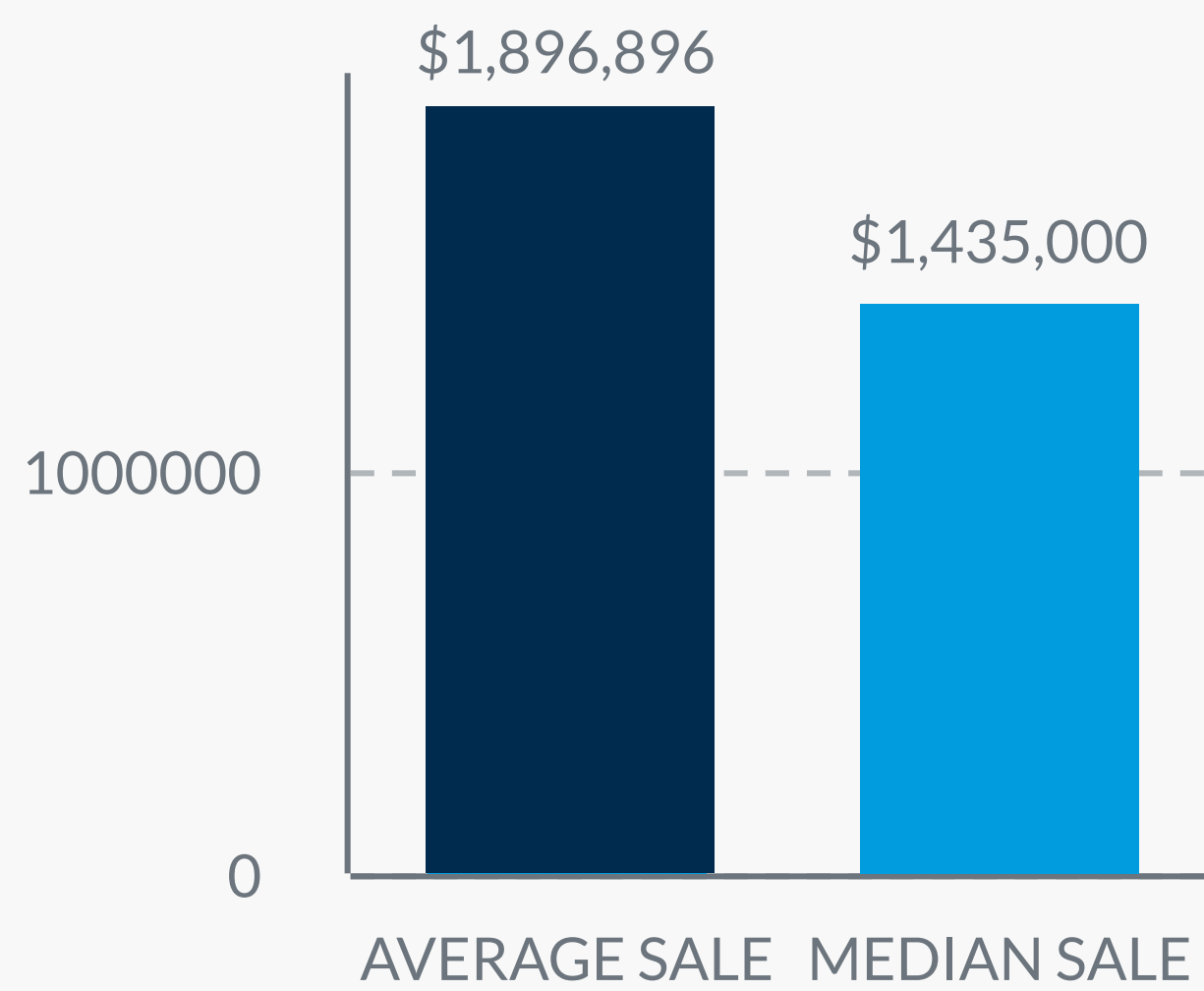




# BAINBRIDGE ISLAND MARKET REPORT

## SEPTEMBER 2023

### HOME PRICES SEPTEMBER 2023



### MISC STAT & FACTS

**58%** of all Bainbridge Island home sales and **63%** of all condo sales were to all CASH buyers

Prices per square foot ranged from \$274 to \$3,231. **The average was \$683.**

Sold homes ranged in size from 1,588 to 8,053 square feet. **The average was 2,849 sf.**

Home sales ranged from 89.5% to 177.4% of seller's asking price (77% over asking is not a typo!) **The average was 103.1%**

**71%** of homes sold for \$1,000,000 or more.



### QUICK SNAPSHOT

#### SALES

There were only 24 home sales on Bainbridge Island this month, which for the second month in a row is the lowest for the month going back to 2011. This figure is not surprising, however, considering that August had fewer new listings than was normal before 2020 and how buyers are approaching the market with caution given where prices and interest rates have been holding. The sales volume was a healthy \$45.5M, which was up 12.5% MOM but down 9.5% YOY. The average sale to list ratio was actually 99.9% when ignoring the unicorn sale that was 77% over asking price (12861 Manzanita listed at \$3,188,000 and sold for \$5,655,000).

