

Whidbey Real Estate Update - Fall 2020

OK. Now what?

Whidbey and the Pandemic

- the first ~~six~~ nine months

The Island's Real Estate, Affordability, and Trends

If only the world was this simple



Cautions Caveats And Clarifications

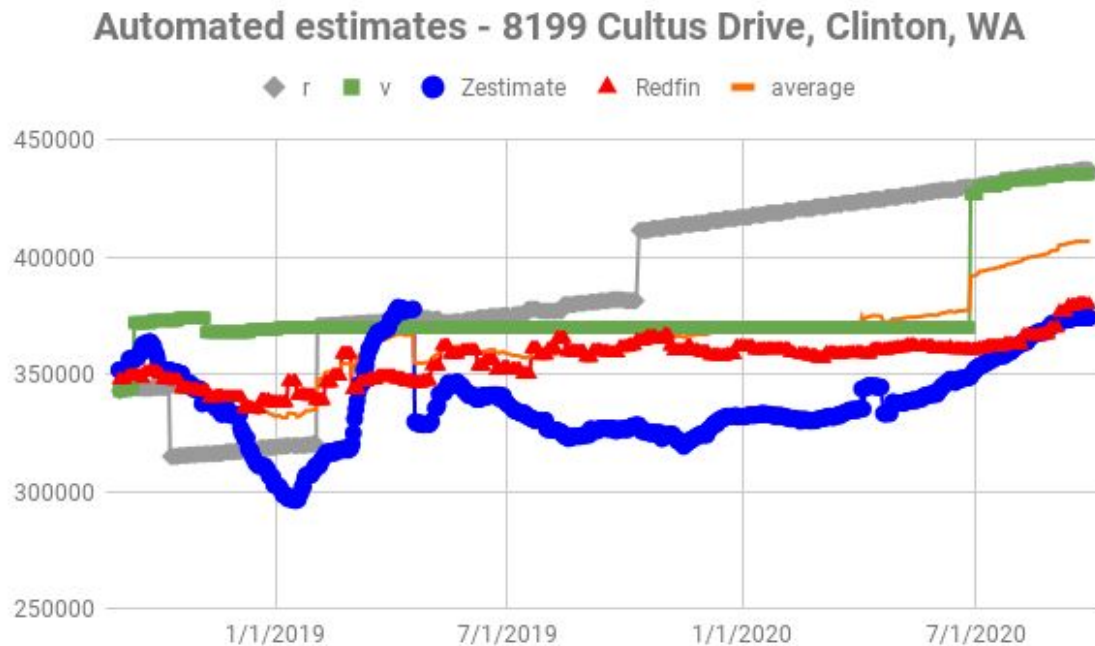
“houses are up” or down, or whatever

But is that:

- the number being built
- the number on the market
- the number sold
- the median list price, or the median sales price
- the average list price, or the average sales price
- for the last decade, year, quarter, week, day, hour
- for the country, the region, the state, the county, the island, your town, your neighborhood, your house?

Ah, statistics; so easily misunderstood. Let's look at some anyway.

An estimate is an estimate is an estimate

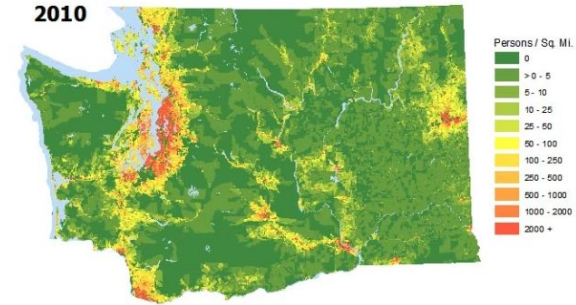
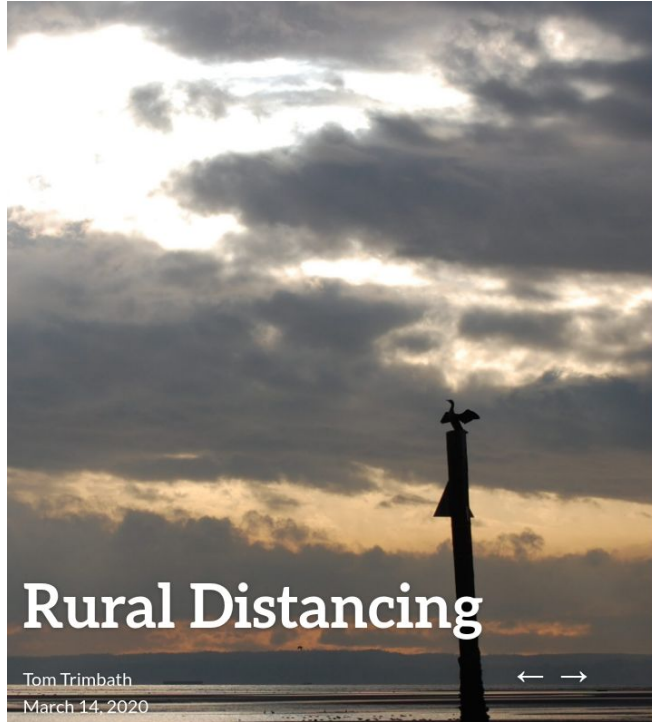


A quick look around the Sound

Median Sales Price - Whidbey Island



Rural Distancing

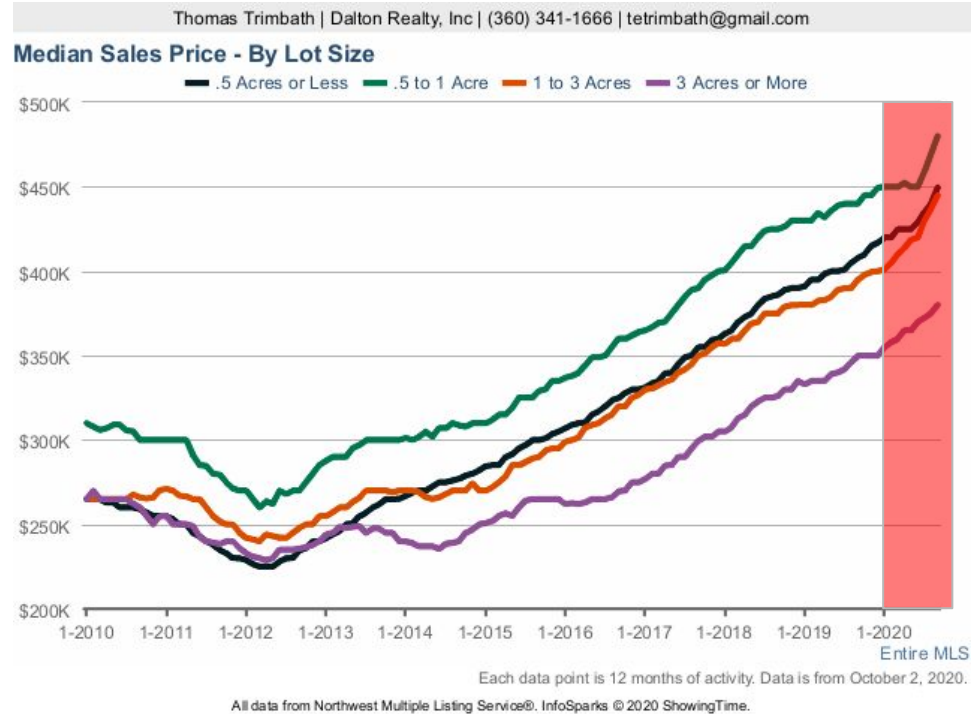


Let's take a look at an intermediate step. Urbanization has been popular. Seattle has been a prime example of people returning to downtown zones. Within city limits, Seattle's density is 8,882 people per square mile. (Which means all of Whidbey's population could fit in 10 square miles of Seattle. Think Downtown plus Capitol Hill.) Square miles are big. That translates to 13.9 people per acre. Not bad considering acres. That's a 32 foot radius around each person. That may be a bit problematic for those who have to stand in the middle of I-5; but it is encouraging.

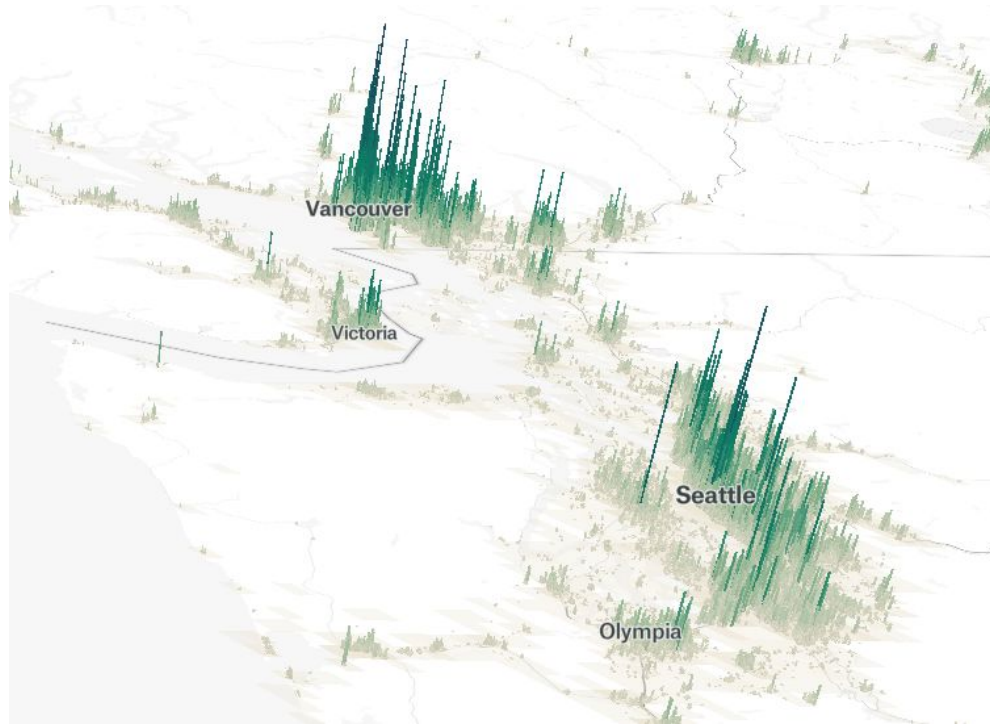
Now, look at Whidbey Island's cities and towns.

