

# METROPOLIST

MAGAZINE

2024 | WINTER

## BY THE NUMBERS





# SOMETIMES, A BROADER PERSPECTIVE IS KEY...

## WOW! IT'S BEEN QUITE A RIDE...

The complete halt we experienced in the Spring of 2020, and the slow reemergence of 2021, were followed by a frenzied 2022. Prices skyrocketed over \$150k in King County between January and May. The market was HOT! HOT! HOT! For the first half of the year anyway.

But as prices rose, so did mortgage interest rates. By summer, many buyers were priced out of the market and those who remained were very concerned about paying too much for a house. At the same time Sellers had a false sense of market value and were reticent to price competitively, feeling they had already "lost" money.

Unlike a typical year, where prices tend to settle a little over the second half, in 2022 they just continued to slide. Precipitously. Ultimately the year-end median price landed exactly where it had started before the frenzy, interest rates were more than double what they had been just one year prior, and market times had raced up as quickly as prices had come down.

**WELL, THAT WAS DRAMATIC...** The first few months of 2023 felt like a dead calm. Slow and quiet. Despite lower prices, rates had made housing affordability untenable. Remaining buyers, now doubly cautious, also felt they had the upper hand. And sellers were stuck between a rock and a hard place. Not only did they have a skewed perception of their "losses", they also didn't see anything for sale that was worth doubling mortgage payments far. And so went the story of 2023.



📷 : Diwas Photography

**MOMENTUM:** We've been talking a lot about **MOMENTUM** at Metropolist. It seems like life just hasn't reached a predictable momentum since the 2020 shutdown in many areas. The real estate market is a tangible and personal example of that reality for many.

**THE GOOD NEWS...** Despite a lackluster year, 2023 ended \$50k up, almost \$200k higher than pre-pandemic prices, with a renewed sense of stability. Rates have begun to come down and are expected to continue to do so, creating a little elbow room for buyers and sellers alike. We look forward to guiding our clients through what's to come, and building community along the way as always.

Happy New Year... We can't wait to see what happens next!

DOMENICA LOVAGLIA  
DIRECTOR OF MARKETING

A stylized, handwritten signature in black ink, likely belonging to Domenica Lovaglia.

CHAD ZINDA  
DESIGNATED BROKER

A stylized, handwritten signature in black ink, likely belonging to Chad Zinda.

## 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.

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# INSIDER INSIGHTS



DAVID WARREN  
Managing Broker



SARAH GEORGER-CLARK  
Broker



SARAH MOSELY  
Broker



VANESSA FOLEY-DELONG  
Broker



GRETCHEN SCHMIDT  
Managing Broker



ELLE SPARROW  
Broker



PAT WELDON  
Broker

## RATES: WHAT GOES UP, MUST COME DOWN

**D.W.** We are already seeing an easing of mortgage rates. Economists believe that inflation has slowed enough that there is a good chance the Federal Reserve will make 3 to 4 prime lending rate cuts before the end of 2024 starting mid to late spring. With each rate reduction, the demand for housing will increase as buyers return to the marketplace. If the availability of homes doesn't match that demand we'll see the return of heavy competition.

**S.G.C.** With more affordable mortgages, demand for homes in Seattle will begin to surge creating a more favorable negotiating environment. Homes will sell faster, and property values will rise. Many forget that buyers often also need to sell a home. Today, 50% of Seattle Homeowners have interest rates below 5%. 12% of homeowners are locked into rates under 3%. When interest rates are within 1% of a seller's current rate the "golden handcuffs" begin to loosen, and it becomes easier to justify saying goodbye to a lower interest rate in favor of more space or needed change.

**S.M.** As rates continue to go down, more buyers and sellers will decide they are ready to make a move instead of waiting. However, there still won't be sufficient new listings to meet buyer demand. So we will see an increase in the number of listings that receive multiple offers and price escalations. It's going to get more competitive for buyers and we will see increasing prices and shorter days on market.

## BANG FOR YOUR BUCK OR PRICE/PERFORMANCE RATIO?

**V.F.D.** I'm finding lovely, well priced homes in Des Moines; or as I call it 'The Edmonds of South Seattle. It is a diverse community with significant growth potential. With a nice commercial core, a beautiful marina, gorgeous views and a State Park, it's a great place to spend a weekend afternoon or take care of basic needs close to home. Plus, Star Lake light rail station is coming soon!

**G.S.** I've long believed that Beacon Hill is the best bang for your buck in the area. It is the most convenient location for commuting to Seattle, the airport and the Eastside, for ALL transportation methods – transit, car, bike. Residents have multiple options to get anywhere via surface streets and easy access to freeways nearby. There are vintage homes and new homes competitively priced. I also think Skyway, Juanita/Finn Hill and Renton Highlands are great buys for the commute.

