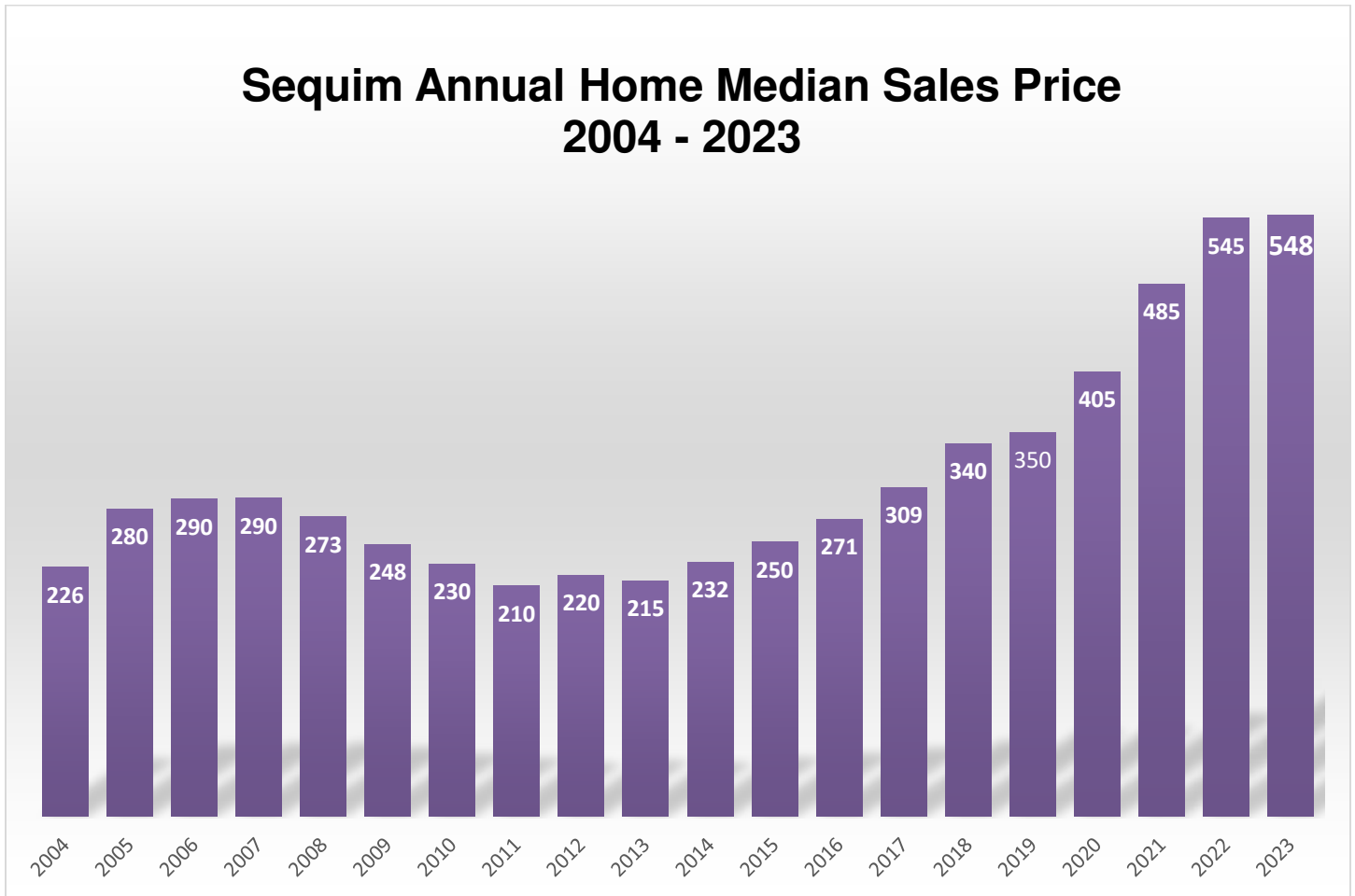




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2023 Year End and 4th Quarter 2023 Sequim Real Estate Report

