



JANUARY 2015

SEATTLE REAL ESTATE NEWS

2015 Predictions for the Real Estate Market

Each year I look back at what has happened during the year, research what the experts say for next year, and share my thoughts for the market for 2015.

Median Sold Prices – Home prices will continue to increase nationally by single digit numbers and in Washington State home prices will increase around 7%. Urban metro areas (such as Seattle) in high demand by millennials will see an increase probably in the double digits. Seattle home prices in 2014 were up by around 9% year-over-year. There are still areas of very high demand and low inventory which will continue to push prices upward. However, many homeowners surveyed suggest they will sell their homes in 2015, increasing potential inventory and putting downward pressure on prices.

Inventory – It is a good thing that more homeowners are expected to sell their homes in 2015 as I predict that more buyers will be entering the market for a home. Improved job markets and lower unemployment rates, along with stabilizing home prices and fewer bidding wars, will bring more buyers into the market. Buyers who left the market in 2014 due to disappointment over lost offers will return. Increased inventory and slower market time gives buyers the time they need to get financing and look at more homes. The bottom line is inventory will increase due to more sellers in the market, but I expect that buyers will be purchasing that inventory, so there won't be big fluctuations either way.

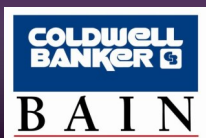
Interest Rates & Mortgage Availability – The improving economy is a sure sign that interest rates will

increase in 2015. The new rates will balance job growth and higher inflation rates. The Federal Reserve indicated it will increase the federal funds rate in 2015 (the federal fund rate has a significant effect on mortgage rates). I expect the 30 year fixed rate mortgage rate will reach 5% by the end of 2015. Government officials have also indicated that mortgage credit should become more available in the foreseeable future, which will allow more buyers to qualify for a mortgage and will allow some people to qualify for a lower-rate mortgage. The FHA is raising its loan limits for King, Snohomish, and Pierce counties to adjust for rising median home prices; the loan limit in 2015 for a single-family home is \$517,500, up 2.3% from \$506,000 this year. Additionally, the FHA is bringing back loans with only a 3% down payment.

Foreclosures – The foreclosure crisis is near its end. 2014 saw foreclosures down 30%. We will see a further decline in 2015 with a return to low levels.

These are just a few of the things I predict 2015 will bring us. For further information, please don't hesitate to email me at Jamie@JamieFlaxman.com or give me a call at (206) 790-0081. I would be happy to share what my 2015 predictions mean for your real estate holdings.


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2014 In Review

Like 2013, 2014 remained a sellers' market. Home prices in 2014 continued to climb, although the increases were not as high as in the previous year. Low inventory continues to be the issue and the driving force for the market—at year end inventory of single family homes was at 1.1 months and for condos at 1.5 months. (A balanced market is 4-6 months of inventory.) When inventory is low and demand is high, we see escalating prices and multiple offers. This continued in 2014; the average sales price in Seattle was up 9% for both condos and homes. All neighborhoods experienced appreciation in home values; the median sales price for condos was up 6.7% and for homes, 8%. However, as you can see from the bottom chart, appreciation levels for single family homes varied by zip code. For more modestly priced homes, first-time and move-up buyers are taking advantage of loosening lending standards. It is much easier for first-time buyers to qualify for a mortgage than it has been in recent years.

**Seattle Single Family Home and Condominium Sales
2014 (compared to 2013)**

	Single Family Homes		Condos	
	Number	Change	Number	Change
New Listings	9,411	- 12.2%	3,339	+ 2.7%
Total Sold	7,838	- 1.1%	2,556	+ .6%
Average Sales Price	\$560,167	+ 9%	\$374,000	+ 9.4%
Median Sales Price	\$475,167	+ 8%	\$297,583	+ 6.7%
Avg. Days on Market	31	- 2.9%	45	- 9.9%
Months of Inventory (as of 12/31)	1.1	- 39%	1.5	- 35%
Selling to List Price Ratio	100%	No Change	98%	+ 1%

In Seattle the number of single family homes brought on the market in 2014 was down 2% from 2013, and the number of homes sold in 2014 was down 1%. For condos, new listings were up nearly 3% and the number sold was up slightly over 2013. In King County, high end sales, those above the one million dollar price point, saw a 2nd year of high activity. Nearly 2,000 homes priced at one million dollars and up sold in King County during 2014, up more than 25 percent compared to 2013.

Please give me a call or email if you have any questions or would like further information on the market.

Seattle Single Family Home Appreciation Rates 2014 (based on median sales price)

Zip Code	Appreciation	Zip Code	Appreciation	Zip Code	Appreciation	Zip Code	Appreciation
98102	3%	98109	11%	98119	8%	98144	10%
98103	6%	98112	10%	98122	11%	98146	8%
98105	10%	98115	7%	98125	14%	98168	11%
98106	20%	98116	11%	98126	10%	98177	11%
98107	12%	98117	18%	98133	10%	98199	6%
98108	9%	98118	5%	98136	7%		

Home Buyer Class

**Thursday, Feb. 19, 6:30-8:30pm at the
Phinney Neighborhood Association**

Are you interested in learning about the home buying or mortgage process. Kathryn Keller, loan officer at Golden Empire Mortgage, and I are teaching a class on the home buying/ mortgage process. Appropriate for first time buyers and those who haven't purchased a property in awhile. Sign up by calling 783-2244 or contact Jamie with questions.

