



MAY 2013

In This Issue

“King County House Prices Jumped Almost 20 Percent Over Year”

(Source: Seattle Times, April 4, 2013)

The median price of single-family homes sold in King County leapt in March to \$392,000 as buyers, many waving all-cash offers, bid up the region’s tight inventory. With 40 percent fewer houses for sale than a year ago, March’s median closing price was 19 percent higher than the previous March and up 7 percent from February, the Northwest Multiple Listing Service reported Thursday. It was the biggest monthly percentage gain since April 2012, when King County’s median home price started rising after 19 months of decline.

A severe shortage of homes for sale — with listings equal to only about a month’s worth of pending sales — is driving the jump in prices. Generally a supply of four to six months is considered a balanced market.

About a quarter of buyers are paying all cash for homes, said OB Jacobi, president of Windermere Real Estate in Seattle. The rest are putting down, on average, between 20 and 50 percent cash, he said.

All regions in King County saw a lift in median prices: In Seattle, the median price of single-family homes sold rose 17 percent to \$462,375, the MLS reported. The median for condos was \$292,500, almost 25 percent higher than a year ago.

Price jumps happened at every tier of the housing market. In middle-class West Seattle, the median sale price on more than 100 homes sold in March was \$365,372, almost 30 percent higher than the previous March. Meanwhile, in affluent West Bellevue, the median sale price on the 34 homes sold last month was nearly \$1.3 million, 23 percent higher than a year ago.

Rising home prices also should encourage some homeowners to sell, brokers say. And homebuilders are ramping up production in response to demand. In the Seattle metro area, building permits were issued in January and February for more than 1,300 single-family homes, a 41 percent increase over the same period last year, according to the latest census data.

All of which could make this spring buying season the busiest in years, if inventory remains tight and more buyers enter the market. “My guess is it’s going to be frenzied at least through the summer,” Jacobi said.

*Seattle Event Calendar
Housing Prices Jump
Seattle Homes Hard to Find
Sales Slip on Low Inventory
Real Estate Market Perspective
Mortgage Rate Slips to 3.54%*



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SEATTLE CALENDAR

Seattle Science Festival June 6-16, 2013

The 2013 Seattle Science Festival, an 11-day celebration of the science and technology happening in our community, runs June 6-16, 2013. It features luminaries from the science world in opening and closing night events, a free Science EXPO Day featuring hands-on activities and special stage programs on Saturday, June 8 at Seattle Center, and a variety of Signature Programs at venues around the region throughout the Festival.

Seattle Rock and Roll Marathon June 22, 2013

Marathon & Half Marathon Start
Time: 7:00am
Start Line: Seattle Center, 5th Ave @ Broad
Finish Line: Seattle Center, Mercer St. @ 4th Ave
Revamped course announced for 2013! Runners will experience iconic Seattle sights as they rock out to live bands every mile.

Rock 'n' Roll Seattle Marathon 1/2 Marathon features a the two-day Health & Fitness Expo prior to the race, where all participants must pick up their race packets. Free and open to the public, this expo features the latest in running technologies, fitness apparel, health and nutrition information and interactive displays.

“Homes Even Harder to Find in Seattle Area in March”

(Source: Seattle PI, April 4, 2013)

Observers of the local real estate market had hoped March would come with increasing listings, helping ease the area's shortage of homes for sale. It didn't, although there was a sign the sales surge could be starting to abate, or at least that people are running out of homes to buy.

As usual for March, new listings did pick up. But not as much as sales. In fact, King County went from having a paltry 2.3 months worth of homes for sale at the current sales pace in February to 1.6 months of supply in March. In Seattle, inventory hit 1.5 months, down from 2 in February.

“I'm a little surprised that we didn't pick up more listings than we did,” said Glenn Crellin, associate director of the Runstad Center for Real Estate Studies at the University of Washington. “I was really hoping that we'd start to see some balance coming into the listing side of the equation, and these numbers indicate that we're going to have a really challenging summer. ... These numbers are just amazingly low.”

