



OCTOBER 2012

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Homes Selling More Quickly, Time on Market Down with Tighter Supplies

A new measure shows the typical amount of time it takes to sell a home is shrinking, and for traditional sellers is now in the range of historic norms for a balanced market, well below the cyclical peak reached in 2009, according to the National Association of Realtors®.

The median time a home was listed for sale on the market¹ was 69 days in July, down 29.6 percent from 98 days in July 2011. The median reflects a wide spectrum; one-third of homes purchased in July were on the market for less than a month, while one in five was on the market for at least six months.

Lawrence Yun, NAR chief economist, said there is a clear relationship between inventory supply and time on market. “As inventory has tightened homes have been selling more quickly,” he said. “A notable shortening of time on market began this spring, and this has created a general balance between home buyers and sellers in much of the country. This equilibrium is supporting sustained price growth, and homes that are correctly priced tend to sell quickly, while those that aren’t often languish on the market.”

At the end July there was a 6.4-month supply of homes on the market at the current sales pace, which is 31.2 percent below a year ago when there was a 9.3-month supply.

There are consistent and related findings between annual consumer research in NAR’s Profile of Home Buyers and Sellers, and sets of data in the existing-home sales series, that show current market conditions are comparable with median selling time in balanced markets.

In periods where the existing-home sales series averaged close to a 6-month supply of homes in listed inventory, which is near the low end for market equilibrium, the home buyer and seller series showed a median selling time of just over six weeks.

In such balanced market conditions, home prices generally rise 1 to 2 percentage points above the overall rate of inflation as measured by the Consumer Price Index.

“Our current forecast is for the median existing home price to rise 4.5 to 5 percent this year and about 5 percent in 2013, which is somewhat stronger than historic norms because of the inventory shortfall that is most pronounced in the low price ranges,” Yun said. CPI growth is projected at 2.1 percent for 2012 and 2.3 percent next year.

From 1987 through 2011, analysis of the NAR Profile of Home Buyers and Sellers series showed the typical time on market was 6.9 weeks, while the existing-home sales series showed an average supply of 7.0 months, just above the high end for a balanced market.

The new measure of days on market shows a longer selling time than the historic findings which measured traditional sellers of non-distressed homes. The new series include short sales that typically took three months or longer to sell. “Factoring out short sales, the

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(206) 999-6937
(206) 526-5544

rturner@windermere.com

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SEATTLE EVENT CALENDAR

Seattle International Auto Show

November 14-18, 2012
**CenturyLink
Field Event Center**

From November 14th - November 18th, you will be amazed by all of the New and 'soon-to-be' ... automobiles available at the 2012 Seattle International Auto Show. Virtually every make and model of new car and truck, foreign and domestic will be on display.

Whether you're in the market for a New Vehicle, or just simply want to experience the thrill of seeing the latest models... 'hands-on'... the huge Seattle Auto Show is a nice retreat from the Fall 'blahs'.

Auto Show hours are: Wed-Thur, 1 PM - 8:30 PM; Fri, 1 PM - 9 PM; Sat, 10 AM - 9 PM; Sun, 10 AM - 5 PM. Admission is \$12 for adults, kids 12 and under are free when accompanied by an adult. Come visit for a couple of days... rates are 'low' and crowds are 'light' - it's the perfect time for an 'affordable'... 'fun' ... Get-A-Way.

Festival of Trees

November 17-28, 2012
Fairmont Olympic Hotel

Now celebrating 35 years... the Festival of Trees is a time honored Seattle tradition that marks the beginning of the holiday season for many families that have children in need of quality medical care. Displayed at the historic Fairmont Olympic Hotel for ten days, a stroll through this 'forest' of 21 designer Christmas trees is most certain to get you in the holiday spirit.

On November 18, 2012 from 2 PM - 5 PM ... kids of all ages can listen to Christmas stories, and enjoy complimentary cookies with refreshments. Adults can participate in a silent auction, and numerous holiday items will also be available for purchase, including wreaths, small trees, decorations and more. Photo's with Santa will also be available for \$15.

All proceeds benefit uncompensated care at Seattle Children's Hospital.

median time on market for traditional sellers appears to be in the balanced range of six to seven weeks," Yun explained.

