

Whidbey Real Estate Update - January 2022

Does 2021's dramatic trend continue?
(Of course it does)

Whidbey's Possibly New Normal

The Island's Real Estate, Affordability, and Trends

If only the world was this simple



Cautions Caveats And Clarifications

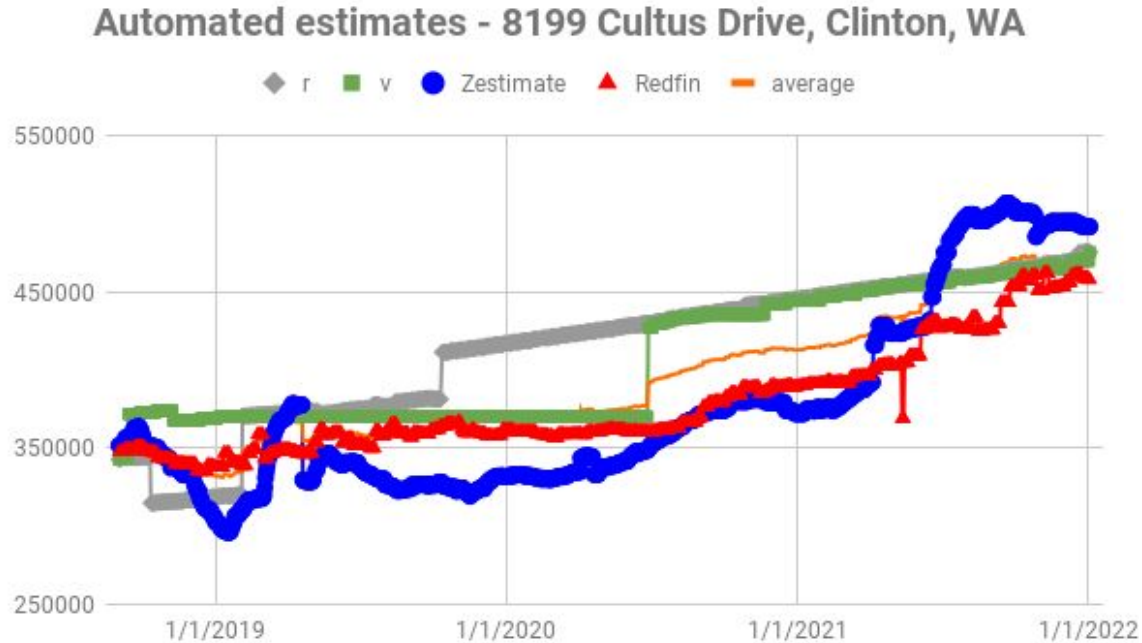
“houses are up” or down, or whatever

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



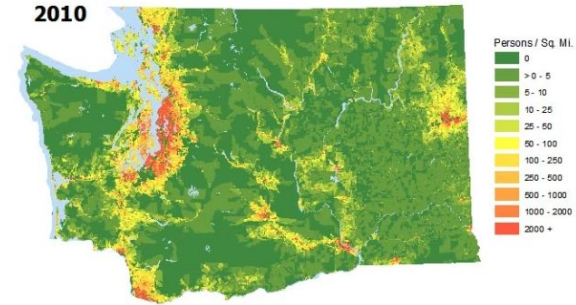
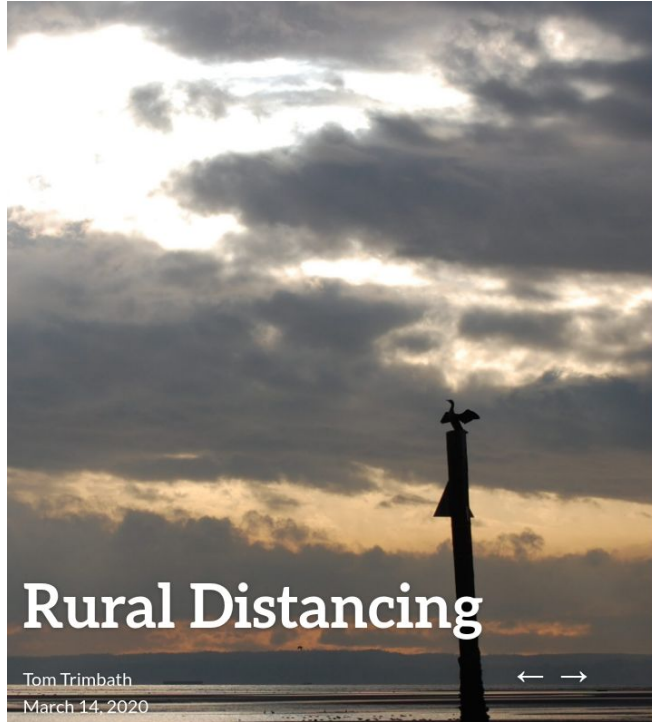
Median Sales Price - Whidbey Island