The three busiest places are Oak Harbor (2426 people/square mile), Coupeville (1542), and Langley (1127); all much more spacious. That's 3.8 people per acre in Oak Harbor, 2.4 for Coupeville, and 1.8 for Langley. Spacious. Yep.

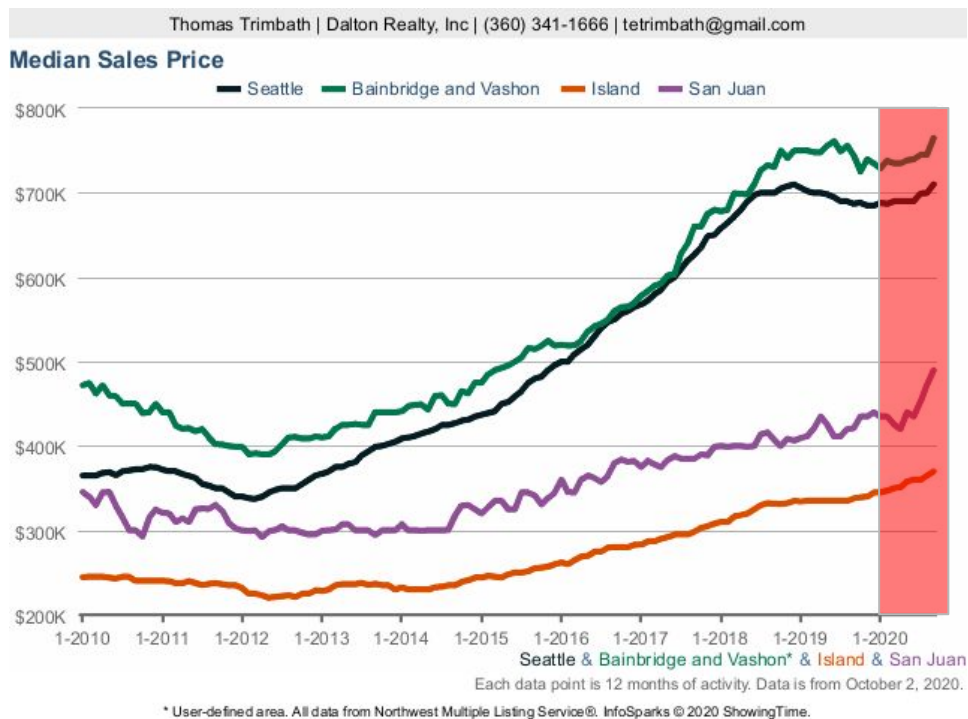
Pandemic Trends - Urban versus Rural - Puget Sound



Pandemic Trends - Possible Demand



Pandemic Trends - Seattle versus islands - Puget Sound



Whidbey Island

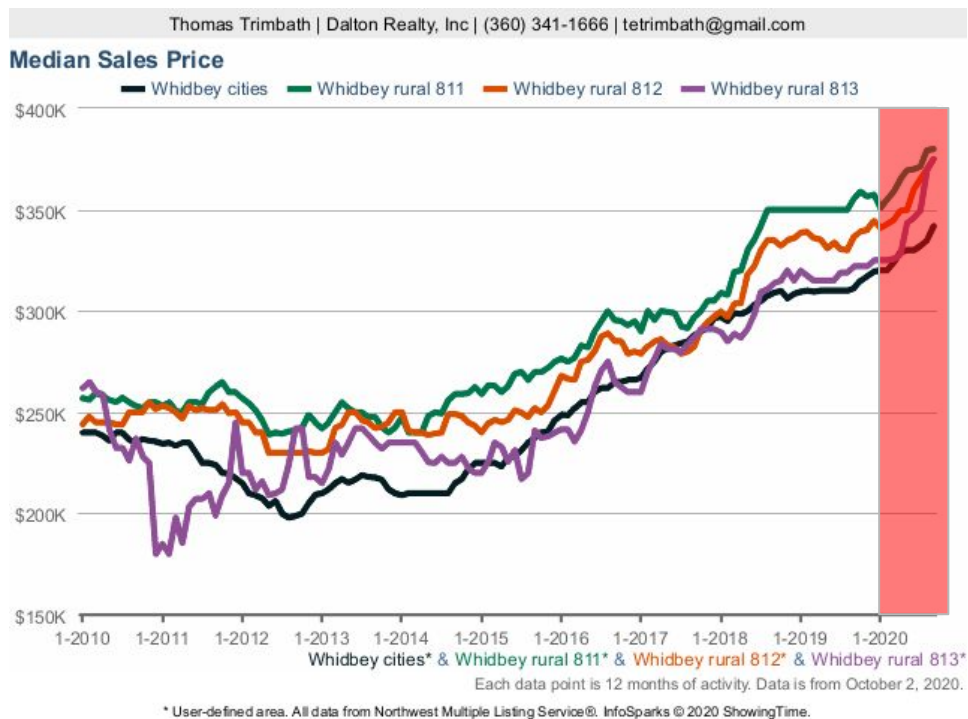
Median Sales Price - Whidbey Island



Price Per Square Foot - Whidbey Island



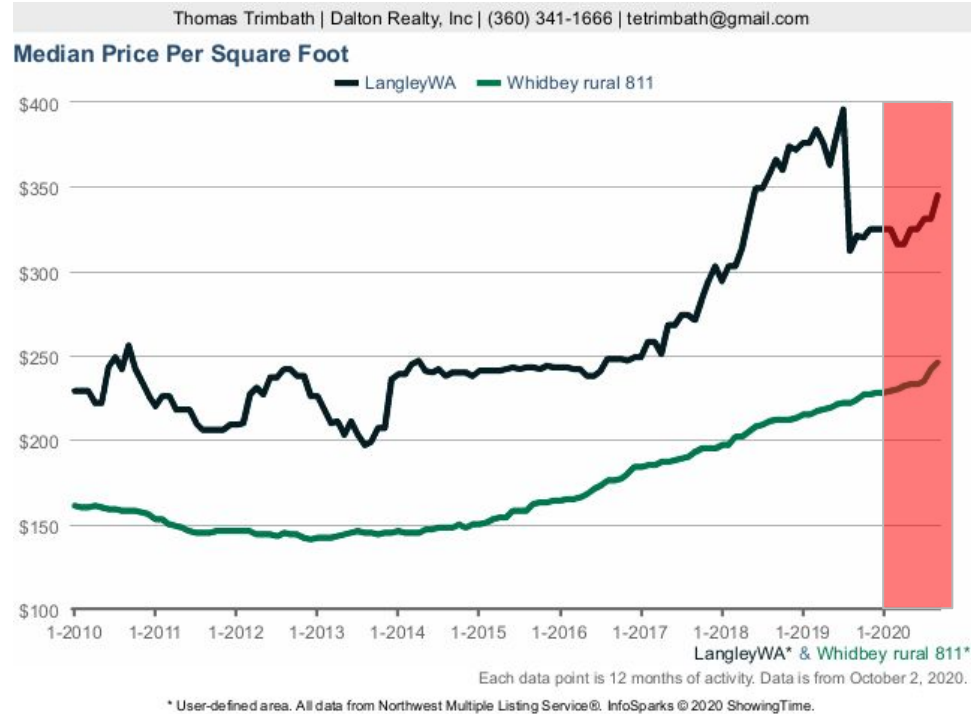
Pandemic Trends - Urban versus Rural - Whidbey



Median Sales Price - Urban versus Rural - Langley



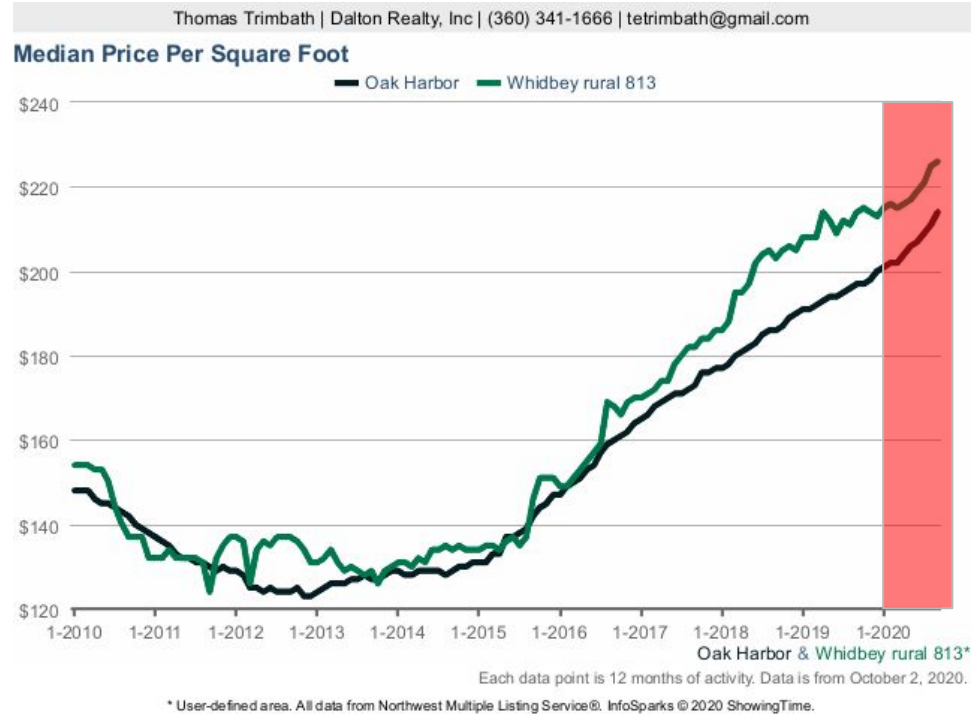
Price Per Square Foot - Urban versus Rural - Langley