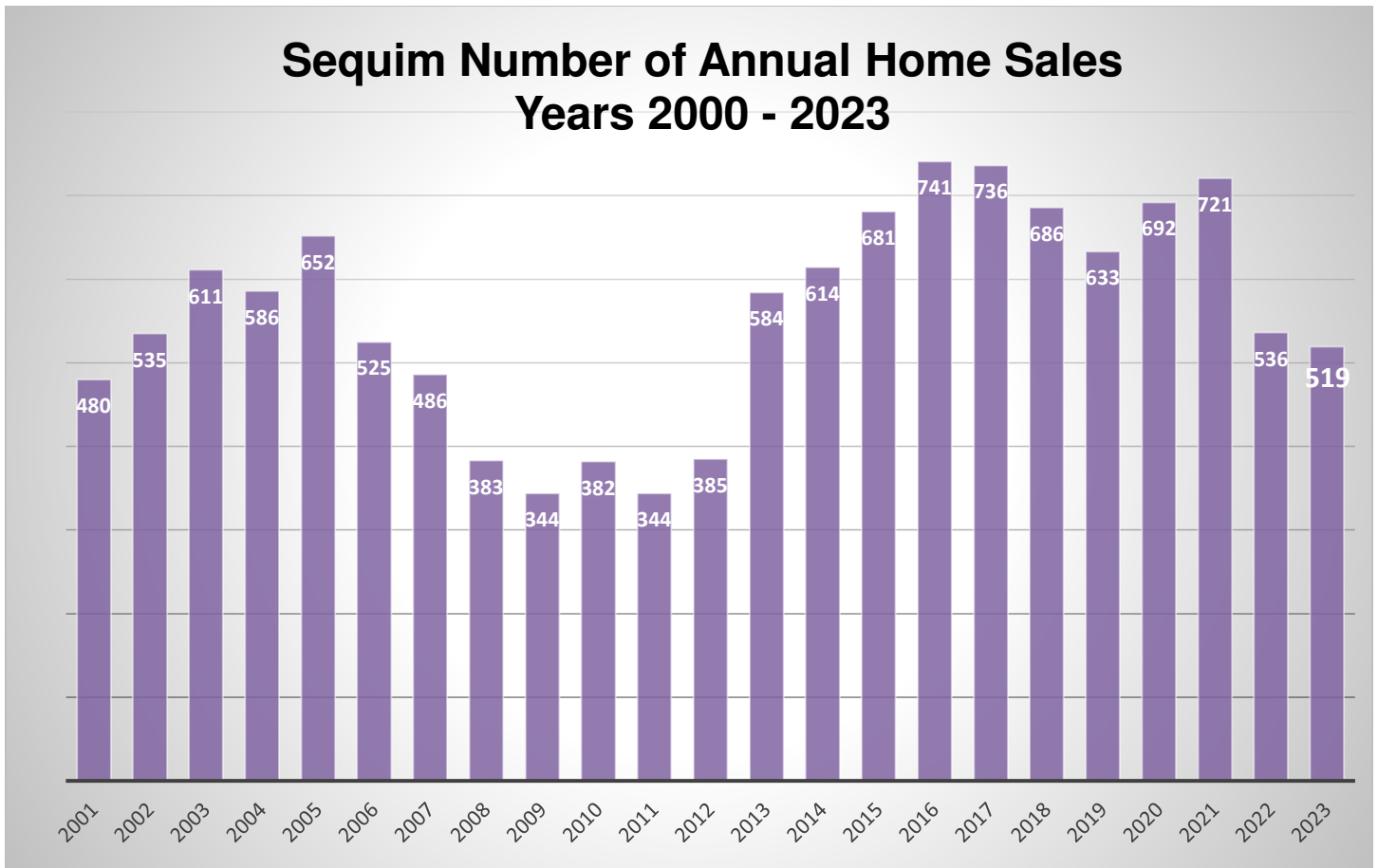
2023 Year End Sequim Real Estate Report – Sales in the Sequim Area*



Annual Median Price - The median home sale price rose just slightly this past year, going from a previous annual record high of \$545K in 2022 to a record breaking \$548K in 2023. Looking closer within the year however, the median fell from \$555K in Q2, \$550K in Q3 and down to \$525K in Q4.

