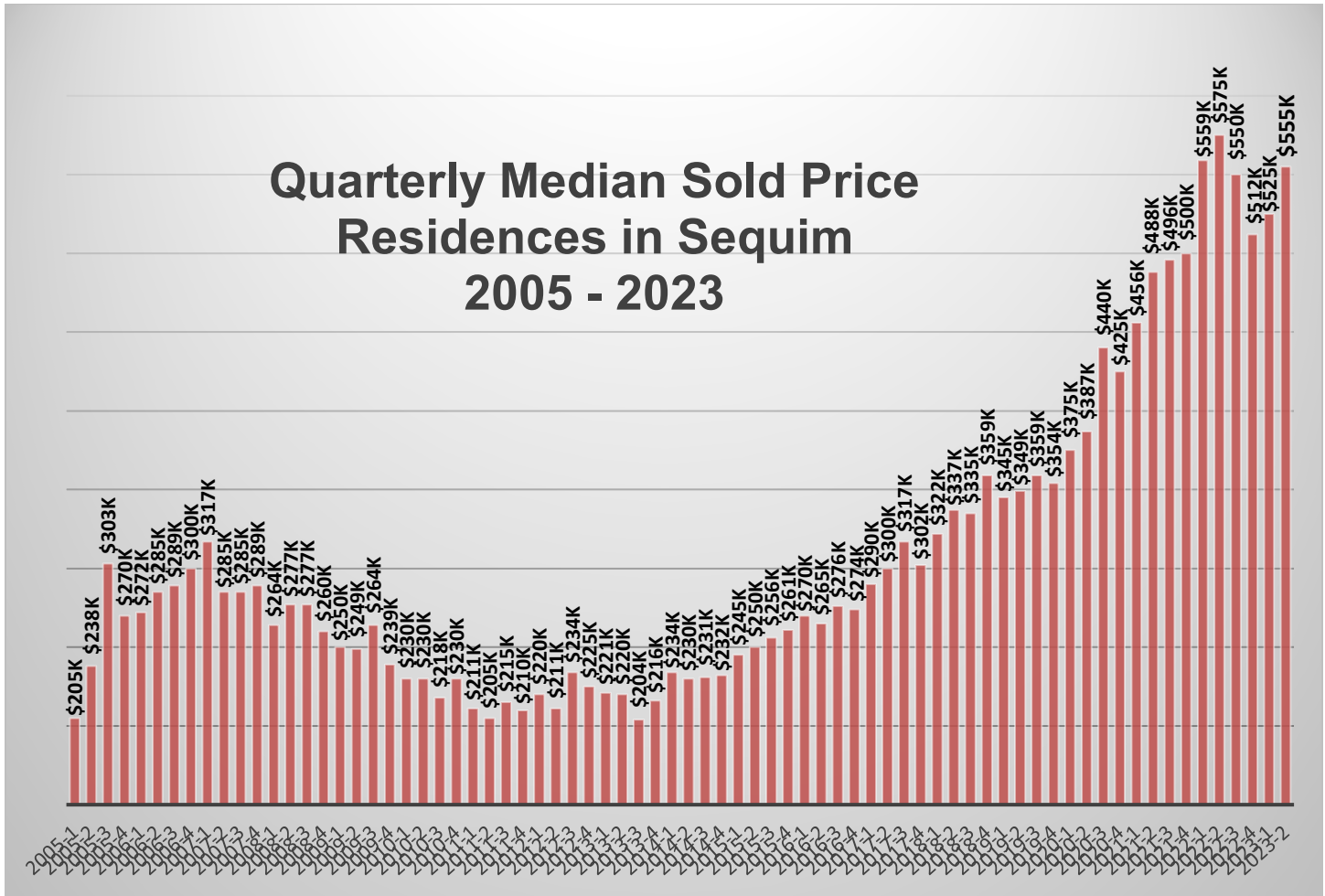




Team McAleer
 RE/MAX Prime
 901 W. Washington Street
 Sequim, WA 98382
 Office 360.683.1500
 Fax 360.681.4351
 www.teammcaleer.com

