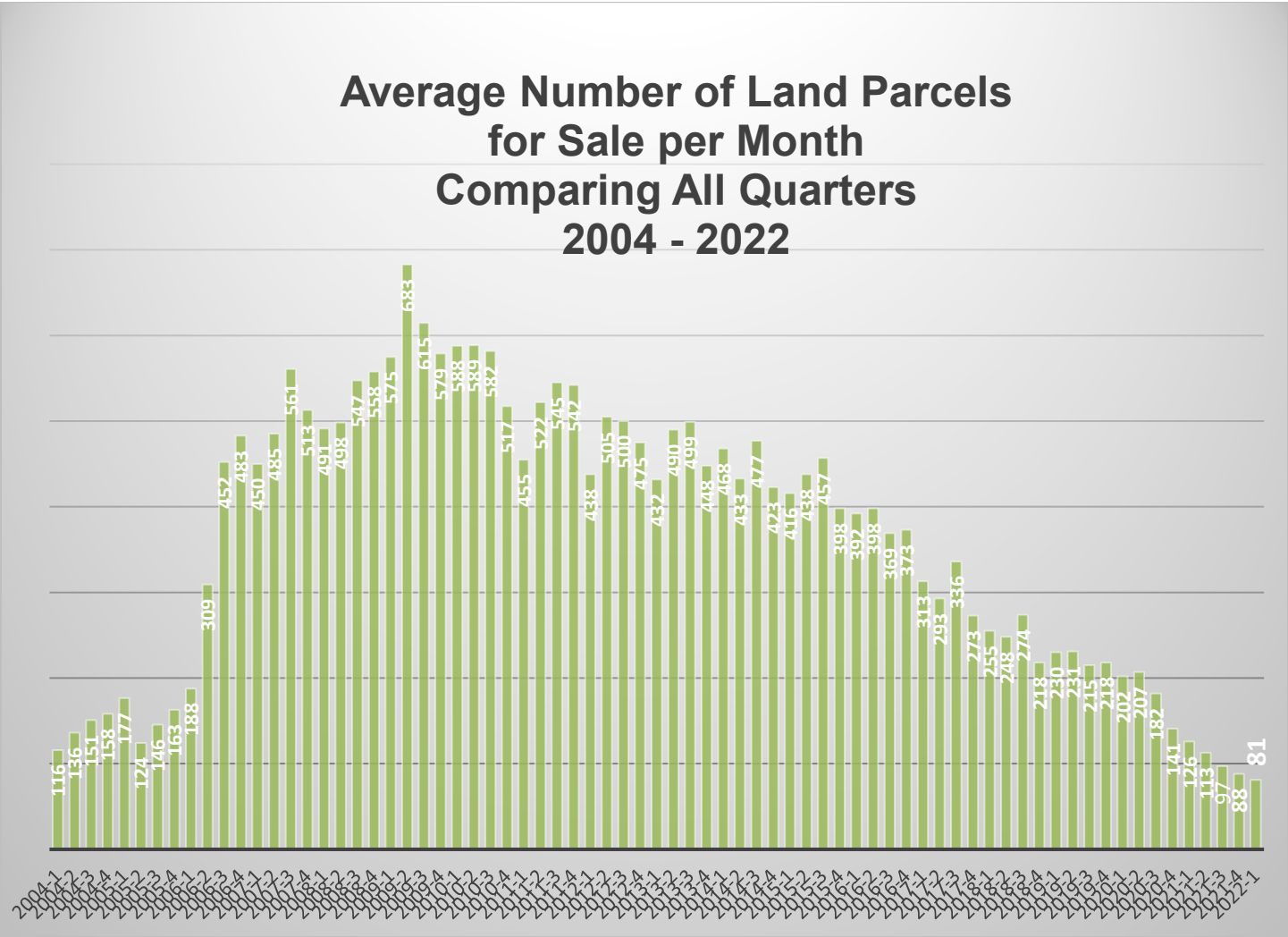
Number of Homes Sold per Month Comparing 1st Quarters Only 2004 - 2022



Number of 1st Quarter Sales - The average number of home sales/month over the 1st quarter was at 35 home sales/month – 104 total. That is the lowest since 2013 but is not surprising given the historically low inventory.

