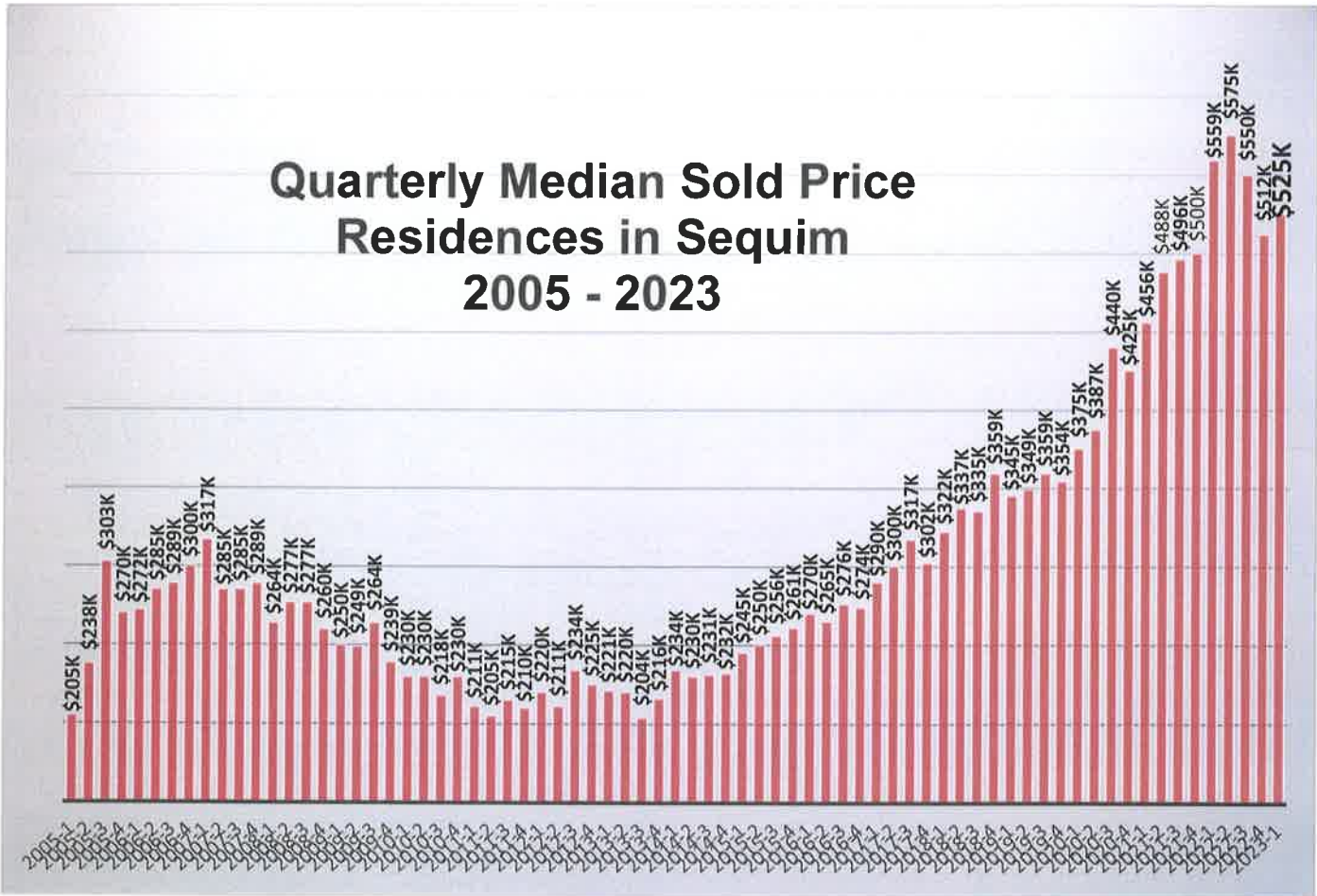




Team McAleer
 RE/MAX Prime
 901 W. Washington St
 Sequim, WA 98382
 Office 360.683.1500
 www.teammcaleer.com