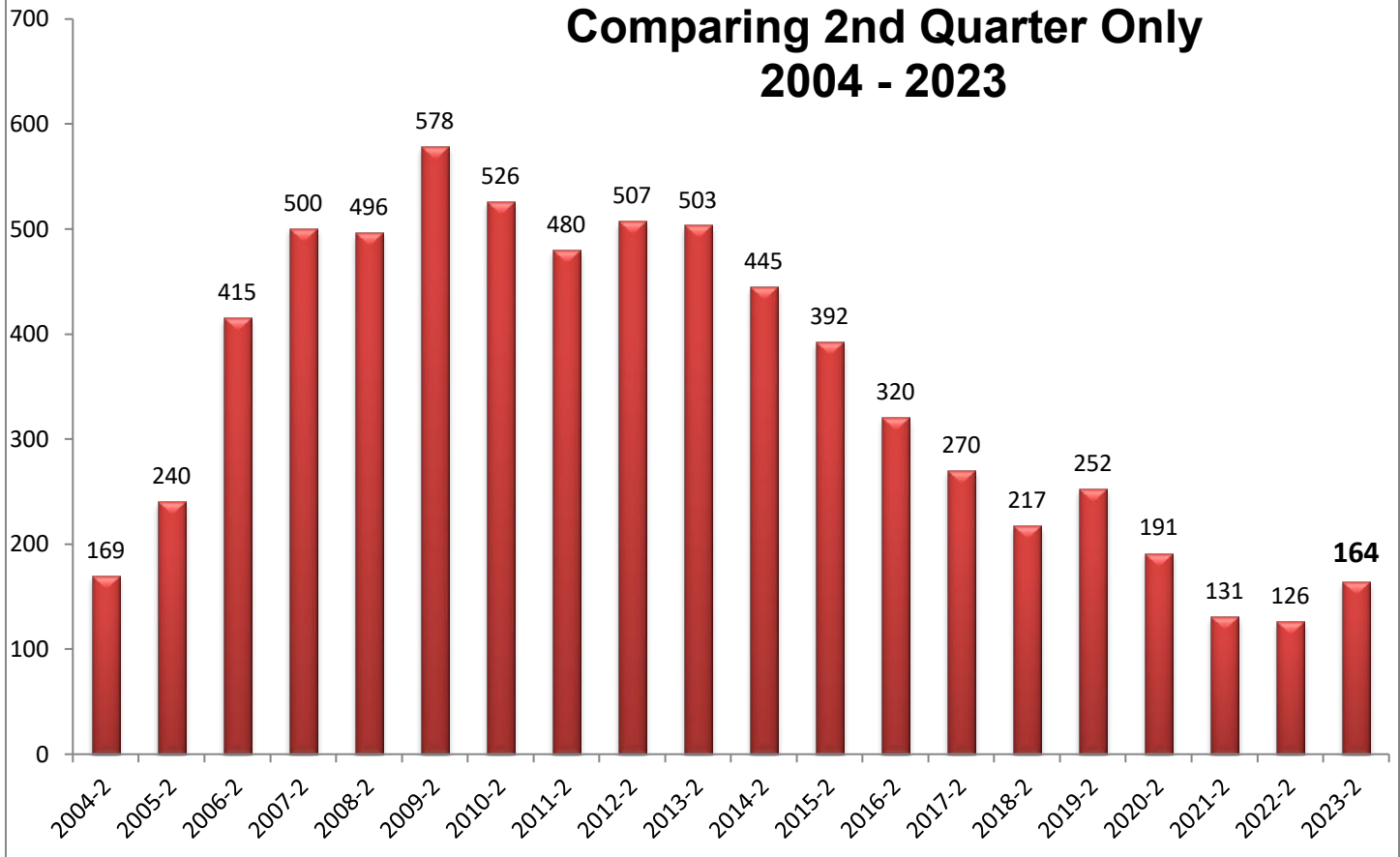
2nd Quarter 2023 Sequim Real Estate Report

Residential Report – Home Sales in the Sequim Area* compiled from the Olympic Listing Service.



