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**ALAN L. POPE & ASSOCIATES, INC.**

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# Speech January 2020 Pinnacle Group

- Each time I am asked to give a speech I want to bring something new to light. I feel as though I am always saying the same thing anticipate a yearly cycle great spring, slowing moving through summer an uptick in late fall, blah, blah, blah. Most every year the ebbs and flows; the year market characteristic is predicable, something to rely on.
- 
- Yes there are dips and bumps of modest anomalies. Whether declining or appreciating the difficulty is anticipating how rapid the rate of appreciation or decline.
- 
- Between 2013 and 2017 the housing market experienced an increase in property values from a nominal amount to upwards of 2% monthly depending on location, competition and price.
- 
- In 2018 the market experienced 2% appreciation in the first 6 months only to lose all its gain over the following six month.

- 2019 residential homes were on the market longer than 2018 and selling at a lower list-to-sale price ratio; an average 1% to 2% below list. Sellers experienced fewer multiple offers than in the previous year and it was rare to see buyers escalating to a point 5% above the asking price. When the large adjustment upward from list to sale did occur it was predicated on a pinnacle property for a neighborhood where most characteristics necessary, location, site characteristics, home quality, function and condition met with broad market appeal.
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- Today the major concern in the housing market is how to fill the need for low end housing, the first time buyer, or the buyer seeking to downsize? There is very little inventory and anticipation of strong demand moving forward into the spring 2020.
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- There are only 65 homes east of Lake Washington listed for sale under \$700,000 west of the Snoqualmie River and when reduced to sales west of Lake Sammamish only 15 listings are available. Buyers are looking further north to Finn Hill and Snohomish or south of West Seattle and May Valley.
- 
- The following tables slides 6 through 14 outline specific market areas.

# Six market cycles

- -Early 1970's loss of SST contract and oil embargo
- -Early 1980's mortgage interest rates at 18%
- -Early 1990's Boeing manufacturing layoffs
- -Early 2000's dot-com bust
- -2007/2008 collapse of the banking industry
- -2012 through June 2018 a stable to rapid appreciating market
- -Summer of 2018 buyer confidence; or just a lull in a high demand
- -2019 generally stable
- -Market prediction for 2020?