Median Sales Price - Urban versus Rural - Oak Harbor



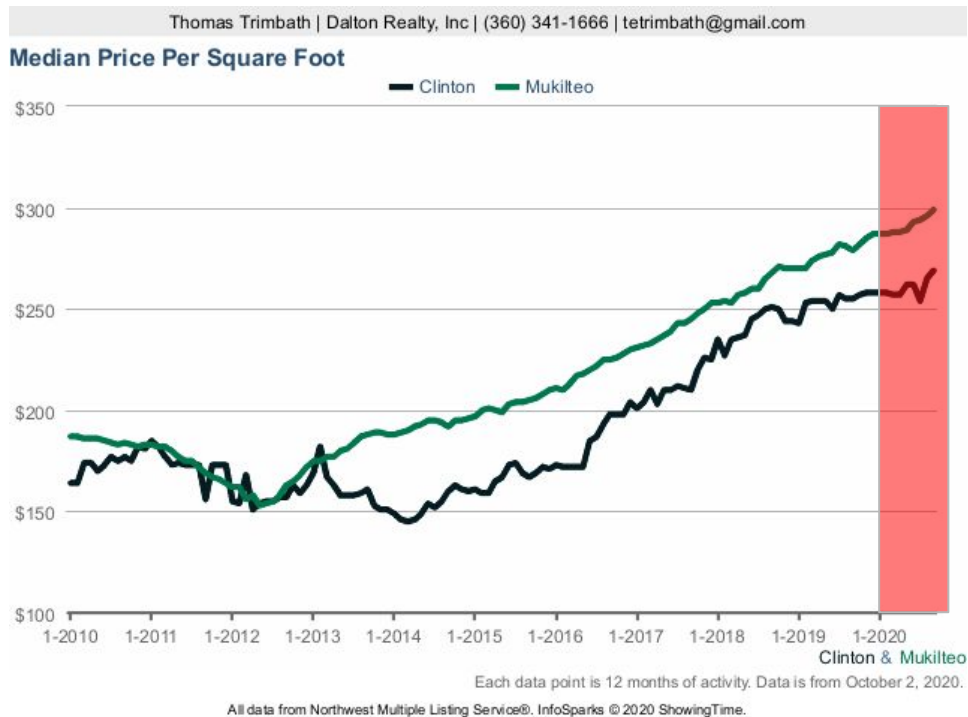
Price Per Square Foot - Urban versus Rural - Oak Harbor



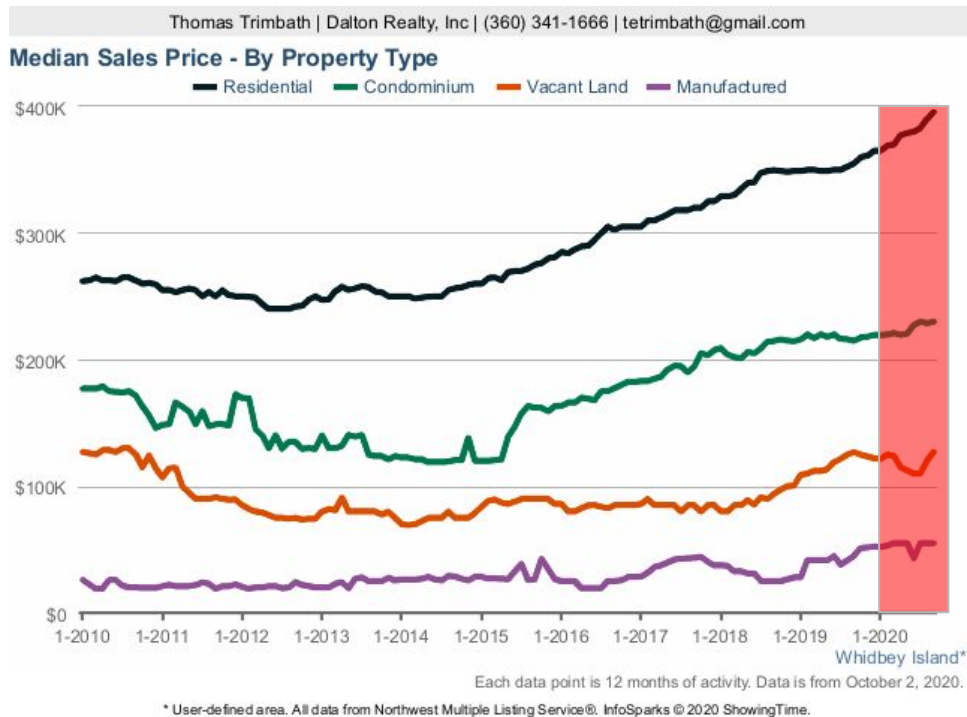
Median Sales Price - Clinton And Mukilteo



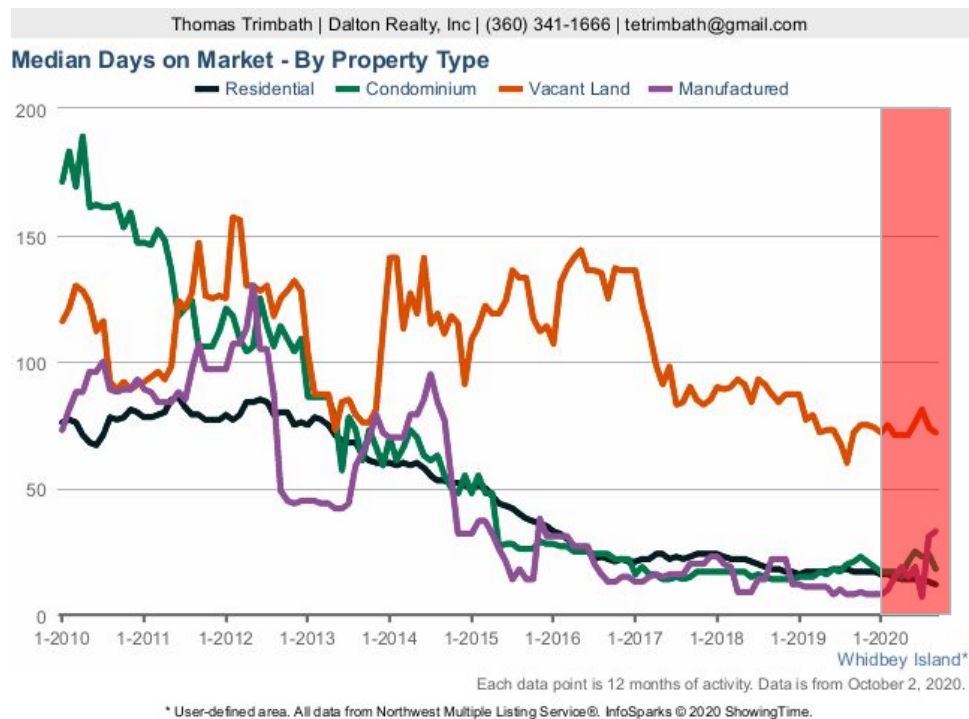
Price Per Square Foot - Clinton And Mukilteo