The tight supply has continued to help push up prices. The median price for a house that sold in March was \$392,000, up 18.8 percent from a year earlier and 7.4 percent from February. Seattle's median house price was \$462,375, up 16.5 percent from a year earlier and 10.1 percent from February.

“March Existing-Home Sales Slip Due to Limited Inventory - Prices Maintain Uptrend”

(Source: National Association of Realtors, April 22, 2013)

Existing-home sales eased in March from inventory constraints, which continued to pressure home prices, according to the National Association of Realtors®.

Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, declined 0.6 percent to a seasonally adjusted annual rate of 4.92 million in March from a downwardly revised 4.95 million in February, but remain 10.3 percent higher than the 4.46 million-unit pace in March 2012.

Sales have been above year-ago levels for 21 consecutive months, while prices show 13 consecutive months of year-over-year price increases.

Lawrence Yun, NAR chief economist, said there is more demand than supply in the current market. “Buyer traffic is 25 percent above a year ago when we were already seeing notable gains in shopping activity,” he said. “In the same timeframe housing inventories have trended much lower, which is continuing to pressure home prices.”

Total housing inventory at the end of March increased 1.6 percent to 1.93 million existing homes available for sale, which represents a 4.7-month supply 2 at the current sales pace, up from

4.6 months in February. Listed inventory remains 16.8 percent below a year ago when there was a 6.2-month supply.

“The inventory improvement last month results from a seasonal gain, but conditions continue to broadly favor sellers. We need a housing supply of over 6 months to have a generally balanced market between home buyers and sellers, but it’s unlikely we’ll get there without greater increases in housing construction,” Yun said.

The median time on market for all homes was 62 days in March, down from 74 days in February and is 32 percent below 91 days in March 2012. Short sales were on the market for a median of 81 days, while foreclosures typically sold in 46 days and non-distressed homes took 66 days. Thirty-seven percent of all homes sold in March were on the market for less than a month.

“Real Estate Market Perspectives”

(Source: Windermere Blog, March 25, 2013)

Rarely does a day go by that one of us doesn’t get asked if this is a good time to buy or sell a home. Some people might think that our response is always an emphatic “YES!” because we work in real estate. But there really is no right or wrong answer. Everyone’s situation is unique, so in some cases the answer might be yes, but for others it might make more sense to wait.

The good news is that we’re finally coming out of the housing slump of the past five-plus years. Housing is a major driving factor of the U.S. economy, so regardless of whether or not you own a home, a stronger housing market is good for everyone. For some would-be home sellers, this positive momentum, combined with a rise in home prices and buyer activity, is enough to compel them to list their home. And right now the numbers appear to be on their side.

According to the Northwest Multiple Listing Service, there is currently a 1.2 months’ supply of homes in Seattle. “Months’ supply” basically means that if existing homes were to continue selling at the current rate, the inventory of homes would be sold by that many months. A “normal” market has about six months of supply; therefore lower numbers mean a shortage of inventory. If demand is greater than supply, this leads to a seller’s market, like we’ve seen in Seattle.

So what does this mean for buyers and sellers? It means as long as inventory levels and interest rates are low, competition amongst buyers will remain high, and home prices should continue to steadily rise – albeit at a healthy rate, not like what we saw during the housing boom.

With these types of projections, one might wonder why there isn’t a flood of homes coming on the market. The biggest concern we hear from many would-be sellers is that they’re

Mother’s Day 5K Fun Run and Walk 5/12/2013 South Seattle

Relax and enjoy a healthy start to your Mother’s Day with a 5K Fun Run/Walk! All are welcome to attend this free untimed event at Seward Park. Sign up today! The first 150 registrants will receive a free reusable biodegradable water bottle. The 4th Annual Mother’s Day 5K Fun Run/Walk is sponsored by the University of Washington Center for Women’s Lifetime Fitness and Sports Medicine.