Median Sales Price - Whidbey Island



Rural Distancing

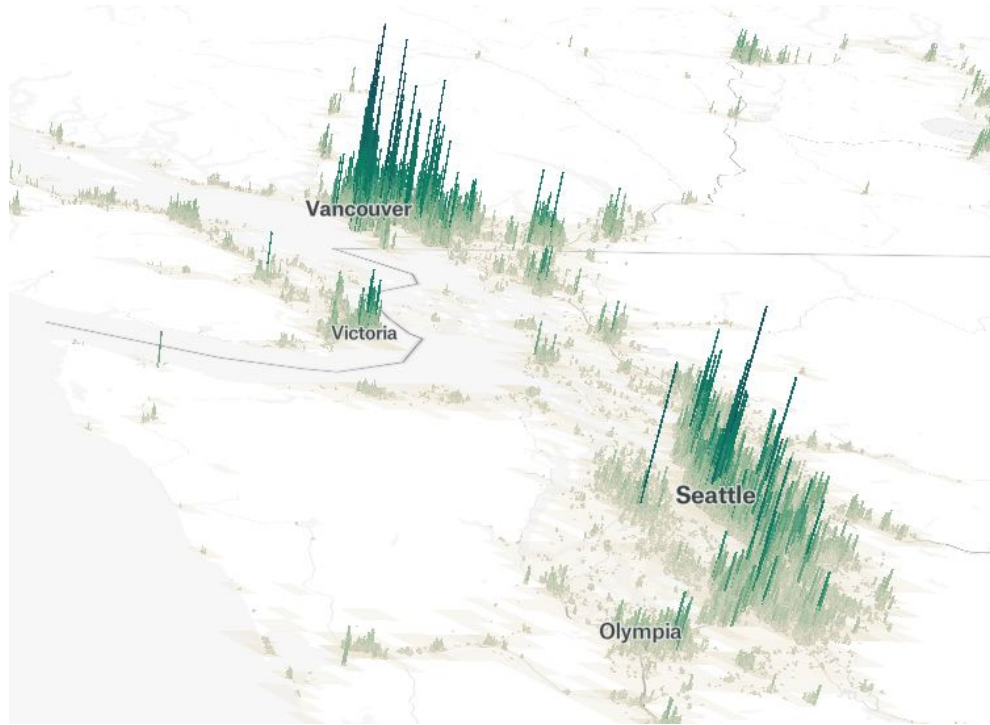


Let's take a look at an intermediate step. Urbanization has been popular. Seattle has been a prime example of people returning to downtown zones. Within city limits, Seattle's density is 8,882 people per square mile. (Which means all of Whidbey's population could fit in 10 square miles of Seattle. Think 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.

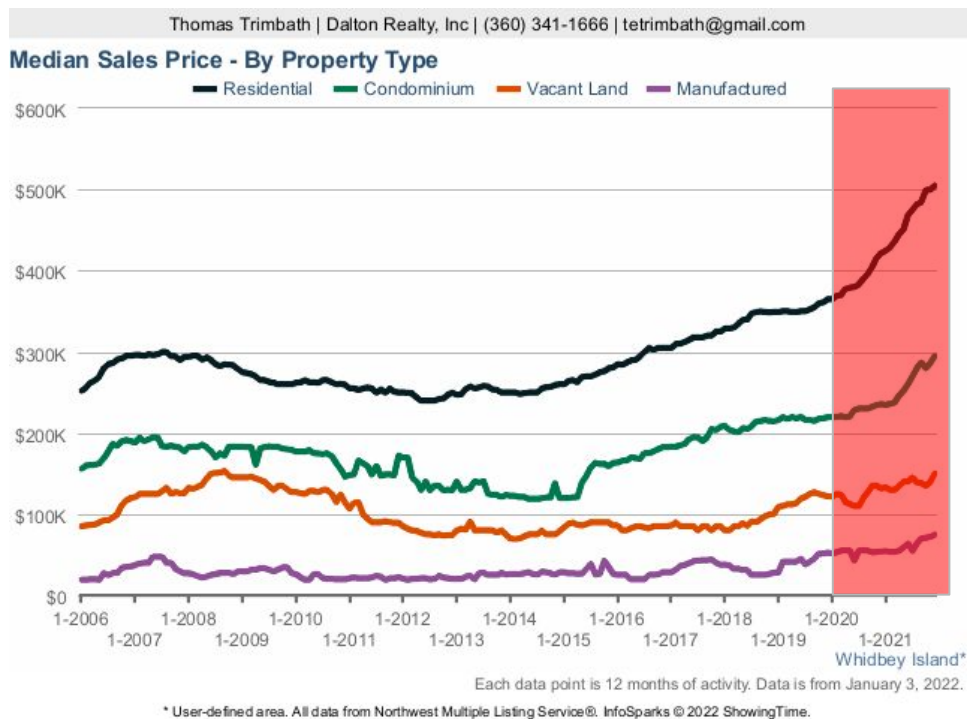
The three busiest places are Oak Harbor (2426 people/square mile), Coupeville (1542), and Langley (1127); all much more spacious. That's 3.8 people per acre in Oak Harbor, 2.4 for Coupeville, and 1.8 for Langley. Spacious. Yep.