During the peak of the housing boom in 2004 and 2005 when inventory supplies were historically low, averaging 4.3 months² over the two-year peak period, the median selling time was 4 weeks. Prices in that time frame were bid up and rose at an annual rate of 10.3 percent, historically higher than the 3.1 percent average growth in CPI during the period.

In the economic downturn, time on market for non-distressed sellers peaked at 10 weeks in 2009 with a 10.0-month annualized supply. The median price fell 12.9 percent that year, which was the biggest annual decline on record.

"Ironically, if housing construction doesn't pick up to normal levels within two years, supply shortages could be sustained for an extended period and lead to above average appreciation," Yun said. "Therefore, any unnecessary hindrance to housing starts, such as excessive local zoning regulations or stringent bank capital rules for construction loans, should be carefully re-examined."

SEATTLE AREA HOME PRICES POST 4TH MONTHLY GAIN

Seattle-area prices were up 1.8 percent between May and June, the fourth straight monthly increase, according to the closely watched Standard & Poor's/Case-Shiller home-price index.

Home prices rose between May and June in the Seattle metropolitan area and every other city tracked by the closely watched Standard & Poor's/Case-Shiller index, another sign that the housing market is improving.

Seattle-area prices were up 1.8 percent month-over-month, the fourth straight monthly increase. They also were up 1.8 percent compared with June 2011, the second consecutive year-over-year rise. The Seattle metropolitan area includes King, Snohomish and Pierce counties.

Case-Shiller's 20-city composite index was up 2.3 percent month over month and 0.5 percent year over year. All 20 cities saw prices increase between May and June -- the most recent month for which information is available -- and 14 saw increases compared with the same month in 2011.

"We seem to be witnessing exactly what we needed for a sustained recovery; monthly increases coupled with improving annual rates of change. The market may have finally turned around," said David M. Blitzer, chairman of the Index Committee at S&P Dow Jones Indices.

The Seattle area's Case-Shiller score for June was 139.89, meaning prices were 39.89 percent higher than in January 2000. It was the region's highest score since November 2010. The region's highest score, 192.30, came in July 2007. Its lowest score since the real-estate bubble burst, 128.99, came this February.

Seattle's June results were in the middle of the pack when compared with the other 19 cities Case-Shiller tracks.

Thirteen metropolitan areas had bigger monthly increases, led by Detroit at 6 percent. Ten saw bigger year-over-year rises, topped by Phoenix at 13.9 percent -- the only double-digit increase.

The Value of Home Staging

When you put your home on the market, you want it to sell quickly and for the best possible price. Staging your property can help you do both. Below, you will find tips that can help you showcase your home's strong points, minimize its problem areas, and increase its appeal for prospective buyers.

For more than 20 years, the benefits of staging a home have been well documented. Numerous studies show that staging helps sell a home faster and for a higher price. According to the National Association of REALTORS®, 88 percent of homebuyers start their search online, forming impressions within three seconds of viewing a listing. When a home is well staged, it photographs well and makes the kind of first impression that encourages buyers to take the next step.

Studies also indicate that buyers decide if they're interested within the first 30 seconds of entering a home. Not only does home staging help to remove potential red flags that can turn buyers off, it helps them begin to imagine living there. Homes that are professionally staged look more "move-in ready" and that makes them far more appealing to potential buyers.

According to the Village Voice, staged homes sell in one-third less time than non-staged homes. Staged homes can also command higher prices than non-staged homes. Data compiled by the U.S. Department of Housing and Urban Development indicate that staged homes sell for approximately 17 percent more than non-staged homes.

A measurable difference in time and money

In a study conducted by the Real Estate Staging Association in 2007, a group of vacant homes that had remained unsold for an average of 131 days were taken off the market, staged, and relisted. The newly staged properties sold, on average, in just 42 days, - which is approximately 68 percent less time on the market.

The study was repeated in 2011, in a more challenging market, and the numbers were even more dramatic. Vacant homes that were previously on the market for an average of 156 days as unstaged properties, when listed again as staged properties, sold after an average of 42 days—an average of 73 percent less time on the market.