***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.**

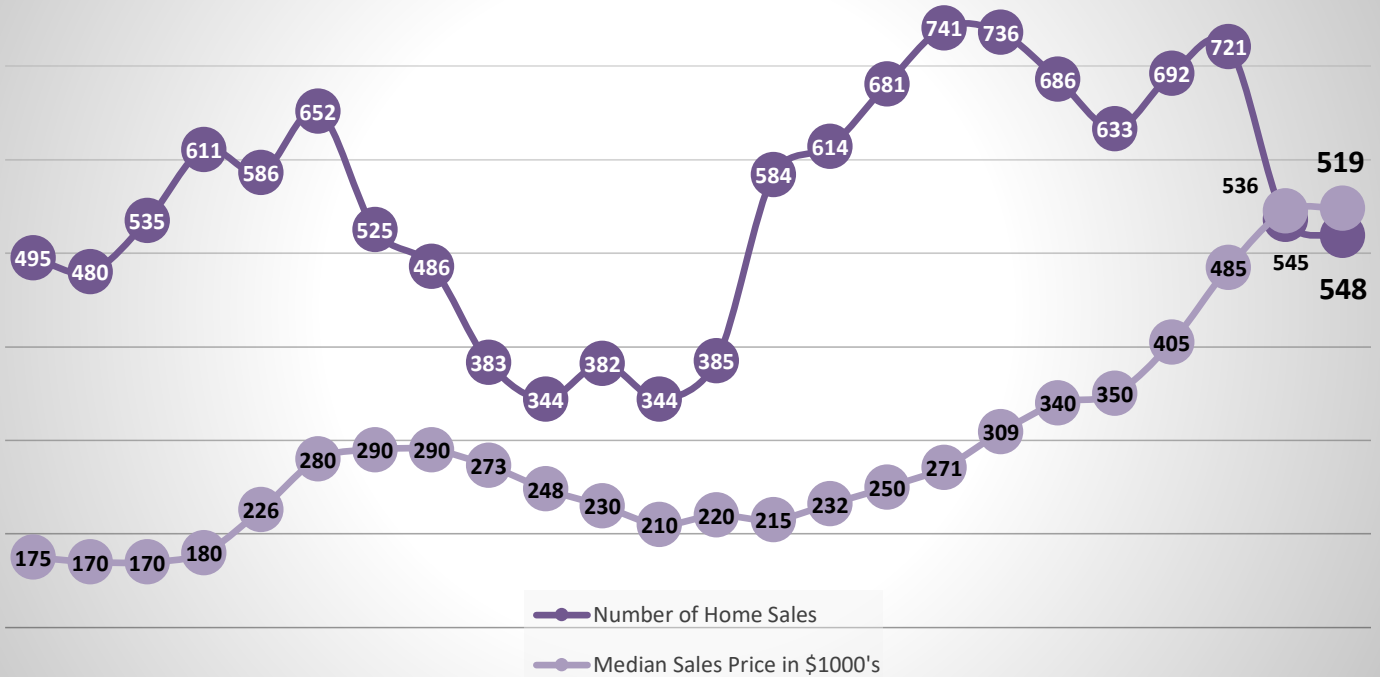
Sequim Number of Annual Home Sales Years 2000 - 2023



Number of Sales by Year - The sales volume of 519 home sales was a 3% decrease compared to 2022 and the lowest number of sales in 11 years.

Days on Market - The median number of days on market (DOM) for those 536 sales in 2022 rose 20 days on market, up from the median 9 DOM in 2022. The average days on market for home sales in 2023 was 45 days up from 26 days in 2022.

Annual Home Sales in Sequim Years 2001 - 2023



Comparing Trend Lines of Volume and Value - Having a look at both the annual sales volume and the median sales prices together is interesting. Note that the sales volume turned directions before prices did in both 2006 and 2013. We just experienced another “turn in direction” this past year in terms of the sales volume.