**E.S.** Tacoma is a great place to invest your money and there is a lot of opportunity right now. There has been some strong revitalization, particularly in the Lincoln district, and the surrounding areas are seeing the benefits of a more robust city. At the same time the housing prices are still reasonable. For now...

**P.W.** Tacoma is the place to shop! You can get into an up-and-coming market for a fraction of the price of a king county home. They are currently spending a lot of time and money building up the communities of Tacoma, making it the perfect place to invest and live.



NICOLE BENNETT  
Broker



ERIC MARTIN  
Broker



STEVIE REED  
Broker



GENE DEVEREAUX  
Broker



EMILY AUSTIN  
Broker



NATALIA DEL RIO  
Broker



SARA STARR POULSEN  
Broker

### TO ERR IS HUMAN (EVEN FOR BUYERS...

**N.B.** Buyers mistakenly think it's not affordable to buy right now because of high interest rates. Home values are holding steady, but most home listing prices are not being bid up. Yet. This gives buyers a window of opportunity to enter the market and build equity in what may well be a very robust market over the next few years.

**E.M.** There is a lot of pent up supply and demand as both buyers and sellers have been on the sidelines waiting for rates to drop. When rates drop, many will re-enter the market. Keep in mind that buyers can get back in the market very quickly, but it takes time to prepare and list a home for sale, so the reentry into the market will not be balanced. Buyers need to be prepared to compete!

**S.R.** The most common thing I hear from buyers is that they can't afford to buy a house right now. While this might be true for some buyers, I don't find it to be true for the majority. This is why it is crucial for buyers to have a lender they trust. Between myself and that trusted lender, we can educate buyers about different loan programs, possible next steps, and eventually how to buy the right home.

**G.D.** Many buyers think it is a bad time to buy because interest rates are too high. Rates have already come down significantly, and it is expected they will come down further. There are many good programs and strategies to help people find homes that fit their budget. Home prices are not likely to go down, so waiting only makes things less affordable.

### ... AND FOR SELLERS); TO ADMIT IT, SUPERHUMAN.

**E.A.** Many Sellers are still lamenting the property values they saw on Zillow and Redfin in 2022. While prices are down from the height of the market, they are still generally up year over year. We provide comprehensive market updates for our Sellers so they can see how their property values are progressing. With so little on the market in terms of inventory, sellers are still squarely in the driver's seat. What good fortune for them!

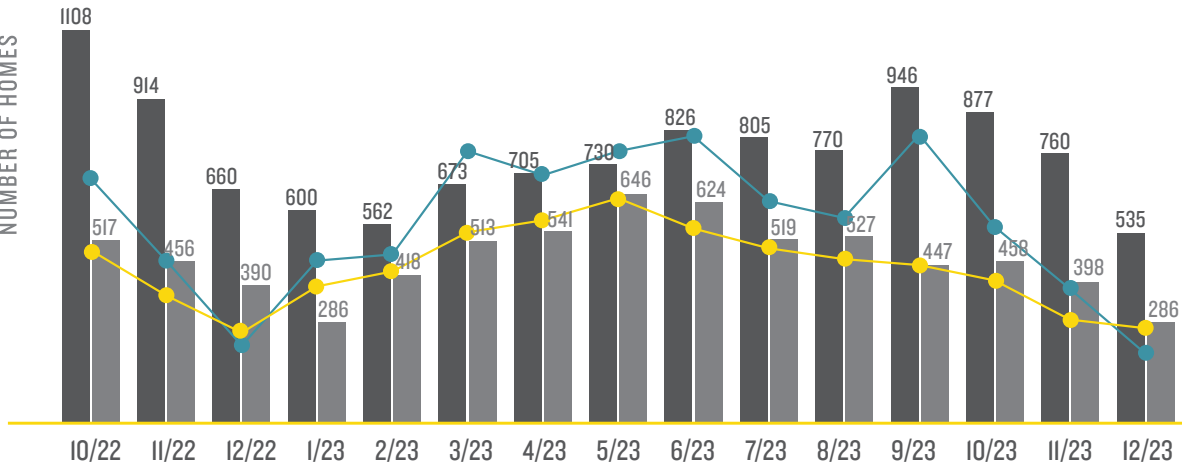
**N.D.R.** Sellers often fall into the trap of setting an unrealistic list price. It is essential to base pricing on market realities and property conditions. Another misconception is assuming a property will sell quickly without proper preparation. Strategic staging and presentation can significantly impact results.

