

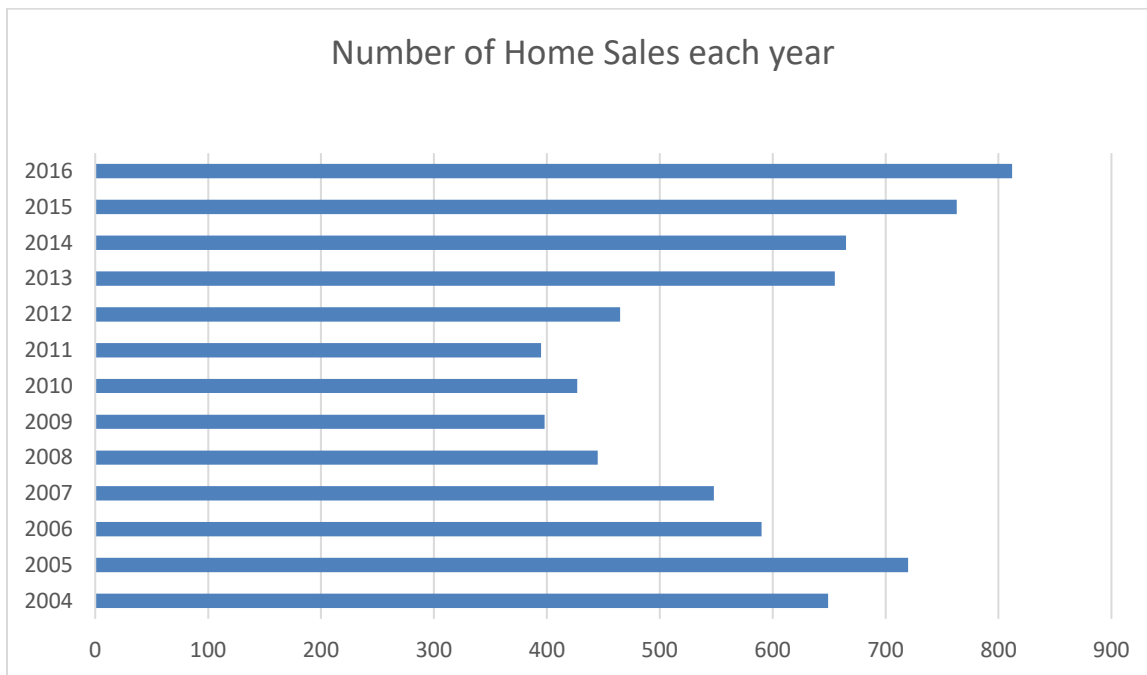
2016 Sequim Washington Real Estate Market News

Sequim Real Estate, 2016 in Review

2016 ended with a new all-time record for number of homes sold in the Sequim Area. Other sectors of the real estate market experienced more limited growth. Below is a brief synopsis of activity in different sectors of the market.