1st Quarter 2023 Sequim Real Estate Report

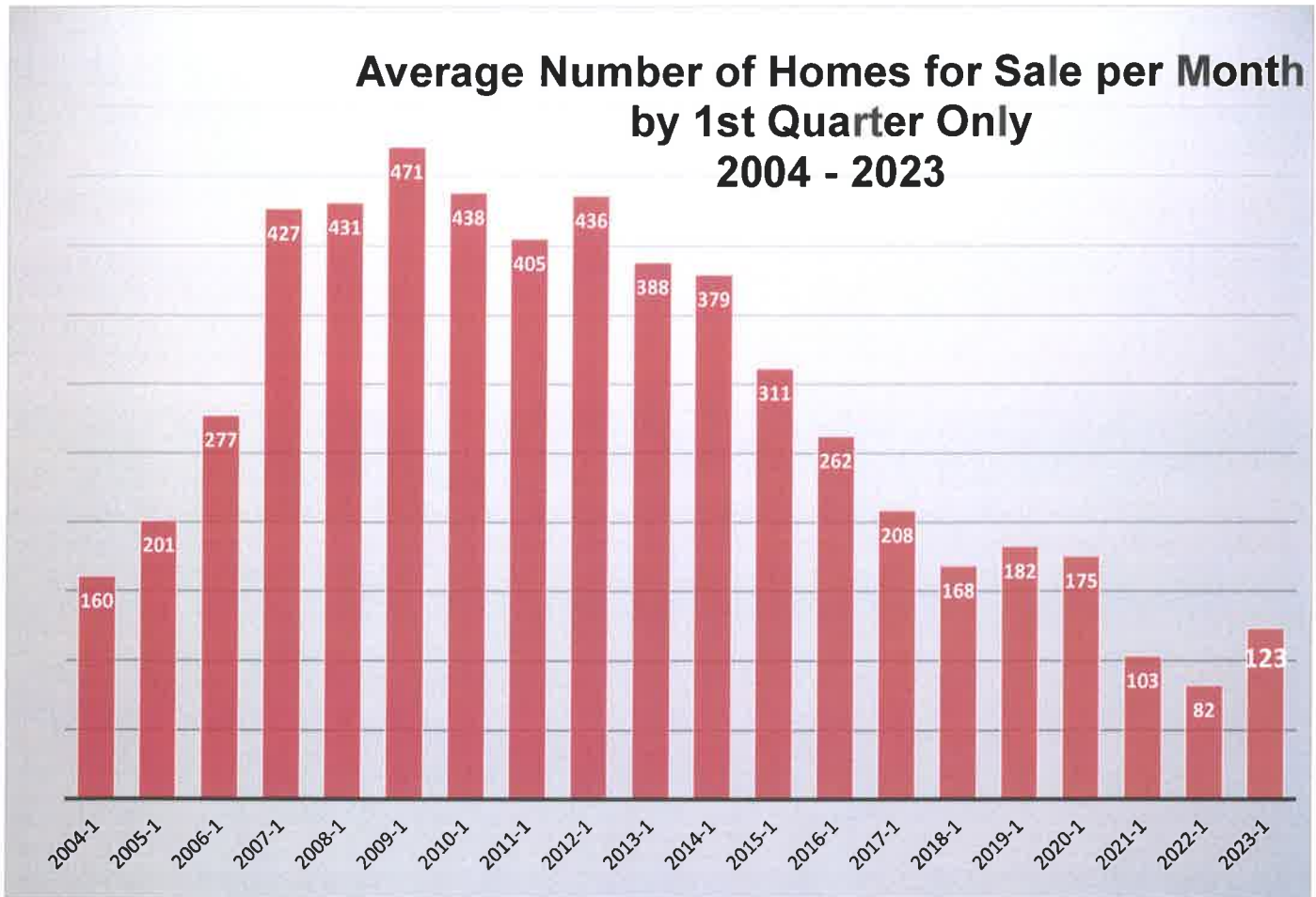
Residential Report – Home Sales in the Sequim Area*



Median Home Sale Price - The median price rose slightly to \$525K, up 2% from the Q4 2022 median price of \$512K. That is a 9% fall of course from the all-time high of \$575K during Q1 of 2022, just one year ago. Interest rates sit at a national average of 6.75% as of this writing. Over the past 30 years, the average mortgage rate was 8.99%, so rates are still relatively low. 37% of homes in the US are owned free and clear and 8% of mortgages nationwide have negative equity which means our fundamentals are very different than in 2007 when mortgages were approved for anyone who could fog a mirror.

