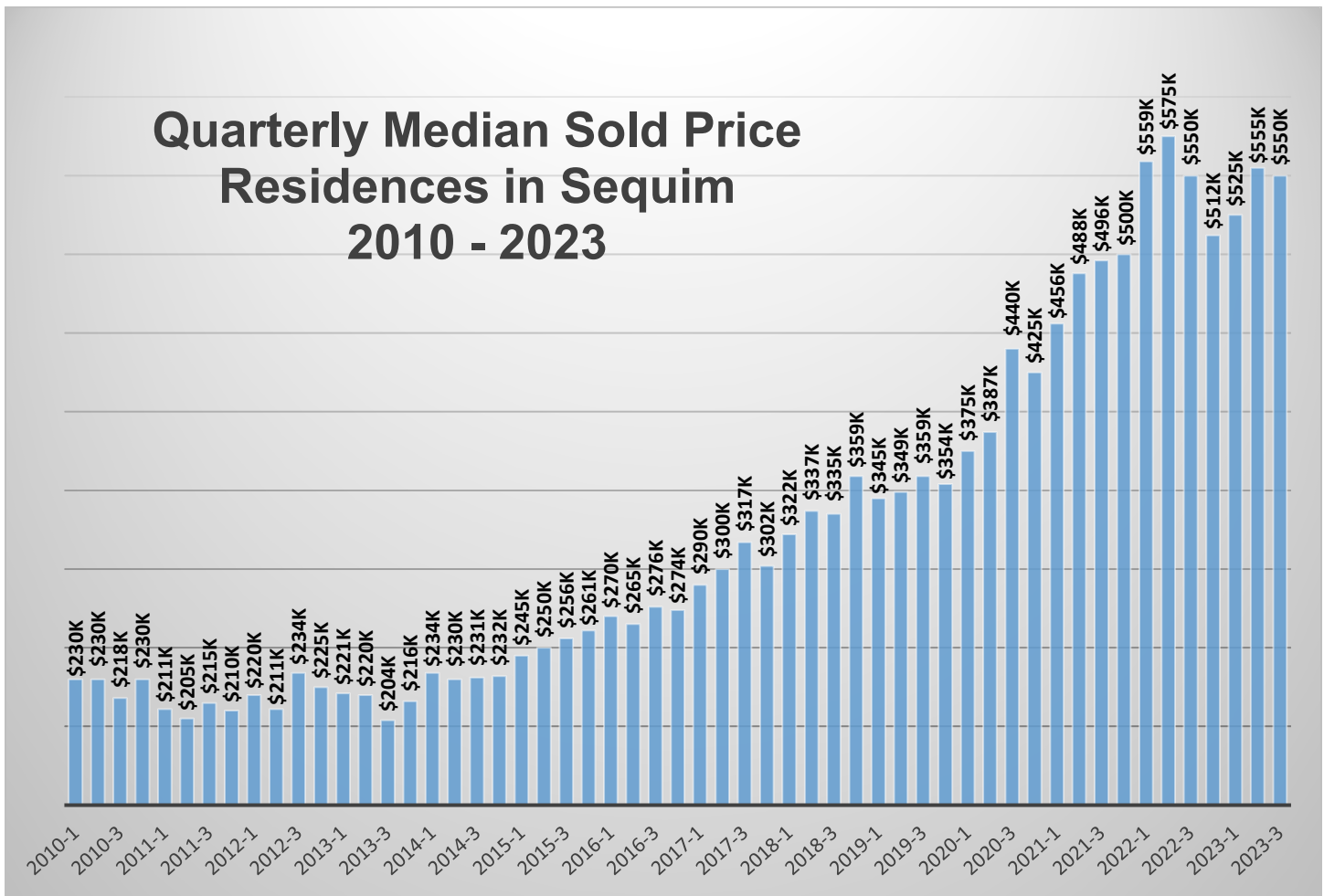




Team McAleer
 RE/MAX Prime
 901 W. Washington Street
 Sequim, WA 98382
 Office 360.683.1500
 www.teammcaleer.com

3rd 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 3rd quarter fell slightly to \$550K, down from \$555K in Q2. The median sale profile was: asking price of \$563,500, 1759 SF on 0.4 acre, built in 1995, on the market for 15 days (average days on market was 33), sold at \$307/SF and at 98% of the last asking price. The average list price was \$622,655 and the average sale price was \$612,473.