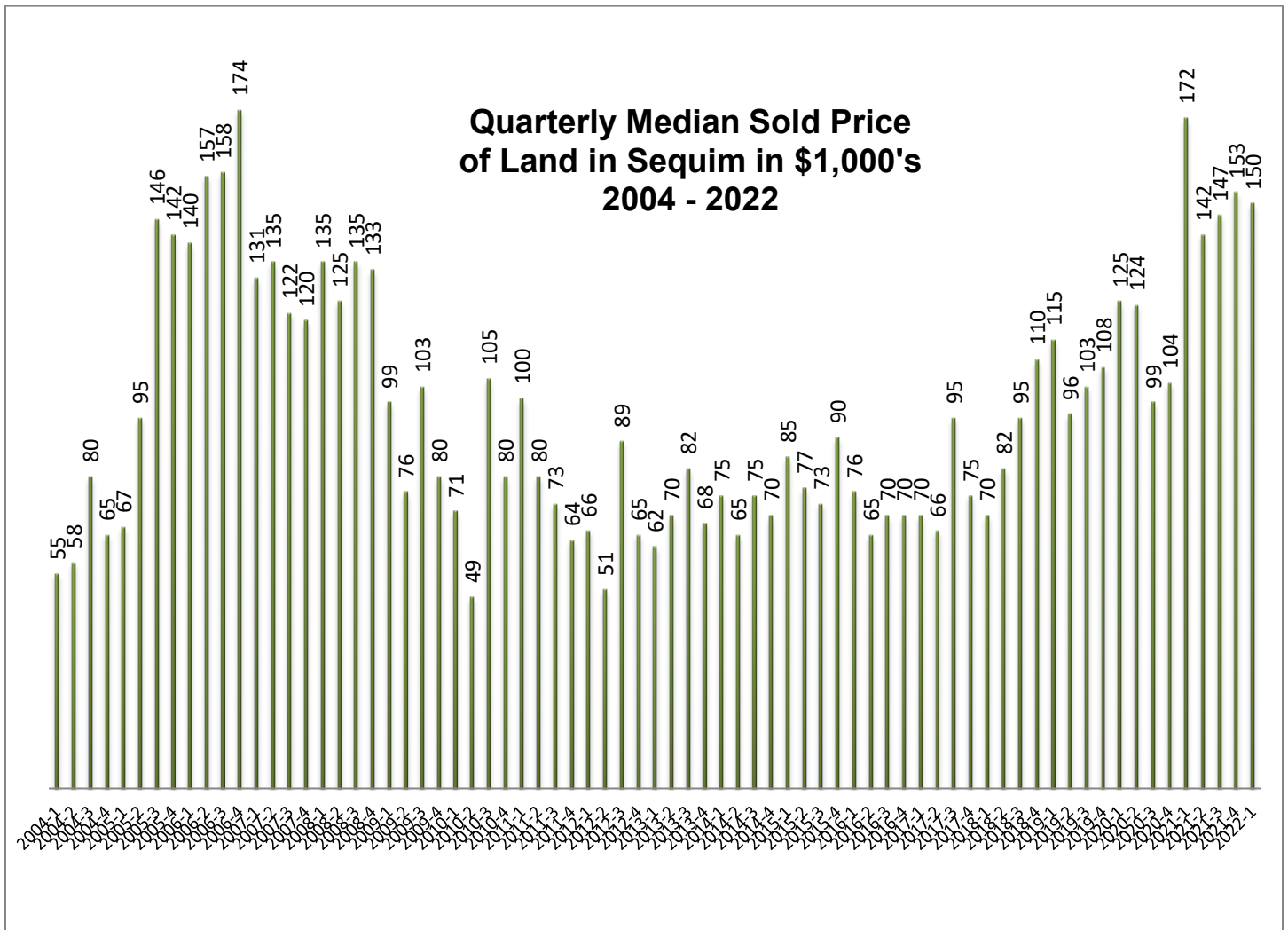
Median Profile of the 1st Quarter 2021 Home Sales - List price of \$548K with a sale price of \$559, 1769 square feet, on 0.31 of an acre, single story, built in 1998, and on the market for a mere 6 days. Of those 1st quarter sales, 41 boasted mountain views and 12 more featured water views.

