



# METROPOLIST

MAGAZINE

2022 | SUMMER

## BY THE NUMBERS



# TEAMWORK MAKES THE DREAM WORK

## TWO HEADS ARE BETTER THAN ONE

As we roll into summer (at last!), now is a great time to reach out to your Metropolist broker to get a market update or talk about your real estate goals. Navigating what has been an incredibly volatile Spring market of ups, downs, and sideways, we've seen buyers and sellers alike get whiplash trying to understand their next best steps when it comes to buying or selling real estate. Our approach to the market, especially when interest rates spike or when making offers becomes a competitive sport, is that two heads are really better than one. You don't have to go it alone when it comes to understanding and participating in the wild world of real estate. We've got your back.

So, if you haven't talked to your Metropolist broker in a while, we invite you to tap into their knowledge, expertise, and creative solutions for making sure real estate works for you- and not the other way around.

## ...AND THREE IS EVEN BETTER

On that note, your Metropolist broker does not work alone. They work closely with the owners and founders of Metropolist Real Estate on every transaction. We've been in the business of helping our clients win at the game of real estate for a combined almost 50 years.

We've seen it all. We mentor, guide, and partner with your broker to make sure they are the best in the

business and able to provide you with refined and critical industry and market knowledge so that you realize your real estate dreams more quickly, and with more ease, from start to finish.

Part of our commitment to our brokers includes providing them with resources like satellite offices around King County and a brand new branch office in West Seattle, all to serve you better. Going over offers, brainstorming strategies, and celebrating your wins has never been easier.

## SAVE THE DATES!

And, speaking of celebrations, we are looking forward to returning to our ethos of cultivating community connections by returning to some of our favorite client events in the coming months. It's not too early to save the date for our Back to School BBQ September 18th and of course, the best party of the year, Pie Night on November 22nd! Be sure to let your Metropolist broker know you'll be swinging through our SODO location for some yard games and that coveted Thanksgiving pie of your choice. We can't wait to reconnect!

Looking forward,

CHAD ZINDA  
DESIGNATED BROKER



DOMENICA LOVAGLIA  
DIRECTOR OF MARKETING



 : Diwas Photography

# COMMUNITY PARTNER

We are proud of our ongoing partnership with

# EVERGREEN TREATMENT SERVICES



Evergreen  
Treatment  
Services



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The REACH program of  
Evergreen Treatment Services improves the lives  
of more than 3,500 King County residents each year.



📷: DIWAS Photography

Whether it's a visit to a doctor, a warm meal,  
or getting into substance use treatment,  
their work changes lives.

We look forward to continuing to work closely with Evergreen Treatment Services and their REACH team by donating 25% of our profit, elevating their voice on our channels, and taking part in activities and events that support their work.

METROPOLIST ❤️'s



# INSIDER INSIGHTS



**DAVID WARREN**  
Managing Broker



**SARAH MOSLEY**  
Broker



**SARA POULSEN**  
Broker



**GRETCHEN SCHMIDT**  
Managing Broker

## CONFLICTING REPORTS ABOUT THE MARKET

**D.W.** National and local news outlets typically report on the real estate market from a national perspective. This is where the majority of people get their real estate information. Real estate markets are local and generally act independently of one another. Think of your local market as a stock which can be up or down independent of general movement of the Dow Jones Industrial Average. Your Realtor is in tune with your local market which has the biggest impact on your real estate investment.

**S.M.** As a Broker, I am watching what's happening in my local market on a daily basis. I see new homes getting listed, going pending and closing each day. I make phone calls to ask what happened with certain listings I'm watching for an upcoming seller, or a neighborhood I'm watching closely, or just hear about things from agents that I work with in my office and agents that I'm friends with in other offices or that I see when I'm out showing or previewing properties. So I start to see trends much more quickly than what is reported in the news.

**S.P.** Your Realtor is on the forefront of what's going on in the current market in real time. By the time you are getting reports from the news they are referencing data points that are typically at least 30 days old. Your friends are also talking about their specific experience. We don't know the in's and out's of their situation.

## CHANGE CAN BE PAINFUL

**D.W.** I've had to convince a seller to take down their giant 6'x4' reclined, half-naked, glamour shot photo of themselves hanging over their fireplace. They were very proud of it.

**G.S.** I had some sellers who had orange velvet curtains on every window in the living room. I was able to convince them that the curtains were too precious to leave up because buyers would want them, and they'd be required to leave them. They agreed they were too nice to risk losing.