Median Price - The median sale price for the 2nd quarter rose to \$555K, a 5% increase over the sales from the first quarter and the highest since the \$575K peak of Q1 2022. The median sale profile was: asking price of \$565K, 1781 SF on 0.49 acres, built in 1995, on the market for 16 days, sold at \$312/SF & at 98% of the last asking price. NOTE: Just four years ago the median price was \$349K; last quarter only 16 of the 148 home sales were under \$349K. Also, the median sale price for the 49 home sales in June, the last month of the quarter, was \$650K, compared to April and May where the 94 sales went for a median price of \$553K. June was quite a month for the upper end of our market – that will be interesting to track in July and August.

Average Number of Homes for Sale per Month Comparing 2nd Quarter Only 2004 - 2023

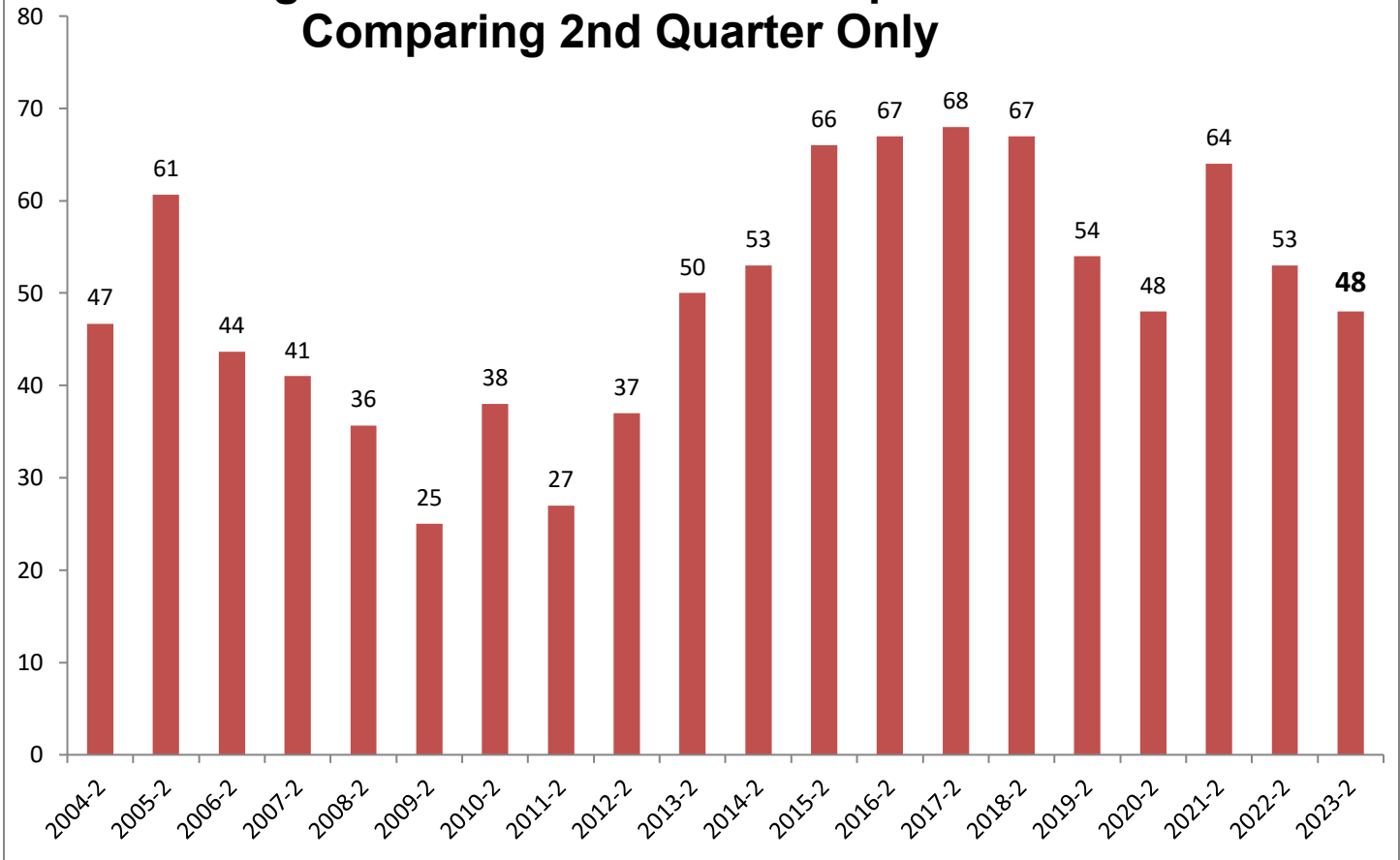


Housing Inventory – Like most markets, Sequim’s housing market follows seasonal trends: more inventory and sales in the warmer months and fewer when it gets colder. Because of this we like to compare like quarters in terms of inventory and volume. The housing inventory actually saw a healthy improvement up to an average of 164 homes on the market to begin the month this past quarter. Historically, that is still a low number, but we are happy to see the trend reverse.

