

# Seattle Market Watch | December 2017

Data from Northwest Multiple Listing Service December 7, 2017

## Seattle November numbers

<b>391</b>	Properties for Sale	Change from Oct: <b>-39%</b>
<b>658</b>	Properties Sold	Change from Oct: <b>-10%</b>
<b>522</b>	New Listings	Change from Oct: <b>-34%</b>
<b>18</b>	Average Days on Market	Change from Oct: <b>+20%</b>
<b>\$1,448</b>	Average Active Price	Change from Oct: <b>+3%</b>
<b>\$853</b>	Average Sold Price	Change from Oct: <b>+7%</b>
<b>.7</b>	Months of Inventory	Change from Oct: <b>+2%</b>

Sellers' Market

1

Balanced Market

3

Buyers' Market

6

Months of Inventory

## Supply & Demand Trends

For Sale
Sold
Pending

Similar to last November, but less inventory  
Monthly data for Seattle, 2016 - 2017

The Long View: Growing gap between inventory and demand  
August - November averages for Seattle, 2005 - 2017

## Seattle Neighborhood Comparison (Single family homes in November)

NWMLS Area	Neighborhood	For Sale	Sold	Average Days on Market	Average Active Price	Average Sold Price
140	West Seattle	83	138	19	\$997	\$641
385	Central SW (Beacon Hill, Georgetown)	36	51	21	\$777	\$606
380	SE Seattle (Leschi, Mt. Baker, Seward Park)	68	51	17	\$988	\$673
390	Capitol Hill, Madison Park, Central District	58	85	18	\$2,466	\$1,212
700	Queen Anne, Magnolia	57	57	23	\$2,298	\$1,229
705	NW Seattle (Ballard, Green Lake, Greenwood)	48	170	16	\$1,010	\$840
710	NE Seattle (U District, Ravenna, Lake City)	41	106	14	\$1,605	\$868
City of Seattle (140, 380, 385, 390, 700, 705, 710)		391	658	18	\$1,448	\$853

# West Seattle Market Watch | December 2017

Data from Northwest Multiple Listing Service December 7, 2017

### West Seattle November numbers

<b>83</b>	Properties for Sale	Change from Oct -35%
<b>138</b>	Properties Sold	-11%
<b>122</b>	New Listings	-22%
<b>19</b>	Average Days on Market	+19%
<b>\$997</b>	Average Active Price	+5%
<b>\$641</b>	Average Sold Price	-4%
<b>.6</b>	Months of Inventory	-33%

Sellers' Market

1

Balanced Market

3

Buyers' Market

6

Months of Inventory

### Supply & Demand Trends

For Sale
Sold
Pending

Pending and sold remain strong; for sale inventory drops  
Monthly data for West Seattle, 2016 - 2017

Long View: Growing gap. High demand to low supply.  
August - October three month averages for West Seattle, 2005 - 2017

## Seattle Neighborhood Comparison (Single family homes in November)

NWMLS Area	Neighborhood	For Sale	Sold	Average Days on Market	Average Active Price	Average Sold Price
140	West Seattle	83	138	19	\$997	\$641
385	Central SW (Beacon Hill, Georgetown)	36	51	21	\$777	\$606
380	SE Seattle (Leschi, Mt. Baker, Seward Park)	68	51	17	\$988	\$673
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City of Seattle (140, 380, 385, 390, 700, 705, 710)		391	658	18	\$1,448	\$853

### \$500,000 for a 1-bedroom: Condo shortage worse than ever in King County

Condo prices continue to soar even faster than single-family-home costs, which kept up their historic streak last month. Even amid a construction boom, the number of new condos isn't growing much because most developers build apartments instead.

Mike Rosenberg, *Seattle Times*, 12/7/17

Amid all the other housing issues facing the Seattle area, the region is locked into a severe condo drought, depriving both first-time buyers and downsizers of a cheaper homeownership option that's common in other pricey cities.

Going back two decades, King County on average has had more than 2,000 condos on the market for buyers to choose from this time of year. Now? It's down to about 350, a record low.

And the local construction boom isn't helping much. There are about 75 major projects being built in the core of Seattle, yet only three of them are condo developments. There are barely any other condos going up elsewhere across the county, either; construction just started on Bellevue's first condo project in a decade.

That's not going to change anytime soon. In downtown Seattle, the main market for condos, about 94% of the housing units in the pipeline for the rest of the decade involve apartments for rent, not condos for sale, according to Realogics Sotheby's International Realty...

But developers and banks that finance construction see condos as the riskiest type of project, both in terms of direct financial payback (during the time when the last decade's bubble burst, many condos plummeted in value and went unsold or were converted to apartments) and in legal terms.

Washington has an uncommon condo law that allows condo owners to more easily sue builders for construction defects — it allows suits for several years and uses a broad definition of what a “defect” is. That can tie developers up in court and lead to settlement payouts, and at the least, it has caused high insurance costs that can amount to millions of dollars...

The result: Even though there's a similarity in building condos and apartments, apartments are simpler and just as profitable so nearly all developers wind up building apartments...

### Many more condos in other cities

Most other pricey cities have a lot more condos than Seattle...However, Seattle does have a higher share of condos than Portland and Austin, two other hot, expensive markets.

Washington state's condo-liability law explains part of the condo shortage here relative to other cities.

Officials in Seattle have lobbied for changes to the condo law, which was enacted in response to complaints from condo owners dealing with shoddy construction that led to water damage in units in the 1990s. A report from the University of Washington last year laid out changes that could ease some of the risk for developers and potentially increase construction.

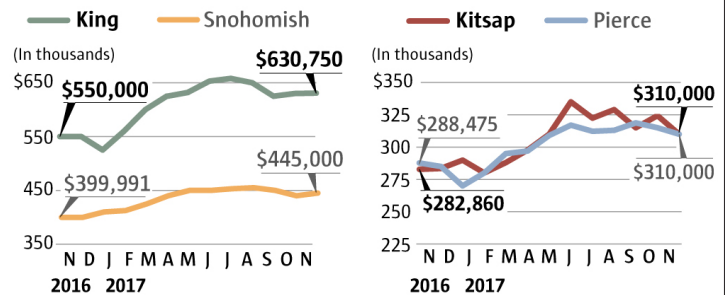
But those efforts haven't gotten anywhere. Daniels says state lawmakers have told him they have no interest in helping “the rich Seattle developers.”

The fact that Seattle has fewer condos than other cities is also a function of

### Home-price activity

Monthly median sales prices for single-family homes in the central Puget Sound region. Median means half sold for more, half sold for less.

SINGLE-FAMILY HOMES (Includes town homes)



Source: Northwest Multiple Listing Service

THE SEATTLE TIMES

zoning, as single-family homes are all that's allowed in most of the city.

### Single-family-home costs also rise

In addition to the price spikes and inventory shortage for condos, the monthly sales data released Wednesday showed similar, albeit slightly less dramatic changes for the single-family-home market. That's become the norm as the region's single-family-home prices have increased faster than in any other metro area in the country for more than a year.

The median single-family home in King County last month cost just under \$631,000, up 14.7% from a year prior, similar to the increases seen throughout the year. Inventory is down another 18.6%, continuing a half-decadelong trend.

Last month, the median house sold for \$741,000 in Seattle, up 20.6% from a year prior. That's the largest increase since February 2016. But it's still down from the record high reached in June.

The surge was driven by a 31% increase in home prices in the central Seattle area, which includes Capitol Hill, and 25% increases in both West Seattle and the southeast portion of the city.

Read the full article at [SeattleTimes.com](http://SeattleTimes.com).  
<https://goo.gl/ixEzqe>