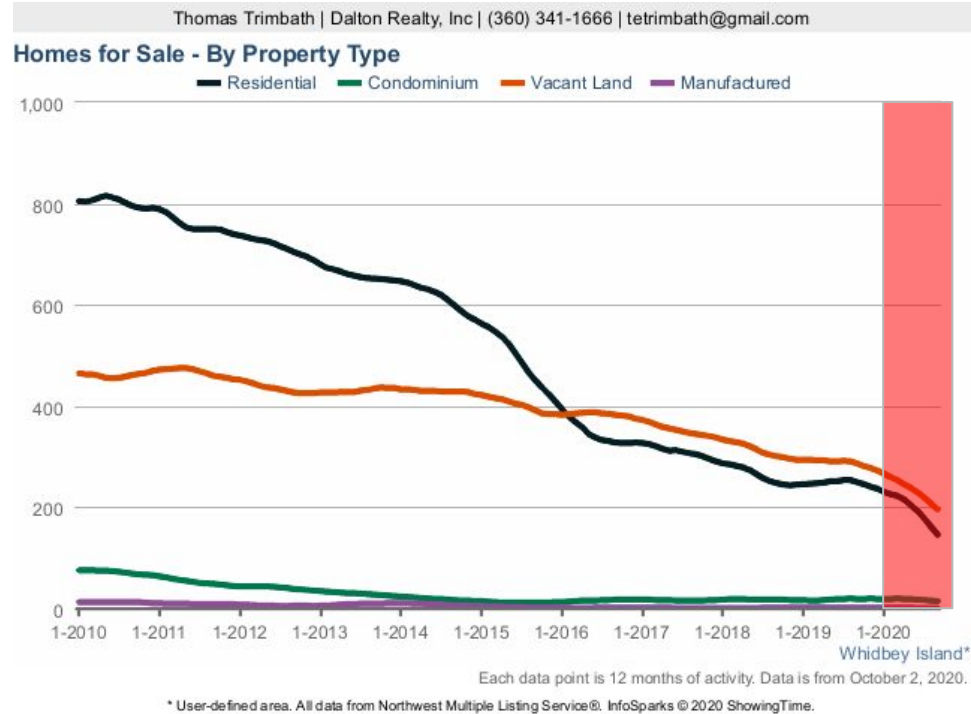
Median Sales Price - By Property Type



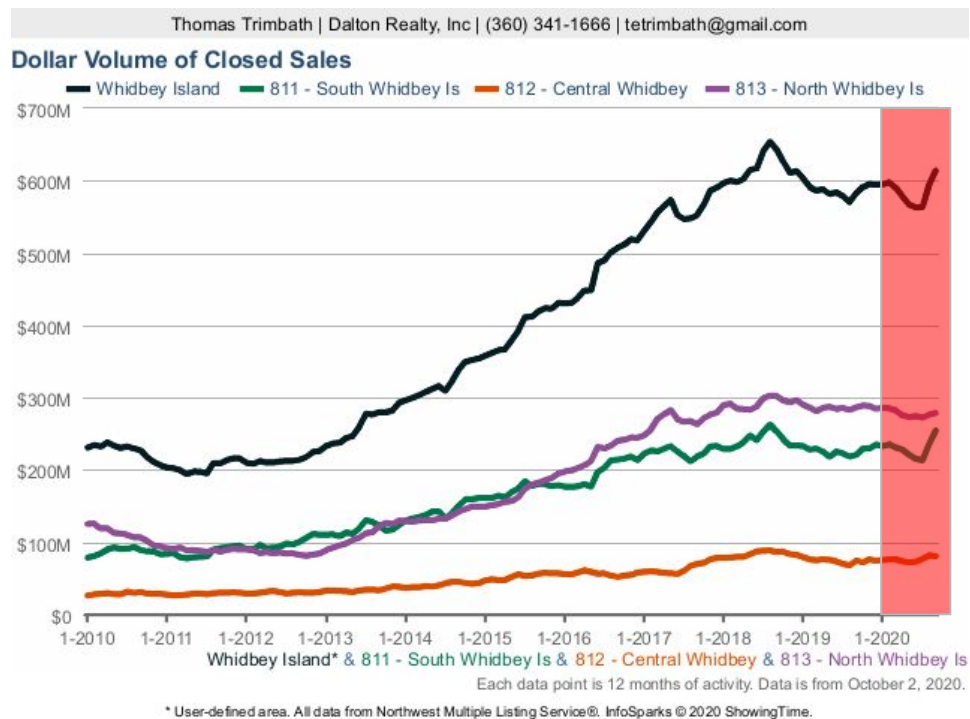
Days On Market - By Property Type



Homes For Sale - Supply

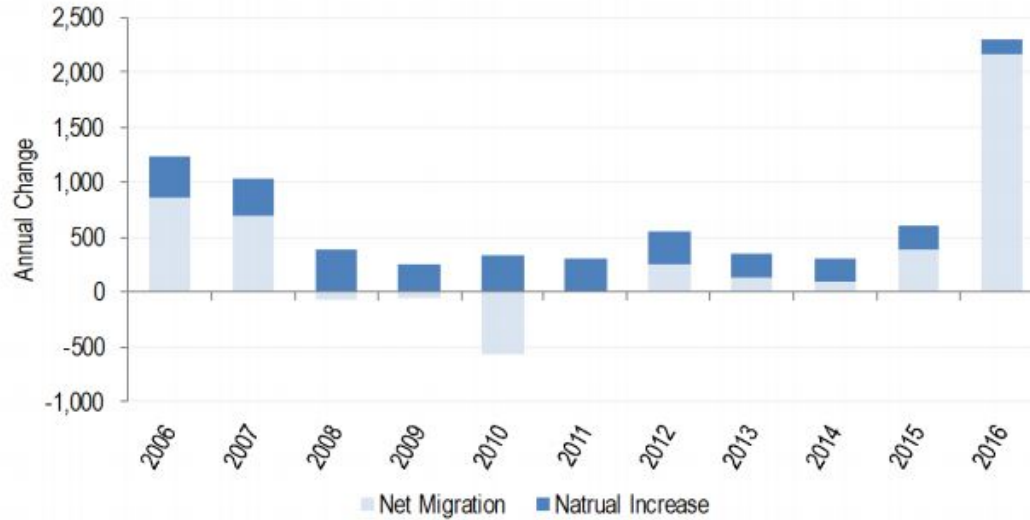


Dollar Volume



Population Changes - Demand

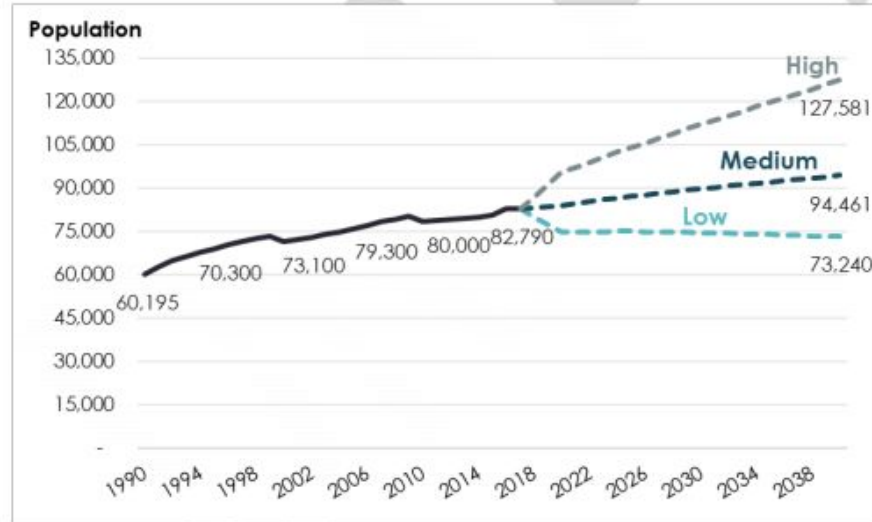
Figure 4-9. Annual Population Growth, Net Migration, and Natural Increase, Island County, 2006–2016



Source: Washington State Office of Financial Management. April 2017

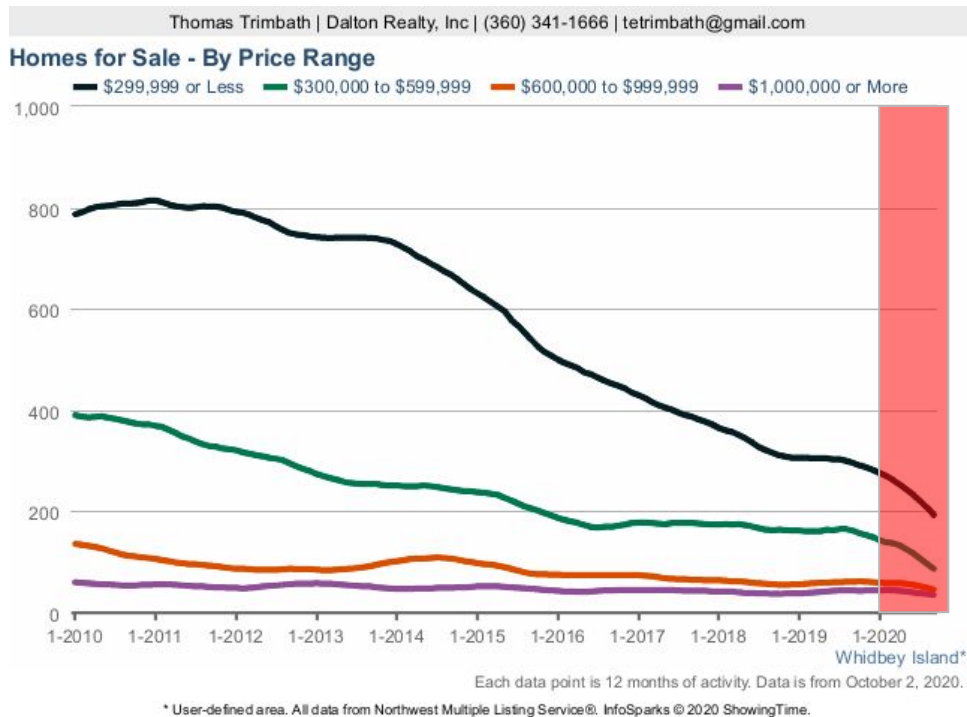
Population Growth - scenarios (pre-Covid)