*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 - 2023

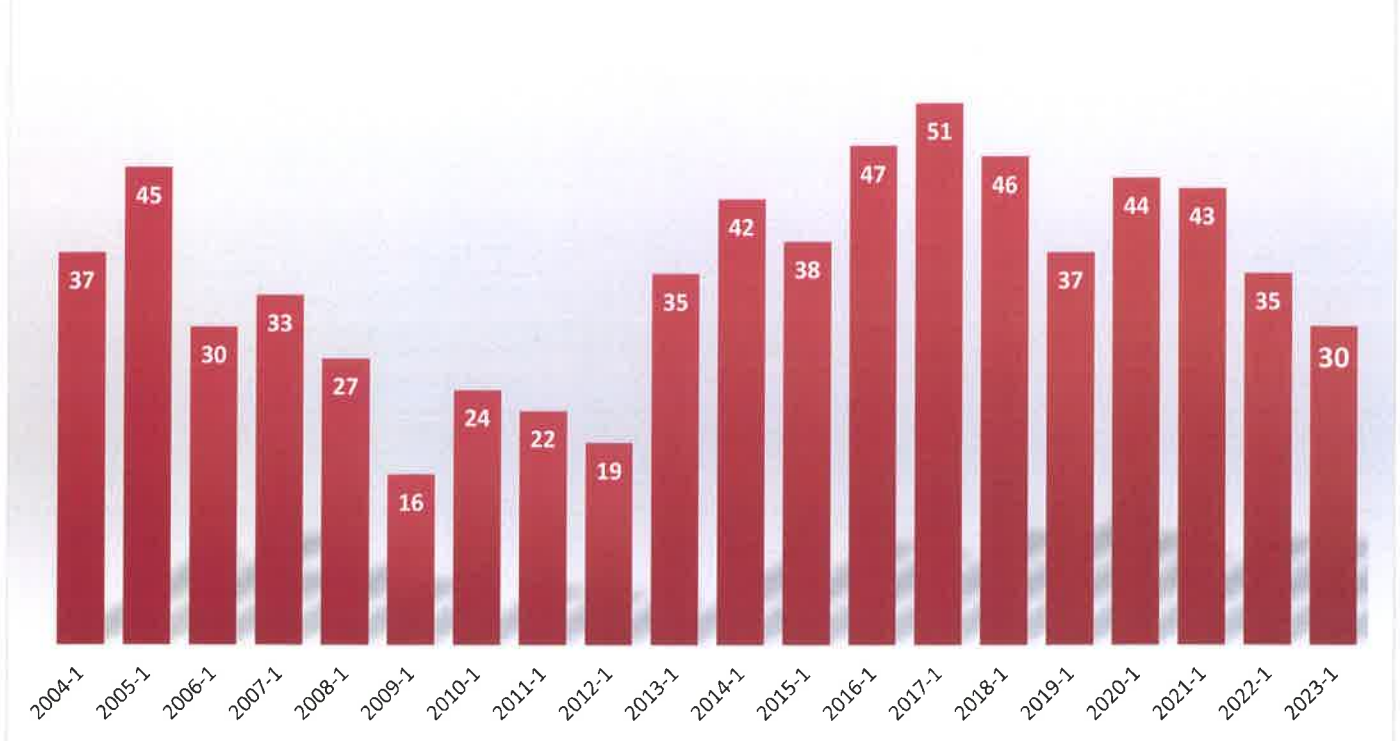


Housing Inventory Rises but Still Historically Low - The 1st quarter average of 123 homes on the market (calculated at the start of each month) is up 33% compared to the record low clip of 82 homes from Q1 of 2022. This chart is helpful in understanding just how low an inventory of 123 homes is historically.

As of this writing, there are only 126 homes for sale in the Sequim area. Of those listings, 53 of them are pending sales leaving 73 homes to sell. The median asking price for those pending sales is \$499K whereas the median asking price of the remaining active 73 homes is \$645K.

Lower priced homes selling, higher priced not as much – There is a tale of two markets right now in Sequim that is worth noting when you compare the more affordable homes listed today to the highest priced. Of the 20 lowest priced homes 15 are pending sales and 5 are active. Of the 20 highest priced homes, 3 are pending sales and 17 are active. Not too surprising but certainly worth noting.