Current Inventory – As of the date of this report, there are 182 homes on the market in Sequim (up 21% from the 143 home inventory this time last year) with a median asking price of \$642K – a 3% increase over the median asking price of \$625K at this time last year. The average Days on Market for our inventory is 63 days and the median is 30. Currently, 69 of those 182 homes on the market are either under contract or are pending sales, leaving 113 homes to sell.

*Sequim area is roughly defined as the Sequim School District boundaries stretching east just past the Jefferson County line and west to Blue Mountain and Lewis Rd., excluding homes on leased land. Data is collected from the Olympic Listing Service.

Average Number of Homes Sold per Month Comparing 2nd Quarter Only



2nd Quarter Home Sale Volume: There were an average of 48 home sales/month over the second quarter of 2023, a 9% decrease in volume compared to Q2 of 2022 and the lowest since Q2 of 2020 when the world was basically shut down due to Covid restrictions.

*Sequim area is roughly defined as the Sequim School District boundaries stretching east just past the Jefferson County line and west to Blue Mountain and Lewis Rd., excluding homes on leased land. Data is collected from the Olympic Listing Service.

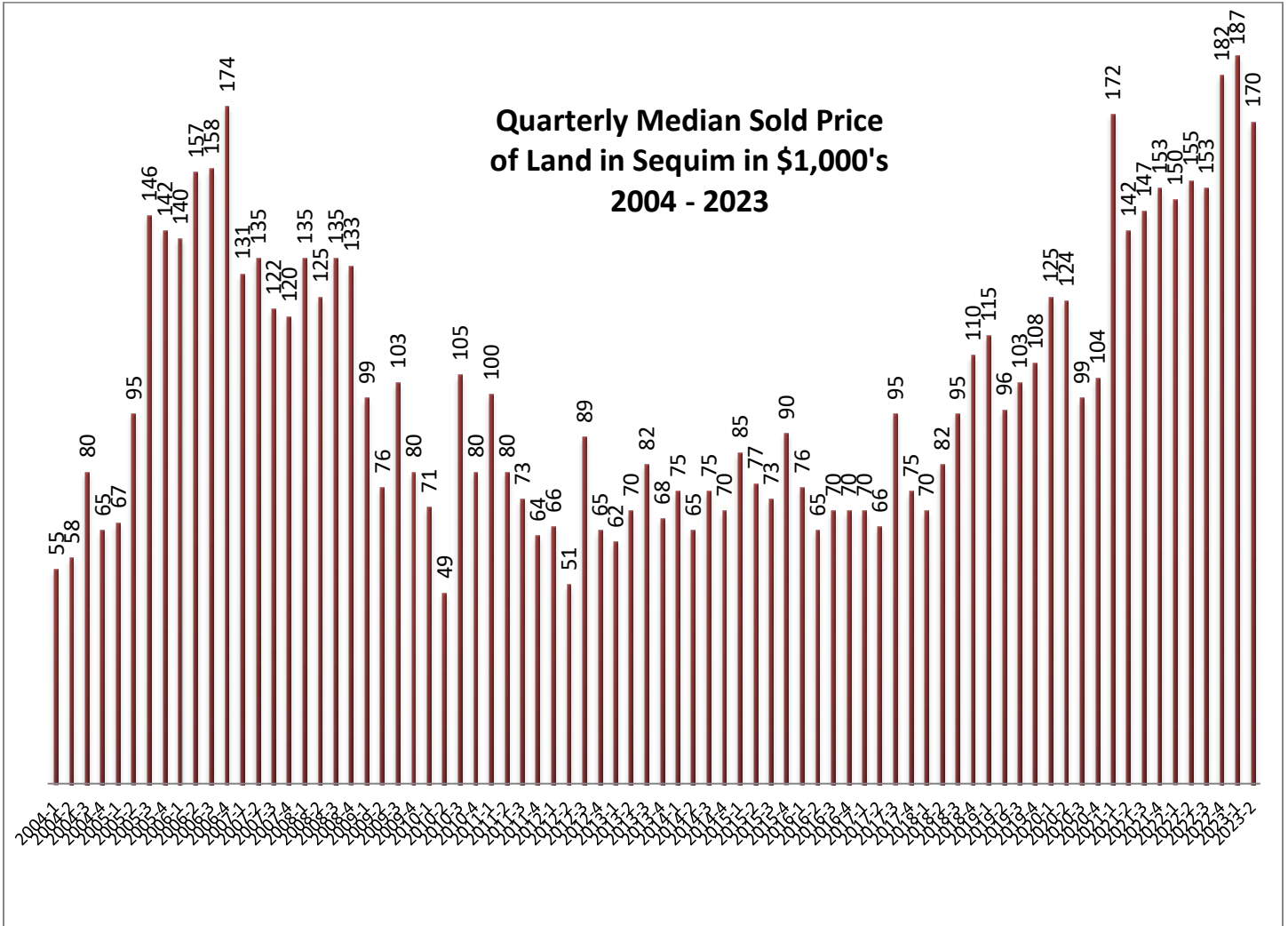
**What your money could buy in 2007 (the previous high),
2011 (the low), and Q2 of 2023 ***

