



CMA: Comparative Market Analysis

10695 NE Byron Drive, Bainbridge Island, WA
98110

Matt & Kate
April 2, 2021


Windermere
REAL ESTATE

Information used to prepare this report has been obtained from multiple sources, including: MLS records of pending listings and recent sales; public records; and the current owner(s) of the subject property. The broker preparing this report has not independently verified the accuracy or completeness of any information obtained from sources reasonably believed by the broker to be reliable.

IDENTIFYING VALUE

Your home has a lot of the elements buyers are seeking in a home fitting your criteria. The design and quality of construction is superb, I know I don't have to tell you. It was fun to talk to Chip about it, and the MLS marketing remarks speak to that effect.

Upon entering the grounds your eyes will be drawn into and through this elegant Traditional Pacific Northwest home. The design was configured to capture abundant natural light and connect the environment to the living spaces through a wall of glass that allows you to see the treetops while sitting in the living room. Exposed beams in the steep gables extend from the covered entryway to the back patio, a design that extends into the detached income producing ADU. In Winslow and on a golf course, the airy 3/4-acre lot offers superior privacy and spacious lawn. Exquisite finishes, three en suite bedrooms, no steps, an innovative geothermal heating system and an oversized 3-car garage with 4th bay for golf cart round out this package.

CRITERIA

This opinion of value is based on viewing your property and analyzing its placement in relation to recent comparable sales ("comps") under the current market's conditions. To ensure the homes selected qualify to base an opinion of value with, all the properties have the following criteria in common:

- **SOLD:** On Bainbridge Island in 2021. This year is totally different than last year, so it's all that's relevant.
- **SIZE:** I was intending to use 3,000 as a minimum, but the one on Winslow Way at 2,839 sf is one I must include. You and this one are the two smallest. It's worth noting the square footages in the analysis DO NOT include the ADU, which is hard to include.
- **PRICE:** Under \$2,500,000, because at that price point waterfront or water view is an expectation; the quality and design of the home and grounds do have an upper limit, considering what else can be bought at that price or just above it.
- **ETC:** I don't need to tell you that your unique package isn't something there are a lot of on the island. As such, it's worth noting that most of these comps are on acreage, and only Winslow Way is in town. Of the ones on acreage, they all have potential to have additional ADU's or homes built. So these are not perfect comps, but they're pretty solid considering how unique they all are in their own way.

RECENT MARKET CONDITIONS FOR YOUR HOME'S CRITERIA

What's interesting about the set of comps is that, out of the five, only two are sold while three are pending. One could argue they aren't all comps if they aren't sold, but since I know approximately what they're selling for, I'm able to use those figures.

Average Listing Price: \$2,158,000

Average Sold Price: \$2,362,000, an average of 9.4% over asking price. The home on Winslow Way is an outlier at 23.4% over asking, and the average of the other four is 5.7% over asking price. If we then take away the one that sold for full price, the average of the other three is 7.6% over asking.

Days on Market: Average is 10 days , but four of them sold in 6 days or less and just one took 26 days and sold for full price.

Showing Traffic / Multiple Offers: Homes that are priced competitively are fetching a couple dozen showings and an offer or five in the first week on the market

Months of Supply: This metric is in your favor at about 0.7 months for the island and we are in a strong seller's market (4-6 is balanced market in Puget Sound).

The take away here is to price the home in a manner that solicits multiple offers in a week and drives the price up to as high as the market will take it in a frenzy, while at the same time being happy is just one offer comes in at full price.



Approximate Market Value
\$2,225,000 - \$2,325,000

★ 10695 NE Byron Drive, Bainbridge Isla...

Details

It is crucial to know there are three reasons homes sell, or don't:

1. Location: Being in town holds a premium on the island. Your lot offers what folks typically need to leave town for: open space, large lawn, gardens, detached buildings and a feeling of privacy.
2. Condition: It's not really possible to have prepared the home to a higher standard. My colleagues were very impressed with the way it's going to show, so thank you cooperating so well.
3. Price: To determine a suggested list price, I like to balance science and art. It's worth noting that this year's market has far more emotional (irrational) buying than anyone in the biz has ever seen, and the pricing has been much more elastic with escalations that were unimaginable a year ago. As such, there's more art and less science to my craft than I'm used to, and it's a bit weird for me. Lucky for you, there is a great set of comps and my colleagues helped corroborate my gut on the pricing, so I do have confidence in my recommendation.