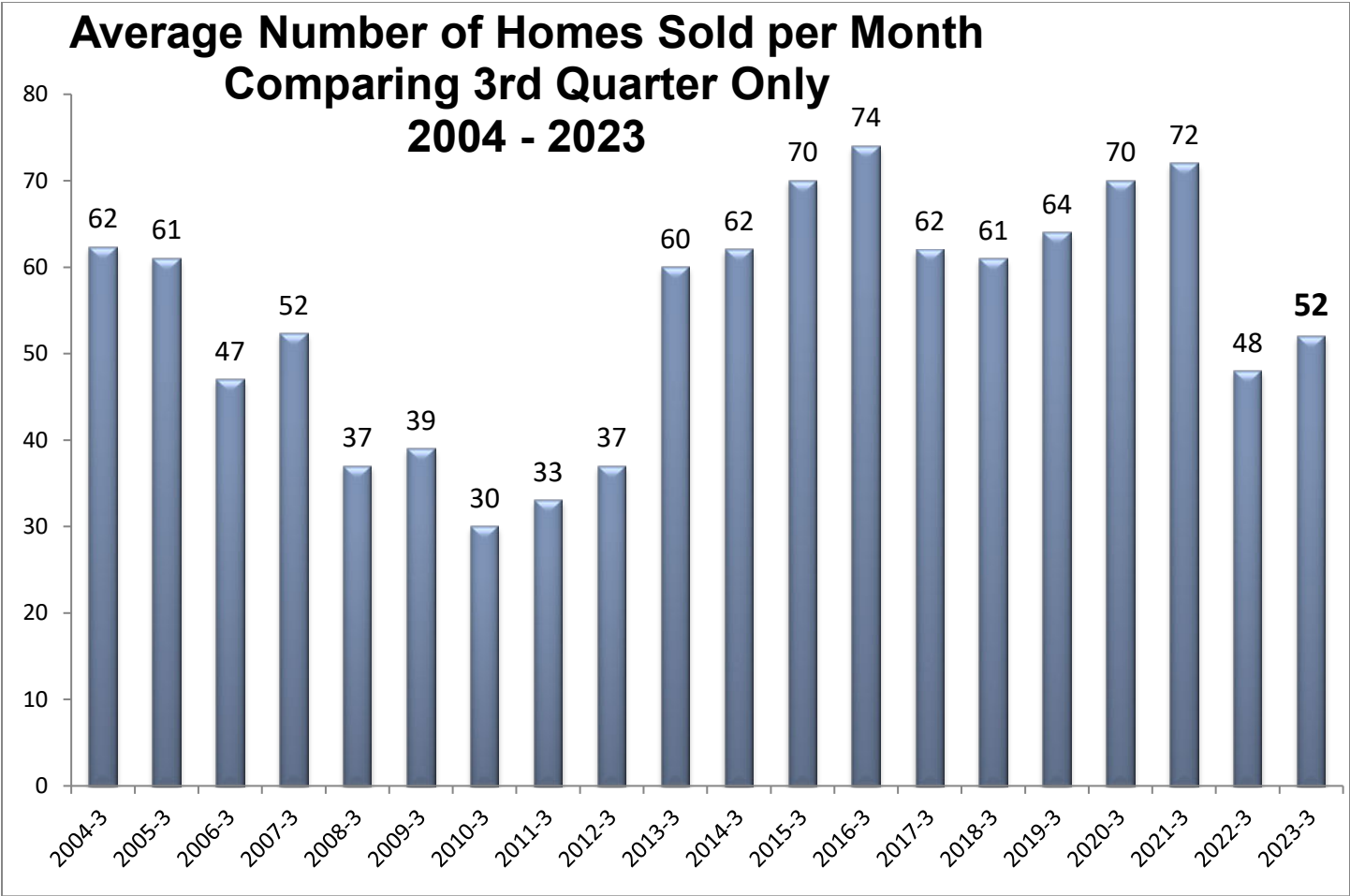
Average Number of Homes for Sale per Month Comparing 3rd Quarter Only 2004 - 2023