**S.P.** With such low inventory, and feeling like they "lost" money in 2022, many sellers are reticent to do what it takes to make their home desirable to buyers by pricing strategically and doing necessary improvements, repairs and staging. On the other end of the spectrum, I also see sellers wasting resources doing things that won't make a difference to their bottom line.

You don't want to miss the prime selling season by wasting time. But you also don't want to lose valuable negotiation leverage by not presenting your home well or missing the mark on price. It's easy to leave money on the table in any market. Which is why it is critical to hire an experienced broker to guide you.

SINGLE FAMILY HOMES

Mind the Gap! Looking at the graph below, the dark grey bars represent supply (for sale), and the lighter grey bars represent demand (closed). Notice the gap between the amount of supply and demand each month. Comparing to the median sold price graph below that, notice when there is a big gap (significantly more supply), prices drop a few months later. As that gap closes, prices stabilize or increase, and it has been shrinking over the past several months. It is interesting to note that all of 2021 and midway through 2022, the gap was inverted, meaning there were more homes being sold each month than listed for sale (not all homes get listed, i.e. new construction etc.). Since June of 2022, there has been more supply than demand. I think it is not unlikely 2024 will be the year that picture reverses again. - Eric Martin, Metropolist



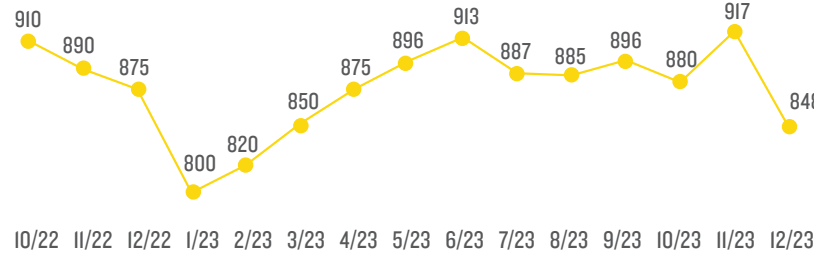
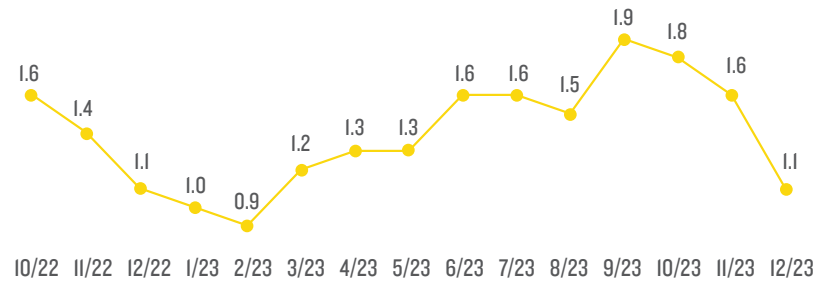
● # of Active Listings ● # of Pending Listings

2.2M  
1.65M  
1.1M  
550k

'20 '21 '22 '23

**HUH? WHAT GAP?**

Notice when presented in this format how visually dramatic the difference has been between home supply and demand, as described above. Also note how wildly that dynamic has fluctuated due to various market conditions including a global pandemic, labor and materials costs, interest rate increases and other economic variables over the course of the last couple of years.