Pandemic Trends - Possible Demand



Whidbey Island

Whidbey Island - property types

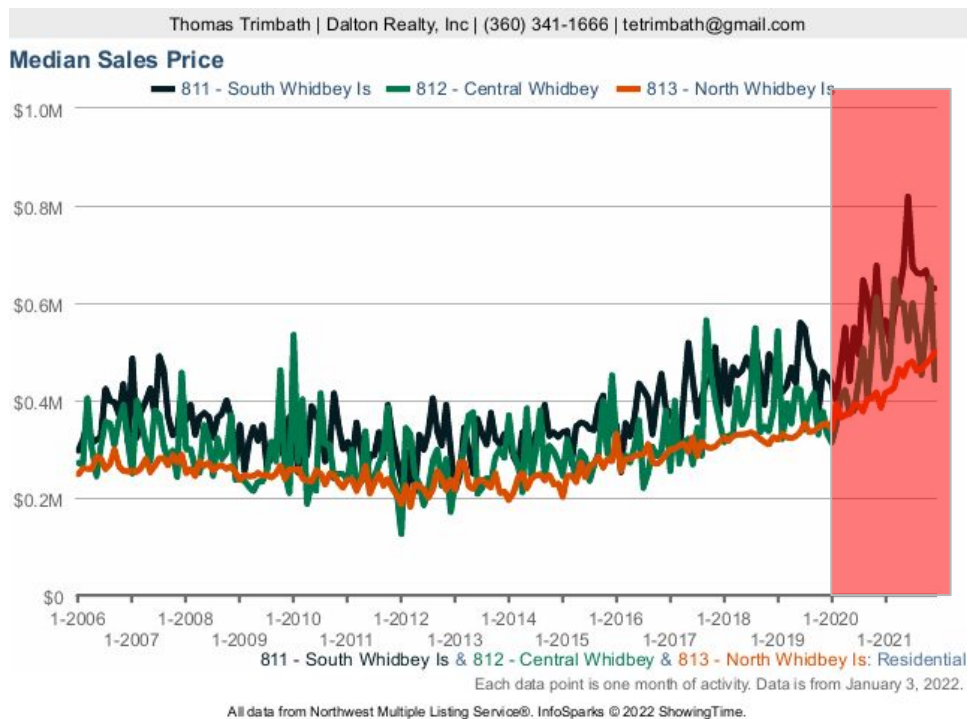


Houses

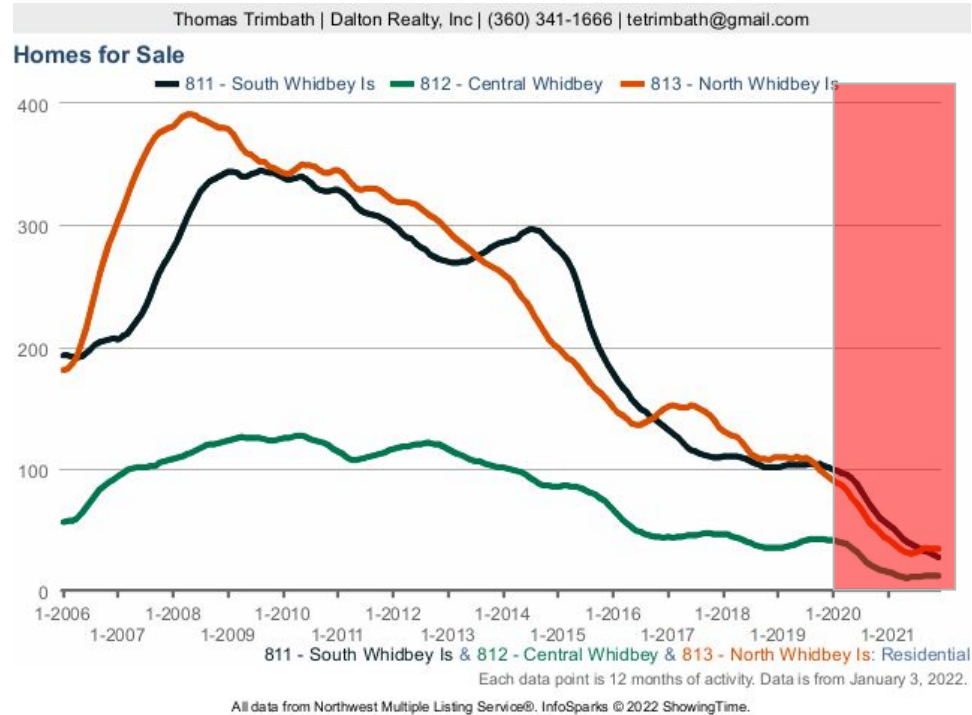
Median Sales Price - houses by area



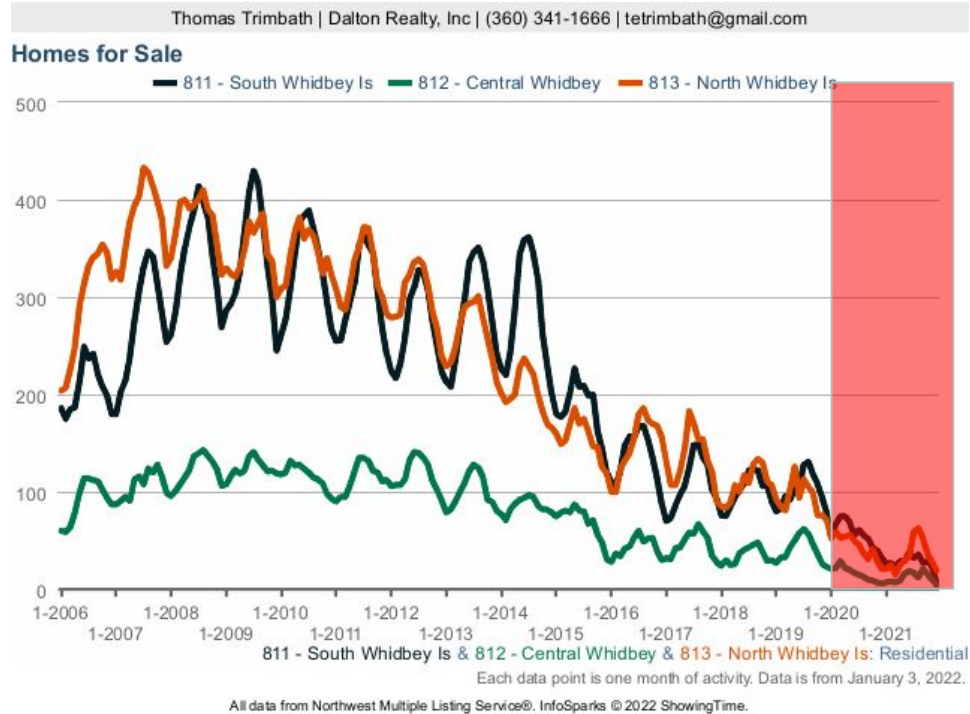
Median Sales Price (monthly)- houses by area