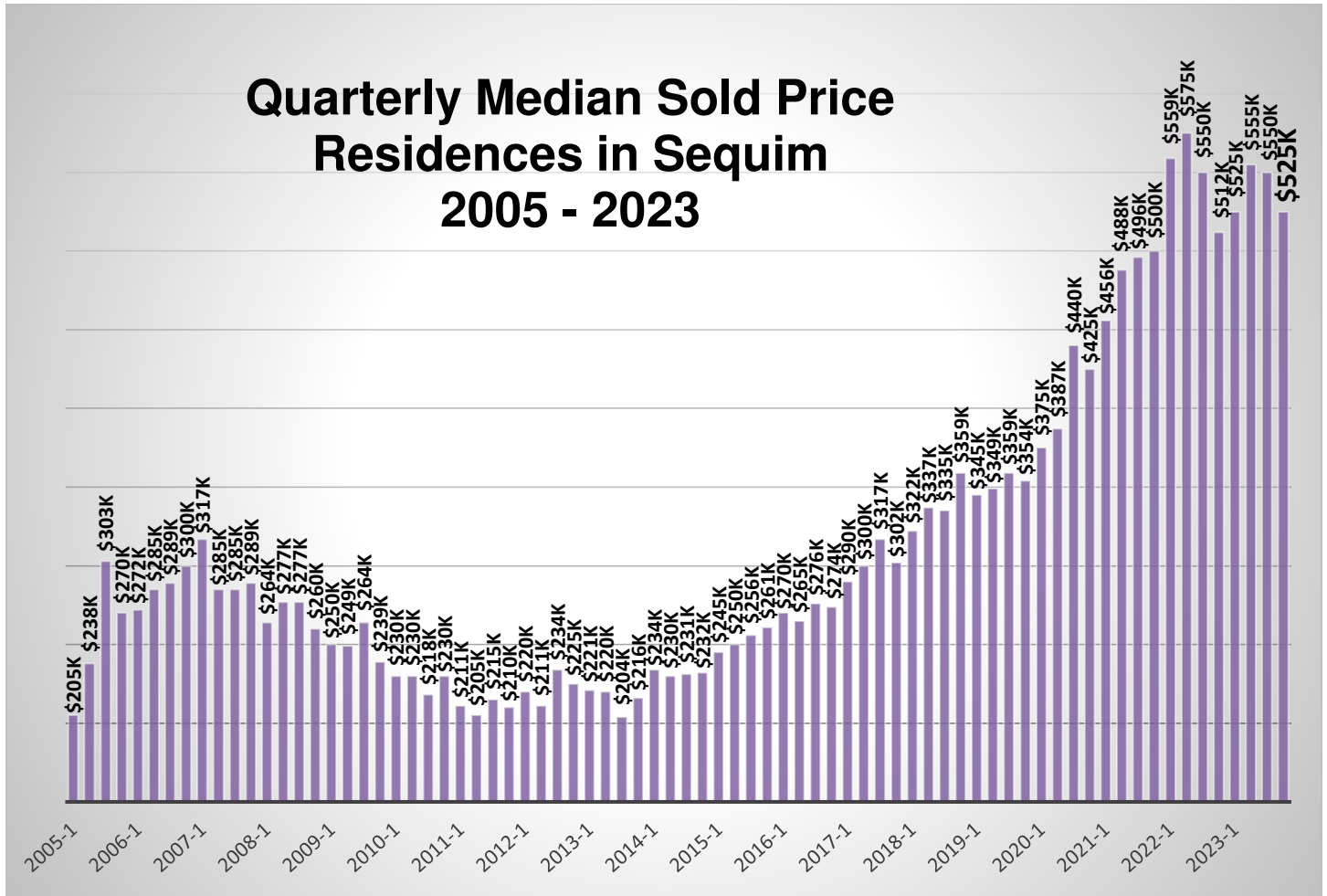
The big downturn in our sales volume can be attributed again to two major factors: increases in interest rates throughout the year, AND our continued low inventory. This chart shows an annual increase in the median price, but we know looking closer at the quarterly median price numbers that within the last three quarters the median price went from \$555K to \$550K to \$525K respectively. Of course, median price changes can just mean that people are buying smaller or bigger homes, so I did dig a little deeper to see if values actually fell. Checking the price/square foot over those last three quarters actually shows incredible consistency: Q2 sales were at a median of \$305/SF, Q3 were at \$307/SF and Q4 were at \$304/SF.