**K.P.** I tried to convince a seller to clean the crawlspace, but she didn't want to... she lost at least one offer and a lot of interest from buyers. Buyers like to buy a house that has been well-maintained.

**S.P.** Changing the paint color! Although this may seem like a no brainer, I've had many sellers really attached to the bright color of their choice and can't seem to wrap their head around the idea of neutral colors with staging giving the color pops. Although YOU may love teal, the next buyer may not and if they aren't a specific type of thinker, won't be able to look past it.



**KATE PEDERSEN**  
Broker



**AUSTIN & MARTIN**  
Broker Team



**RHONDA BLECK**  
Broker



**SARAH GEORGER-CLARK**  
Broker

## RECESSION AND THE BUBBLE, A FAIRY TALE

**A&M** The last market crash was in large part driven by fraudulent lending practices, and we are not seeing any signs of that currently. We still have a fairly low number of housing units for people to purchase which makes home prices somewhat stable and a bubble seems unlikely. That being said, a recession does impact consumers in their day-to-day living, so there will be some ripple effect across the consumer market. We shall see.

**R.B.** Outside of the Great and the Dot-com recessions, prices typically appreciate during recession. It's important to remember that this time around is much different than the great recession. While we have seen inventory increase over the last two months we are still at record low inventory and buyer demand has continued to outpace supply by a wide margin (in 2008 supply peaked at almost 9 months and today it is less than 1 month). With the recent increase in values, property owners have record home equity and predictions are that appreciation will continue to be very strong.

**S.G.C.** There is a good argument that we are not in a real estate bubble at all. That being said, a recession could mean that demand for homes will decrease due to the uncertainty of the state of the world, inflation, and rates impacting the ability to purchase. We are coming off a time where demand for homes was high and rates were low. People made their move and are settling into their new homes. Now they are hunkering down and being choosier about how they spend their money.

## The problematic nature of Real Estate **LOVE LETTERS** (and videos)

- Love Letters are a practice steeped in discrimination
- They encourage unconscious bias to take over during the decision making process
- They support a system that pushes quality buyers out for no tangible or legitimate reason
- They have the potential to cause a seller to unknowingly violate fair housing laws

"We would love a family to buy our home."

"This couple seems so great."

"He has such a great job, it seems more likely to close"

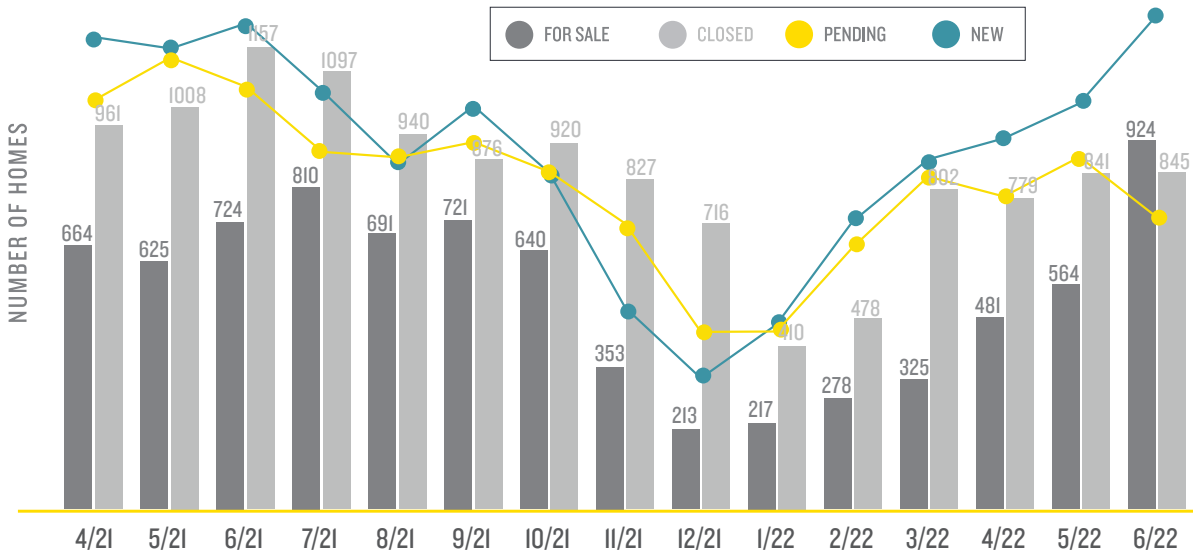
Metropolist is doing our best to make changes in our marketplace by informing our buyers, sellers and fellow brokers about the problematic nature of this practice and discouraging it.