Small investments, big potential returns

Staging is a powerful advantage when selling your home, but that's not the only reason to do it. Staging uncovers problems that need to be addressed, repairs that need to be made, and upgrades that should be undertaken. For a relatively small investment of time and money, you can reap big returns. Staged properties are more inviting, and that inspires the kind of peace-of-mind that gets buyers to sign on the dotted line.

What's more, the investment in staging can bring a higher price. According to the National Association of REALTORS, the average staging investment is between one percent and three percent of the home's asking price, and typically generates a return of eight to ten percent.

In short, less time on the market and higher selling prices make the small cost of staging your home a wise investment.

Interested in learning more? Contact your real estate agent for information about the value of staging and referrals for professional home stagers.

Macy's Holiday Parade & Star Lighting

November 23, 2012

Come celebrate the holiday season with the annual Macy's Holiday Parade and Star Lighting Ceremony. The parade includes festive floats, costumed characters and local community groups, all followed by Santa, who will arrive at Macy's where he'll officially open Santaland for the 2012 Christmas season.

The Macy's Holiday Parade commences at 9 AM on the corner of 7th Ave. and Pine St., and will then travel west down Pine to 5th Ave., south on 5th to University St., west on University to 4th Ave. and then north on 4th before concluding at the front of Macy's Department Store at 11 AM.

Be sure to come back later in the day for the official lighting of the famous Macy's Star at 5 PM, followed by an awesome fireworks display.

Westlake Center's Tree Lighting

November 23, 2012

After the parade, stroll on over to Westlake Center for a day full of fun. Receive a special gift with your purchase beginning at 11:00 AM, plus there will be special retail offers, live entertainment and more. The Tree Lighting Ceremony begins at 4:45 PM with a special guest appearance from Santa!

SEATTLE SPORTS SCHEDULE

SEATTLE SEAHAWK HOME GAMES

<http://www.wnba.com/storm/>

11/4 1:05PM VS. VIKINGS

11/11 1:05PM VS. JETS

WASHINGTON HUSKY HOME GAMES

<http://www.wnba.com/storm/>

11/10 TBA VS. UTAH UTES

More Housing Indexes Point to Pricing Rebound

Several housing indicators in recent months are all revealing a similar trend: Home prices are rising in most markets across the country.

The latest housing index from CoreLogic, based on July multiple listing service data, shows national home prices are up 3.8 percent from a year ago in July.

According to CoreLogic, that is the largest annual increase since August 2006.

“It’s been six years since the housing market last experienced the gains that we saw in July, with indications the summer will finish up on a strong note,” says Anand Nallathambi, president and CEO of CoreLogic. “Although we expect some slowing in price gains over the balance of 2012, we are clearly seeing the light at the end of a very long tunnel.”

According to CoreLogic the states seeing the largest price increases were Arizona (16.6%), Idaho (10%), Utah (9.3%), South Dakota (8.3%), and Colorado (7.3%).

CoreLogic’s index follows on the heels of the National Association of REALTORS®’ existing-home sales index for July, which showed home prices up 9.4 percent from a year ago. Home prices have risen for the last five consecutive months, according to NAR research.

Also, last week, the S&P/Case-Shiller Home Price index showed national home prices up 1.2 percent from a year ago during the second quarter.

Each housing index may differ somewhat because it pulls data from different sources and uses different metrics.



TESTIMONIAL

May 13, 2012

In the fall 2011, I listed to sell my north Seattle house with Roger Turner of Windermere Real Estate. This house is located in the Maple Leaf neighborhood and Roger has maintained a consistent, visible presence in this area since the 1990's.

This experience led me to select Roger because, although the house was had a good location in a great neighborhood, there were difficulties that would have to be addressed.

First was the fact that I lived in another state and the house had rental tenants with an ongoing lease. In order to have access to show the house, the tenants would need to vacate in an orderly fashion. Second was the existence of several structural deficiencies that reduced the value and attractiveness to prospective buyers. Third was the fact that this was a short sale and the bank had stipulated a required minimum price for approval.

With Roger's suggestions, hands on help and persistence, all of these difficulties were overcome and the house was sold at a price acceptable to all. As we went through this process, the value of Roger's knowledge, experience and efforts became very apparent to me. This house would not have been sold in the relatively short time frame and difficult market conditions without Roger's professional help.

Very truly yours,

Kent G. Chetlain



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