Sequim Annual Land Sales Volume and Values Comparing Years 2000 - 2023



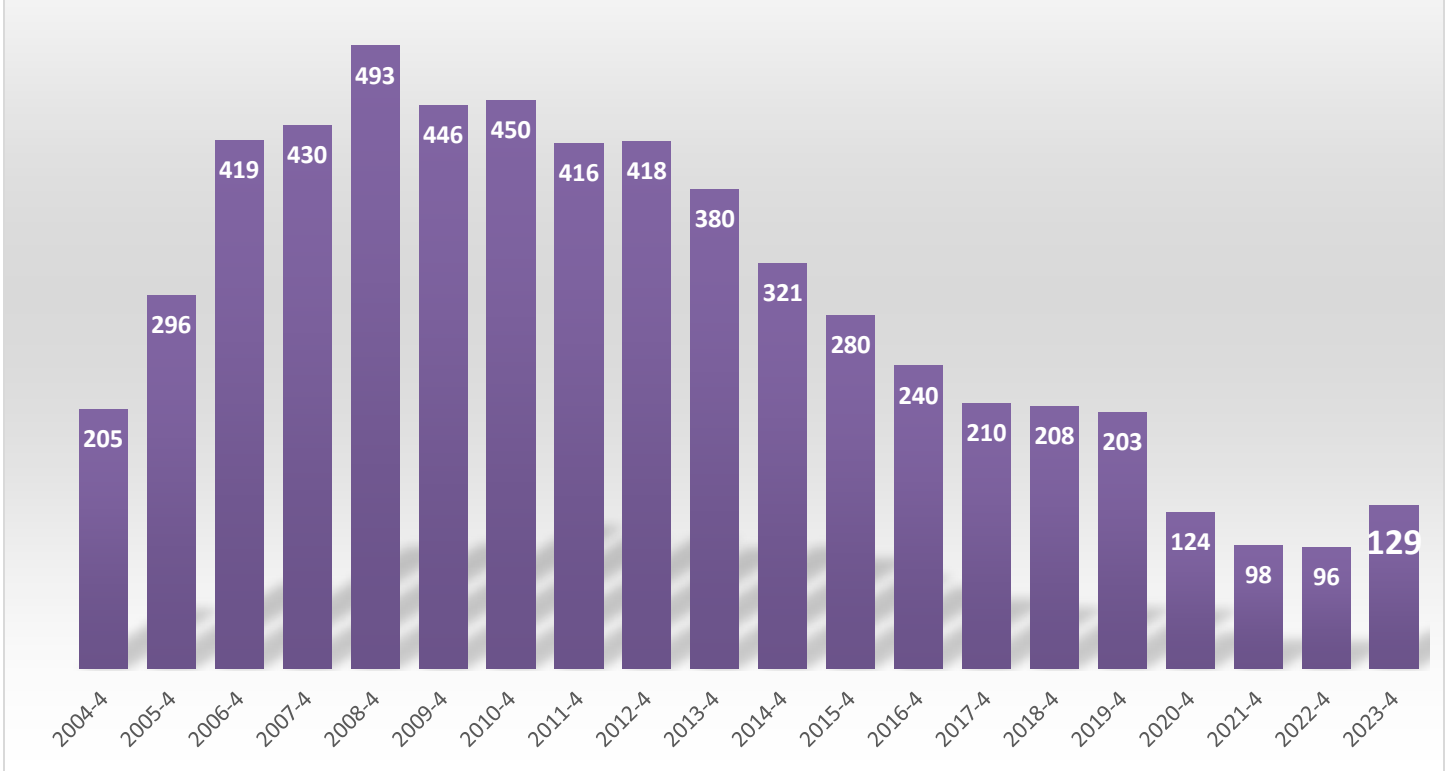
Number of Total Land Sales and Median Price - The 107 land sales in 2023 in the Sequim area was down another 22% from the number of sales from 2022. The median sale held steady at \$158K which is still high historically speaking. The median number of days on market for those sales was 46 days and the median size of those land sales was 1.38 acres. Of those 107 sales in 2022, only 18 were Sequim city lots while the rest were outside of the city limits in Sequim’s rural lands. Our state’s Growth Management Act, passed in 1990, was supposed to encourage growth within our city limits as opposed to the outlying unincorporated rural lands. Expensive hookup fees and limited high density zoning areas within our city limits seem to be having the opposite effect.