### Other resources:

- Washington Realtors blog post (2014): [The Ultimate Love Letter](#)
- Washington Realtors blog post (2020): [What is a Buyer Love Letter](#)
- NAR Fair Housing Corner: [Love Letter or Liability Letter](#)
- Nerdwallet mortgages article: [Why It's Time to Dump Home Buyer Love Letters](#)

## SINGLE FAMILY HOMES

For the first time in recent memory, our synopsis is not “red-hot seller’s market.” Instead, there has been a very sharp increase in mortgage rates and we find ourselves in a rapidly cooling market. The first 4 months of 2022 saw an absolute sizzling seller’s market where bidding wars and huge price gains were the norm as frenzied buyers tried to lock in a purchase before rates climbed. Many sellers tried to capitalize by listing their homes and you can see a steady rise in new listings in the first half of 2022. Once rates crossed the 5% threshold in late April (far earlier than anticipated), and then 6% in early June, a number of buyers left the market. The bottom line is more listings for a diminished pool of buyers to choose from. This has inevitably resulted in some downward pressure on price escalations, which started to show up in June’s data. - Eric Martin, Metropolist



### MONTHS OF INVENTORY

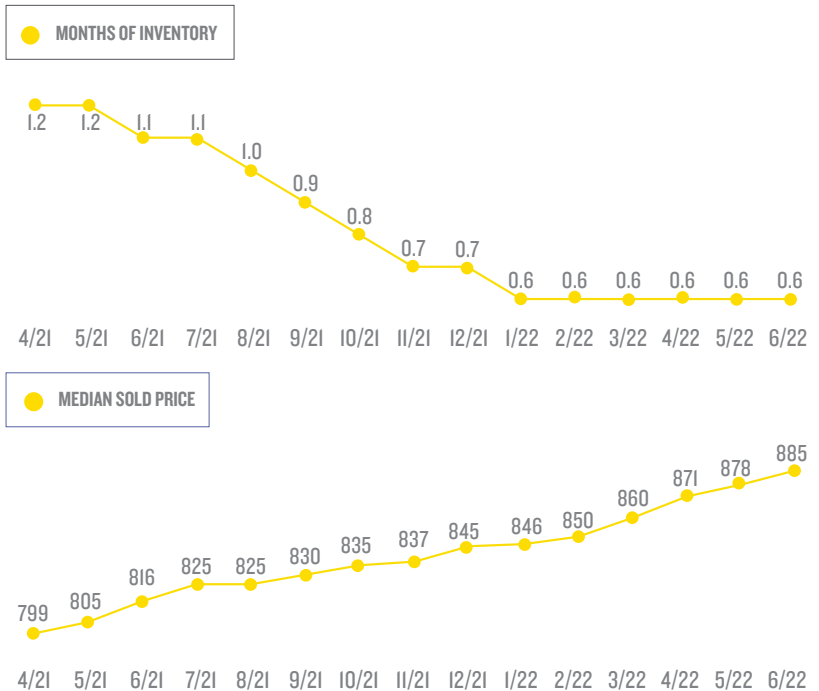
A healthy balanced market is between 4 and 6 months of inventory available. At the end of 2021, we were at fewer than 1 month of inventory: an extraordinarily strong seller’s market.

### HIGHER = BUYER’S MARKET LOWER = SELLER’S MARKET

We are still in a very strong seller’s market, but buyer’s are experiencing a little more leverage at the negotiation table.