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 inventory this past quarter was up 4% compared to this time last year. This graph perfectly illustrates the bigger picture of our market – 174 homes on the market is still historically very low.

Current inventory – as of the date of this report, there are 164 homes on the market in Sequim with a median asking price of \$627K. The average days on market for our inventory is 82 days up from 69 days this time last year and the median is at 51 days up from the 47 days in Q3 of 2022. Currently 46 of those 164 homes on the market are either under contract or are pending sales, leaving 118 homes, or 72% of the active inventory, available for interested buyers. Compare those 118 homes that are actually available to the 125 homes that were available this same time last year - a similarly low inventory.

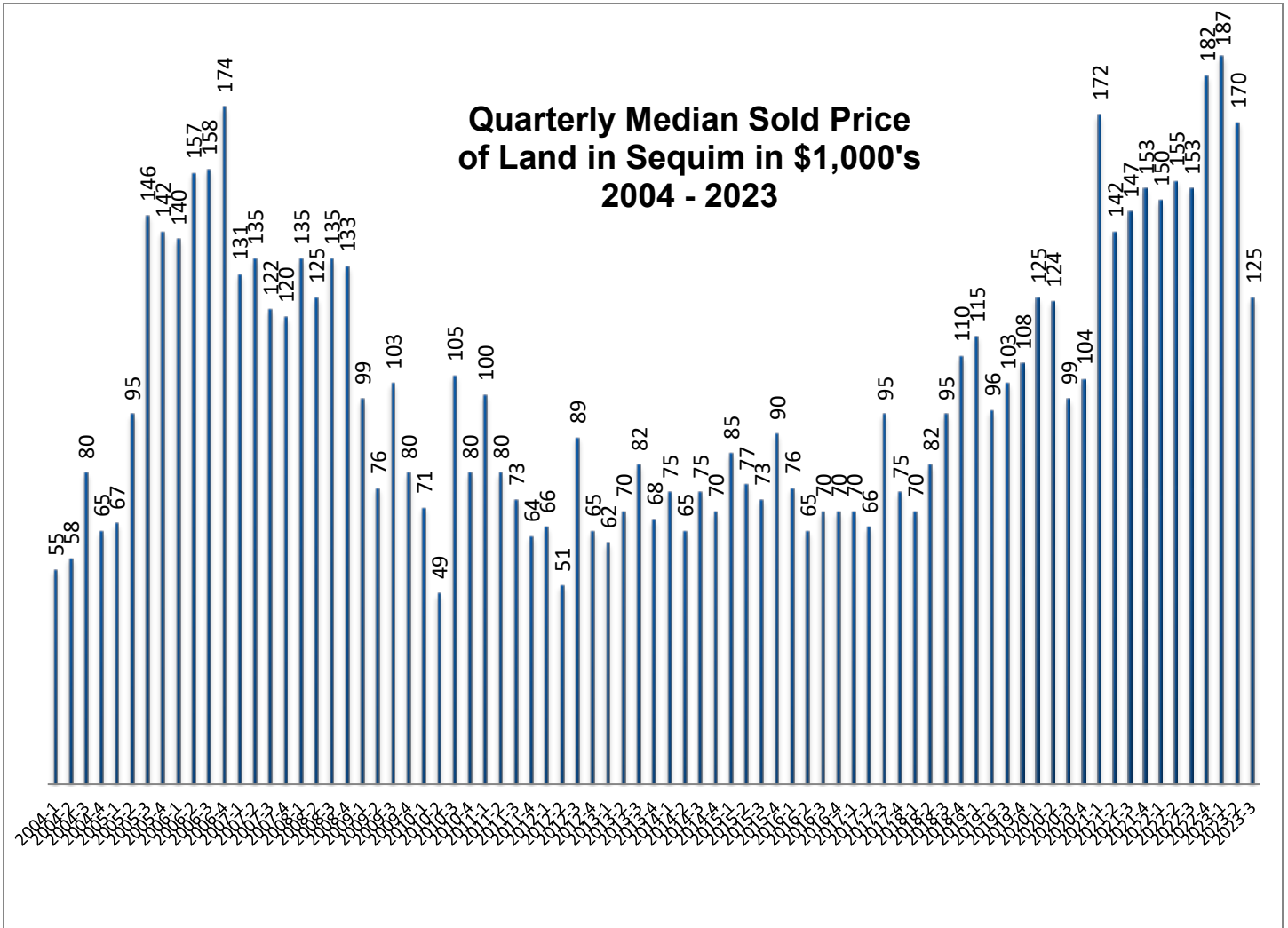
*Sequim area is roughly defined as the Sequim School District boundaries stretching east just past the Jefferson County line and west to Blue Mountain and Lewis Rd., excluding homes on leased land. Data is collected from the Olympic Listing Service.



