

Buying Strategically in Seattle's Housing Market

05/01/17

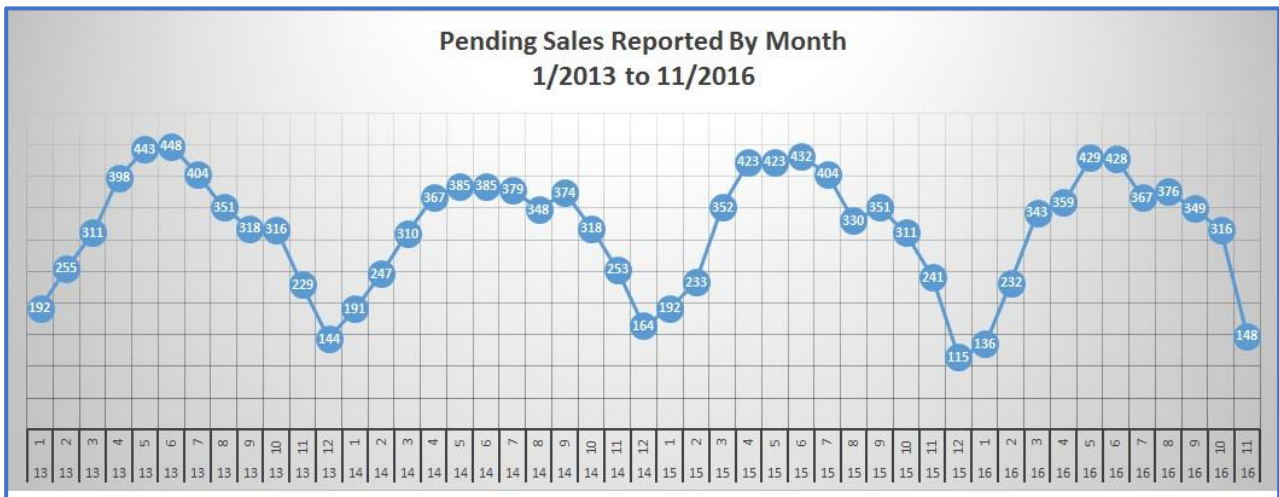
The Seattle Times published an article this past week (4/26/17) identifying Seattle's housing market as the hottest in the US with prices rising at about 1% per month.

The influx of high income tech workers combined with other forces lead me to believe that pressure on prices will likely continue for some time, barring expected contractions in both the local and national economies.

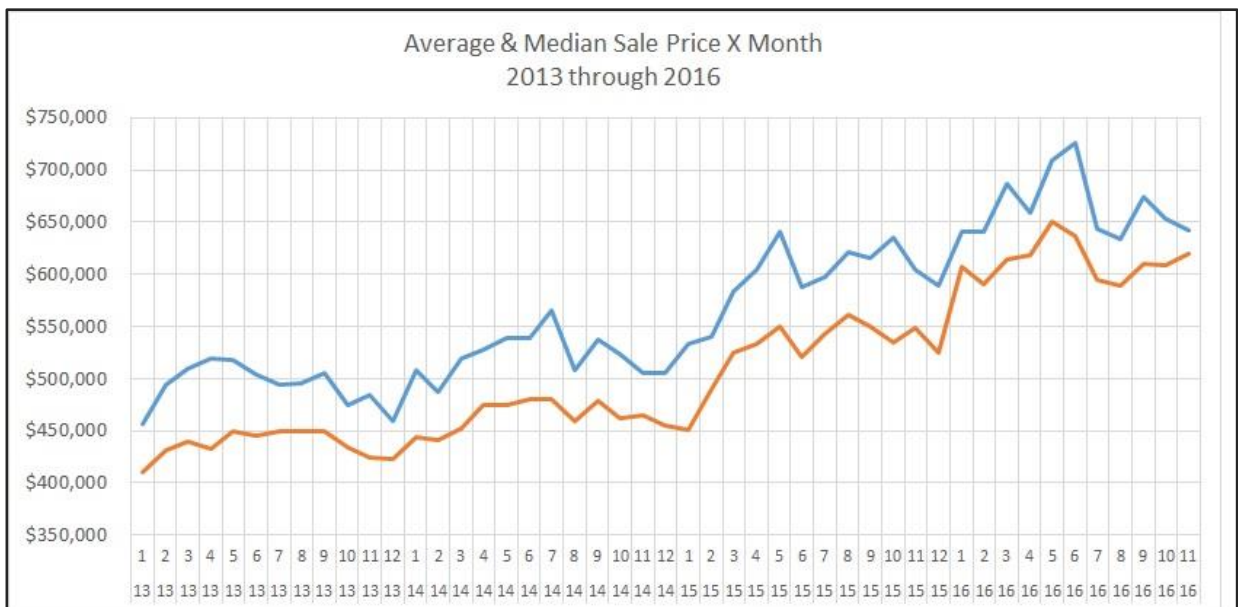
Before getting into the concept of market contractions which I'll address in a subsequent letter, here's research I completed that identifies short-term trends that can help buyers move more intelligently within the housing market.

From the standpoint of functioning as a buyer, it makes sense to be purchasing when you have the least amount of competition for a limited supply of available homes. The table immediately below details a study of single family transactions from the area located between the Lake Washington Ship Canal and north, to the King/Snohomish County line, and between Lake WA and Puget Sound – typically, a high pressure sub-market.

This graph identifies the number of contracts submitted to the Multiple Listing Service (MLS) as "pending," by month, in the four years from 2013 through 2016. These sales demonstrate seasonal influences in that November, December, January and February register the fewest offers that were submitted by buyers and accepted by sellers than the other 8 months of each year.... i.e. demonstrating the best time to buy.



Also, consider the pricing dynamic within this same four-year time frame. Even though we know that there has been a significant upswing in Seattle's housing prices since 2012, the monthly swings in the sale volume show a corresponding change in the average and median prices as depicted in the following graph.



Blue Trend Line = Average Gold Trend Line = Median

If you are considering buying or selling a property in the Greater Seattle real estate market any time in the near future and want to discuss how to accomplish this effectively, please contact me at 206-715-1020.

Kind regards,

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