



SEPTEMBER 2013

*Seattle Event Calendar
House Prices Up!
US Home Sales Surge
Import Steps for Buyers*

King County Median Home Price Up 15 Percent Over Year Ago: Summer-Selling Season Hot Throughout Puget Sound Region

[Source: Seattle Times, August 6, 2013]

A bump in interest rates in July didn't derail the strongest home-buying stretch in the Seattle area since 2007, as the median price climbed year-over-year for the 16th consecutive month.

The median price of single-family homes sold in King County last month jumped to \$434,000, up 15 percent from a year ago and up 1.5 percent from June, according to figures from the Northwest Multiple Listing Service. And the number of pending home sales -- offers that have been accepted, but haven't yet closed -- remained above 3,000, the busiest July since 2005.

"We typically expect a dip in sales during the summer months, and we haven't seen that much of a downturn this summer," said John Deely, the principal managing broker at Coldwell Banker Bain in Seattle.

The summer surge in activity took place despite -- or perhaps because of -- an increase in mortgage interest rates the week of July 11. After mortgage rates rose, "we saw an increase in open-house traffic," Deely said, possibly because would-be buyers feared higher rates.

In Snohomish County, the median home price was \$304,000, almost 12 percent higher than a year ago, and in Pierce County it was \$195,000, a 16 percent jump.

Home prices have climbed higher -- some say artificially -- in part because of a tight supply. At the current sales pace, King and Snohomish counties both have less than a two-month supply of homes listed for sale. Experts say a healthy market should have at least a five-month supply.

The silver lining: Last month's number of listings in King County was the highest level so far this year. Experts said rising prices drew more sellers into the market in July than expected, including banks with repossessed properties and owners once underwater on their mortgages, a welcome sign for a tight market. "We're looking at a stabilizing marketplace," said Glenn Crellin, associate director of research at the University of Washington's Runstad Center for Real Estate Studies.

How long the run-up in home prices continues remains an open question. While King County home prices are still about 10 percent off the market's July 2007 peak, they are back at mid-2008 levels. The run-up may be partly due to a decline in sales of foreclosed homes.

Bank-owned homes made up just 9 percent of King County sales so far this year, compared to 14 percent last year and 23 percent in 2011, said Richard Eastern, co-owner of Bellevue-based Washington Property Solutions, which helps owners short sell their homes. He said he believes banks are selling repossessed homes to large investors like hedge funds without listing them.



(206) 999-6937

(206) 526-5544

rjturner@windermere.com

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SEATTLE CALENDAR

SEATTLE AUTO SHOW

October 16 to 20, 2013

CenturyLink Field Event Center

800 Occidental South
Seattle, Washington 98134

Wed-Thurs - 1 p.m.-8:30 p.m.

Friday - 1 p.m.-9 p.m.

Saturday - 10 a.m.-9 p.m.

Sunday - 10 a.m.-5 p.m.

Over 400 of the 2014 makes/models of import and domestic vehicles including exotics and supercars, alternative fuels/electrics, muscle cars, fuel-savers, trucks, family sedans and vans.

The renowned LeMay-America's Car Museum will be displaying some of their classics from the past.

BEER TASTING EVENT AT WOODLAND PARK ZOO

Thursday, October 3, 2013
5:30 - 8:30 p.m.

Raise your glass to conservation and animals!

Join Woodland Park Zoo for the third annual Brew at the Zoo beer-tasting event on Thursday, October 3. Sample imports, domestics, microbrews and even ciders from over 30 different breweries. 21+ years and over only!

Meanwhile, short sales account for about 13 percent of this year's King County home sales and should continue for at least the next year, Eastern said. Bank of America, Wells Fargo and other banks are approving more short sales to avoid the expense of foreclosure, he said. Eastern said the market's tight inventory is pushing up prices. "I think the slowdown in inventory has artificially boosted values," he said. "When more inventory comes on the market, and it will eventually, you'll see values come down."

Within King County, the 12-month climb in median price ranged from a 21.2 percent hike in Southwest King -- still the cheapest, at \$248,500 -- to an 8.9 percent rise on the Eastside, which is the most expensive area, at \$566,258.