Sale price and year	Square Feet	Lot Size	Year Built	View
\$250K in 2007	1510 sf	0.26 acre	1993	No View
\$250K in 2011	1892 sf	0.46 acre	1985	Mtn. View
\$250K in 2023	841 sf**	0.20 acre	1970	No View
\$500K in 2007	2471 sf	1.23 acre	1995	S.W. View
\$500K in 2011	3172 sf	1.64 acre	1997	S.W. View
\$500K in 2023	1653 sf	0.33 acre	1996	Mtn. View
\$750K in 2007	3740 sf	2.75 acres	1996	S.W. View
\$750K in 2011	3848 sf	5 acres	1999	S.W. View
\$750K in 2023	2274 sf	1.22 acres	1997	Mtn. View

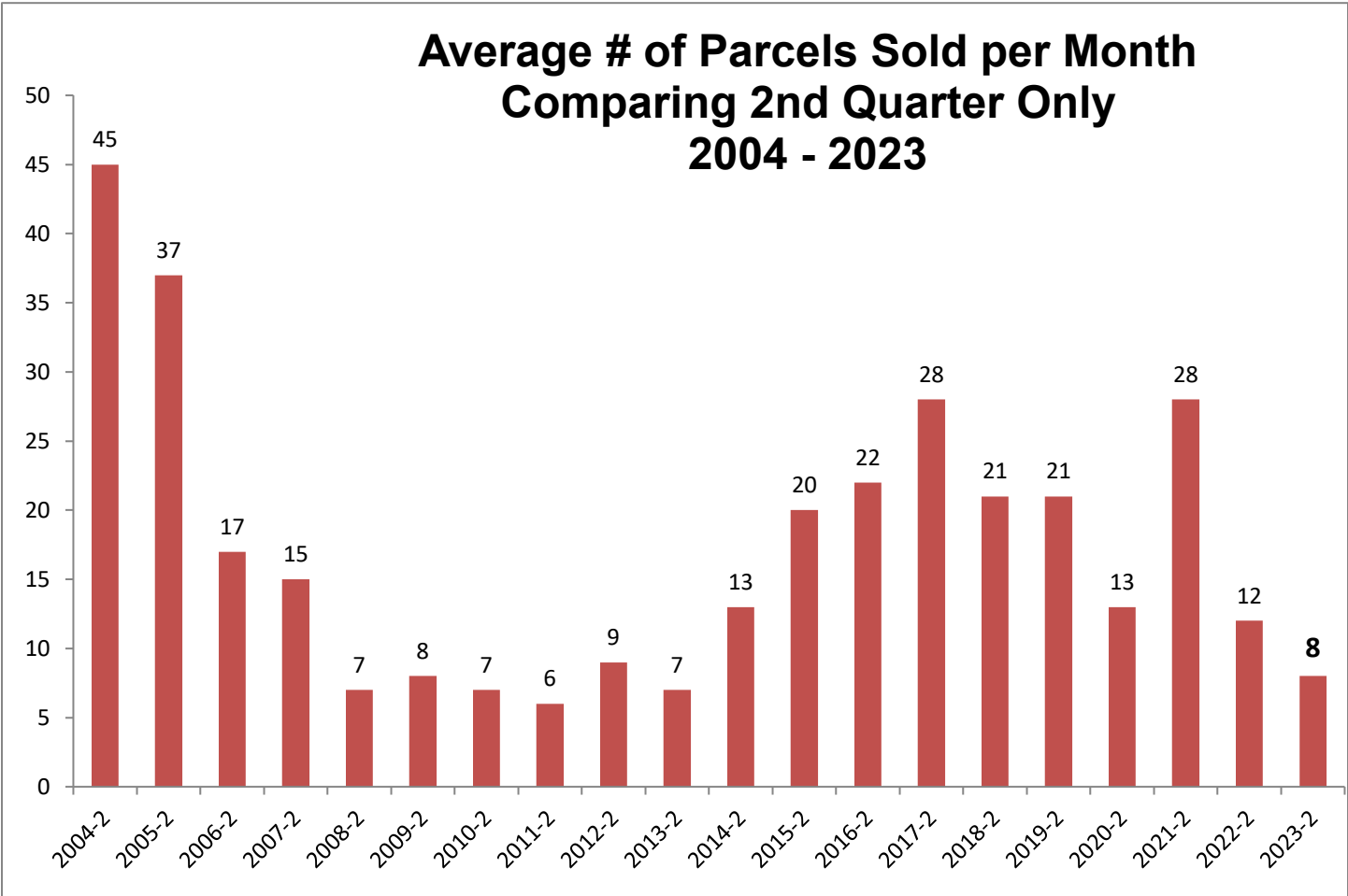
*We examined a range of 15 – 20 home sales hovering above and below a median sales price of \$250K, \$500K, and \$750K over those 3 time periods.