4th Quarter 2023 Sequim Real Estate Report



4th Quarter 2023 Sequim Home Sales Data - The median sales price of \$525K for the 4th quarter of 2023 was down slightly compared to Q2 and Q3 but as stated in the annual report the price/square foot rose and then held steady throughout the year. The median price/square foot over the year was as follows: Q1 - \$289/SF, Q2 - \$305/SF, Q3 - \$307/SF and Q4 - \$304/SF.

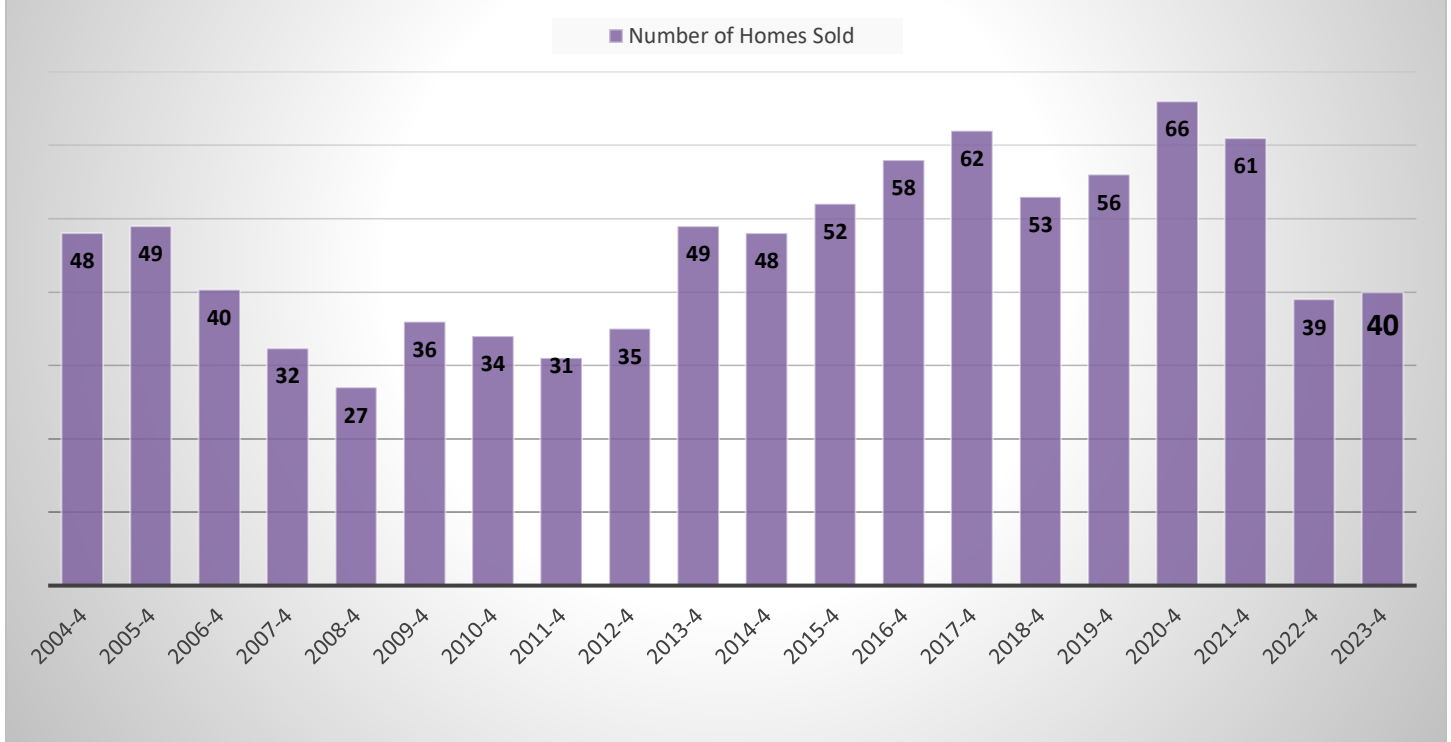
Average Number of Homes for Sale per Month Comparing 4th Quarter Only Years 2004 - 2023



Housing Inventory Continues to Fall – The 4th quarter average of 129 homes on the market (calculated at the beginning of each month) was a 26% increase compared to the record breaking low in Q4 of 2022. We’re hoping for more of that.