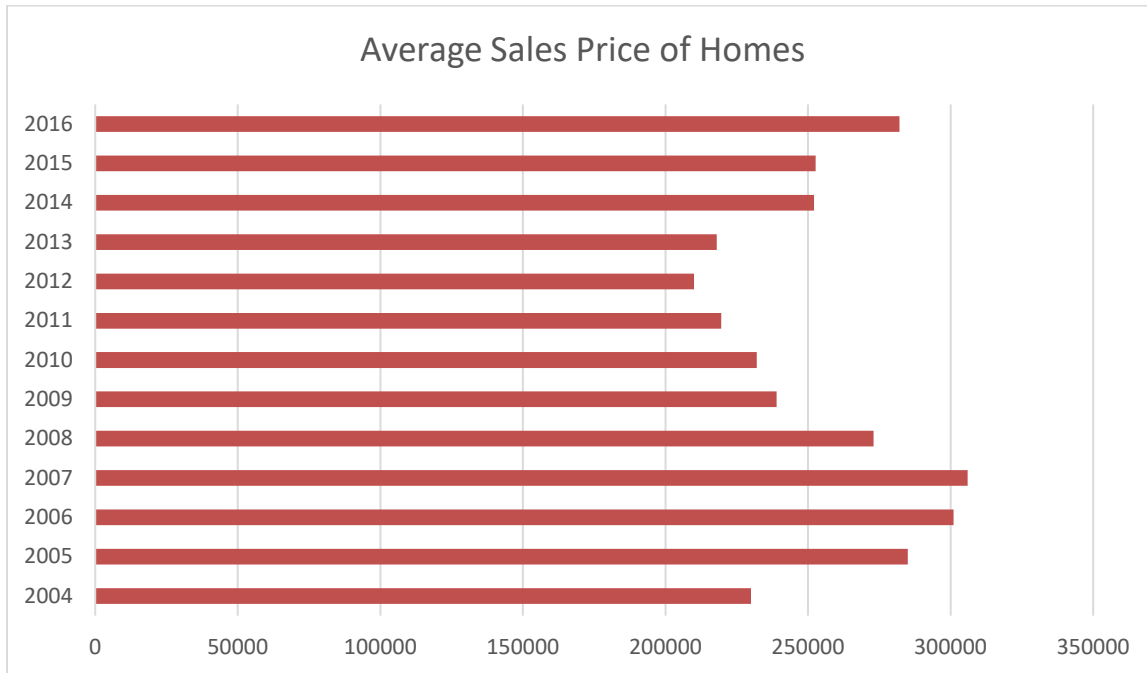
Housing

The number of home sales reached a new record high in 2016. Eight-hundred twelve residential home sales occurred with an average sales price of \$282,045. This was an increase of \$29,361 in average sales price from last year. The average home was on the market 69 days, which was 22 days less than 2015, & 61 days less than 2013. Demand for homes in the Sequim area continues to grow, and the supply is not keeping up with the demand. Homes are selling quickly without a huge amount of negotiation. Homes priced at market value averaged less than two weeks on the market.



While we saw record numbers of homes sold, average prices are still about \$30K less than they peaked at in 2007. This is due in part to a significant change in what geographical areas our

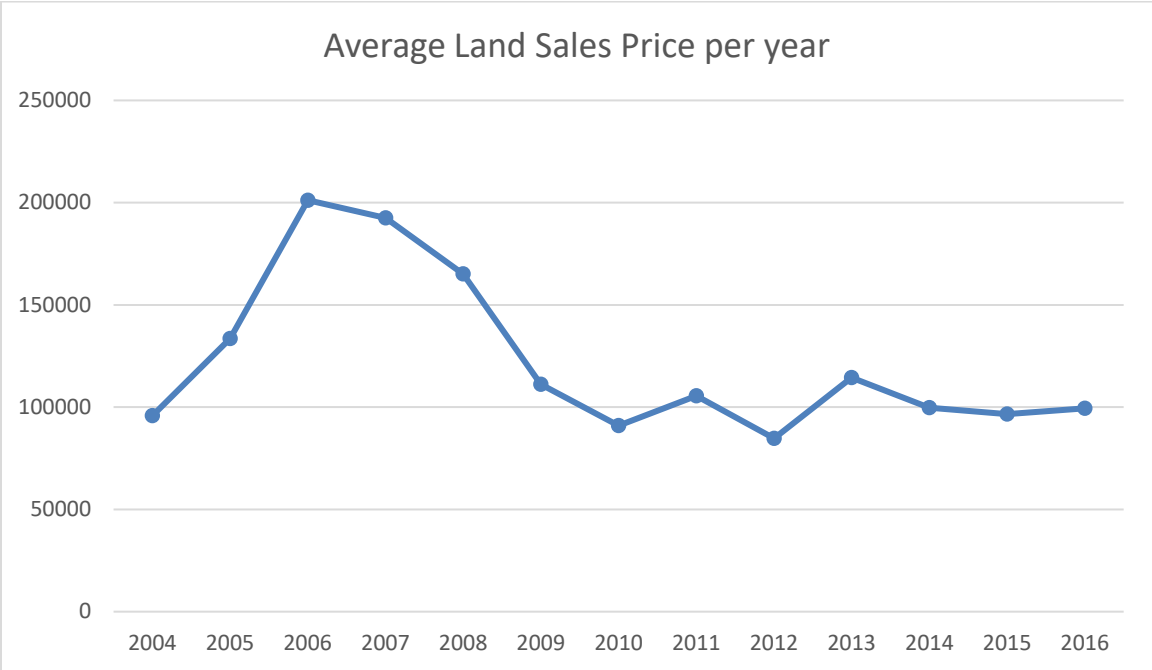
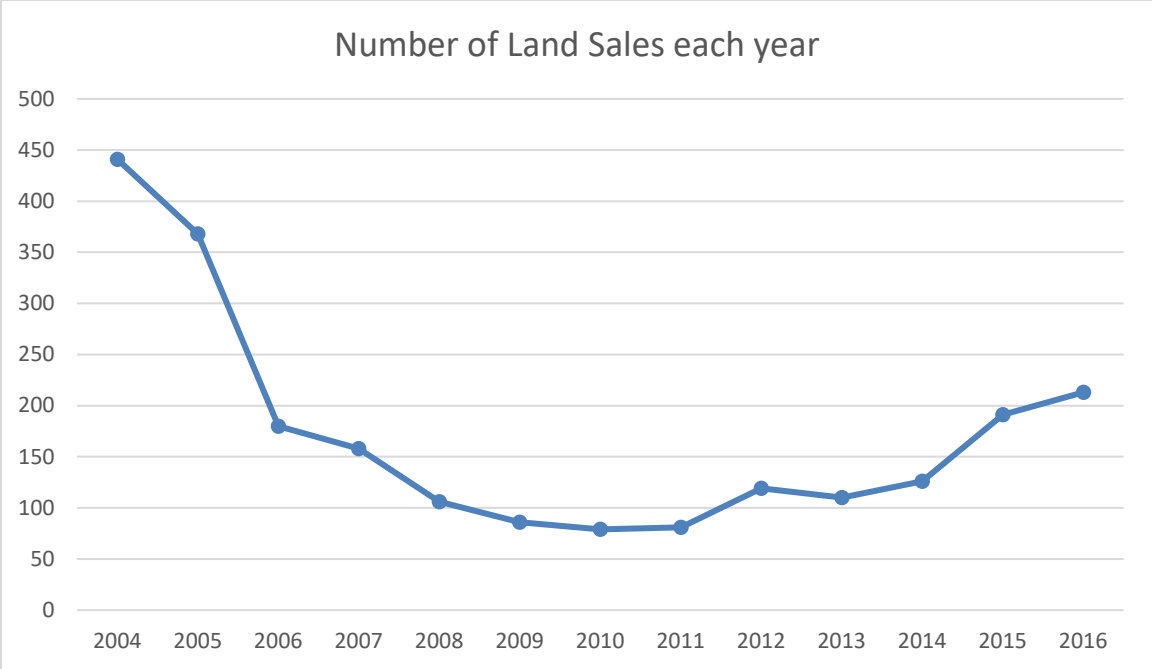
buyers are coming from, and a failure for the higher end market to recover as quickly as the market for low and mid-range homes.