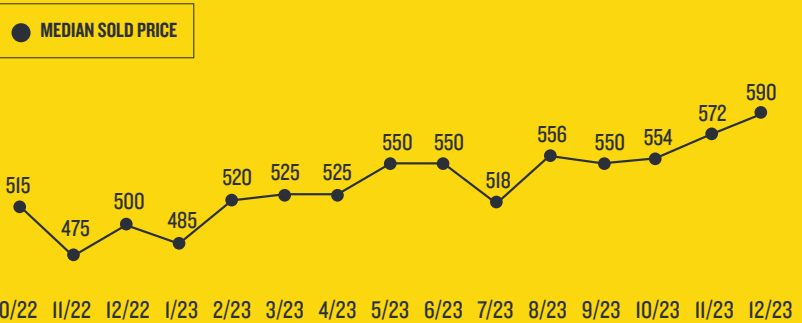
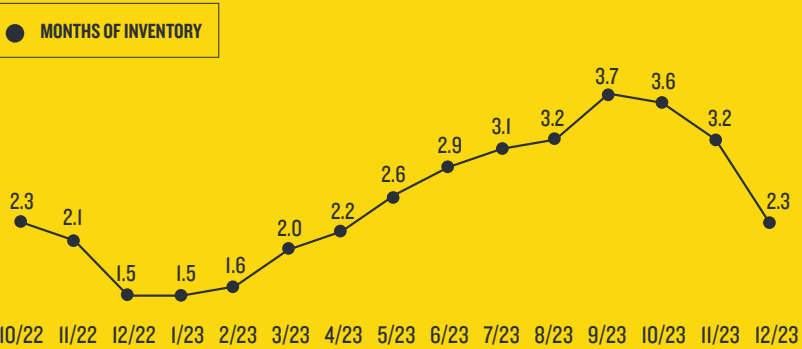
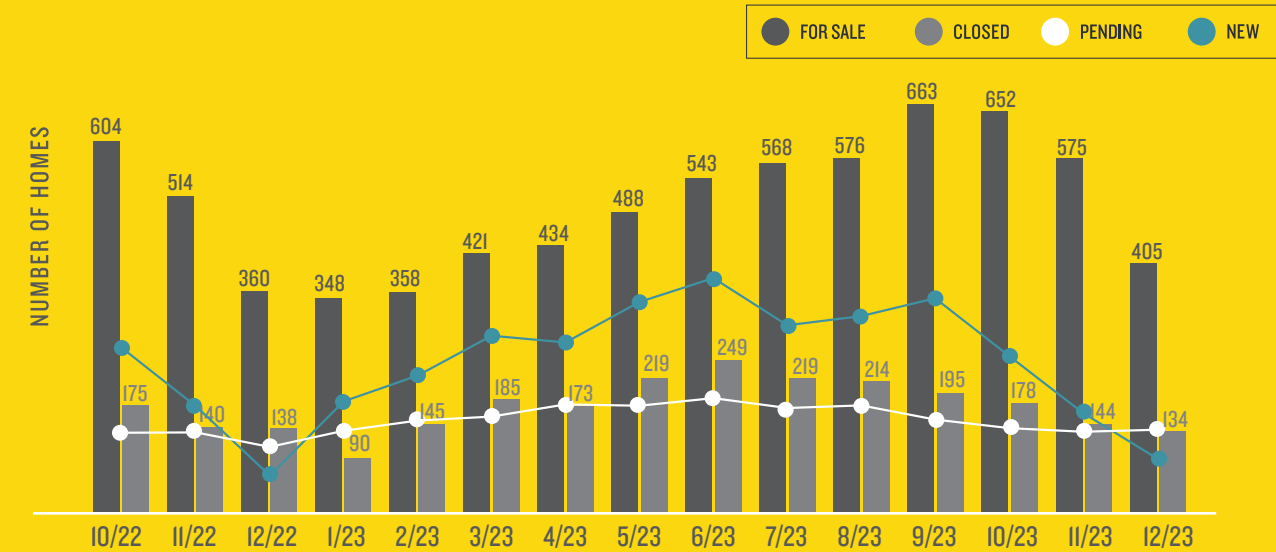


All figures are based on single family home sales, which include townhomes and exclude condos. Graphs were created by METROPOLIST using NWMLS data, but information was not verified or published by NWMLS. Data reflects all new and resale single-family residences sold.

CONDOS

The condo market stabilized in the second half of 2023. In 2021 many large, new construction, condo projects hit the downtown market, just as downtown was emptying out. Most of those units have now sold, and we are seeing employees return to the downtown core. As a result, more people are purchasing homes downtown, opting to trade long commutes in favor of a more urban lifestyle. Inventory is tightening, prices are again moving north, and this could very well be a good accelerant for a much needed revitalization of Downtown Seattle.

- Eric Martin, Metropolist



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.

MONTHS OF INVENTORY

A balanced market has between 4 and 6 months of inventory. For the past few years, we have seen a strong single family sellers market below two months of inventory. The condo market at peaked at 3.7 months of inventory in September but is again moving back towards a deeper seller's market.

BOTTOM LINE

At a fundamental level the dynamic in Seattle's housing market is the same as it has been for the past decade; more buyers in the market than there are homes to purchase. That dynamic will not change unless we find a way to build more houses, but it will take years to restore a sense of balance to the market.



BUT LET’S TALK ABOUT YOU!