#### INVENTORY

The 25 new listings (supply) in September was flat compared to 2021 and 2022, but well below the average of about 40 in the years prior to the pandemic. The number of new listings, the number of closed sales, and the number of active listings are all down about a third compared to this month in the years prior to 2020. Pending sales, were down 43% for the month but are "only" down 29% YTD compared to 2019. The Months of Supply – a strong indicator of the balance in the market – was still strongly on the Seller's Market side of the dial at 2.4, albeit this is the second highest figure of 2023 and reflects what we feel in the marketplace – a bit slower activity than what used to be normal.

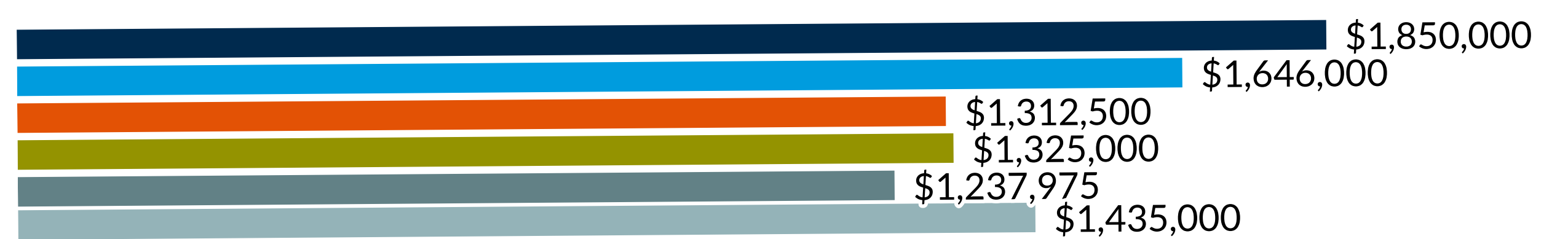
#### DAYS ON MARKET

Of the 24 homes that sold in August, 14 sold in 7 days or less and for an average of 8% over asking price (2.7% when ignoring the unicorn). It is great news to me that more than half the sellers reached agreement with a buyer in 7 days or less in September, as this shows that homes priced well are still selling quickly compared to historical norms. The other 10 homes sold in an average of 87 days for an average of 96.3% of list price.



### PRICING TRENDS ON BAINBRIDGE: LAST 6 MONTHS

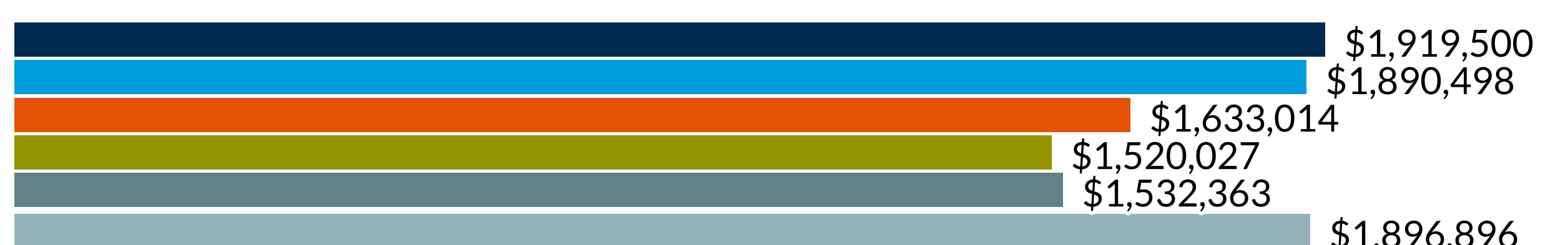
**MEDIAN:** Half of the homes on Bainbridge Island sold for more than \$1,435,000 in September and half sold for less.



■ Apr ■ May ■ Jun ■ Jul ■ Aug ■ Sep

#### Median Sales Prices

**AVERAGE:** Prices vary widely on Bainbridge Island on a monthly basis given the wide range of prices and small sample sizes.