Cash buyers continue to play a huge factor in home sales: According to San Diego-based DataQuick, 22.8 percent of June's sales in the Greater Seattle area occurred without any mortgage financing, almost twice the historical monthly average and down only slightly from the previous June.

US Home Sales Hit 5.39

Million in July, Highest Since 2009

[Source: Seattle Times, August 21, 2013]

U.S. sales of previously occupied homes surged in July to a seasonally adjusted annual rate of 5.39 million, approaching a healthy level for the first time since November 2009. The spike in sales shows housing remains a driving force for the economy even as mortgage rates rise.

The National Association of Realtors said Wednesday that sales jumped 6.5 percent last month from a 5.06 million pace in June. They have risen 17.2 percent over the past 12 months ago. Sales have now stayed above an annual pace of 5 million for three straight months. The last time that happened was in 2007. And sales are well above the 3.45 million pace hit in July 2010, the low point after the housing bubble burst.

Home sales jumped in July despite higher mortgage rates, which have risen a full percentage point since early May. Higher rates may have encouraged some potential homebuyers to close deals early. The July report captures completed sales, which tend to reflect mortgage rates that were locked in one or two months earlier. So the impact of higher mortgage rates on the market may not be clear until the August report.

And sales could slow later this year, especially if the Federal Reserve scales back its bond purchases. The bond purchases have kept long-term interest rates, including mortgage rates, low. For now, the average rate on the 30-year fixed mortgage remains low by historical standards. It was just 4.4 percent last week.

"All in, the one-percentage-point jump in mortgage rates in the past year doesn't seem to have slowed home sales, as affordability remains attractive in most regions," said Sal Guatieri, senior economist at BMO Capital Markets. "The jump in rates might have pulled forward some purchases, so a few more months of data are likely needed to wave the all clear flag."

Steady hiring and low mortgage rates have helped the housing market recover over the last year. Banks are also slowly easing tight credit standards, which have made it hard for many people to get mortgages.

The number of available homes is also rising slowly and should support more sales. The supply of unsold homes rose 5.6 percent in July to 2.28 million. That's still 5 percent below last year's figure. A limited supply has been pushed up prices nationwide.

There were other positive signals in the report. The proportion of distressed sales including foreclosures stayed at 15 percent, the lowest since the Realtors began tracking the figure in October 2008. And investors made up just 16 percent of purchases, down from a recent peak of 22 percent in February. The smaller proportion of investors suggests the market is slowly returning to normal.

One troubling sign: First-time homebuyers aren't returning to the market. They usually help drive rebounds in home sales. But they made up only 29 percent of sales in July, below the 40 percent level consistent with a healthy market.

A brighter housing market helps the broader economy. Rising home sales boosts spending at furniture and home supply stores and lifts realtors' incomes. Higher home values also make consumers feel wealthier, which lifts their confidence and encourages more spending. Consumer spending drives roughly 70 percent of economic activity.

Important Initial Steps for Today's Homebuyer

Source: *Seattle Times*, August 9, 2013

Purchasing a new home is a major life decision. It can be fun and exciting, but also a bit scary. Here are a few suggestions for getting the most out of this process.

OK, you and your family have decided that you're moving. Now what?

Purchasing a new home is a major life decision. It can be fun and exciting, but also a bit scary. Here are a few suggestions for getting the most out of this process.

Start your search online. A recent survey from the National Association of Realtors says that 90 percent of all homebuyers used the Internet as an information source. Other surveys suggest that as many as 80 percent of all prospective homeowners start their search on the Web before they even get in their cars and start driving around. And why not? There is a plethora of timely and accurate information available that will help you determine where you want to live, how much you can spend, current home values and other important data.

Get to know your lender. It will save time and aggravation if you select a good lender early on and get prequalified for a home loan. One simple way is to ask four or five friends for their personal recommendations. Then interview a couple of lenders and make a decision. While they offer similar programs, you need to find a lender that is reputable, as well as a loan representative whom you trust.