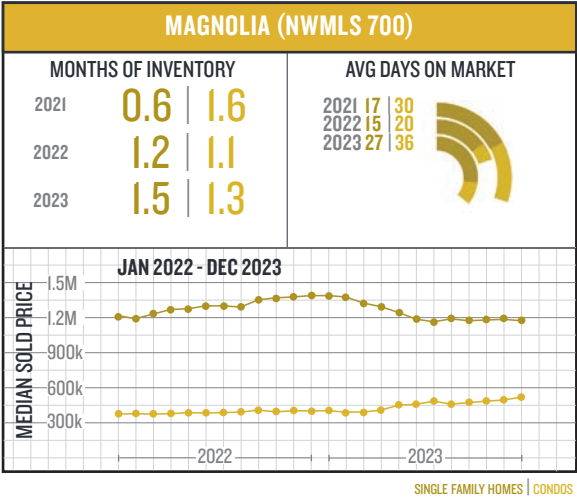
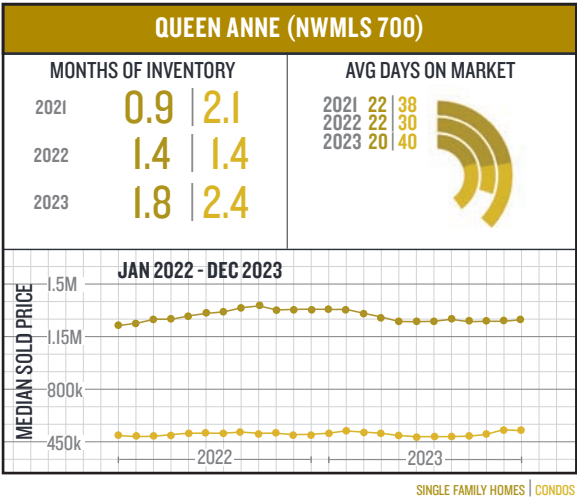
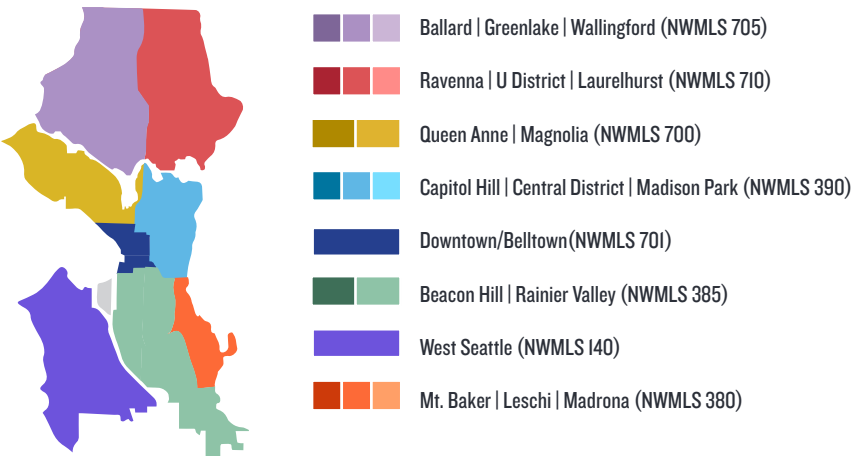
Not everyone wants to look at the big picture. Maybe you already own your home and want to get a pulse on your value and how it has changed. Or maybe you are curious what it would look like if you wanted to sell.

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.