Land Report – Land Sales in the Sequim Area*



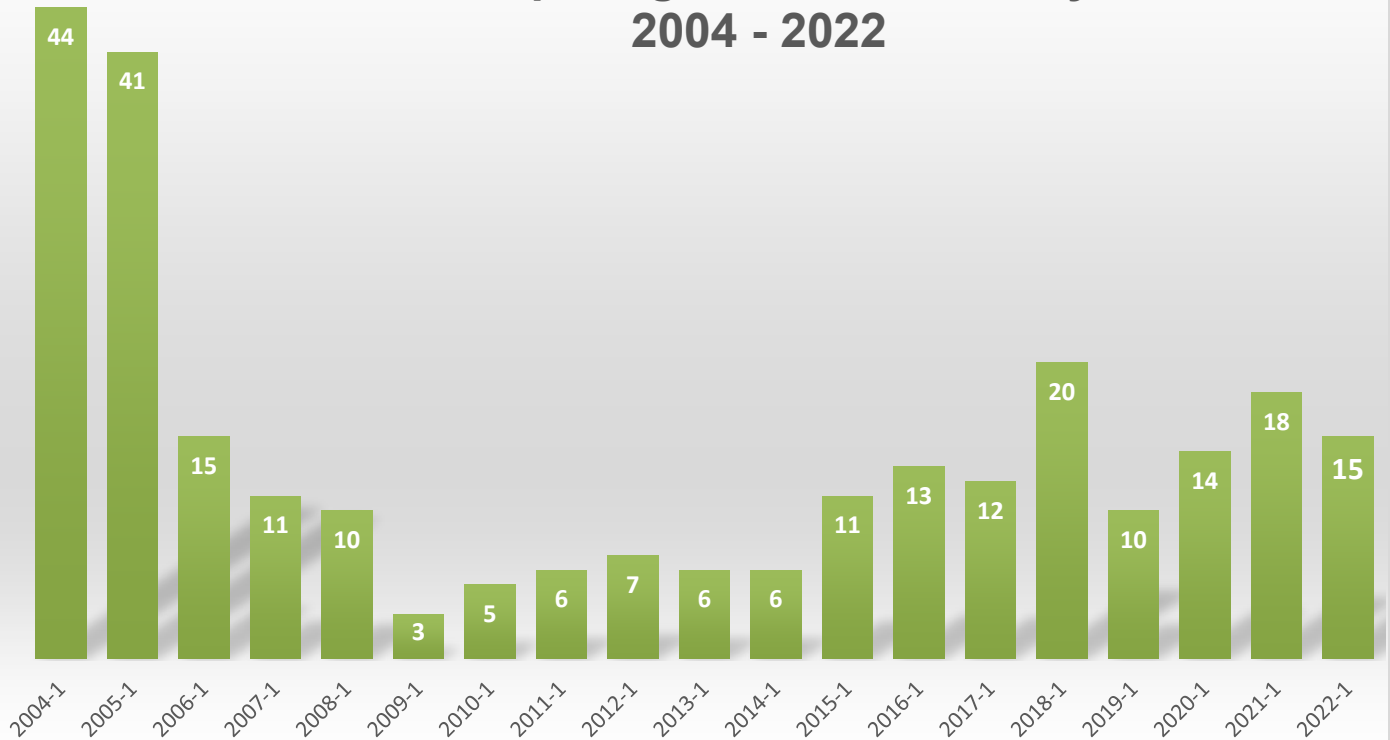
Land Inventory – There were an average of 81 land parcels on the market at the beginning of the month in the 1st quarter, the lowest in over 20 years. Most of the land listings and sales have been outside of the city limits in our lower density areas.

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Median Sold Price Vacant Land - The median sale price of land stayed steady at \$150K which was the sixth highest quarterly median price on record. The cost to build has continued to rise as has pretty much everything. Hopefully new construction costs will come down somehow, someday.

Average Number of Parcels Sold per Month Comparing 1st Quarters Only 2004 - 2022



Number of Q1 Land Sales - The 45 land sales in the 1st quarter was down 17% from last year's first quarter. The median number of days on market for those sales was 77 days and the median size of those land sales was 1.43 acres. Of those 45 sales, only 9 were Sequim city lots. The rest of the sales of course were on acreage outside of the city limits.

Outlook for 2022 - There are so many conflicting factors: continuing demand and historically low inventory vs. record high prices and rising interest rates. Some people have been erroneously predicting a market correction for about 3 years now. Someday they'll be right and will say "I told you so". What we do know is that Sequim has all the fundamentals to outpace other regional and national markets due to our limited inventory, relative affordability, great weather, ample elbow room, natural beauty, limited traffic, and community-minded people.

Please call me at 360-460-2839 or email me at michael@teammcaleer.com if you have any questions. We are happy to assist you whether you need help buying or selling real estate in our beautiful area.

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