SCIENCE: I've included a scatter plot showing the square footage of the comparable sales against their price per square foot. After assigning a trend line, I analyze the homes above/below the line and search for patterns in benefits/deficits, respectively. Once I find a pattern, I then interpolate where I believe your home should be plotted in relation to the line given the way the location and condition compare. Keep in mind, the science part is easy.

ART: Fine tuning the last 5% or so is a matter of buyer psychology and considering how the price compares above/below the comparable sales. In other words, is it worth more or less than 321 Cedar Lane? For your home, that could be a range of \$150,000. My goal is always to determine a listing price that is +/- 3% of where I believe the sale will occur and identify a number that will emit a positive emotional response about the value your home carries.

Price Based on Average Sales

Average Price of Sold Comparable Properties	\$2,301,000
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Price Based on Square Footage

Average \$/SqFt of Sold Comparable Properties	\$661.06
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Your home is the red dot at \$2,275,000, which is \$738/sf.

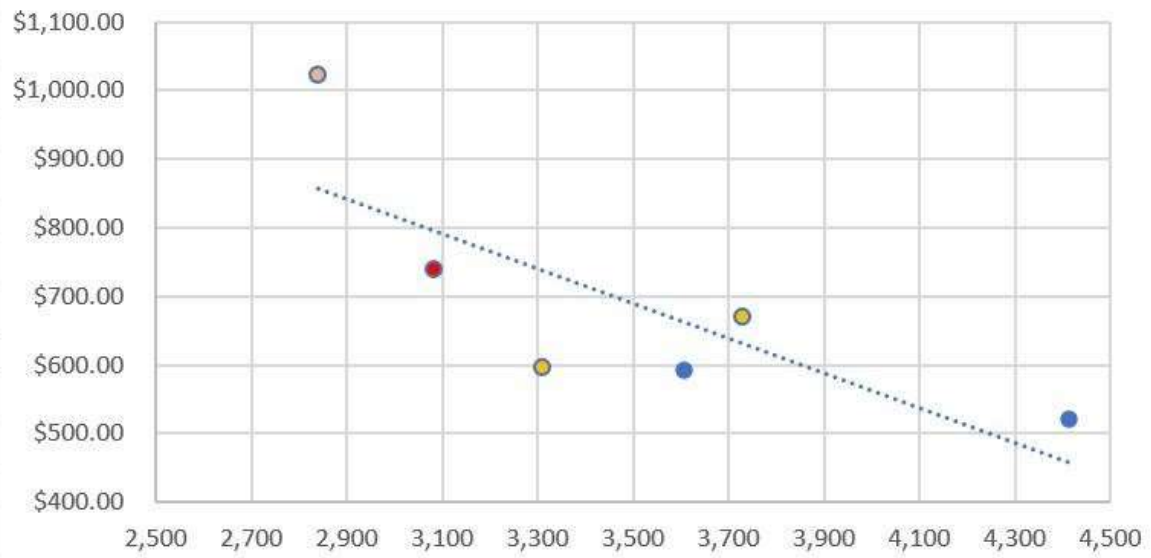
QUANTITATIVE ANALYSIS: Plotting them out

As I said before, there's more art to pricing your home than science, but I still must try! It will be easier to discuss the finer points in person, so this is just an abbreviated snapshot.

- The homes *above* the trend line all have styles / designs and build quality that are far above average.
- I believe the benefits to your home are the architecture, use of space and how the home connects with the large lot in town.
- The homes *below* the line all have sub-par locations, siting on the lot, and lack of privacy.
- I believe your home should be placed above the line, in comparison to the list price / pending sale chart.
- NOTE: This placement at \$2.275MM does leave your home below the line when the sales all close, but when removing the outlier that is Winslow Way, you would be above the line compared to the other four sale prices.
- SCIENCE: Your home should be strategically positioned just below where Winslow Way started (\$2.35MM).
- ART: I believe this will show the property has similar value, and savvy agents will call that listing agent to find out details and learn the market value is much higher. But there is some psychology to keeping the price less aggressive and hoping to solicit more offers to drive the price up higher. In other words, price more like Winslow Way did than Rose Trail.
- **SUGGESTED LIST PRICE: Right now, I'm feeling like \$2,275,000 is the sweet spot**



Byron Comps w/ Sale Prices



THE COMPS

What's interesting about the set of comps is that, out of the five, only two are sold while three are pending. One could argue they aren't all comps if they aren't sold, but since I know approximately what they're selling for, I'm able to use those figures.