Upcoming Community Events

- Jan. 19: Martin Luther King Day Events
- Jan. 23-Feb. 1: Seattle Boat Show
- Jan. 26: Phinney Home Design & Remodel
- Feb. 1-7: Children's Film Festival
- Feb. 5-8: Seattle RV Show
- Feb. 11-15: Northwest Flower & Garden Show
- Feb. 14: Pacific Northwest Regional Yo-Yo Championships
- Feb. 14-16: Free Entrance Days in the National Parks
- Feb. 14-22: Seattle Home Show
- Feb. 16: Presidents' Day
- Feb. 19: Home Buyer Class (see above)
- Feb. 27-Mar. 1: Seattle Golf & Travel Show
- Feb. 28-Mar. 1: Seattle Bike Show
- Feb. 28-Mar. 1: NW Outdoor Adventure Expo
- Mar. 14-22: Seattle Jewish Film Festival
- Mar. 20-22: Northwest Women's Show
- Mar. 27-29: Emerald City Comicon
- Apr. 1-12: Moisture Festival
- Apr. 1-30: Tulip Festival
- Apr. 3: Passover begins at Sundown
- Apr. 5: Easter
- Apr. 17-19: World Rhythm Festival
- Apr. 18-19: Free Entrance Days in the National Parks
- Apr. 22: Earth Day
- Apr. 25-26: NW Green Home Tour

Thank You for Your Feedback

"Jamie was extremely helpful from start to finish. Not only did she have extensive knowledge in my desired neighborhoods, but she also provided open and honest feedback throughout the whole process. Jamie is personable, trustworthy, and overall a really kind person. She went above and beyond for me on the night we put in the offer and stayed up negotiating with the sellers until midnight. Above all, I couldn't have asked for a more smooth process and I truly have Jamie to thank for that." - Kristin

"As a first-time home buyer, the whole process was a little daunting to say the least, but Jamie was there at every step. She was very knowledgeable about not only the houses we looked at, but all of the areas as well." - Drake

"We worked with Jamie for about 4 months while searching for our first house as a young couple. We had a set budget in mind and knew the area we wanted to live in, but did not know much about the home buying process. Jamie, from the beginning, was not only quick to respond to our questions, but sought out houses that matched our style and showed us some that had potential. We ended up putting down several offers on various houses and my husband and I both felt like Jamie was quick to put together the offers and was not afraid to negotiate for our terms. She is a fun, knowledgeable and trustworthy person to work with and we never felt any pressure to buy a house that wasn't exactly what we were looking for. When we finally found the perfect house for us, Jamie worked with our lender to get us a quick closing date so we could move in ASAP. We would definitely recommend Jamie to our family and friends who are looking to buy or sell their home and look forward to working with her again in the future!" - Chet & Lindsay

SOLD BY JAMIE IN 2014



Phinney Ridge, \$549,000



West Seattle, \$295,500



Phinney Ridge, \$610,000



Phinney Ridge, \$645,000



Tangletown, \$1,311,000



Hillman City, \$424,000



Coldwell Banker Bain

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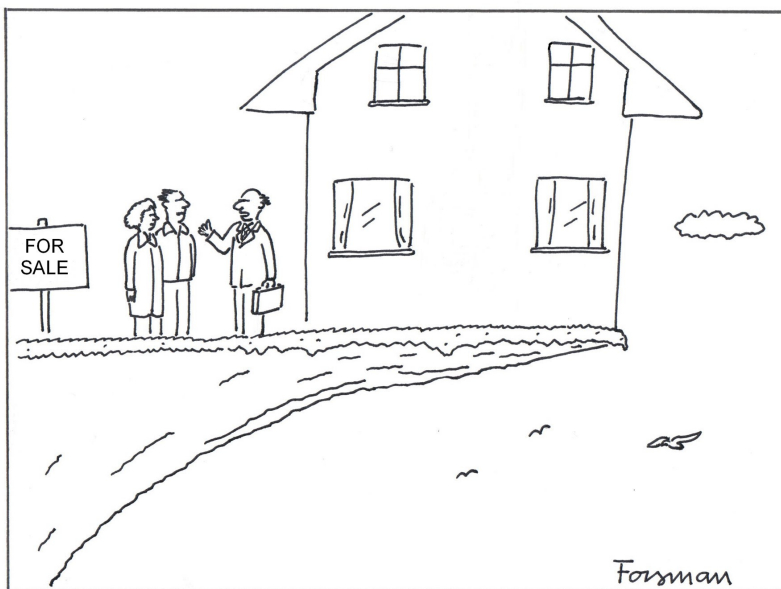
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"Don't wait too long to decide. A house with a view like this can go at any minute...."

I Appreciate Your Referrals

If you or anyone you know is thinking of buying or selling a home or condo, please contact me to discuss your situation.

I can help with your local, national, and international real estate needs.