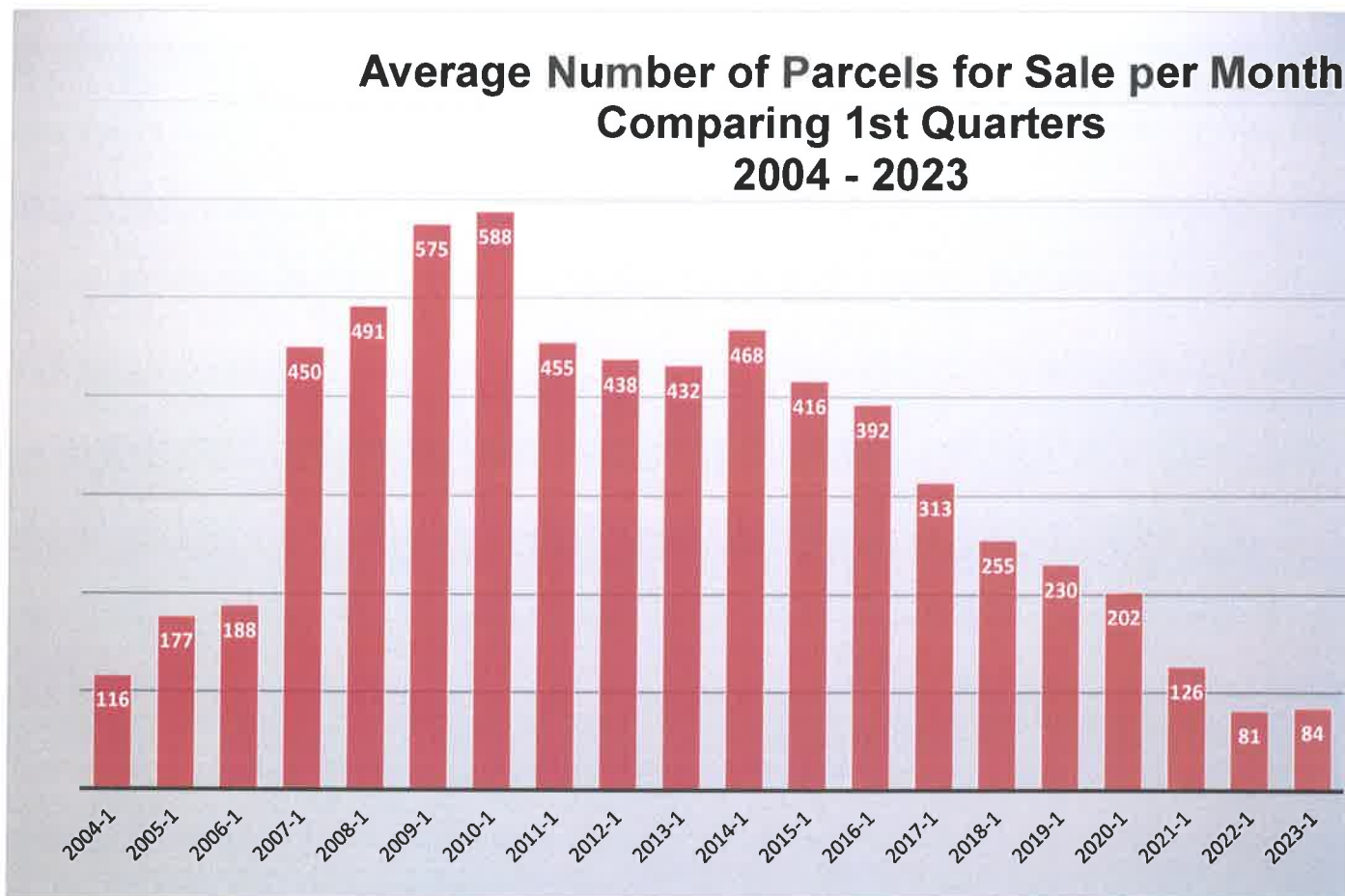
Number of Homes Sold per Month Comparing 1st Quarters Only 2004 - 2023



Number of 1st Quarter Sales - The average number of home sales/month over the 1st quarter was at 30 home sales/month – 91 total. That is the lowest for a 1st quarter since 2012.