As of this writing, there are 108 homes for sale in the Sequim area. Of those active listings, 26 are pending sales leaving 82 homes to sell with a median asking price of \$600K. Of those 108 listings, 40 have reduced their asking price over the course of the listing. The median Days on Market for the current inventory is 71 days on market. For some perspective, compare the current 108 active listings to the all-time high of 611 listed homes in June of 2009.

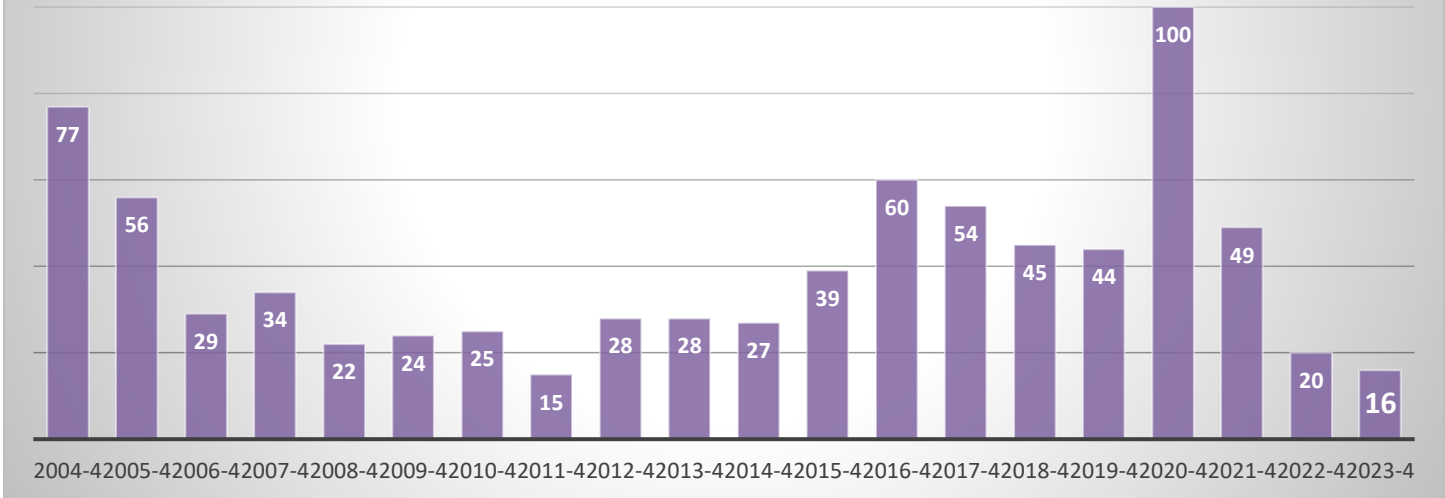
Average Number of Homes Sold per Month Comparing 4th Quarter Only Years 2004 - 2023



Number of 4th Quarter Sales - The average number of home sales/month over the 4th quarter held steady at 40 home sales/month – 119 total.