### MEDIAN HOME PRICES

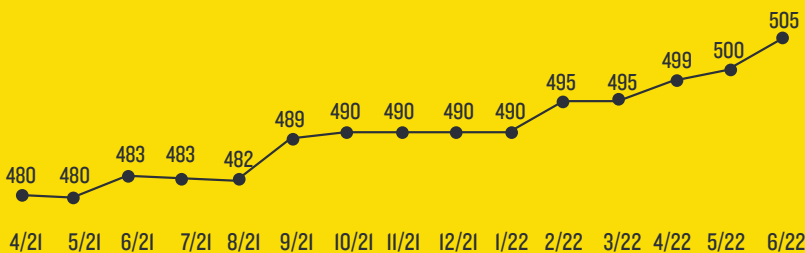
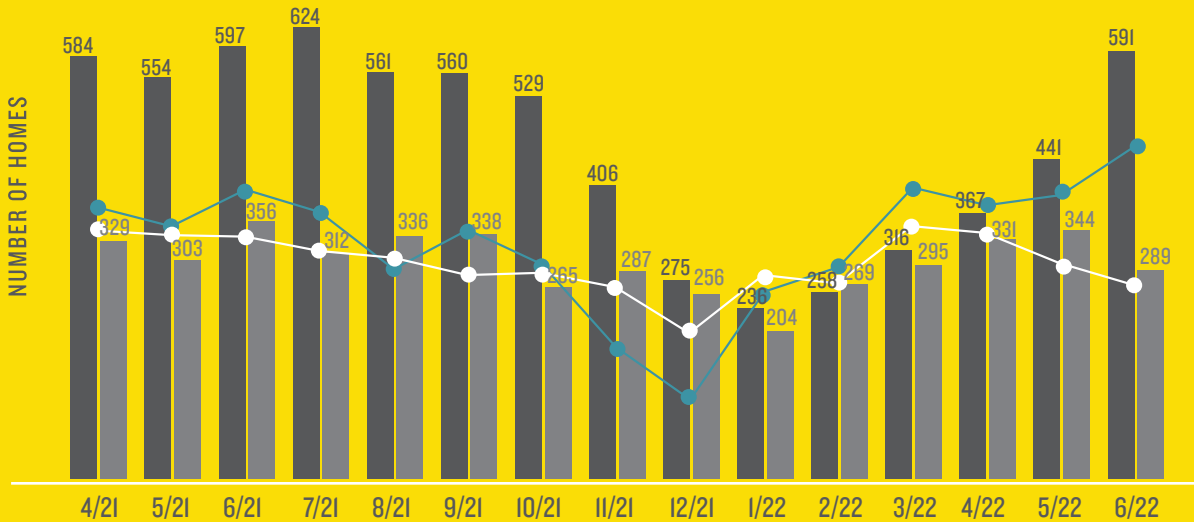
2022 saw available inventory stabilize but prices are still climbing.



All figures are based on single family home sales, which include townhomes and exclude condos. Graphs were created by METROPOLIST using NWMLS data, but information was not verified or published by NWMLS. Data reflects all new and resale single-family residences sold.

## CONDOS

The condo market, while strong in the first half of 2022, never reached the same fevered pitch as single-family homes. As rising mortgage rates pushed buyers to lower price points, condos started to pick up some buyers that had previously been looking for entry-level homes. For much of King County, condos now represent the only viable option under \$500K, and have become the defacto starter home. It will be interesting to see if the condo market feels the same pressures as the single family market. Or, will it ultimately benefit from a buyer pool forced by rising rates to look at lower price points? - Eric Martin, Metropolist



### WHAT ABOUT THE MARKET?

For 2022, we suspect that rising prices, combined with rising interest rates, will further cause affordability issues and dampen buyer enthusiasm somewhat. The underlying issue of low inventory will not change though, and so the seller's market continues.

### BOTTOM LINE

While the rise in interest rates has effected the rate of price escalations, we remain in a seller's market for the foreseeable future. Denise Lones, a well respected real estate industry expert said this, "There is no such thing as a crash in a market where there is a deficiency in inventory."

All figures are based on condo sales. Graphs were created by METROPOLIST using NWMLS data, but information was not verified or published by NWMLS. Data reflects all new and resale condos sold.