■ Apr ■ May ■ Jun ■ Jul ■ Aug ■ Sep

#### Average Sales Prices

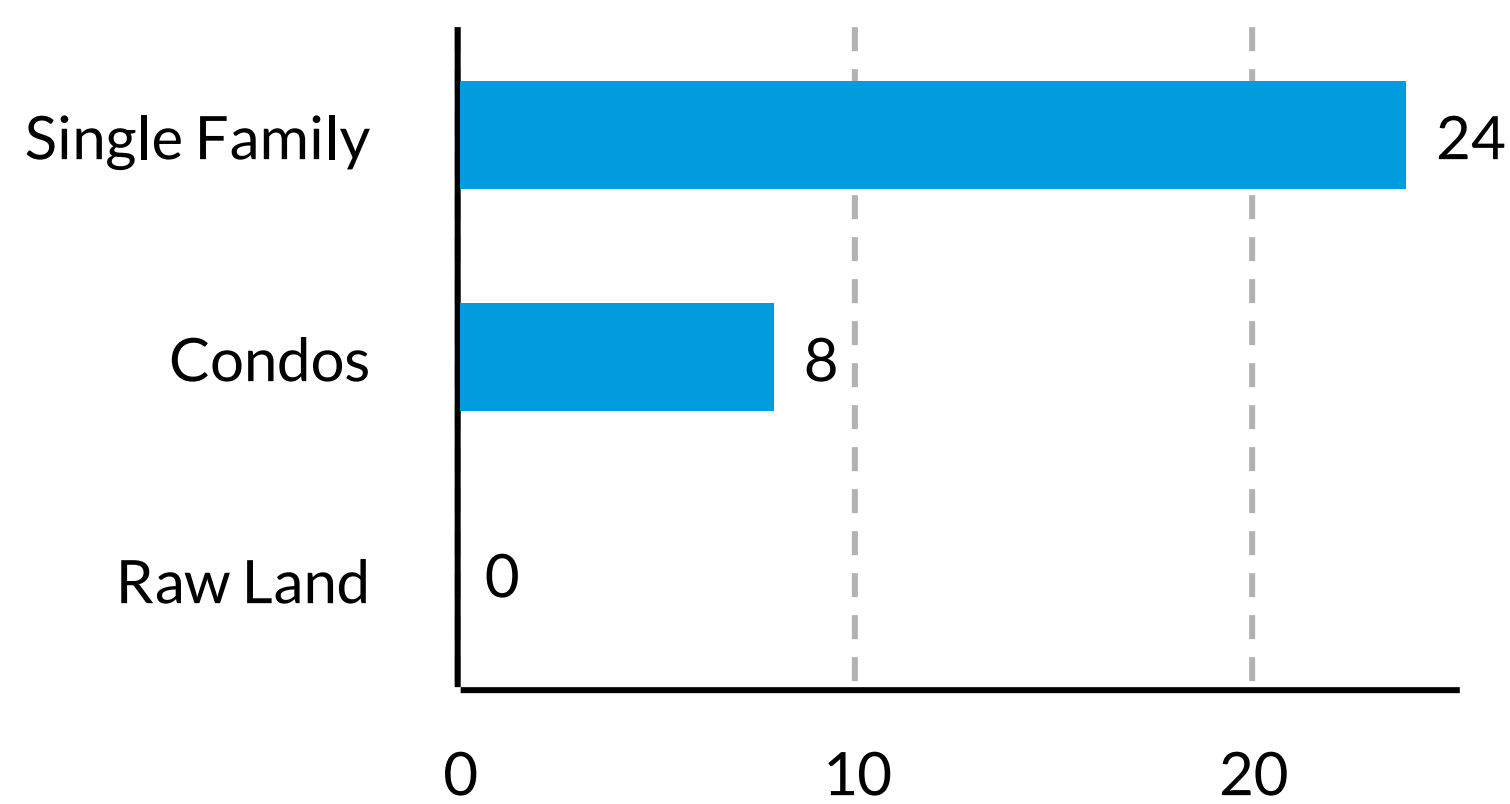


### FINDINGS FROM THE FIELD

Consider the “lock-in effect” created by approximately 80% of homeowners with a mortgage having an interest rate of 5% or less. Raise your hand if you have a mortgage on your home and would sell now for personal reasons but won’t because you feel like it doesn’t make financial sense to give up that “cheap debt.” Now consider that approximately 70% of potential sellers are also buyers, because most listings are primary residences, and someone needs to know where they’re going before they can sell.

This means that so many homes that could be listed, and so many homes that could be sold, are not doing so simply because of the low interest rates keeping folks in their current homes for the time being. The great irony of this market is the perpetual circle of how stuck so many people are because of their record low interest rate. Given all this, I’m feeling quite optimistic that the market is just a third slower than what normal times would tell us to expect.