**Exhibit 1. Past and Projected Population Growth,
Island County, 1990 – 2040**

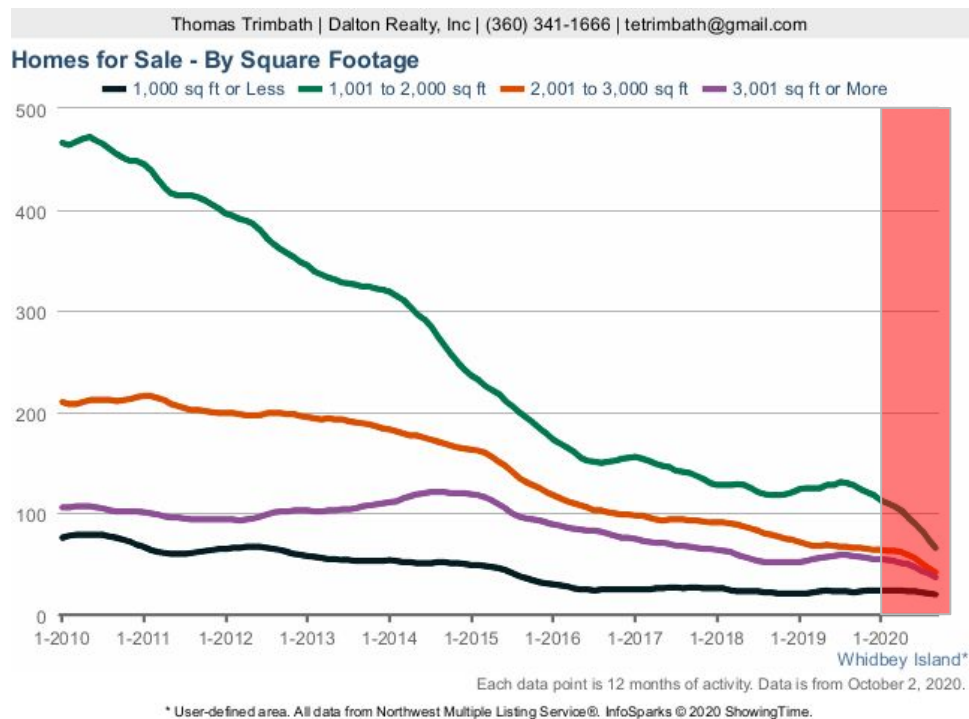


Sources: Washington State Office of Financial Management, 2019; Community Attributes Inc., 2019.