Marshall (pending): Listed at \$1,800,000, got 4 offers in 5 days. It's rumored to be close to \$2,000,000 but just under. This home is on acreage and has an income producing ADU. The street and neighbor's buildings leave something to be desired, and the home is tucked up against the trees, so it lives dark. Your home is much more valuable than this one and I have all the confidence in the world you're well above \$2,000,000.

Mandus Olson: Listed at \$2,135,000 and took 26 days to sell and did so for full price. This home is on acreage but had enough space for an ADU to be built. This is a comp because it compares a high-quality home of 3,000 sf with the potential to build more housing against you having the housing and being in Winslow. The long market time may have been because it's a smaller pool of buyers who have these kinds of funds, don't want waterfront but want acreage instead, and are willing to buy the land and potential to build as part of the price.

Woods Creek: Listed at \$2,100,000, got 2 offers and closed for \$2,300,000. While the recent renovation looks stunning in the photos, it's known there were some blemishes and cut corners, which showed up in the inspection report. This one was similar to Mandus Olson in the smaller pool of buyers who have these kinds of funds, don't want waterfront but want acreage instead, and are willing to buy the land and potential to build as part of the price. This had a better reaction to the market because it came with a separate buildable lot, so a full residence could be built, not just an ADU.

Winslow (pending): Listed at \$2,350,000 and had 6 cash offers, is rumored to be closing towards \$2.9MM. This is a great comp because it's on a smaller lot (half-acre), in town and has a detached garage with ADU. What this home has that's likely to be viewed as superior to yours is a) the walkability for retirees to get to T&C without having to drive, b) the Peter Brachvogel name on the drawings (his name carries a lot of weight) and c) there is a modest water view of Eagle Harbor from the master bedroom. I do not want to be too ambitious on your listing price given what this will close for (end of June), but know that if the market is there it will show itself.

Rose Trail (pending): Listed at \$2,388,000 and had 2 cash offers, is rumored to be closing just barely above listing price. The agent told me her analysis and opinion was at \$2.25MM but seller pushed the listing a bit, which may have held back the number of offers and escalations. This home has a lovely design and wonderful site, but at the same time, "you can't trick the market."

WHAT MY COLLEAGUES SAID

I handed these folks all the Feature Sheet and the list of comps, and let them shoot without telling them my gut (which has been \$2.2MM to \$2.3MM for quite some time).

