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YOUR INFORMATION SOURCE



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GENERAL COSTS TO BUY, SELL OR BUILD

Cost of construction, selling and buying real estate in the islands has continued to increase based the requirements to meet the current regulations and overall material and service cost increases. One could say that it costs more and takes longer to comply with the various regulations that govern the real estate and related construction industries.

Based on the medium home price of \$430,000 during the last 12 months, a buyer will spend an average of \$6,800 in closing costs, not including the prorated taxes, insurance and homeowners dues or loan closing costs. The seller will spend on average \$36,000 based on the same home price. This doesn't include any repairs that may be necessary as part of the contract or the seller's prorated items; it is merely closing costs, septic inspection and a tank pump.

In the current market, a buyer can still purchase a home for less than the cost of custom construction as many homes are selling below their original cost and/or replacement costs. The recession had an impact on the value of existing properties and we haven't fully recovered.

Our housing inventory is being absorbed and the result will be less selection, and then we will experience upward pressure on our prices. At that point, buyers will seriously consider custom construction as the best alternative. The advantage of custom construction is a buyer is able to have built the exact home they had in mind and it will be ready for occupancy in about 1.5 years, more time may be needed if size and complexity are above average. The design and architectural process typically takes 1-3

months, permits take 1.5-3 months, and the actual construction will take 6-12 months.

Below is a detailed list of typical rates and fees that as a REALTOR we note in the industry when we are managing a transaction from listing or selling a property through the closing. Most transactions need several of these service providers during the contract period.

The list is not meant to be all inclusive nor relied upon; it is merely for general information purposes. In most cases, I provided the actual cost or the floor of the price range. As in the case of any project, you can always spend more money.

General Costs

February 2017

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| \$1,250 | Septic perc, design and permit. Good for 4 years and can be renewed for a fee subject to change |
| \$300 | If backhoe is needed to dig the perc holes |
| \$20,000-25,000 | Septic system, subject to the type of system. |
| \$15,000-\$20,000 | Drain field replacement |
| \$300 | Each riser installation |
| \$300-2,500 | All maintenance components; risers, observation ports and cleanouts. |
| \$800-1,200 | Septic pump, subject to size of tank |
| \$100-200 | Septic inspection and report |
| \$50 hour | Septic on-site labor (digging for inspection purposes) |
| \$550-\$650 | Home inspection, additional \$50 for each outbuilding, \$250 for guest house |
| \$250-\$500 | Sump pump for crawl space |
| \$75-\$300 | Roof inspection and certification |
| \$20,000-30,000 | Well Budget. Average depth is 375 ft (\$15.50 per foot, pump @ \$1,600-3,200, plumbing, all testing, electrical and outbuilding) |
| \$5,000-7,000 | Installed water storage tank 2300 gallons |
| \$100 | Bacteria test as stand-alone |
| \$2,500-3,000 | Draw down test on well for quantity, subject to time frame, this quote is for 4 hour flat line that takes 24 labor hours |
| \$250 | San Juan Short List- Quality well test for 7 items |
| \$200 | Monthly in town water, garbage and sewer minimum charge |

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| \$27,019 | In town water, sewer and storm water hookup fees \$11,392 water, \$14,158 sewer and \$1,469 storm water. |
| \$21,000 | Roche Harbor water and sewer hook-up fee. \$8,000 for water and \$15,000-\$18,000 for sewer, subject to location |
| \$500-15,000 | Water hook-up charge to various community systems |
| \$500-800 | Plumber's water meter installation fee |
| Varies | Cost to bring secondary power to site with transformers Call OP&L to confirm location of nearest transformer |
| \$145 hour | Excavation equipment and clearing, plus a set-up fee |
| \$190 hour | Rock hammer |
| \$85 hour | Dump truck |
| \$50-85 hour | Labor – chipping, shovel work, tree removal clean up |
| \$45 yard | Gravel/fill dirt |
| \$80 yard | Top soil/sand |
| \$5.50+ foot | Trenching in dirt for utilities |
| \$15.50+ foot | Trenching in rock for utilities |
| \$9-10.00 foot | Fiber Line trenching and installation for last mile –Island Network |
| \$200+ foot | Cost of construction for a low-end priced home with Formica and vinyl |
| \$235-400 | Cost of construction for a mid-level priced home with hardwoods, marble, tile, Corian, high-end appliances |
| \$400+ foot | Cost of construction for high-end priced home |
| 450-\$100 | Cost of construction for garage or storage outbuildings |
| 15%-25% more | Cost of construction on a non-ferry serviced island |
| \$40 foot | Cost of cedar deck including support framing, handrails |
| \$55-75 | General Contractor, licensed, bonded with tools |
| \$175-\$200 | Annual service of furnace or heat pump – no parts |
| \$35 hour | Handy man or casual labor |
| \$50 hour | Landscaper- design and install |
| \$25-35 hour | Yard maintenance |
| \$25-30 hour | House cleaning person |
| \$35 hour | Window washer, roof and gutter cleaner |
| \$700-1,500 | County approved Residential Pre Application (RPA) including consultant and SJC fees (SJC = \$400 + consultant) |
| \$1,500 | Provisional Use Transient Rental Permit including consultant and SJC Fee |
| \$1,000-2,000 | Storm water control report |
| \$800 | Marine environmental impact analysis |
| \$1500-\$2,000 | Mooring Buoy install and registration |
| \$200,000-\$300,000 | Shared Dock permit, legal work and installation |
| \$2,800 | Conditional Use Permit with public hearing- Consultant and SJC Fee |
| \$300+ hour | Attorney's fee |

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| \$90-150 hour | Land Use Consultants |
| \$300-\$500 | Tree removal plans |
| \$15,000 min | Design or Architectural expense for home, subject complexity |
| \$25,000 Avg | Design or Architectural expense for home |
| \$75-95 hour | Drafting/design work |
| \$2,200-2,500 | Flood Insurance Letter of Map Amendment |
| \$2,500-6,000 | Property Survey |
| \$2,000-4,000 | Boundary Line Modification |
| \$1,500-2,500 | Find corners via Surveyor and re-stake |
| \$2,500-6,000 | Wetlands report and delineation, if needed |
| \$2,500-5,000 | Archeologist Report, subject to parcel size and findings |
| \$150 per hour | Archeologist on- site while excavating |
| \$54.87 | Title Cancellation fee minimum |
| 1.78% | Excise – Typically charged to the seller |
| 1% | Land Bank Excise Tax – Typically charged to the buyer |
| 25%-49% | Monthly Property Management Fee based on gross income |

LIVING HERE: Priceless

This list of prices may be startling to some but it is the reality of living in our islands. Some of the General Contractors struggle to process competitive bids as there are so many variables and unknowns to each project. One of the largest issues is that our labor in the construction and related industries has, in some cases, become transient. If a framer can't find an affordable rental he/she will relocate to a city that not only offers a good wage but has rental housing available.

If you have any questions regarding our real estate market, please be sure to contact me. I have created a list of my recommended service providers, if you would like a copy; just email me your request.

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