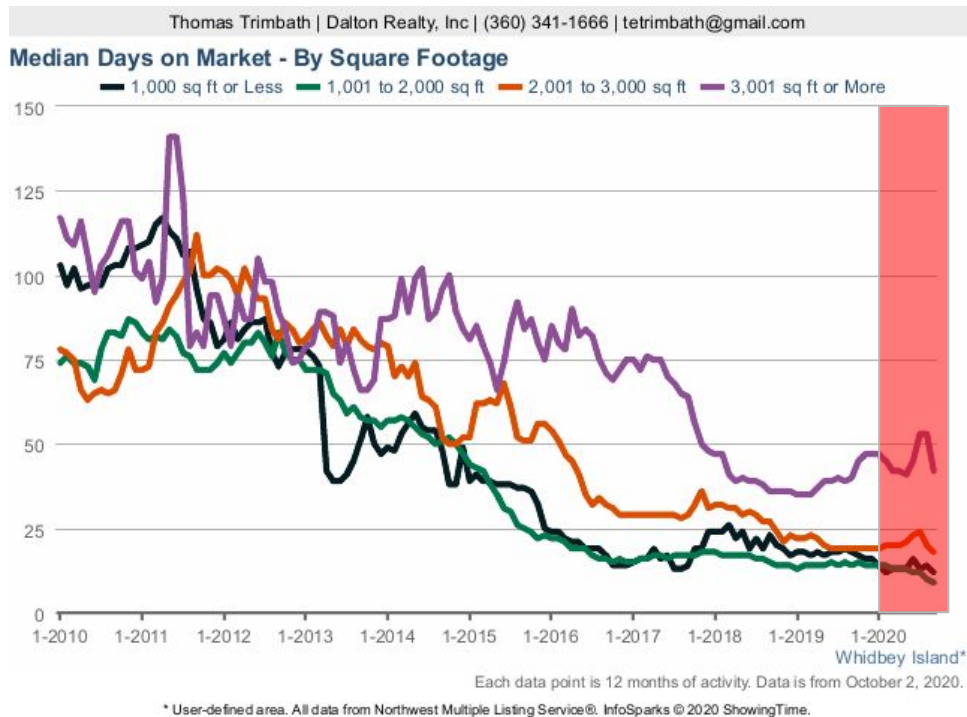
Homes For Sale - By Price



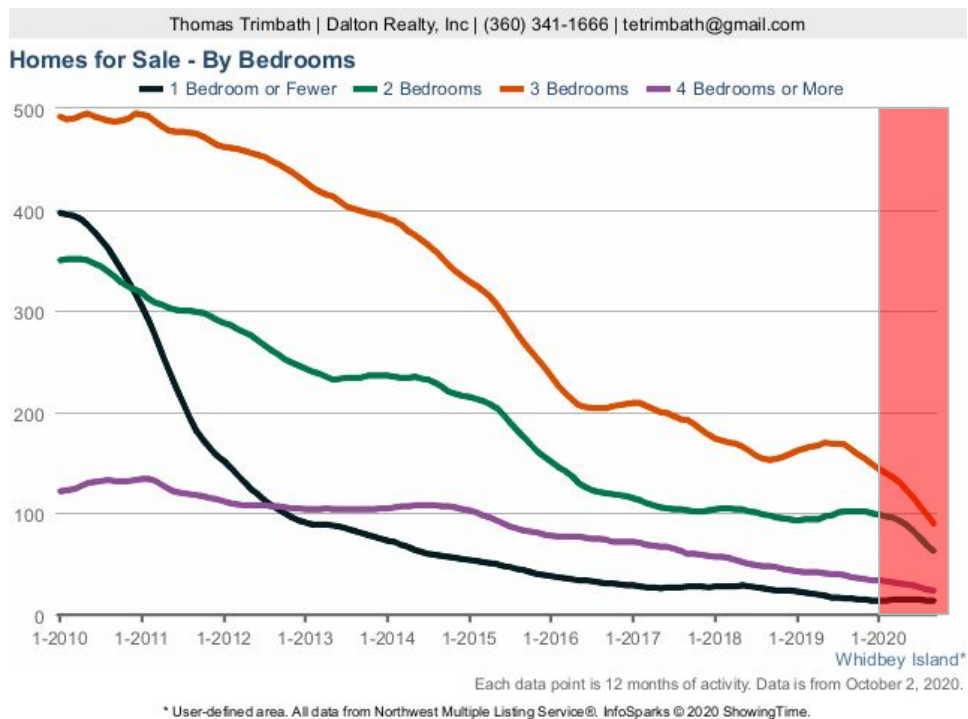
Homes For Sale - By Square Footage



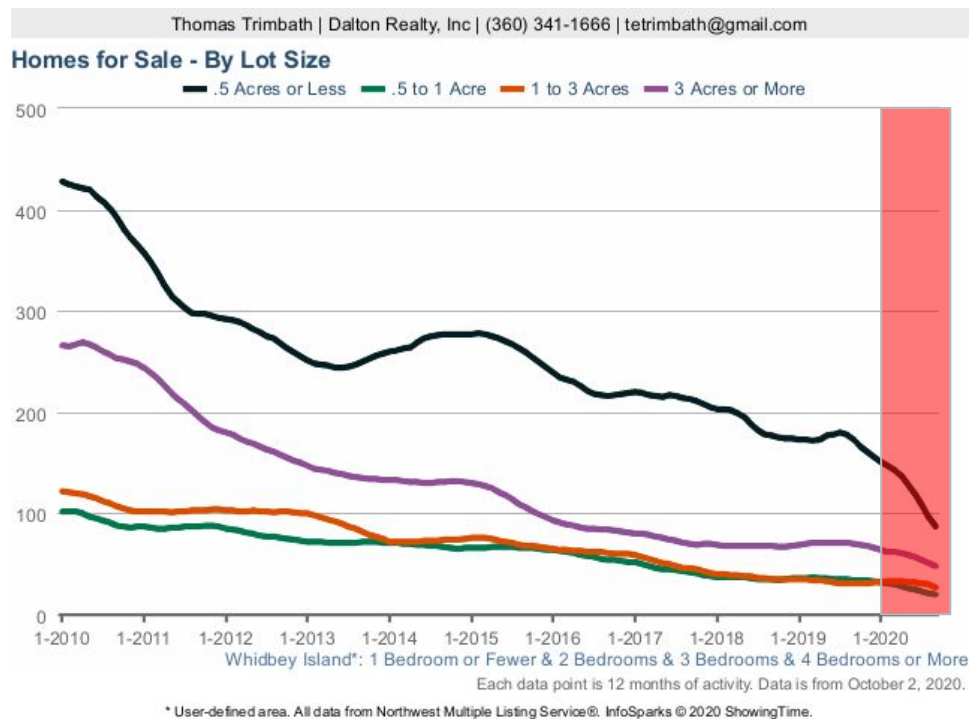
Days On Market - By Square Footage



Homes For Sale - By Bedrooms



Homes For Sale - By Lot Size



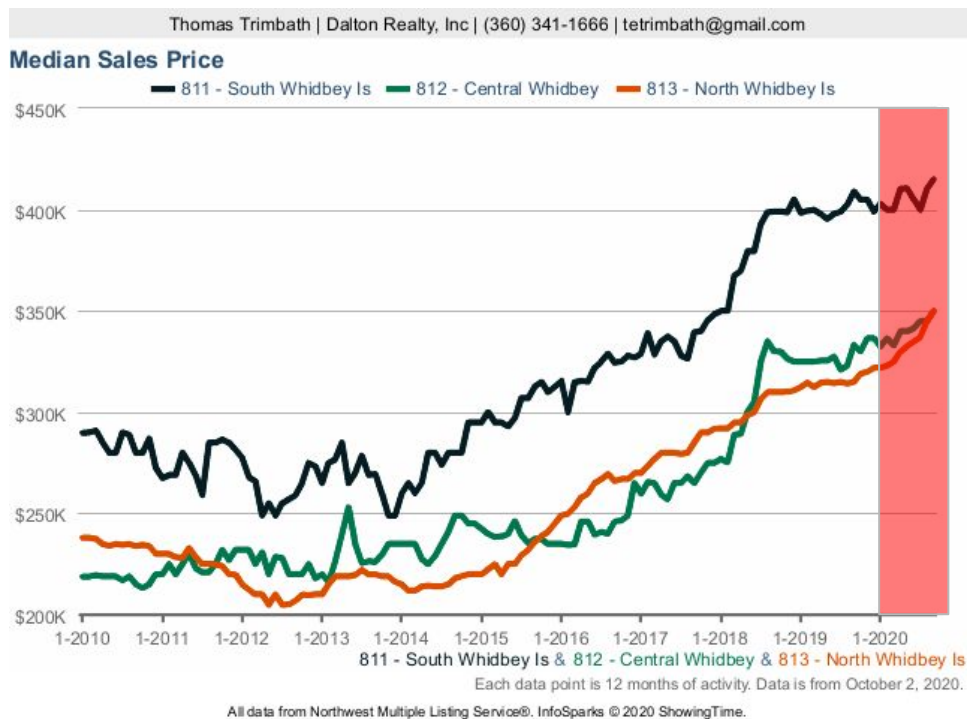
Days On Market - By Lot Size



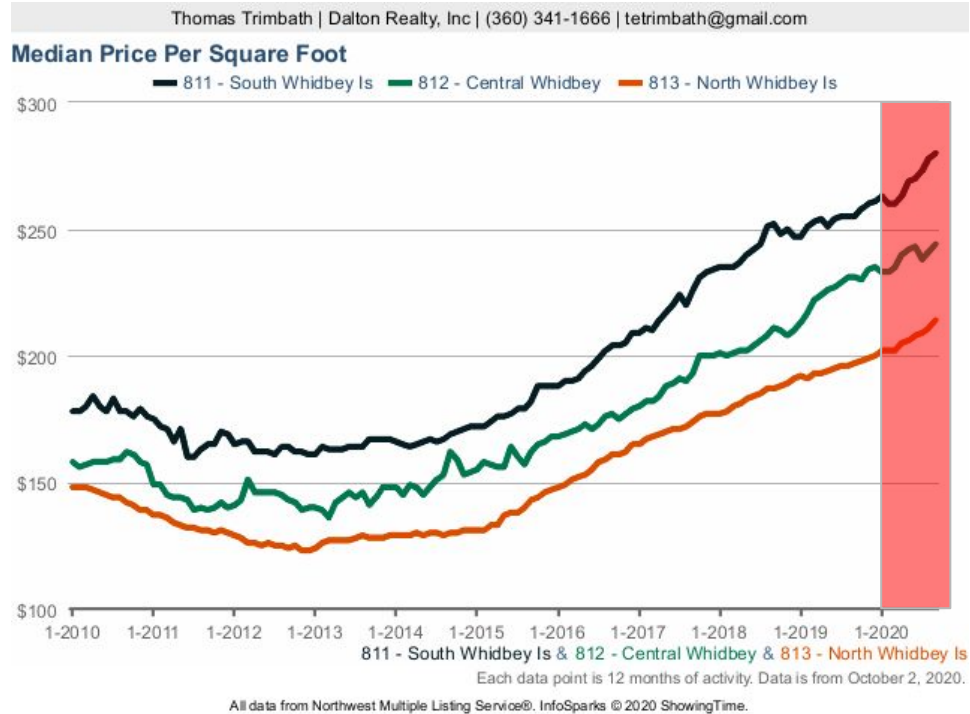
But enough about Whidbey in general.

What about North / Central / South Whidbey?

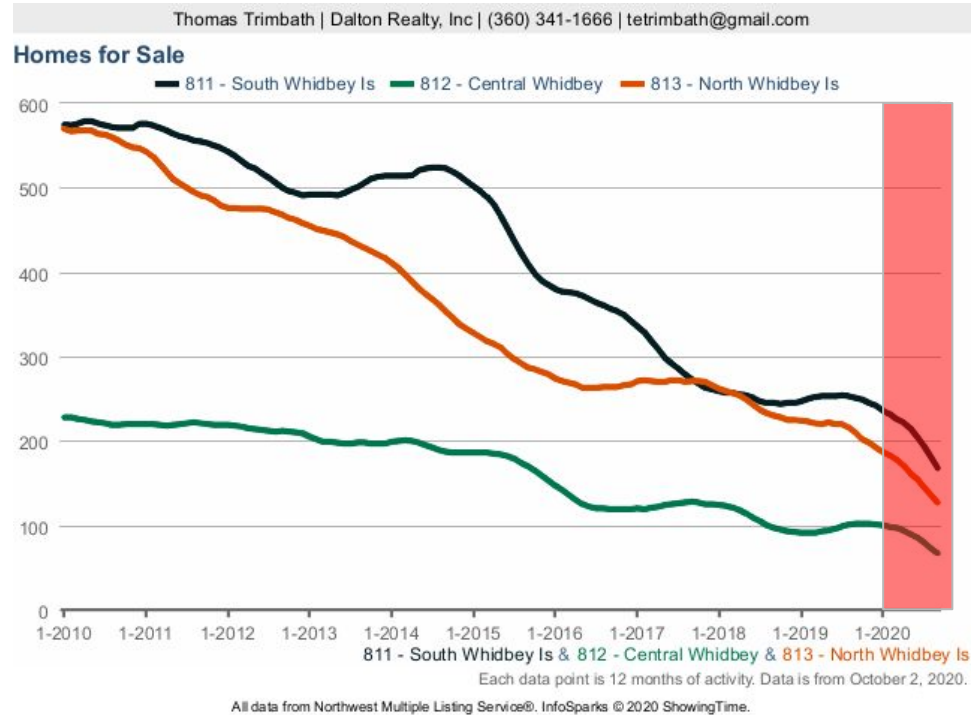
Median Sales Price - North, Central, South



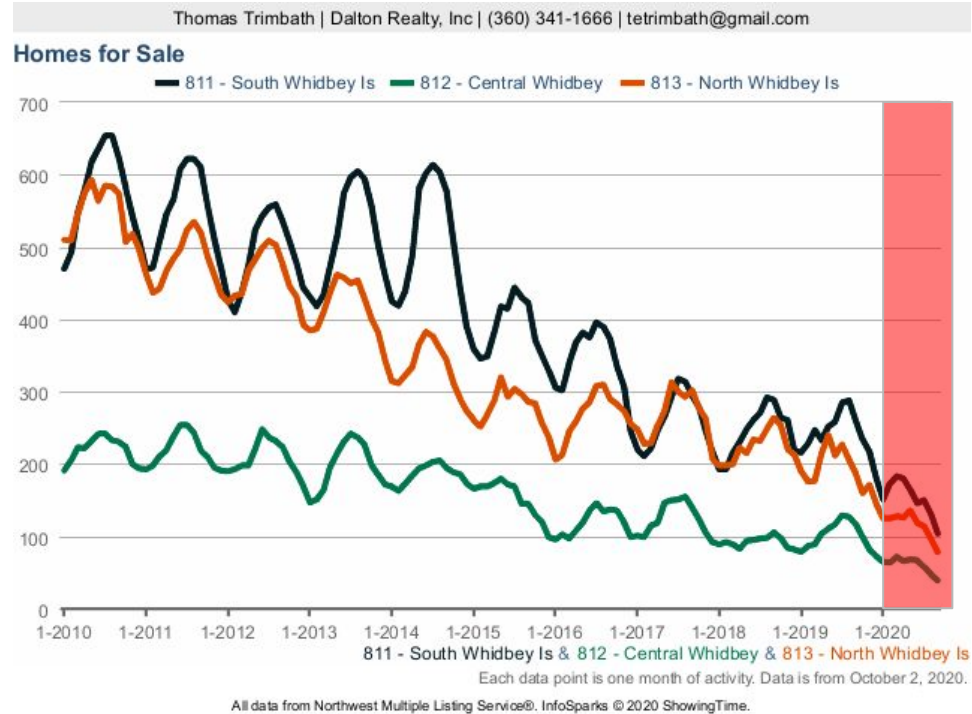
Price Per Square Foot - North, Central, South