**BUT LET'S TALK ABOUT YOU!**

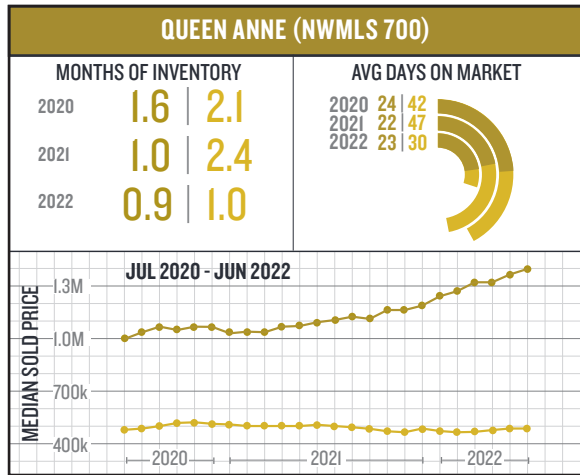
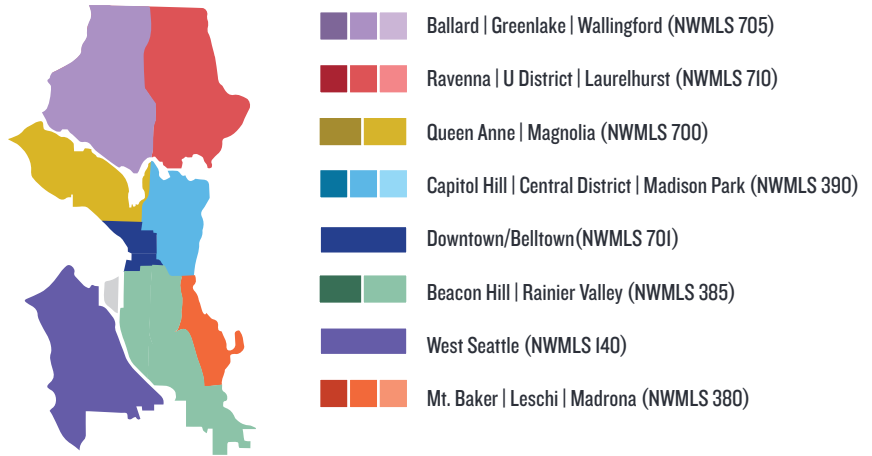
Not everyone wants to look at the big picture. Maybe you already own your home and want to get a pulse on your value and how it has changed. Or maybe you are curious what it would look like if you wanted to sell.

It's also possible you are a buyer looking to focus in on a particular neighborhood and can use this information to help choose your target area, or strategize within an already identified perfect fit.

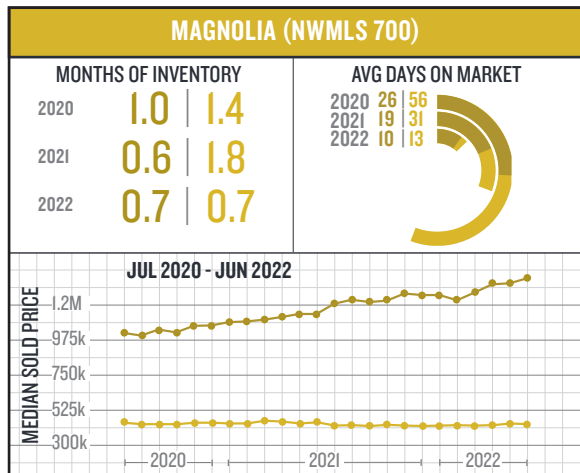
Within these pages you will find all the same information provided in the Seattle Metro section. But here you will see it broken out into color coded Seattle neighborhood areas.

These areas are still pretty wide. If you really want to get down to the detail of your home or your target area this is a great time to reach out to your broker. They can pull data for your exact location or desired neighborhood, focused on the micro locale, to help you learn exactly what your home is worth and what your competition might look like.