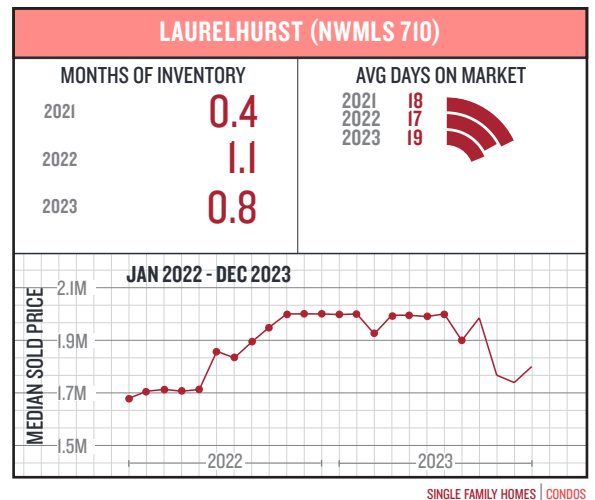
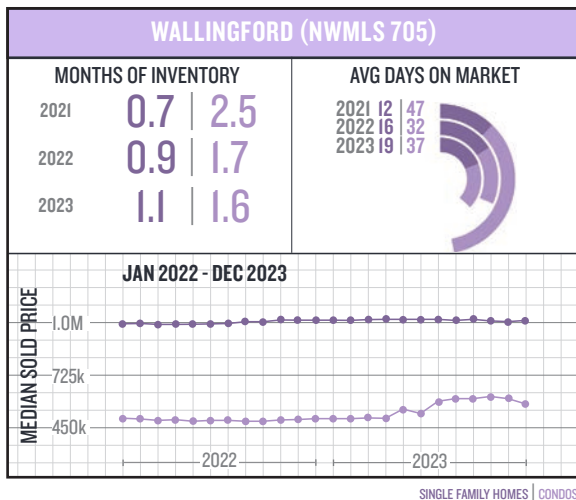
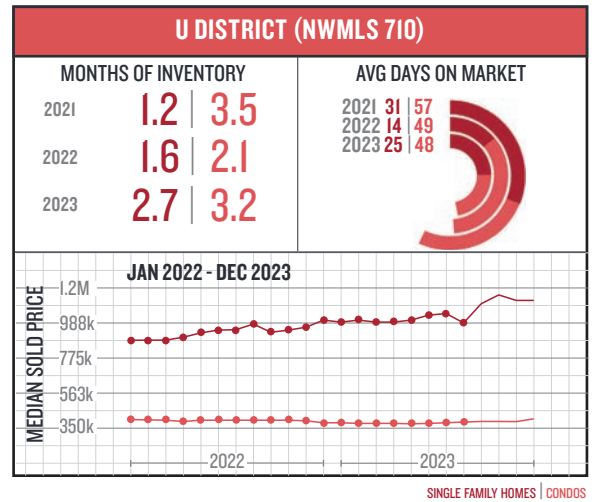
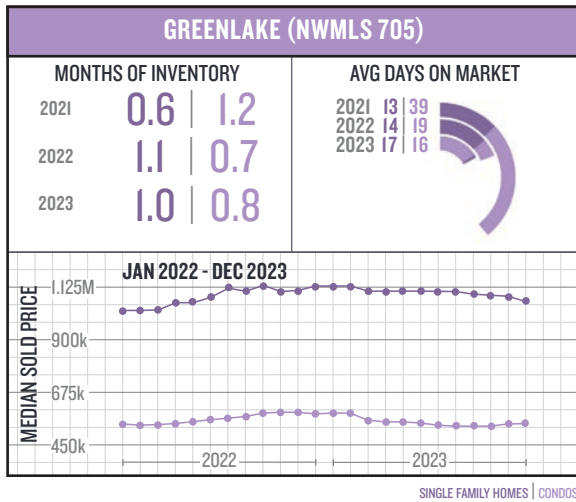
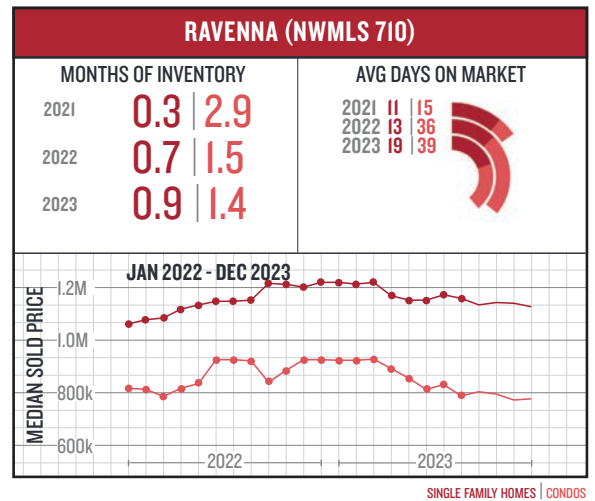
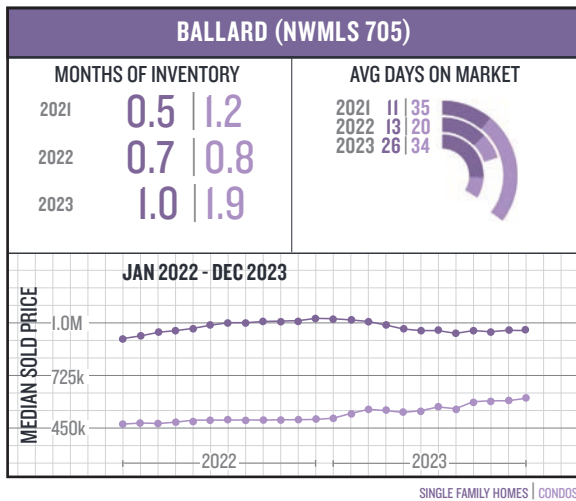
Within these pages you will find all the same information provided in the Seattle Metro section. But here you will see it broken out into color coded Seattle neighborhood areas.

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.