Find an agent. Once you have narrowed down your search on the Web and met with a lender, seek out a professional real estate agent to help. If you are considering new construction, licensed, on-site agents are in daily contact with builders and can help you with your purchase. Or you may choose to hire your own buyer's agent. Either way, this transaction is simply too big and too important to manage without help. And remember: The seller pays the commissions, not you.

Embrace presales. There aren't very many finished homes on the marketplace today. This limits selection, which isn't a good thing. But buying a home that's yet to be constructed or only partially built can be a hoot. In some cases you will have a chance to personalize the design or some features. And in an environment of escalating prices and rising interest rates, you can lock in tomorrow's value today.

Lighten up. Finally, have some fun looking for a new home. Gather information, be methodical and start getting excited about a new chapter in your life.

SEATTLE FALL HOME SHOW

Friday Oct 4 –
Sunday Oct 6, 2013.

CenturyLink Field Event Center

The Seattle Home Show is the Northwest's largest consumer home show with everything for the home – indoors and out – at two annual shows in downtown Seattle at CenturyLink Field Event Center. The Spring and Fall shows present hundreds of exhibits including builders, remodelers, the latest appliances and fixtures, decorating, landscaping... everything from floor to ceiling and beyond. Attendees also enjoy special features including seminars and wine tasting.

SEATTLE SPORTS SCHEDULE

SEATTLE SEAHAWK SCHEDULE

<http://seahawks.com/>

10/6	10:00 AM	AT COLTS
10/13	1:05PM	V.S. TITANS
10/17	5:25PM	AT CARDINALS
10/28	5:40PM	AT RAMS

SOUNDERS FC HOME GAMES

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

10/9	7:00PM	V.S. WHITECAPS FC
10/27	6:00PM	V.S. LA GALAXY

WASHINGTON HUSKY SCHEDULE

<http://gohuskies.com>

10/5		AT STANFORD
10/12		V.S. OREGON
10/19		AT ARIZONA ST
10/26		V.S. CALIFORNIA

Area home prices post biggest gain in nearly six years

By AUBREY COHEN, SEATTLEPI.COM STAFF

Seattle-area home prices rose 8.7 percent in January from a year earlier -- the biggest gain in nearly six years, according to a new report.

The price of a typical home in King, Pierce and Snohomish counties rose 8.7 percent from January 2012, up from an 8.2 percent increase in December, according to the S&P/Case-Shiller Home Price Indices. The price rose 1.1 percent from December to January, accounting for typical seasonal variation.

Median sales prices have been posting larger increases, but some of this was due to a changing mix in the homes that happen to sell. The S&P report looks at repeat sales of the same homes.

S&P's 20-city index rose 8.1 percent from a year earlier -- the biggest increase since the housing bubble burst.

"Economic data continue to support the housing recovery," David Blitzer, chairman of S&P Dow Jones Indices' Index Committee, said in the report. "Single-family home building permits and housing starts posted double-digit year-over-year increases in February 2013. Despite a slight uptick in foreclosure filings, numbers are still down 25 percent year-over-year. Steady employment and low borrowing rates pushed inventories down to their lowest post-recession levels."

The S&P report does not give actual prices. The median King County house sales price was \$350,000, up 11 percent from a year earlier, according to the Northwest Multiple Listing Service.

TESTIMONIAL

Dear Roger,

Thank you for all your help in the purchase of my house. It was truly a pleasure working with you!

What I greatly appreciated was your accessibility and your approachability. You were responsive to communications; it really meant a lot to me to have the confidence that you would return my phone calls and emails. You kept me informed at all times of what was happening and made me feel like a partner in the process. You followed up on items that needed to be checked, and you always did what you said you were going to do. You showed both in word and in deed that you cared about what happened with me and my house.

What meant the most to me was that you are easy to talk to and a good listener. From the first day we met, I felt at ease with you. This was comforting. I was able to candidly share my thoughts and concerns with you, and you were very patient in answering all my questions.

Even though my house can be classed as a cottage, with correspondingly "small" purchase price, I felt that you gave me the time and consideration worthy of a mansion. This was not lost on me, and I deeply appreciated the respect and attention you gave me.

Thanks you again for your work on my behalf. Best wishes to you in all that you do.

Sincerely,

Marilyn Carlson



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