Housing Supply - by area



Housing Supply - by area



Days On Market - by area



Sold Price / Original Price - by area



Median Sales Prices (Waterfront) - by area



Median Sales Prices (Not Waterfront) - by area

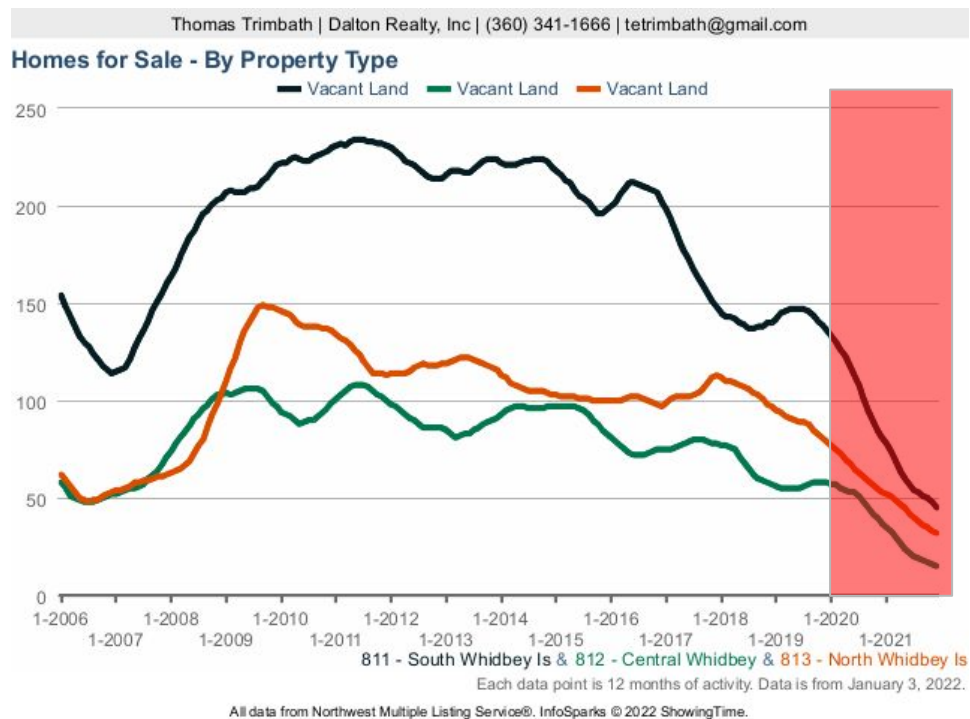


Land

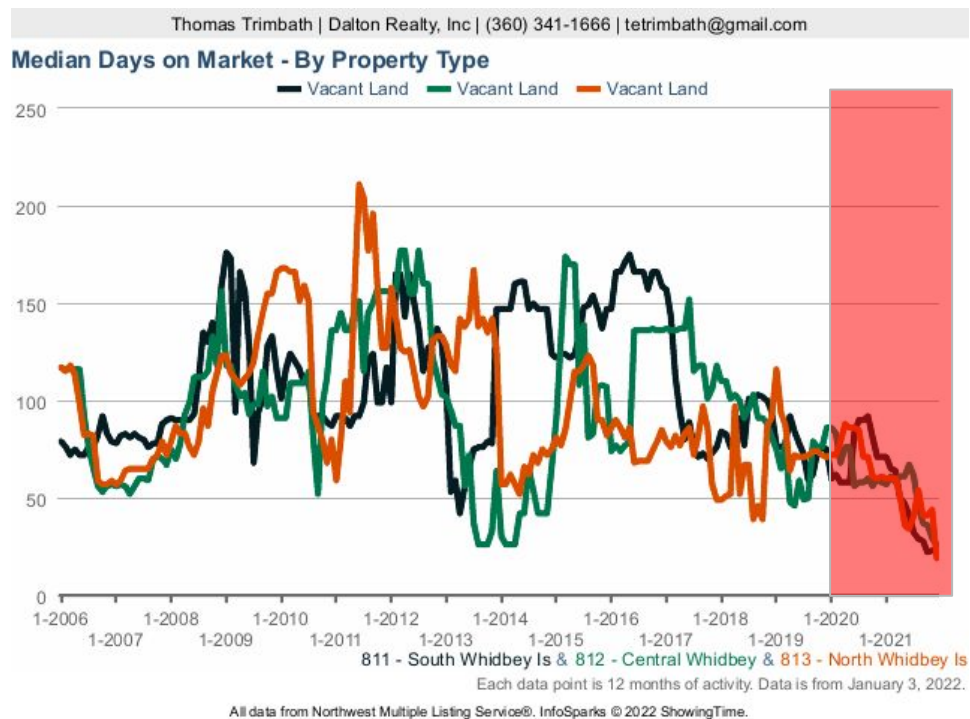
Median Sales Price - land



Supply - land