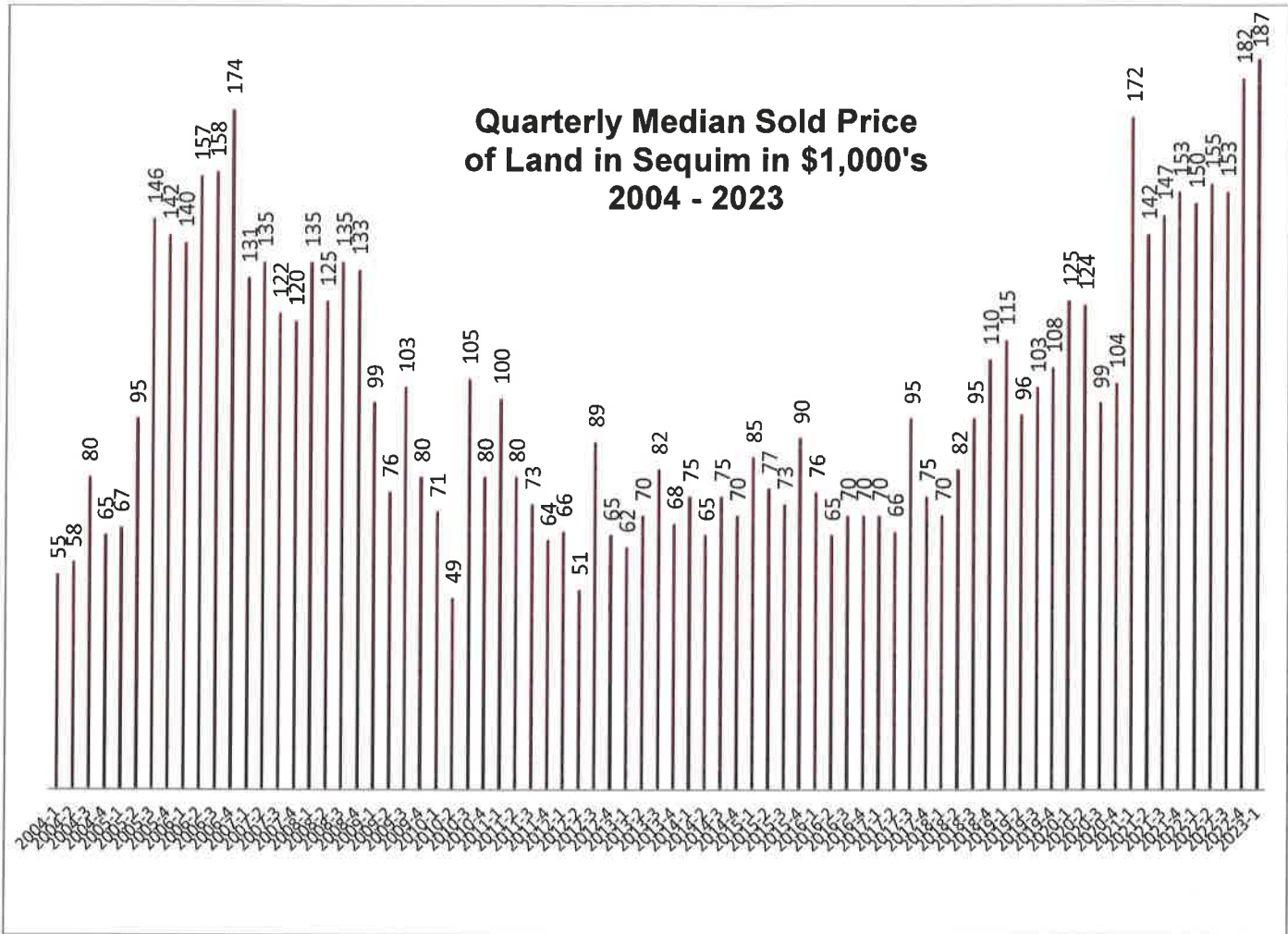
Median Profile of the 1st Quarter 2023 Home Sales - List price of \$560K with a sale price of \$525K, 1836 square feet, on 0.37 of an acre, single story, built in 1996, and on the market for 51 days (compare that to the median 6 days on market for Q1 of 2022). Of those 1st quarter sales, 33 boasted mountain views and 10 more featured water views.