**LEGEND | SEATTLE METRO AREA AS DEFINED BY THE NWMLS**

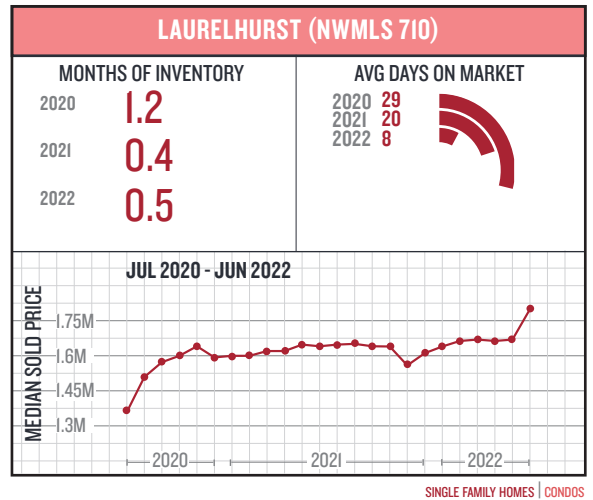
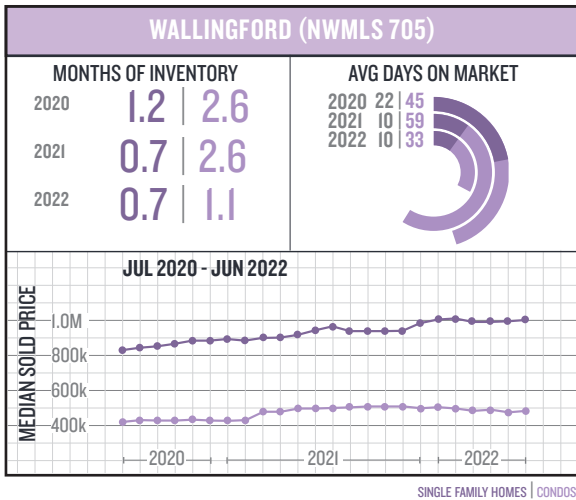
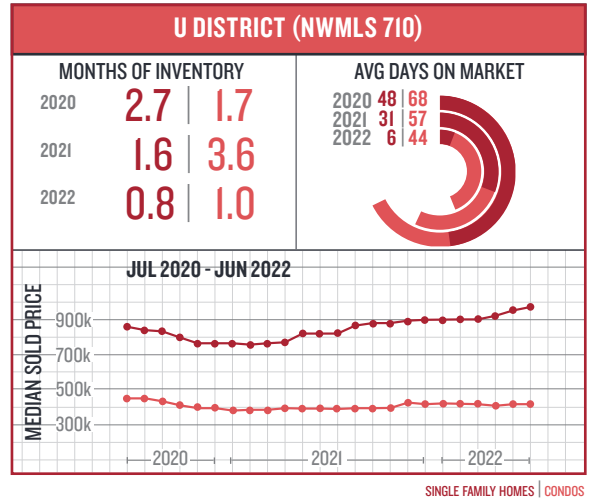
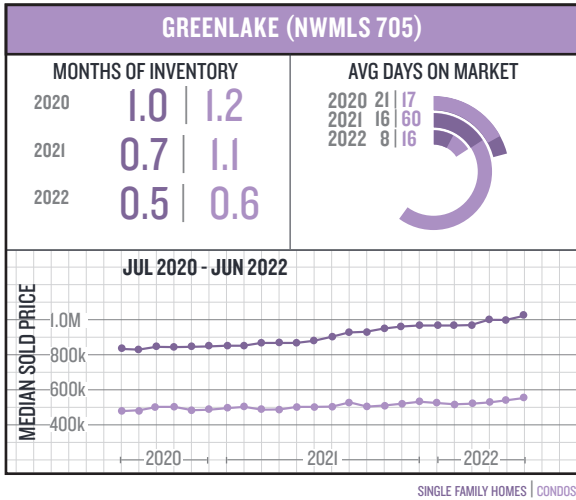
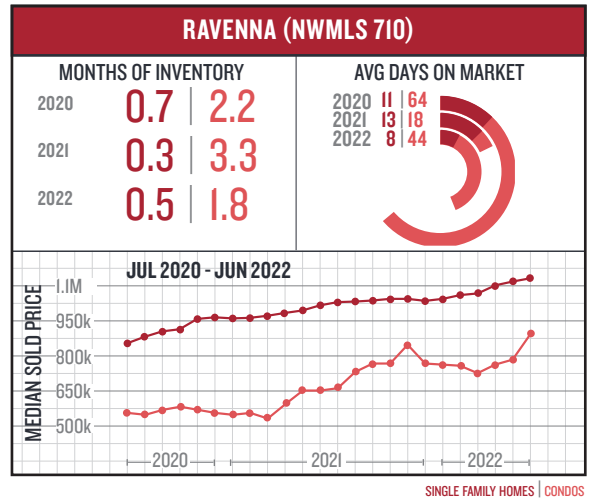
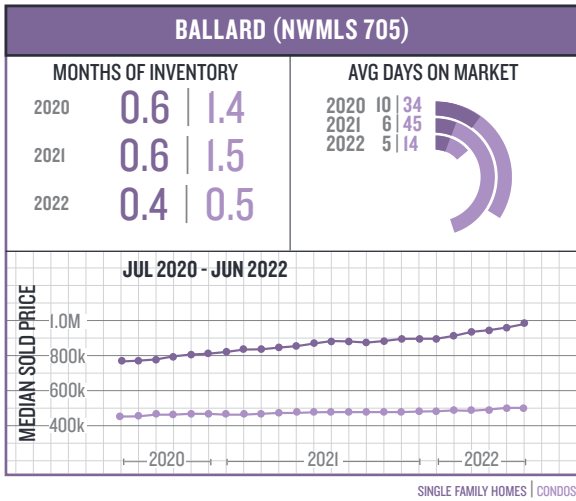