Days On Market - land



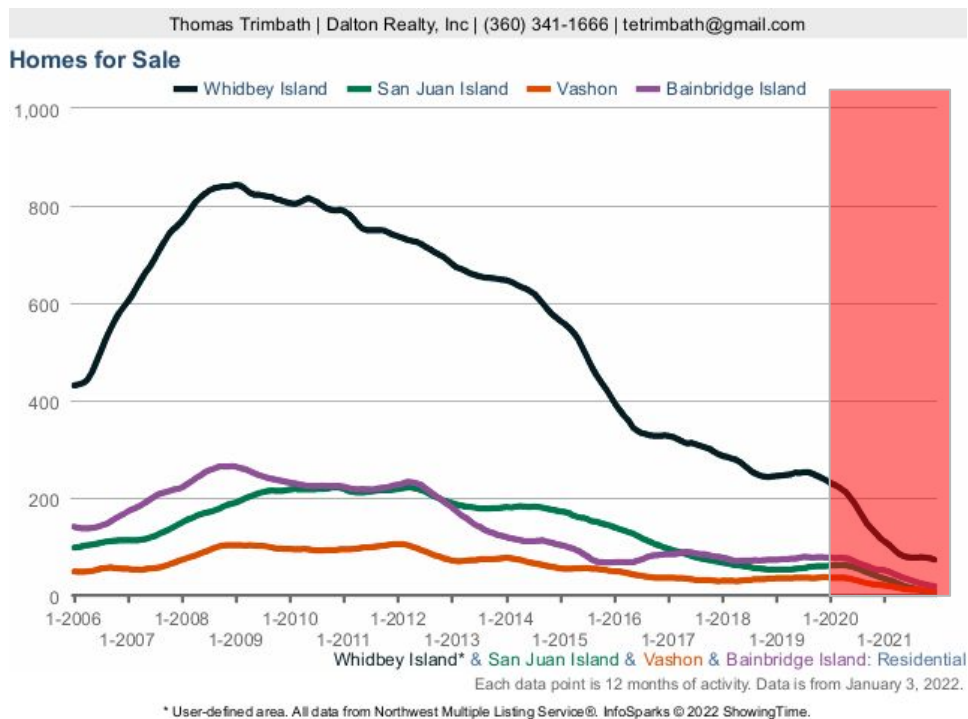
Island Affordability

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

Island Affordability



Island Supply



Island Days On Market



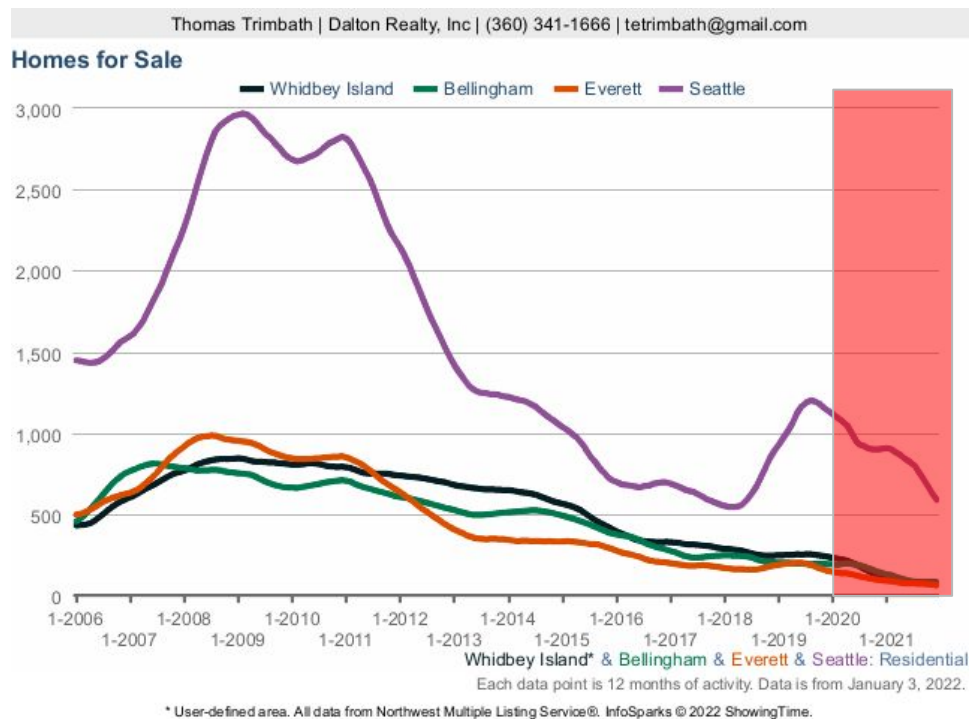
Regional Affordability

*Whidbey Island has an affordability issue,
but what about cities on the mainland?*