Land Report – Land Sales in the Sequim Area*



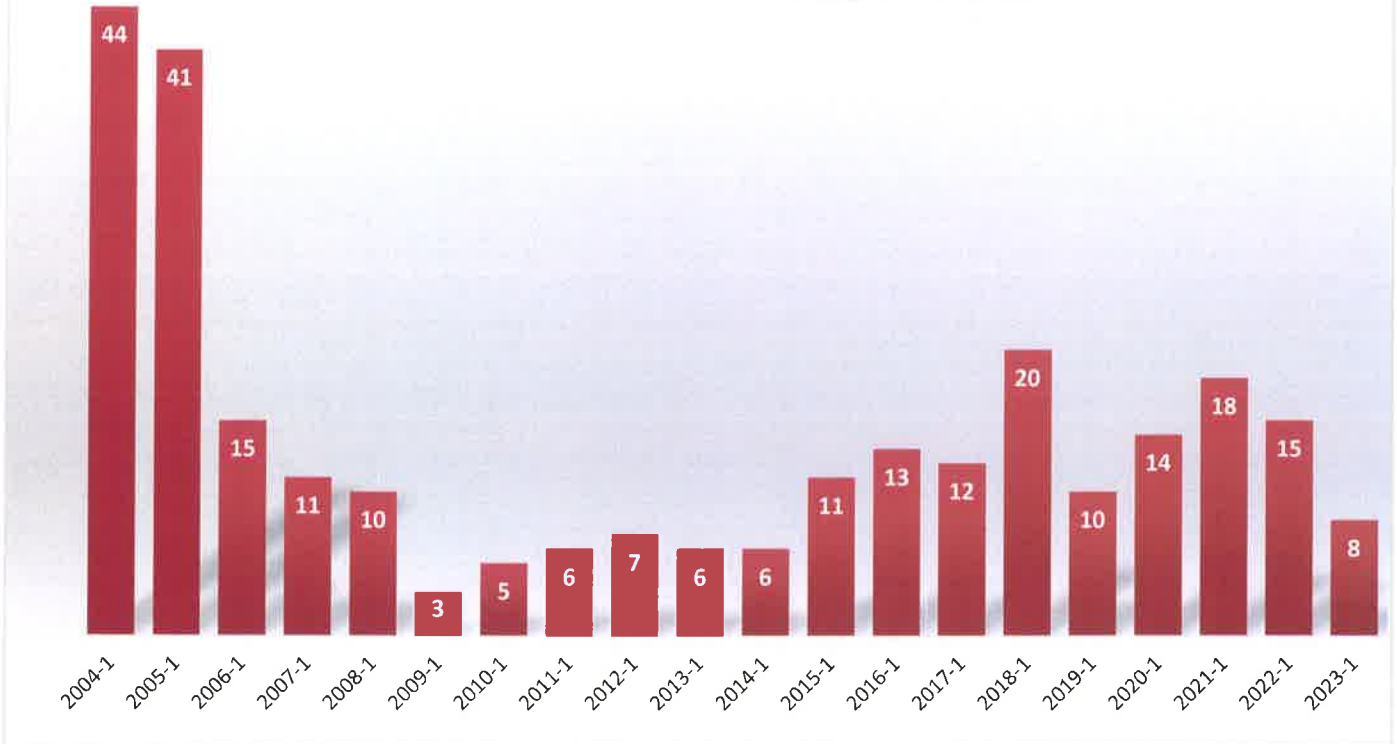
Land Inventory – There was an average of 84 land parcels on the market at the beginning of the month in the 1st quarter, the lowest in over 20 years. Most of the land listings and sales have been outside of the city limits in our lower density areas.

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Record High Median Sold Prices for Land - The median sale price rose to a record \$187,500 which was the highest quarterly median price on record. The average land sale was \$247,730. As buildable land becomes more scarce, the special bigger parcels with views are getting a premium. With that said, the limited sample size of only 23 land sales over the 1st quarter may have made this quarter more of a fluke. The cost to build has continued to be high as has pretty much everything.

Average Number of Parcels Sold per Month Comparing 1st Quarters Only 2004 - 2023



Number of Q1 Land Sales Way Down - The 23 land sales in the 1st quarter are down 47% from last year's first quarter. The median number of days on market for those sales was 60 days and the median size of those land sales was 2.3 acres. Of those 23 sales, 4 were Sequim city lots. The other 19 sales of course were on acreage outside of the city limits.

Outlook for 2023 – Things are weird. Everywhere. After a 10-year run up of prices we finally saw softening in the housing market last year albeit nothing like the cliff we fell off in '08/'09. The fact that prices actually rose this past quarter from Q4 of 2022 is encouraging but we'll have to see how the US and global economies fare. What we know for sure 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.

Michael McAleer

E. Michael McAleer

Managing Broker
RE/MAX Prime
CRS, GRI, ABR, SRES, CNE, SRES
360.683.1500 Office