**The FOUR homes that sold around \$250K in 2023 were 2 older mfctd homes, an older condo, and a fixer upper.

Sequim Land Report

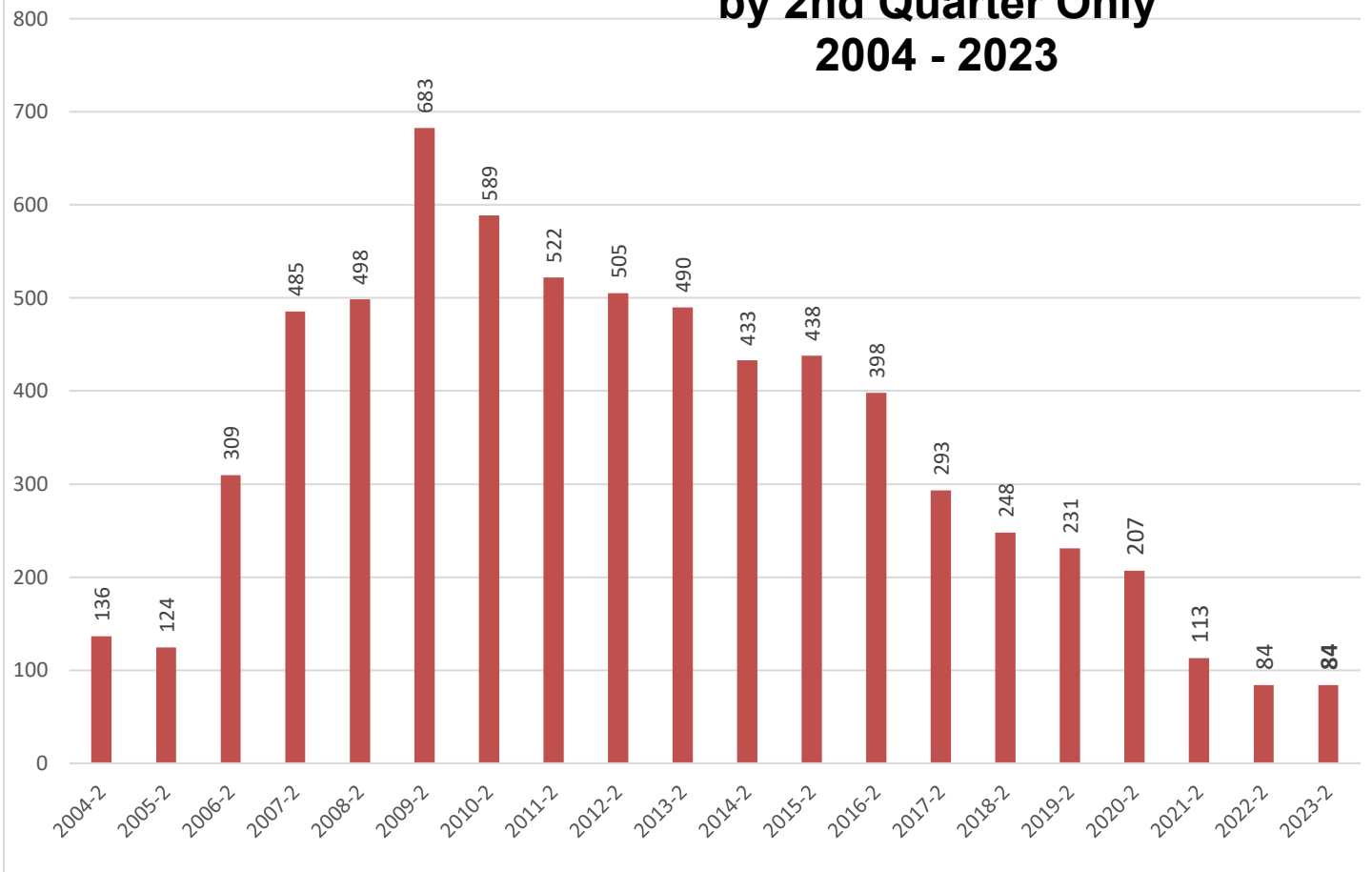


Median Sales Price: The median price for fell to \$170K. That is still the 5th highest for a quarter over the past 15 years. The sales volume plummeted as shown in the following chart, falling to the lowest in 10 years for a second quarter. The average parcel sold at 97% of the last asking price. Building prices are still unusually high but it's also our lack of vacant land inventory that is keeping the sales volume down. Sequim's geography will ultimately limit the long-term supply of buildable lands and people who want to get their piece of Sequim seem motivated to buy before there's little left to choose from.



Land sales volume: There were 25 land sales in the second quarter, with an average of just over 8/month. That is the lowest number of land sales for a 2nd quarter in ten years. Of those 25 land sales over the 2nd quarter, 21 were in unincorporated Sequim and 4 sales were inside the city limits. The average time on market for those sales was 166 days on market and the median was 17 days on market.

Average # of Parcels for Sale per Month by 2nd Quarter Only 2004 - 2023