3rd Quarter Home Sale Volume: There were an average of 53 home sales/month over the 3rd quarter of 2023, up 9% from the 48 sales/month over the 3rd quarter of 2022.

Outlook for the Sequim housing market: What an incredible real estate market we are living through. After a 10 year run up on prices, we really expected to see values fall especially given the high interest rates which sit at an average of 7.88% as of this writing. However, the inventory remains very low which is keeping the values steady. Economists for RE/MAX and the National Association of Realtors are similarly predicting interest rates to fall to 5.5% in 2024 and down to as low as 4.8% in 2025. With that they expect home sales to rebound by 10% next year and another 9% in 2025. Time will certainly tell how home values will be impacted.

Sequim Land Report

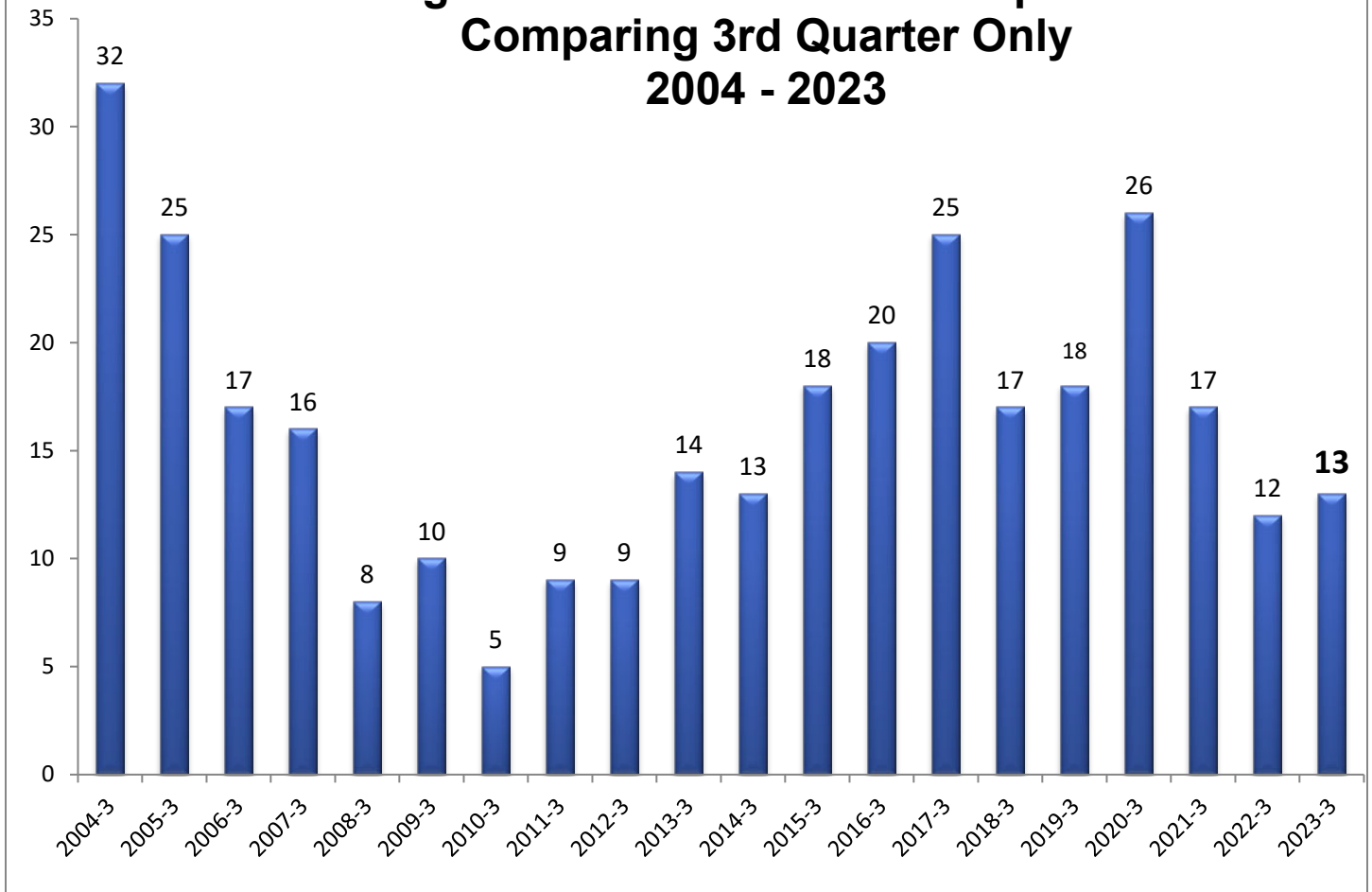


Median Land Sales Price: The median price for land fell to \$125K and the median asking price for those sales was \$130K. The median size of those sold parcels was 0.71 acres and the median days on market was 56 days.

Five of the 41 land sales were in the Sequim City limits with the other 36 sales being out in the county lands of unincorporated Sequim.