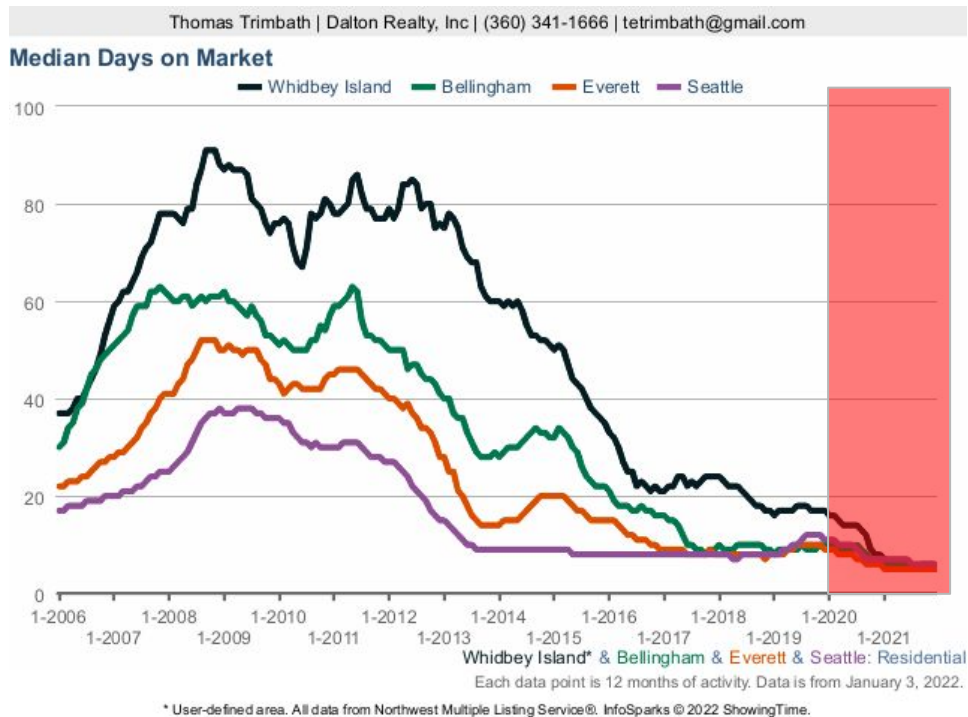
Regional Affordability



Regional Supply



Regional Days On Market



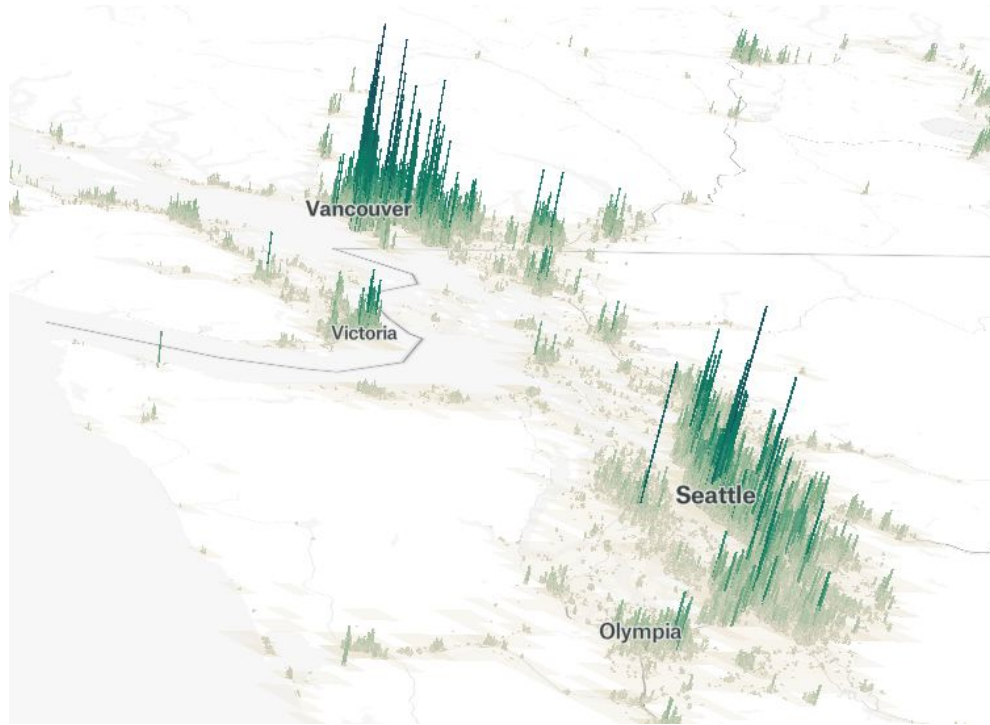
Regional Over Under Prices



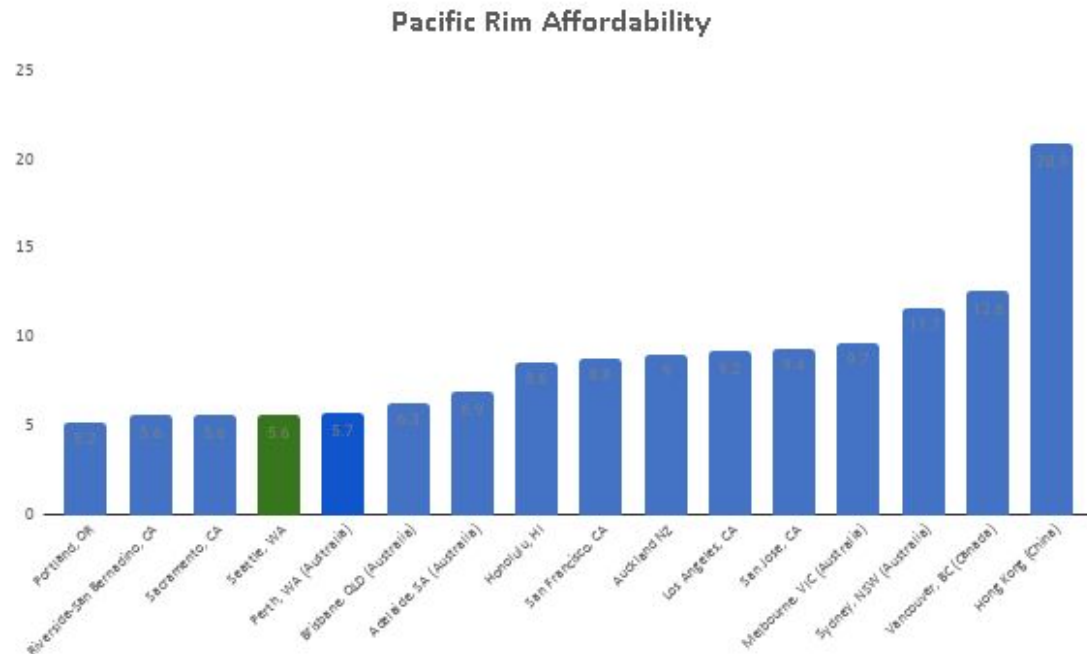
Island Demographics And Economics

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

Pandemic Trends - Possible Demand

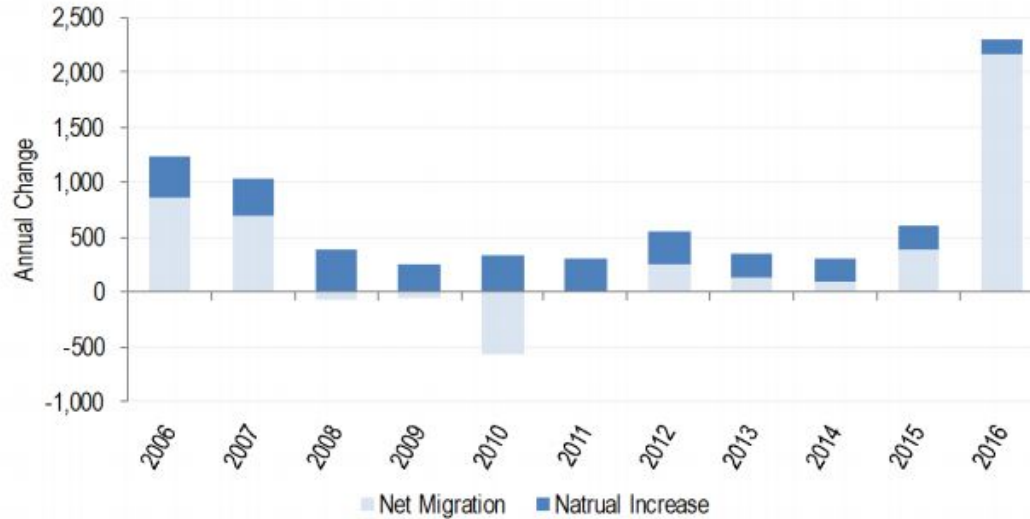


Pacific Rim Pressure



Population Changes - Demand

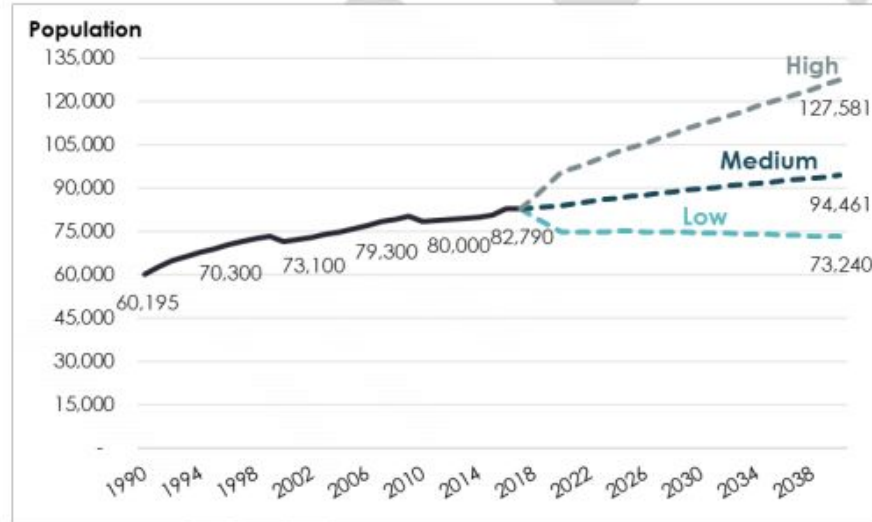