SINGLE FAMILY HOMES | CONDOS

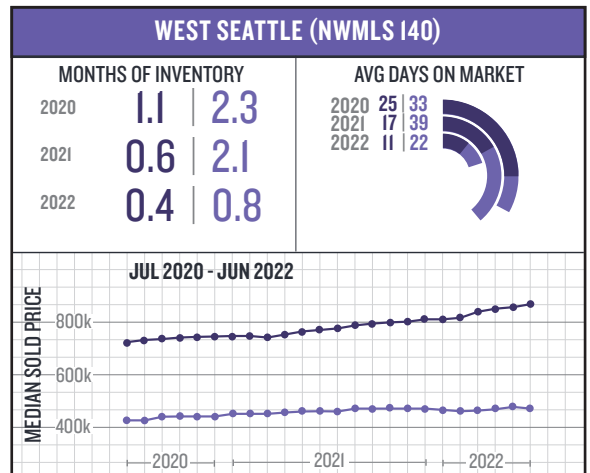
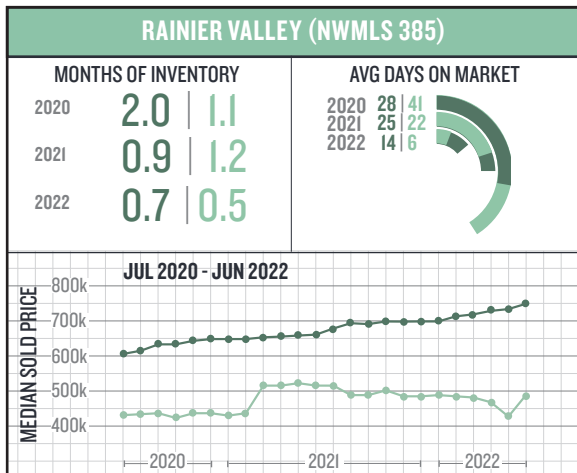
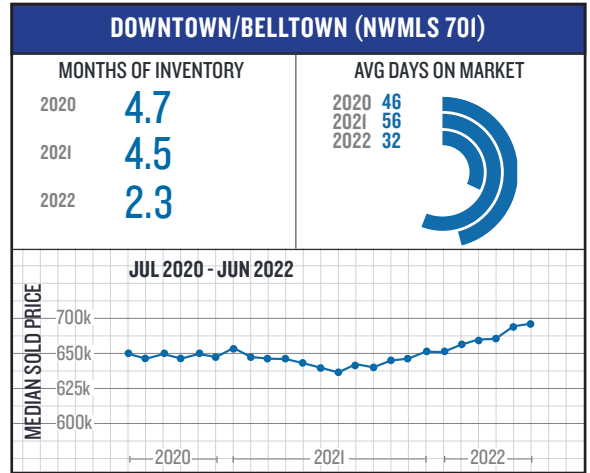
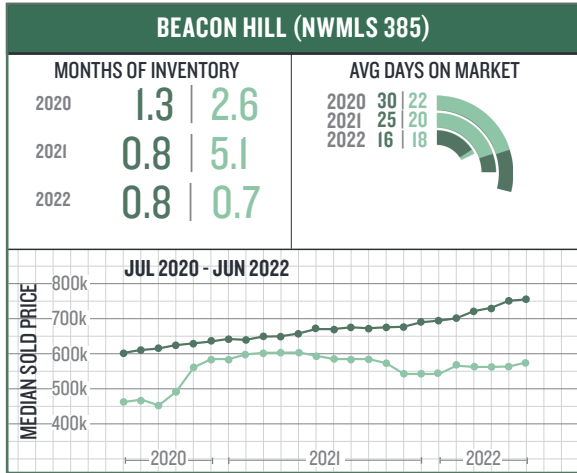