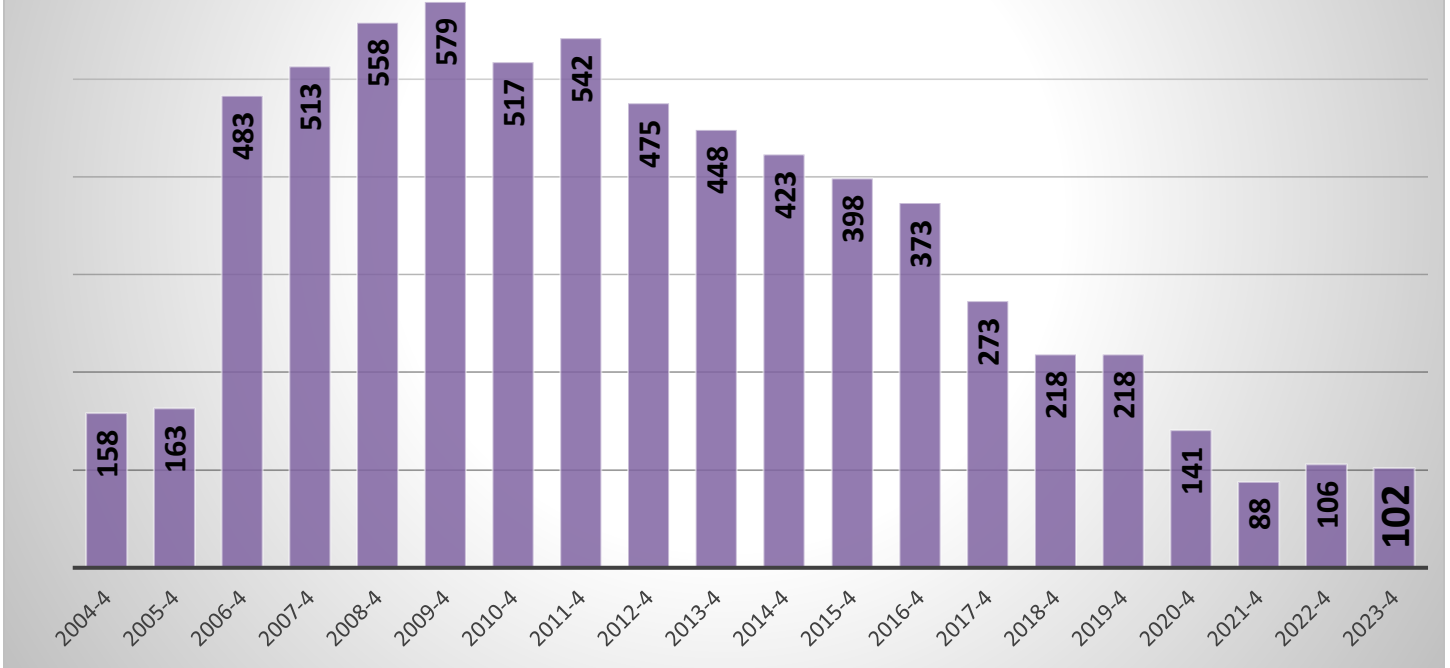
Median Profile of the 4th Quarter 2023 Home Sale - List price of \$525K with a sale price of \$525K, 1794 square feet, on 0.52 of an acre, single story, built in 1994, and on the market for 20 days. Of those 4th quarter sales, 35 boasted mountain views and 24 featured water views.

Number of Land Parcels Sold in Sequim Comparing 4th Quarter Only 2004 - 2023



The number of land sales in the 4th quarter of 2023 fell to 16 – the lowest land sale volume for a 4th quarter since 2011 and the 2nd lowest on record.

Average Number of Land Parcels for Sale per Month Comparing 4th Quarter Only Years 2004 - 2023



Land Inventory – There were an average of 102 land parcels on the market at the beginning of the month in the fourth quarter. That is the 2nd lowest inventory for any 4th quarter since we began compiling the data for this report. Currently there are 94 parcels for sale, 8 of which are pending sales.

Outlook for 2024 – Interest rates for a 30-year mortgage are down to about 6.9% as of the writing of this report – a far cry from the sub 3% rates we saw a few years ago but down from the 8% rates from only a few months ago. The Fed has signaled that they intend to lower interest rates three times in 2024. Inventory continues to be historically low but the increase in inventory in Q4 of 2023 was encouraging. I predicted that values would remain steady in 2023 and that held true. I believe we will hold steady again with the possibility that we some modest appreciation. How the overall economy will fare is in question in this election year, but we strongly believe Sequim will again outperform the vast majority of other real estate markets when you consider the relative value, limited inventory and our superior quality of life.

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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