Seward Park
5898 Lake Washington Boulevard
Seattle WA

SEATTLE SPORTS SCHEDULE

MARINERS MLB HOME GAMES

<http://seattle.mariners.mlb.com/>

6/3	7:10PM	V.S. WHITE SOX
6/4	7:10PM	V.S. WHITE SOX
6/5	12:40PM	V.S. WHITE SOX
6/6	7:10PM	V.S. YANKEES
6/7	7:10PM	V.S. YANKEES
6/8	1:10PM	V.S. YANKEES
6/9	1:10PM	V.S. YANKEES
6/10	7:10PM	V.S. ASTROS
6/11	7:10PM	V.S. ASTROS
6/12	7:10PM	V.S. ASTROS
6/21	7:10PM	V.S. ATHLETICS
6/22	7:10PM	V.S. ATHLETICS
6/23	1:10PM	V.S. ATHLETICS
6/25	7:10PM	V.S. PIRATES
6/26	12:40PM	V.S. PIRATES
6/28	7:10PM	V.S. CUBS
6/29	4:15PM	V.S. CUBS
6/30	1:10PM	V.S. CUBS

SOUNDERS FC HOME GAMES

<http://www.soundersfc.com/>

6/8	1:00PM	V.S. WHITECAPS FC
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SEATTLE STORM HOME GAMES

<http://wnba.com/storm>

6/02	6:00PM	V.S. PHOENIX
6/07	7:00PM	V.S. TULSA
6/18	7:00PM	V.S. WASHINGTON
6/28	7:00PM	V.S. NEW YORK

going to lose money because their home is worth less today than it was at the peak of the market. A valid concern, to be sure, but remember, you're buying and selling in the same market conditions, so if your home has lost value in recent years, it is almost certain that the next home you buy has as well.

It goes without saying that nobody wants to sell at the bottom of the market, yet at the same time, everybody wants to buy at the bottom. Obviously these two scenarios can't exist at the same time, but for those on the fence, we're here to tell you that there are definitely opportunities to be had by both buyers and sellers that are worth considering.

“U.S. Rate on 30-Year Mortgage Slips to 3.54 Percent”

(Source: Seattle Times, April 4, 2013)

Average U.S. rates on fixed mortgages crept closer to their historic lows this week, a trend that could help the housing recovery strengthen. Mortgage buyer Freddie Mac said Thursday that the average rate for the 30-year fixed loan edged down to 3.54 percent from 3.57 percent last week. That's near the 3.31 percent reached in November, which was the lowest on records dating to 1971. The average rate on the 15-year fixed mortgage declined to 2.74 percent from 2.76 percent last week. The record low of 2.63 percent also was reached in November.

Low mortgage rates have contributed to a housing rebound more than six years after the bubble burst. Home sales and construction are up, prices are rising and more Americans are refinancing. That's helped the broader economy. Some people are unable to take advantage of the low mortgage rates, either because they can't qualify for stricter lending rules or they lack the money for larger down payment requirements.

To calculate average mortgage rates, Freddie Mac surveys lenders across the country on Monday through Wednesday each week. The average doesn't include extra fees, known as points, which most borrowers must pay to get the lowest rates. One point equals 1 percent of the loan amount.

The average fee for 30-year mortgages was unchanged at 0.8 point. The fee for 15-year loans also was steady, at 0.7 point. The average rate on a one-year adjustable-rate mortgage edged up to 2.63 percent from 2.62 percent last week. The fee for one-year adjustable-rate loans rose to 0.4 point from 0.3. The average rate on a five-year adjustable-rate mortgage fell to 2.65 percent from 2.68 percent. The fee declined to 0.5 point from 0.6.

I have had two experiences with Roger: once he was representing the seller when I was buying. This time he was representing me when I was buying. I had remembered Roger from 15 years ago when he worked to make sure the deal closed on time. I was impressed then by his knowledge, and his ability to make sure that obstacles are overcome. This time he was on my side because I remembered him and called him to help us buy my daughter and son-in-law a house. Roger did everything we asked. He always knew the right person to do everything. He replies immediately: by text, e-mail, or phone. He helped us to negotiate a good price. It was a short sale and it closed within 2 months. I would definitely recommend Roger to my friends and will use him again. He is both competent and mellow. And his knowledge of Seattle is amazing.

Thank You,
Laurie Sears



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