Figure 4-9. Annual Population Growth, Net Migration, and Natural Increase, Island County, 2006–2016



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.

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
- ?

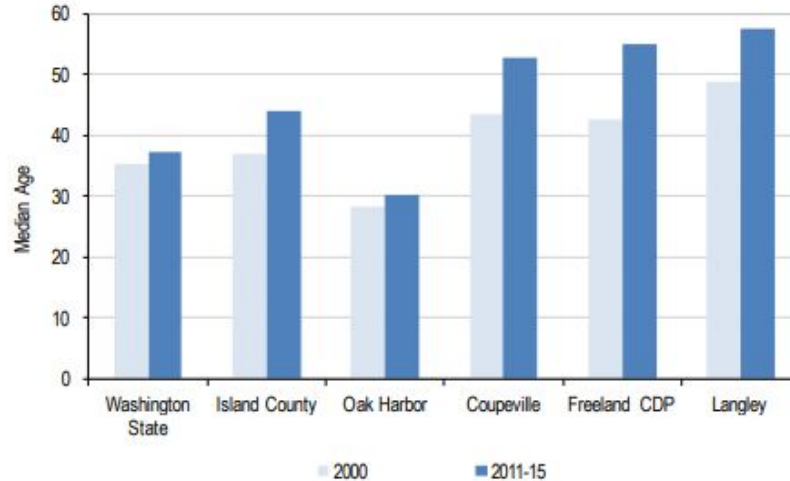
Generational Transition

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.



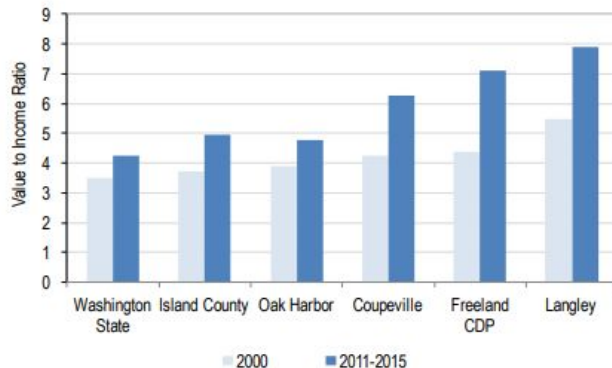
Income And Affordability

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