### NOTEWORTHY BAINBRIDGE ISLAND SALES



#### SINGLE FAMILY HOMES

An extraordinary opportunity on the west-facing low-bank shores of Manzanita offered buyers a chance to purchase 200’ of fully bulkheaded sandy beach with dramatic views of the Olympic Mountains and a modest home set perfectly on the 2.25-acre parcel sites (two tax parcels). This home received six offers and sold for an incredible 77% over its asking price and destroyed the previous record of price/SF on the island by about double, at \$3,231 for each of the 1,750 SF!

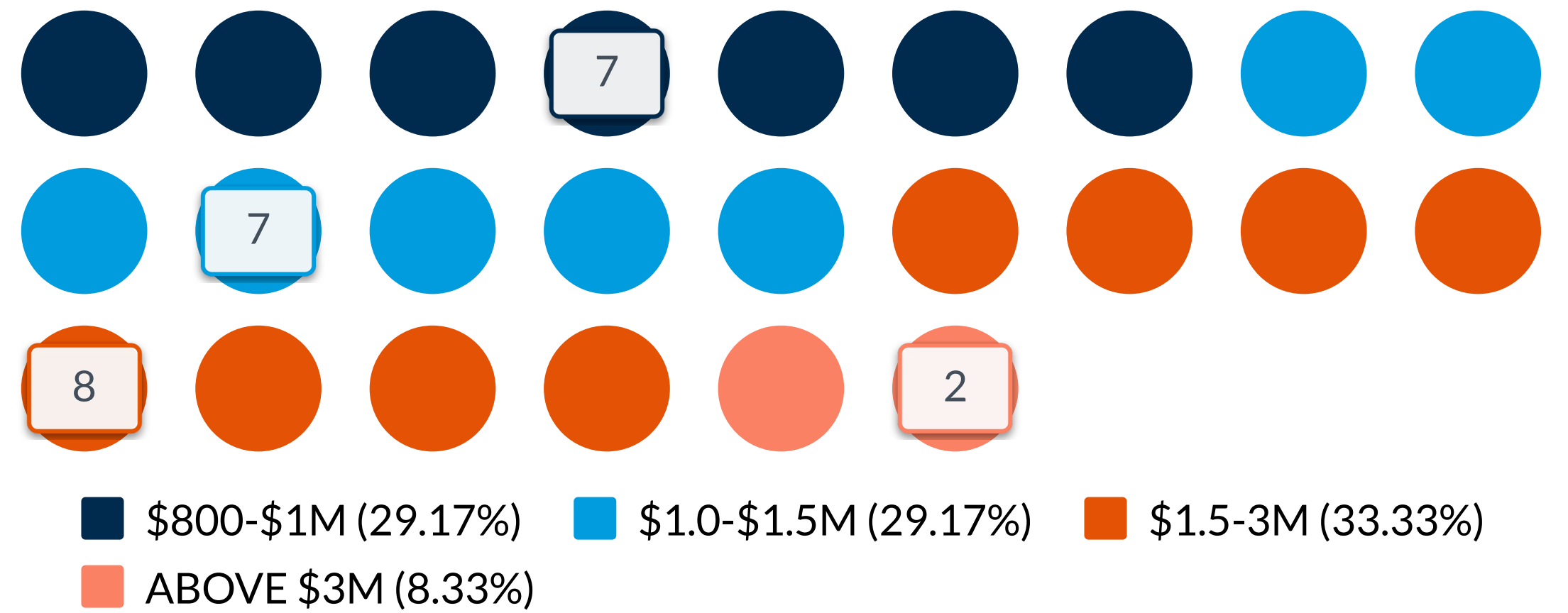
#### CONDOS

While technically a condo, a few “boutique homes” are nestled off Ericksen Ave on a street called Groos Lane. These homes are all much larger than a typical condo and are all stand-alone units so there are no shared walls and come with private garages. These units are all high quality new construction and this most recent unit sold for \$1,450,000.

#### VACANT LAND

There were no vacant land sales in September.

### September Home Sale Price Range



### ISLAND HOME SALES

**\$8,300,000**  
HIGHEST PRICED SALE

**\$840,000**  
LOWEST PRICED SALE

### HIGHEST + LOWEST PRICED ISLAND HOMES SALES

#### MOST EXPENSIVE

Nestled on 380’ of perfect sandy shoreline in Manzanita Bay, this 1.5 acre homesite boasts a deepwater dock, the highest quality craftsmanship found in local homes and a caretaker’s home. Listed at \$7,800,000, this home had multiple offers and the sale price shows how strong the demand for luxury homes is on the island, despite the economic headwinds dominating the headlines.

#### LEAST EXPENSIVE

In a quiet neighborhood full of homes set amongst the forested setting and near a public beach access point, this “Old Bainbridge” classic PNW charmer near Rolling Bay was ahead of its time with open floor plan, oversized picture windows and extra spaces for work above the garage.



Presented by Jason Shutt, M.Ed.  
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