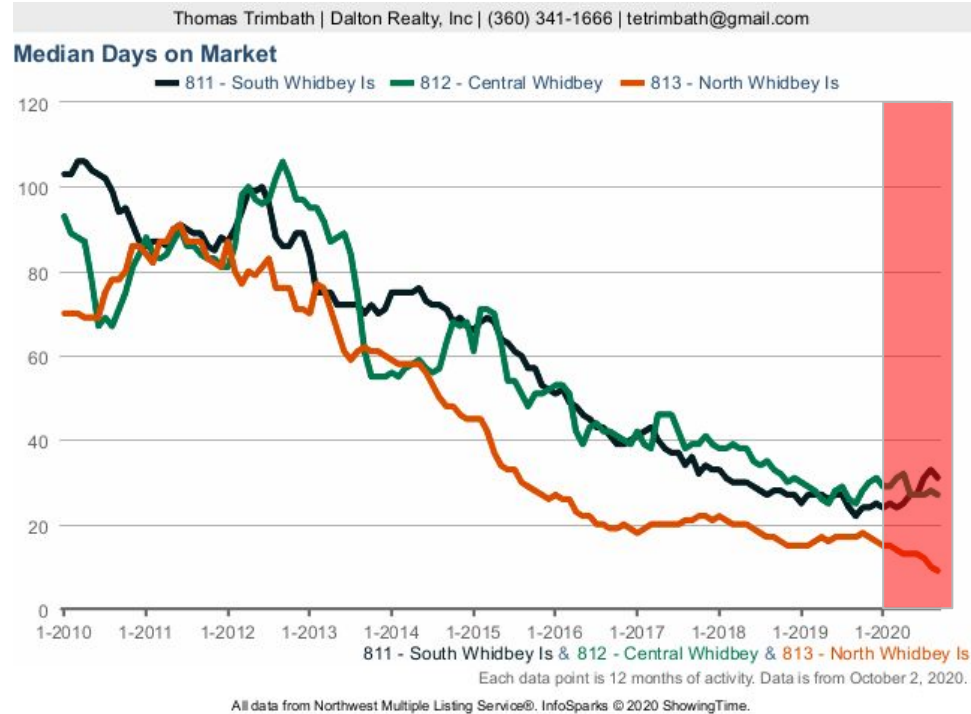
Homes For Sale - North, Central, South



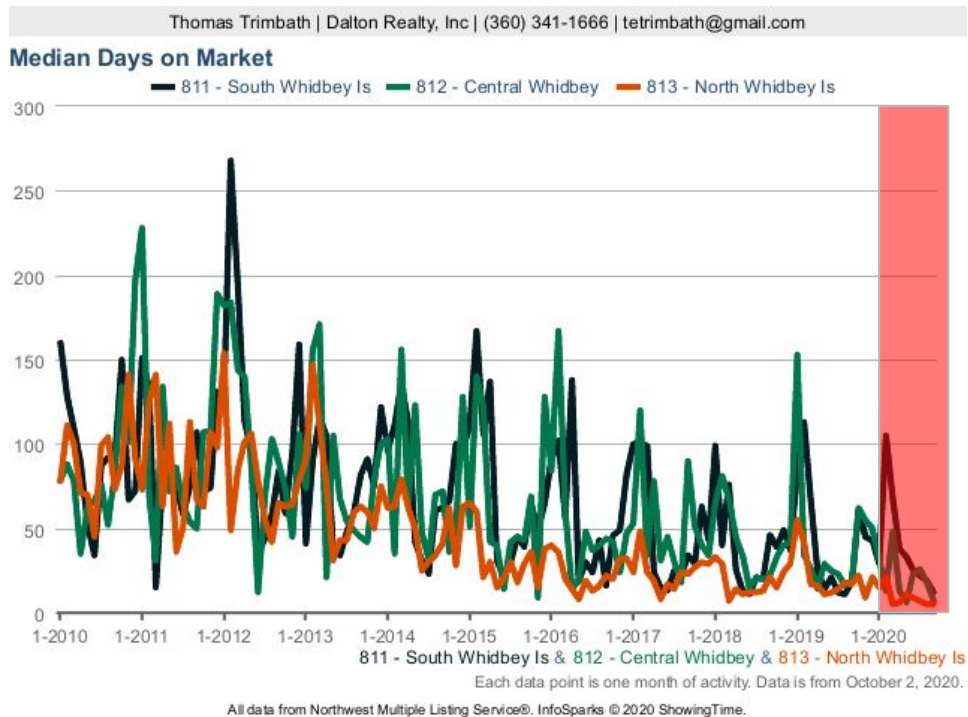
Homes For Sale Monthly Variation - North, Central, South



Days On Market - North, Central, South



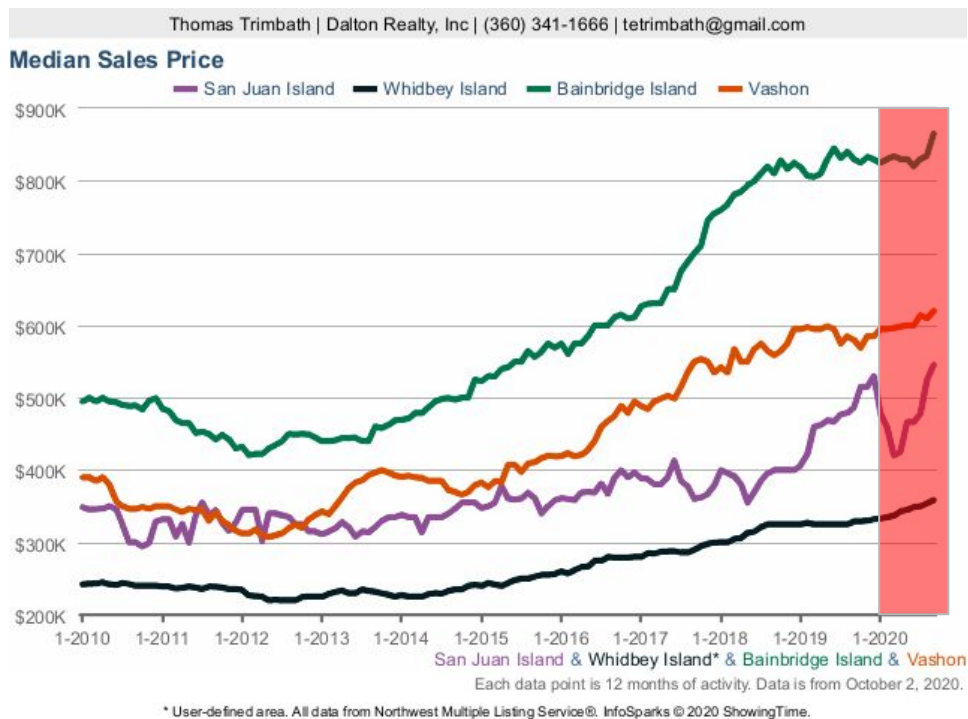
Days On Market Monthly Variation - North, Central, South



Island And Regional Affordability

*Whidbey Island has an affordability issue,
but what about the other islands?*

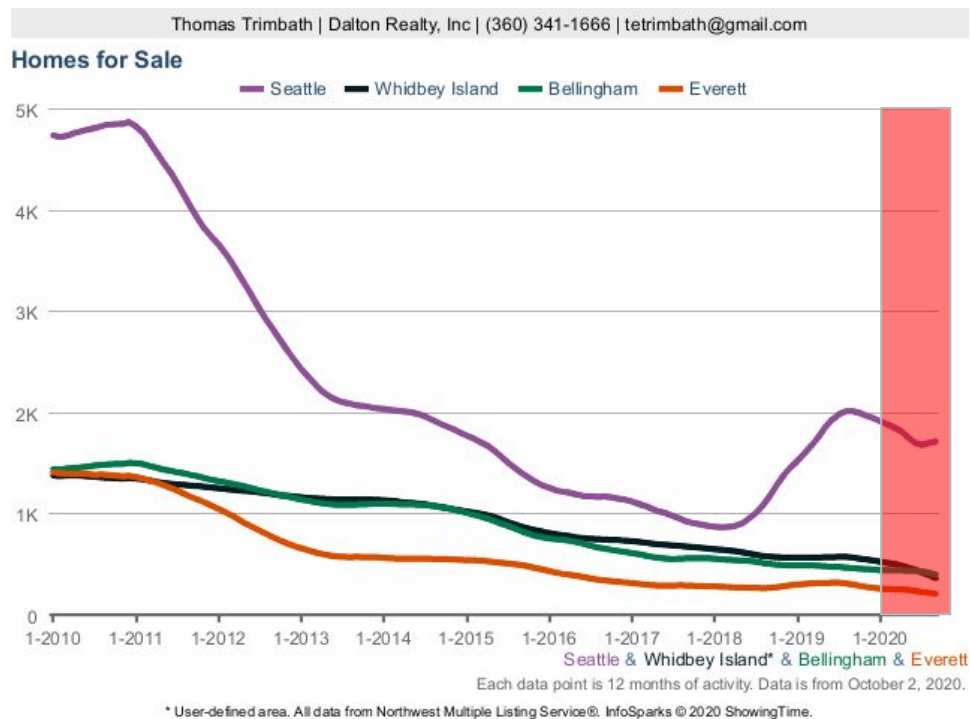
Island Affordability



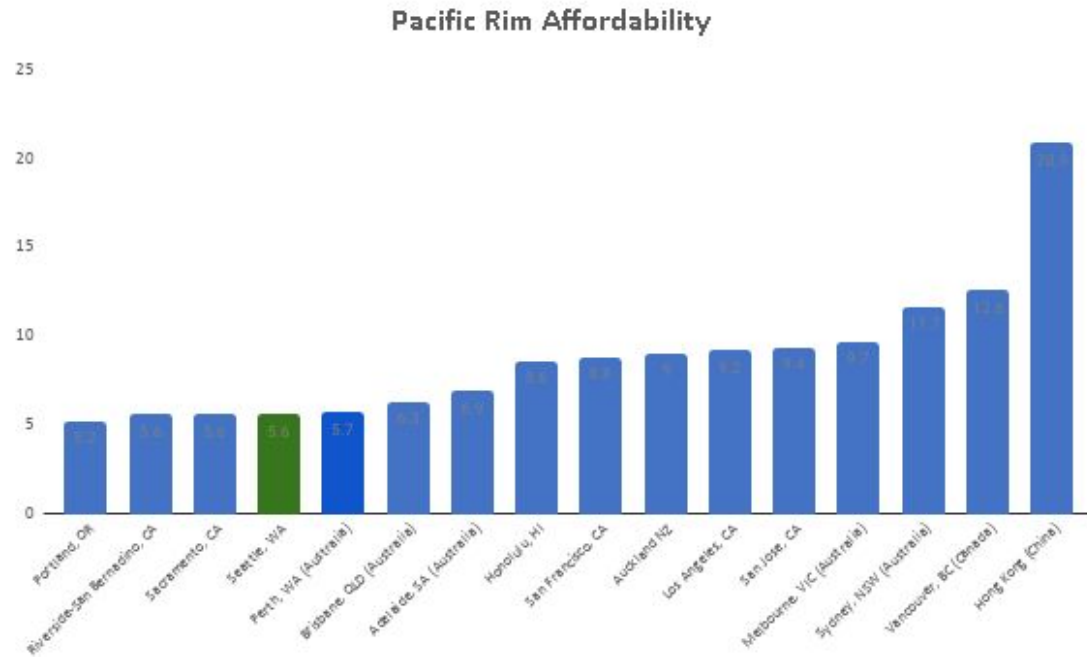
Regional Affordability



Regional Supply



Pacific Rim Pressure



Scenarios

The only constant is change

Coronavirus/Covid-19

Military

Tourism

Regional Economy

Nature

Scenario - Coronavirus/Covid-19

- too few saw this coming
- unemployment
- troops on deployment
- retiree communities
- tourism/escapees
- rural distancing
- resources