Inventory: The land Inventory held steady compared to Q2 of 2022 tying the record low. Further, at the time of this report, there are only 93 parcels on the market – 20 of which are either under contract or pending leaving 73 parcels to sell. There simply is not that much land left to develop. The current median asking price is \$175K and the median days on market for the active inventory currently sits at 118 days.

Overall Sequim Real Estate Outlook: The \$650K median price of the 49 home sales in June was probably a fluke but we will watch the next few month's sale prices with great interest. We know of quite a few sellers who just don't want to move on from their sub 3% interest rate and get into a new sub 7% rate which is understandable. At some point however, when someone needs to move, they eventually move, even if they have to endure a higher mortgage rate. We still need more housing units, especially for working class people and there are murmurs of possible developments coming to Sequim soon. We remain grateful for our clients and feel so fortunate to be able to do business in an area as beautiful as ours here on the Olympic Peninsula.

Please call us if you have any questions and know that we are happy to assist you when you need help buying or selling real estate in our beautiful area.

A handwritten signature in blue ink that reads "Michael McAleer". The signature is fluid and cursive, with the first name "Michael" being larger and more prominent than the last name "McAleer".

E. Michael McAleer

Managing Broker

RE/MAX Prime

CRS, GRI, ABR, SRES, CNE

360.460.2839 Cell Phone

360.683.1500 Office Phone

www.teammcaleer.com