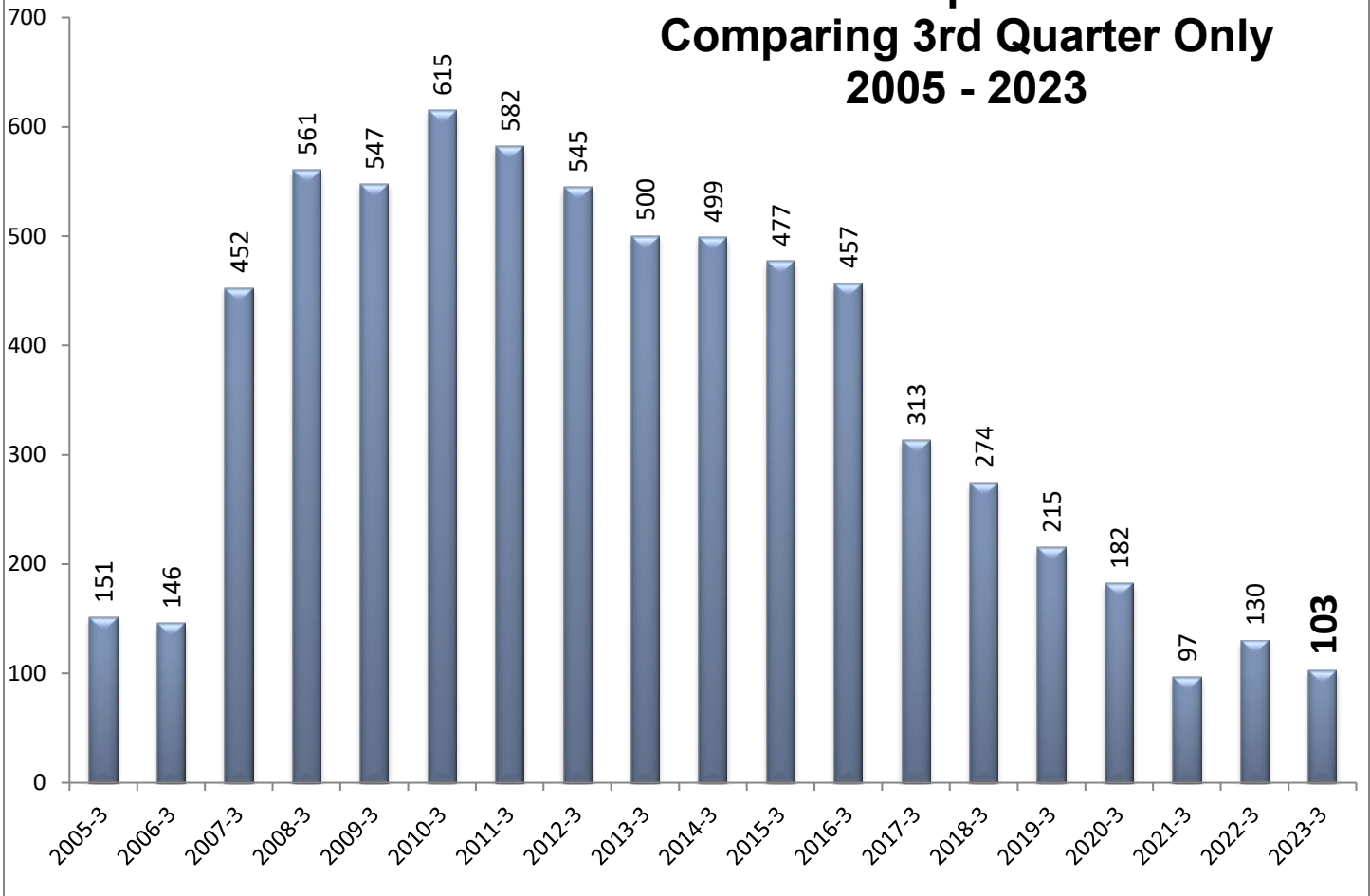
Building costs remain high but established local builders are still as busy as they have been. New building codes called the Wildland Urban Interface (WUI) are set to be imposed on new construction and remodels beginning in March of 2024. These codes were pushed by the insurance industry with the goal of limiting the financial impact of wildfires. The new requirements will add significant cost to new construction - the exact cost is yet to be determined. These costs will be in addition to the recently adopted state energy code requirements which have added \$24K on average to the cost of a home. Realtors and builders have stated our concerns as we believe the negative impact to affordability outweighs the benefits.

Average Number of Parcels Sold per Month Comparing 3rd Quarter Only 2004 - 2023



Land Sales Volume: There were 41 land sales over the 3rd quarter of 2023 – a 15% increase from the 35 sales over the 3rd quarter of 2022.

Average Number of Land Parcels for Sale per Month Comparing 3rd Quarter Only 2005 - 2023



Land Inventory: There were an average of 103 parcels on the market over the course of the 3rd quarter - a 21% decrease compared to the 130 parcels for sale on average during Q3 of 2021. Current inventory is also at 103 parcels on the market – only 13 of which are either under contract or pending, leaving 90 to sell. The current median asking price is \$229K, the median size is 1.38 acres and the median days on market for the active inventory currently sits at 81 days.

Hopefully, this information has proven to be useful to you or at least interesting. 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.

E. Michael McAleer
 Managing Broker, RE/MAX Prime
 CRS, GRI, ABR, SRES, CNE
 360.460.2839 Cell
 360.683.1500 Office
www.teammcaleer.com