

JUNE MONTHLY TALKING POINTS

Seattle (based on Residential report):

The market shift that was starting to show movement in May continued into June.

Factors contributing to the shift:

- Interest rates rising from 2.68% (December 2020) to 5.52% (June 2022)
- Falling stock prices:

Company	52 Week High	6/30/2022	% Change
Amazon	\$188.65	\$106.21	-44%
Microsoft	\$349.67	\$256.83	-27%
Google	\$3,030.93	\$2,179.26	-28%

- The Eastside saw much greater appreciation and price growth relative to Seattle, and is seeing more dramatic market shifts as a result. See Eastside talking points.

The result:

- Prices increases from Feb 22 (\$925,000) to May 22 (\$1,025,000) of 11% have now plateaued.
 - Prices dropped slightly (2%) from May (\$1,025,500) to June (\$1,000,000).
 - Prices are up 18% from November 2021. (Prices were flat at \$850 Sept 21 to Nov 21)
 - Prices are up 12% from a year ago June 2021.
 - It is not uncommon for prices to plateau in the summer months, then drop slightly in the second half of the year. The following three bullet points will be important to watch.
- Months Supply of inventory has risen (though still in a seller's market range)
- Inventory has risen
- Pending Sales are down

Seattle YTD 2022							
Residential Only							
	Dec	Jan	Feb	Mar	April	May	June
Median Sold Price	\$839,000	\$790,000	\$925,000	\$970,000	\$1,019,950	\$1,025,500	\$1,000,000
% change from last year	5%	0%	16%	18%	17%	12%	12%
Homes Sold above List	38%	35%	62%	71%	74%	69%	54%
Amount Above List Price (Median)	8%	7%	13%	15%	16%	13%	9%
% of homes sold in 15 days or less	66%	61%	86%	91%	92%	91%	89%
Months of Inventory Available	0.4	0.4	0.4	0.3	0.6	0.6	1.2
Active Inventory	167	178	247	284	442	504	343
Pending Sales vs Prior Year (MTD)	-32%	-29%	-12%	-17%	-25%	-25%	-34%

If prices are plateauing and/or decreasing, why would Buyers buy today instead of waiting?

To get a better home! It is easier to buy a better home today than the last several years for the reasons below:

- Choices - The last time the Seattle had over 843 active listings (end of month) or over 1.0 months supply was Nov 2020.
- Time – For the past several years, buyers have seen a house online, race to see it and make a quick decision to write an offer. This is still true for some houses, but it is more likely buyers can take several days or weeks to consider if this is the right home for them.
- Contingencies – it is more likely a seller will accept an offer that is contingent on an inspection, neighborhood review, financing, and an appraisal.
- Buyers buy payment, a function of loan amounts and interest rates. It is possible today's buyers will be able to refinance to a lower interest rate in the future reducing their monthly cost.
- Timing the bottom is virtually impossible.

Buyers should always be able to afford the payments, like the location, and plan on living in the house for six years or longer. This is especially true today.

What should sellers expect?

What is the over/under for a seller experience? Meaning what scenario would you use that makes it hard to predict if the seller will have a better or worse outcome?

- Few showings - two to four per week
- 7+ groups at 1st open house
- 5% Price drop (cancel and relist) between 14 and 30 days after listing.
- First offer 4 to ten days after price drop.
 - Possible second offer after listing broker calls all interested parties.
 - House sells below list price, even if there are two or more offers
 - Sales price is 2 to 4% below list price

Deciding a list price can be difficult for sellers and listing brokers. Try a Denise Lones idea:

- Pick the best comparable properties from the active competition.
- Print out listing detail redacting any pricing details. Number each property and write price (list price for active and pending and sold price for solds) on the back of the report. Then show seller the photos from each property and ask them to order the properties based on their opinion of price (lowest to highest).
- Then have seller state where they think their house fits.
- Flip over the reports and see how close they were.

JUNE 2022

% OF LISTINGS SOLD ABOVE LIST PRICE



SEATTLE RESIDENTIAL