	Median Household Income	Median Household Price	Ratio
	(pending update)	(2021)	4.95 (2011-2015)
North	\$54,690	\$465,000	was 6.28 is 8.50
Central	\$62,272	\$550,000	was 5.54 is 8.83
South	\$63,714	\$650,000	was 6.44 is 10.20

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

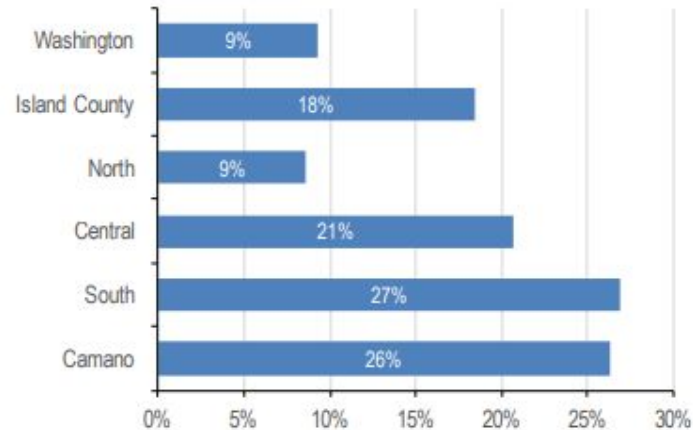
Island County has higher vacancy rates at 18 percent than the Washington State average.

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