Scenario - military

- personnel changes
- drones
- resource limits
- politics
- waterfront with an airport and a harbor

Scenarios - Tourism

- switching from cruises to land
- rural island refuge
- high-end market niche
- travel restrictions
- border issues

Scenarios - Regional Economy

- Boeing (Everett v Renton v South Carolina)
- Amazon
- shipping
- trade
- remote

Scenarios - Nature

- quakes - land drops
- tsunamis - water rises
- slides - landslides
- storms - water and wind
- saltwater intrusion - water and septic

Refugees

Whidbey Island is getting attention from people wanting to move away from:

- density
- wildfires
- floods
- storms
- politics
- ?

Island Demographics And Economics

It all comes down to people and money (and location, location, location.)

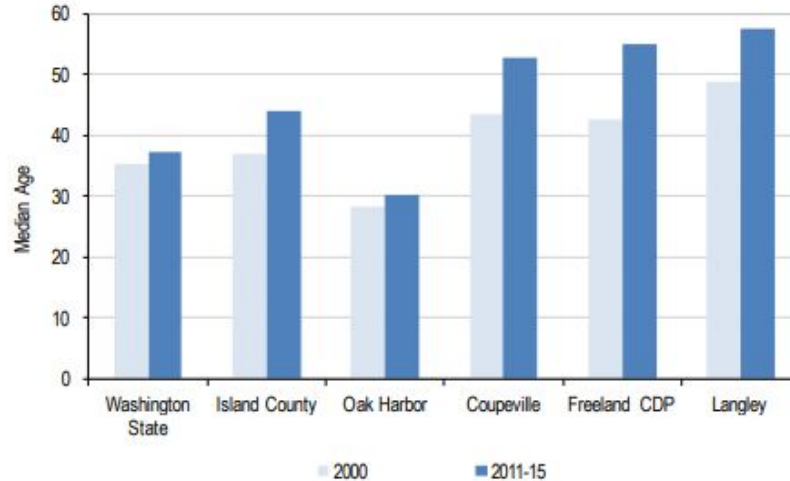
Generational Transition

Island County's median age is greater than that of Washington State.

The population is youngest in Oak Harbor, with a median age of 30 in 2011–2015.

Exhibit 12. Median Age, Island County, Washington State, and Selected Urban Areas², 2000 and 2011–2015

Source: U.S. Census Bureau, 2000 Decennial Census Table P013, 2011–2015 ACS Table B01002.



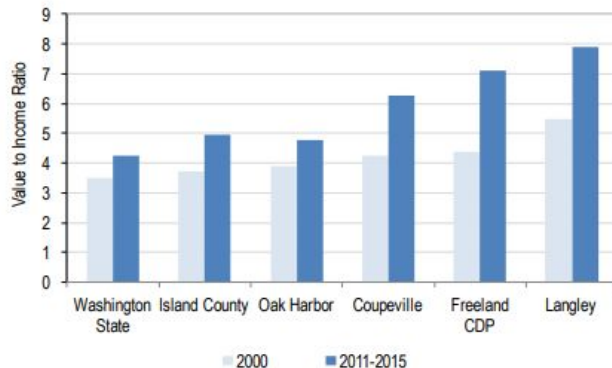
Income And Affordability

Since 2000, housing costs in Island County have increased faster than incomes compared to the Washington State average.

The median value of a house in Island County was 3.71 times the median household income in 2000 and 4.95 times the median household income by the 2011–2015 period. This change shows that housing prices grew faster than incomes. The decrease in housing affordability was greater in Island County than Washington State as a whole.

Exhibit 31. Ratio of Median Housing Value to Median Household Income, Island County, Washington State, and Selected Urban Areas, 2000 to 2011–2015^a

Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2011–2015 ACS, Tables B25119 and B25077.



Employment and Income

Exhibit 10. Employment and income by Planning Area, 2017

INCOME BY PLANNING AREA	CAMANO ISLAND	NORTH WHIBEY	CENTRAL WHIDBEY		SOUTH WHIDBEY		
	98282	98277 & 98278	98239	98253	98236	98249	98260
		<i>Oak Harbor Area</i>	<i>Coupeville Area</i>	<i>Greenbank Area</i>	<i>Clinton Area</i>	<i>Freeland Area</i>	<i>Langley Area</i>
Median household income	\$ 74,221	\$ 54,690	\$ 64,412	\$ 60,132	\$ 67,594	\$ 59,935	\$ 63,613
Per capita income	\$ 40,269	\$ 28,127	\$ 37,714	\$ 38,943	\$ 39,479	\$ 42,152	\$ 39,629

Source: US Census Bureau, American Community Survey, 2017 5-Year Estimates

Island Affordability

"...The median value of a house in Island County...4.95 times the median household income by the 2011-2015 period."

	Median Household Income	Median Household Price	Ratio
North	\$54,690	\$345,000	6.28
Central	\$62,272	\$345,000	5.54
South	\$63,714	\$410,250	6.44

Poverty

Exhibit 12. Poverty Level by Planning Area, 2017

POVERTY LEVEL BY PLANNING AREA	CAMANO ISLAND	NORTH WHIBEY	CENTRAL WHIDBEY		SOUTH WHIDBEY		
	98282	98277 & 98278	98239	98253	98236	98249	98260
		<i>Oak Harbor Area</i>	<i>Coupeville Area</i>	<i>Greenbank Area</i>	<i>Clinton Area</i>	<i>Freeland Area</i>	<i>Langley Area</i>
All people	6.1%	12.2%	8.5%	10.4%	4.8%	7.9%	8.5%
Under 18 years	6.2%	18.5%	14.7%	0.0%	4.8%	8.8%	12.2%
65 years and over	3.6%	4.3%	4.8%	2.5%	0.5%	3.5%	4.6%

Source: US Census Bureau, American Community Survey, 2017 5-Year Estimates

Vacancy Rate

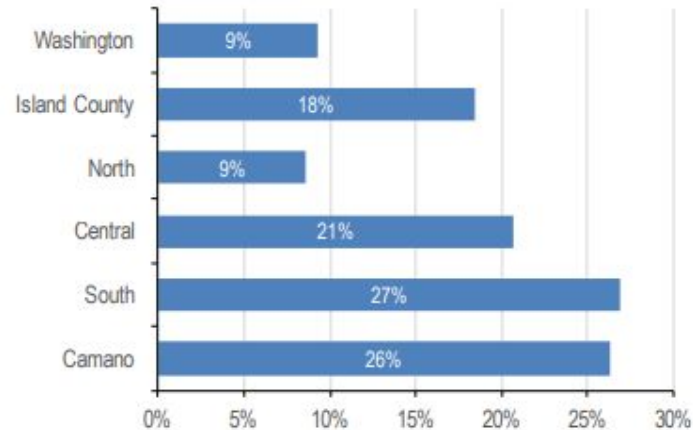
Island County has higher vacancy rates at 18 percent than the Washington State average.

South Whidbey and Camano Island both have vacancy rates above 25 percent.

North Island County has a lower vacancy rate than the other planning areas.

Exhibit 5. Vacancy Status, Island County, Washington State, and Planning Areas, 2011-2015

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimate



Homelessness

Table H-5
Island County Point in Time Count of Homeless Persons

Year	Households without minors	Households with adults and minors	Households with only minors	Total
2017	108	68	5	181
2016	120	80	0	200
2015	84	42	0	126
2014	62	57	0	119
2013	43	82	1	126

Source: Department of Commerce, WA Annual Point in Time Count

City of Langley Comprehensive Plan

<https://www.langleywa.org/Final%20Complete%20Draft%203.5.2018.pdf>

Technology Advances

Technological responses to typical limits to growth on Whidbey Island

- **Water**
 - grey water, catchment, recycling
- **Sanitation**
 - innovative septic systems, composting, incinerating toilets
- **Commuting**
 - remote work enabled by high-speed internet (Whidbey Tel's Big GiG)

Inertia

*People don't want to sell until they can find something to buy,
but there's little to buy because so few are willing to sell.*

Summary

Whidbey Island is recognized far beyond the island as a nice place to live.

The limits to our supply of housing won't change quickly, or much.

Whidbey Island is changing. The world outside the island is changing more.

Supply and demand will continue to drive prices.

There's enough variety on the island that generalizations miss details.

How it changes is up to people, both current and future residents.

Contact

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- blogs
 - TrimbathCreative.net - personal finance for frugal folk
 - PretendingNotToPanic.com - news for the anxious and eager
 - AboutWhidbey.com - island living from an islander's perspective