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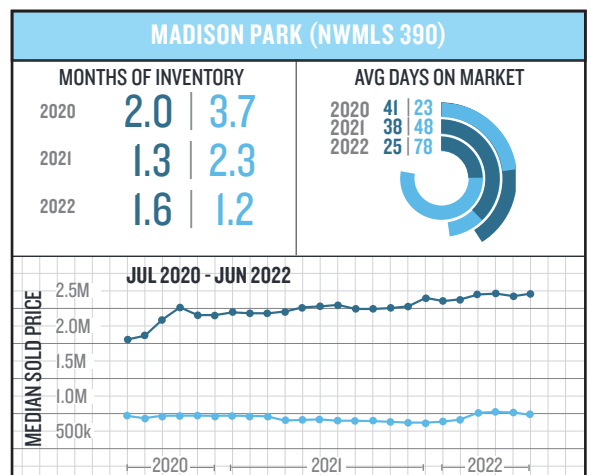
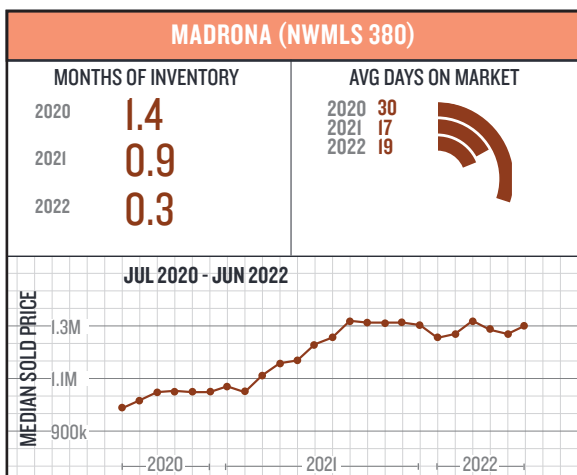
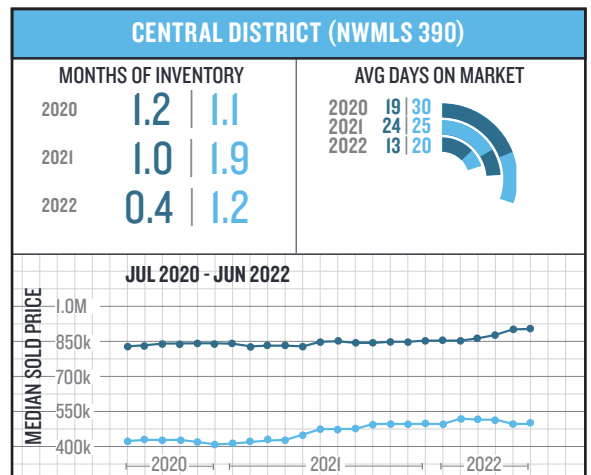
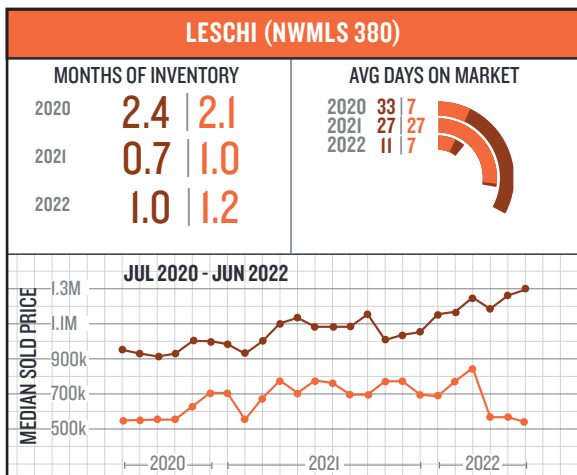
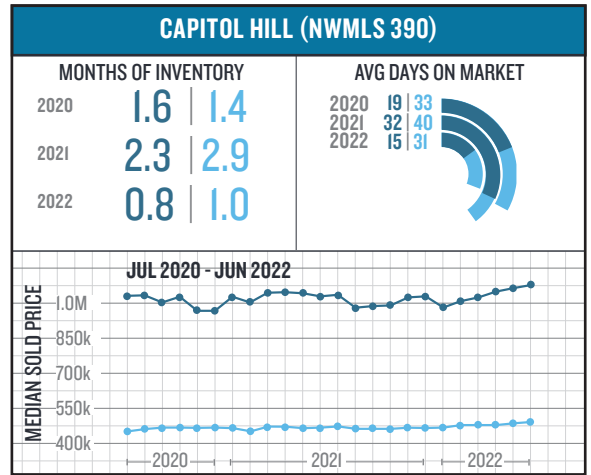
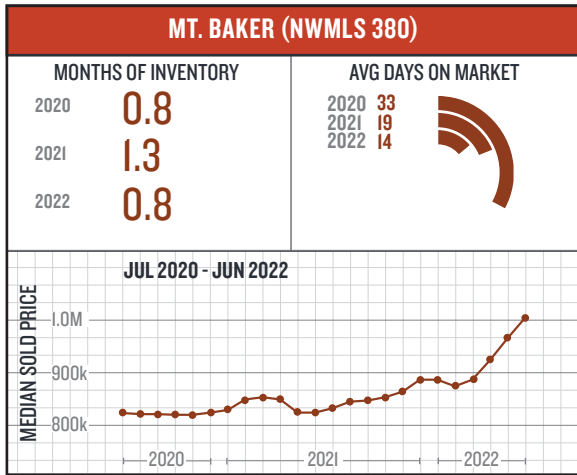




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