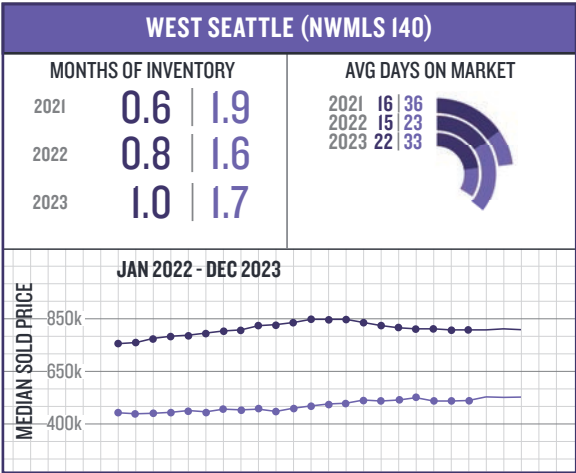
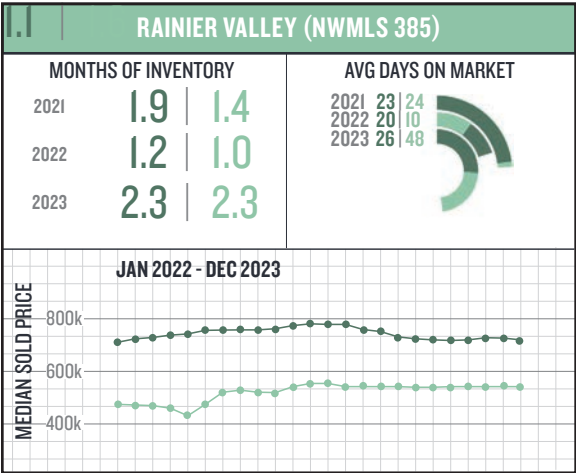
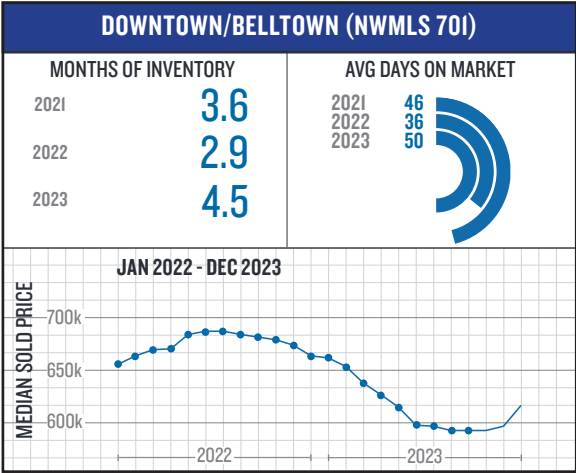
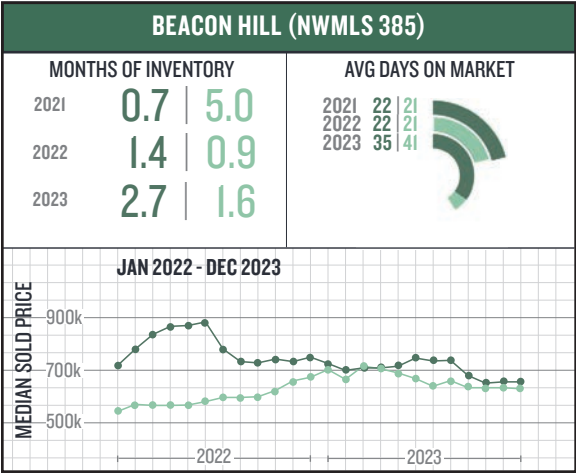
LEGEND | SEATTLE METRO AREA AS DEFINED BY THE NWMLS