The huge increase we are seeing in demand is not surprising. New residents fell in love with Sequim’s gorgeous surroundings while visiting the annual Lavender Festival, & 3.2 million visitors came to the Olympic National Park this year. In addition, Sequim appeared on many lists of best places to live or top places for retirement. Other residents have been drawn here by new employment opportunities as Sequim continues to develop into the social, economic, and medical center of the North Olympic Peninsula.

Land

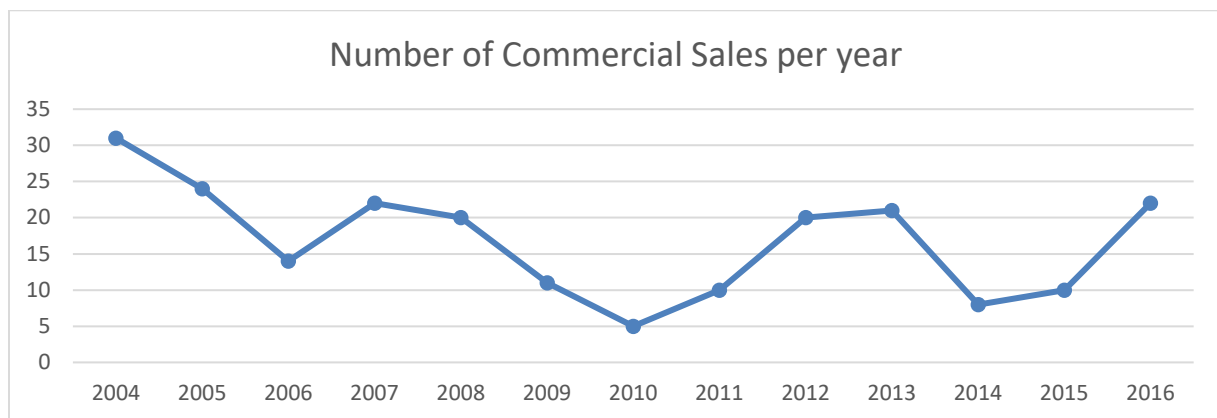
Residential land sales continued to increase, with 22 more sales in 2016 than in 2015. The average sales price was up slightly (around 3%), with an average sales price of \$99,485.00. We are not seeing the demand for land increase as much as the demand for housing. This is largely due to local and national labor shortages that have dramatically increased the cost to construct a home, now almost double what it was in 2010. This keeps keep people from being able to build cost effectively if they pay too much for the land.



Commercial

The market for commercial property more than doubled in 2016, getting back to the quantities that were sold in 2012 and 2013. We have not seen a lot of price increase over the last year in either sales prices or rental rates. At this time the average sold price for commercial buildings is running right around \$100 per square foot.

Below is a graph showing the number of sales transactions per year according to MLS data:



Looking Forward

I believe 2017 will be another good year in sales, as more and more people are discovering the beauty, temperate weather, low rainfall, and four seasons found here in Sequim. Even with the high demand raising real estate prices, I foresee an increase in residential, land and commercial sales.

I am thankful to both God and many loyal clients that made me successful regardless of market conditions. If you have any questions, or if I can help you accomplish your goals in Sequim or Port Angeles real estate, feel free to give me a call.

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