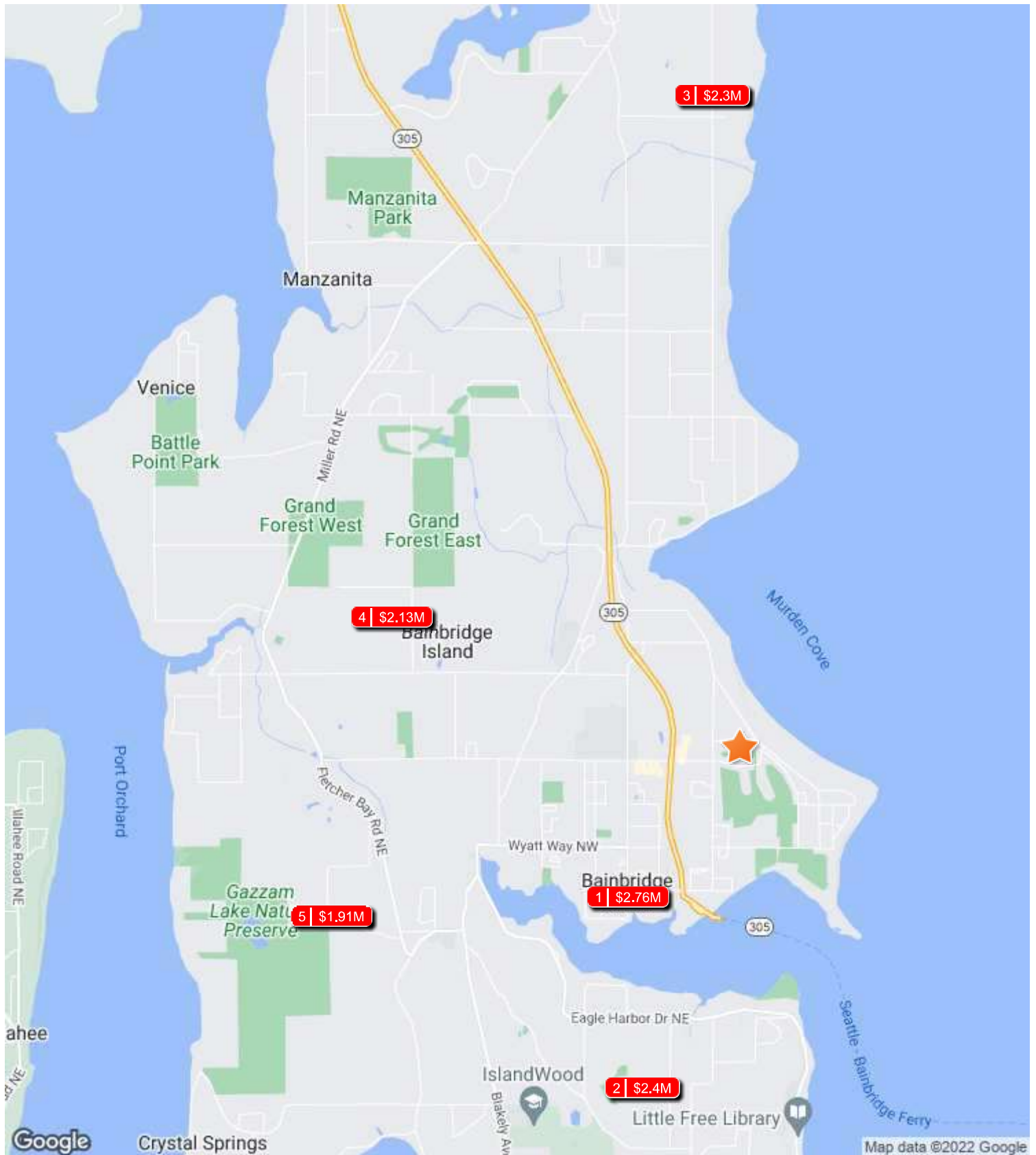
Agent V: \$2,100,000: She was a little down on the location and lack of view or waterfront for something "in the twos."

Agent T: \$2,198,000: Was very impressed with the design, location, etc and she loves to put prices on things that will solicit multiple offers

Agent B: \$2,198,000 to \$2,250,000: He has a solid read on price and I've learned a lot from him over the years.

Agent J: \$2,200,000 to \$2,300,000: She also has a great gut for pricing.

Agent J: \$2,350,000: She wrote an offer on Winslow Way to \$2.6MM and didn't get it, so her pricing may be influenced by that experience.



 Sold Properties

All information provided is deemed reliable but is not guaranteed and should be independently verified.

	Address	Price	Beds	Baths	Days	SQFT	\$/SQFT
★	 10695 NE Byron Drive Bainbridge Island, WA ...		0	0	–	–	
1.	 472 Winslow Way W Bainbridge Island, WA ...	\$2,760,000	4	3	8	2,839	\$972
2.	 9817 NE Rose Trail Lane Bainbridge Island, WA ...	\$2,400,000	4	4	6	3,729	\$644
3.	 14367 NE Woods Cree... Bainbridge Island, WA ...	\$2,300,000	4	4	6	4,414	\$521
4.	 9891 Mandus Olson Rd... Bainbridge Island, WA ...	\$2,135,000	3	3	26	3,608	\$592
5.	 6615 NE Marshall Rd Bainbridge Island, WA ...	\$1,910,000	3	3	5	3,312	\$577