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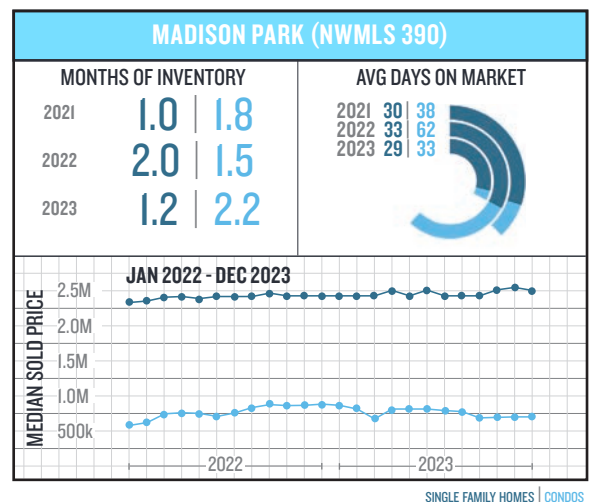
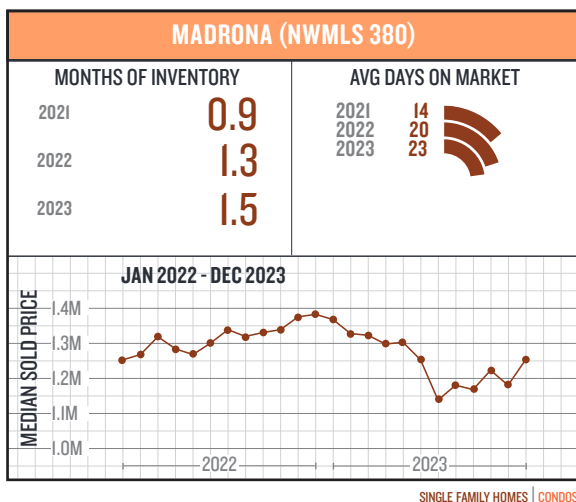
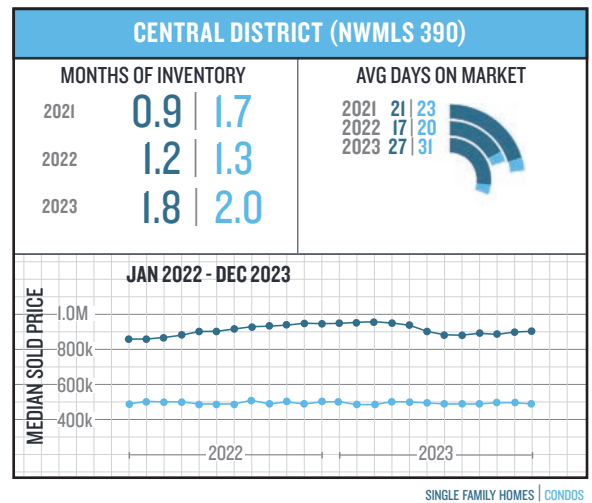
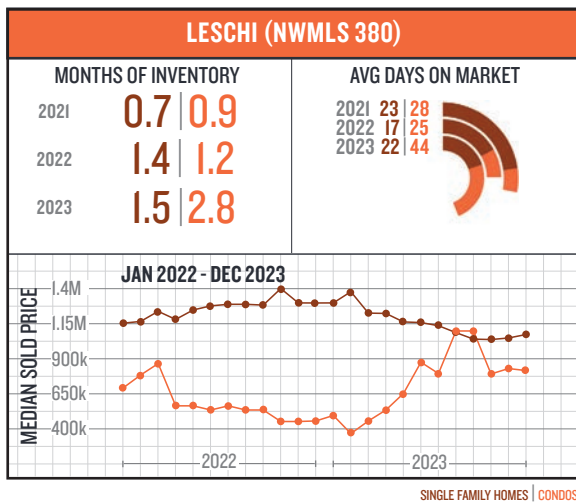
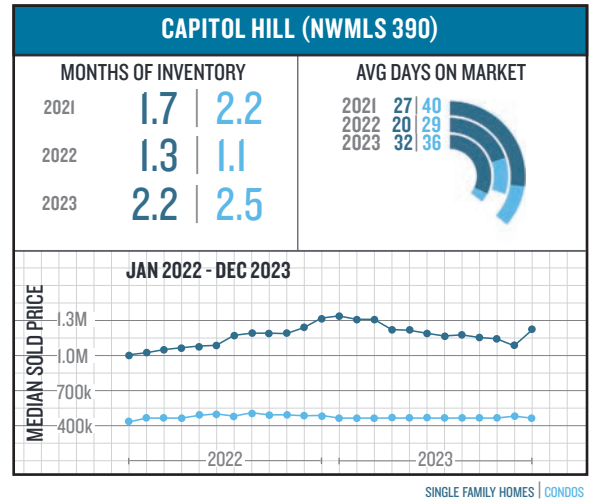
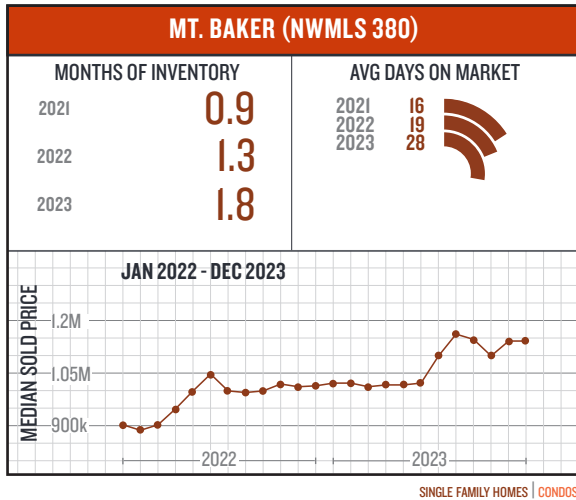


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