# Average sale price by month

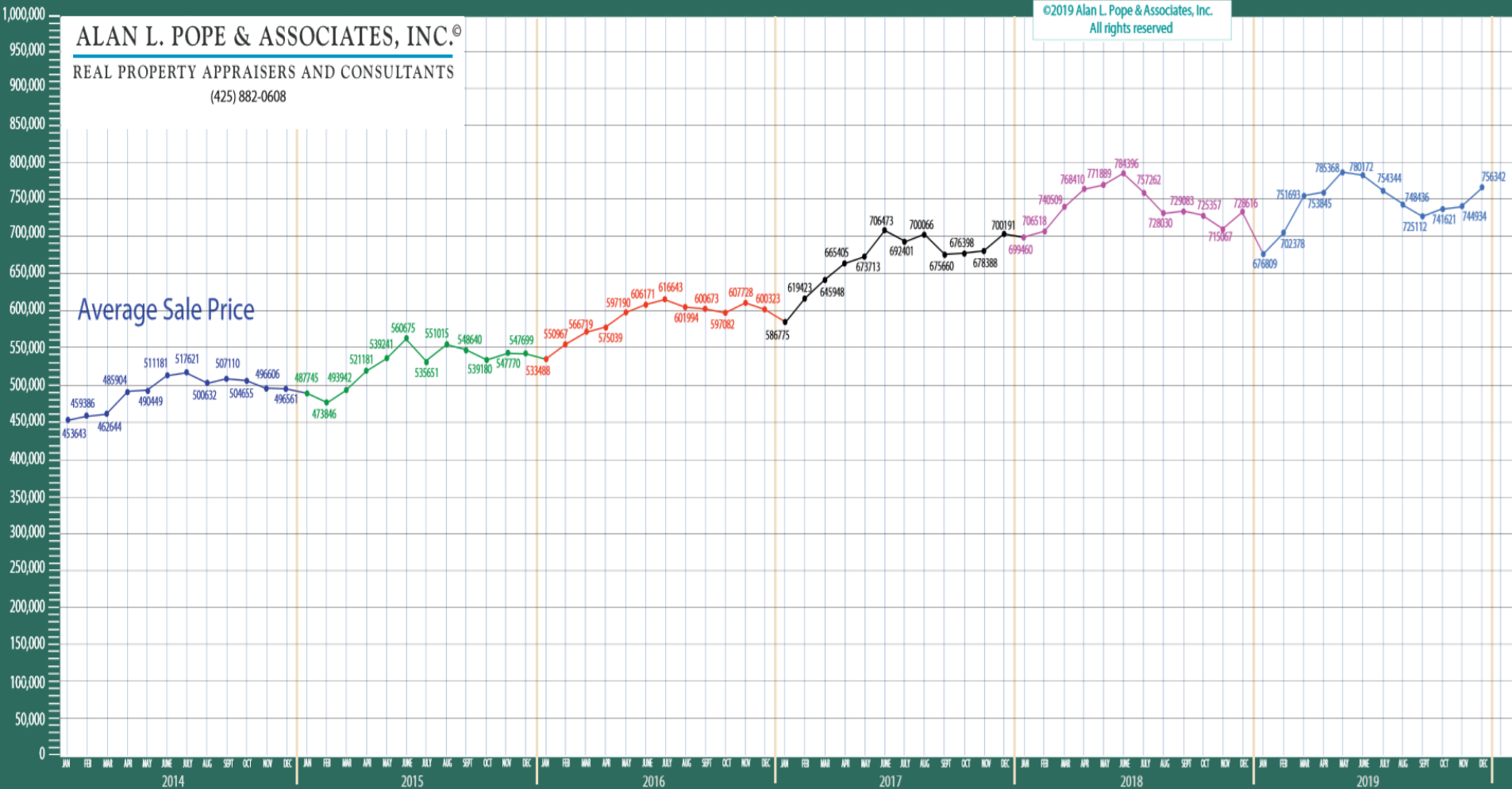
King County

Average Sale Price by Month

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Average Sale Price



Information Provided by The Northwest Multiple Listing Service

## Market change 2019 vs 2018

### West Bellevue, NWMLS 520

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	363	30.3	3,795	\$2,951,723	\$778	67	97.25
2018	320	26.7	4,024	\$3,003,397	\$746	53	99.05
Difference	43		229	\$51,674	\$32		
Annual Change	+13.4%		+5.7%	-1.7%	+4.3%		

Currently there are 51 listings and 32 pending offers. The 51 listings provide for 1.68 months supply of inventory.

Pricing starts at \$1,499,995. Lowest sale in 2019 \$785,000 and 72 properties sold under \$1,500,000 in 2019.

## Market change 2019 vs 2018

### South Bellevue, NWMLS 500

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	465	39.0	2,937	\$1,164,381	\$396	41	99.49
2018	468	30.0	2,932	\$1,239,082	\$423	26	102.02
Difference	3		5	\$74,701	\$27		
Annual Change	-1.0%		Nil	-6.0%	-6.4%		

There are 24 listings and 6 pending sales. The 24 listings indicate that there is less than one month supply of inventory.

Pricing starts at \$1,049,000 with some 130 selling below \$1,000,000 in 2019.

# Market change 2019 vs 2018

## Mercer Island, NWMLS 510

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	300	25.0	3,393	\$1,989,194	\$587	61	98.44
2018	285	23.8	3,401	\$2,059,996	\$606	37	100.86
Difference	15		8	\$70,802	\$19		
Annual Change	+5.3%		Nil	-3.4%	-3.1%		

There are 34 listings and 18 pending sales. The 34 listings indicate that there 1.36 months supply of inventory.

Pricing starts at \$900,000, only 3 listed below \$1,000,000 with 21 selling below \$1,000,000 in 2019.



## Market change 2019 vs 2018, NWMLS 530 East Bellevue, Zip Code 98008

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	276	23.0	2,325	\$1,041,636	\$448	30	100.22
2018	276	23.0	2,312	\$1,093,408	\$473	22	103.46
Difference	-0-		13	\$51,745	\$25		
Annual Change	Nil		+1.0%	-4.7%	-5.3%		

Currently there are 6 listings and 4 pending offers. The 6 listings provide for 7 days supply of inventory.

Pricing starts at \$1,025,000. Some 413 properties sold below \$1,000,000 in 2019.

## Market change 2019 vs 2018, NWMLS 540, South Sammamish Plateau, Zip Code 98075

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	416	34.7	3,336	\$1,168,539	\$350	55	98.81
2018	358	29.8	3,317	\$1,185,018	\$357	34	99.73
Difference	58		19	\$16,479	\$7		
Annual Change	+16.2%		+0.6%	-1.4%	-2.0%		

Currently there are 19 listings and 55 pending offers. The 19 listings provide for less than one month supply of inventory.

Pricing starts at \$979,000, only 2 listed under \$1,000,000 with some 101 sales below \$950,000 in 2019.

## Market change 2019 vs 2018, NWMLS 560, Zip Code 98033

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	185	15.4	3,098	\$1,759,859	\$586	50	98.03
2018	179	14.9	3,041	\$1,741,048	\$601	27	101.22
Difference	6		57	\$18,811	\$15		
Annual Change	+3.4%		+1.9%	+1.1%	-2.5%		

There are 61 listings and 44 pending sales. The 61 listings indicate that there 4.0 months supply of inventory.

Starting price \$729,000. There were some 60 sales below \$730,000 in 2019.

## Market change 2019 vs 2018, NWMLS 700

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	690	57.5	2,364	\$1,214,000	\$514	41	99.17
2018	619	51.6	2,431	41,241,618	\$527	31	1.02
Difference	71		67	\$27,618	\$13		
Annual Change	+11.5%		-2.8%	-2.2%	-2.5%		

There are 42 listings and 46 pending sales. The 42 listings indicate that there less than one month supply of inventory.

There are five townhomes offered below \$800,000, one SFR. There were some 151 sales below \$800,000 in 2019.

# Market change 2019 vs 2018

## NWMLS 390

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	857	71.4	2,212	\$1,193,243	\$549	41	99.43
2018	813	67.8	2,192	\$1,229,791	\$567	25	102.08
Difference	44		20	\$36,548	\$18		
Annual Change	+5.4%		Nil	-3.0%	-3.2%		

There are 80 listings and 41 pending sales. The 80 listings indicate that there 1.12 months supply of inventory.

There are 21 townhomes listings below \$800,000, no SFR. There were some 262 sales below \$800,000 in 2019.

## Market change 2019 vs 2018, 2 Bed - 2 Bath Condos, NWMLS 701

Year	# of Sales	Absorption rate	Average Home SF	Average Sale Price	Average \$/SF	Average DOM	List-to-sale price ratio
2019	189	15.8	1,321	\$1,130,707	\$856	87	97.51
2018	174	14.5	1,346	\$1,219,411	\$906	56	98.98
Difference	15		25	\$88,641	\$50		
Annual Change	+8.6%		-1.9%	-7.3%	-5.5%		

There were 52 listings and 15 pending sales. The 52 listings indicate that there is 3.3 months supply of inventory.

Starting price \$599,950. There were some 25 sales below \$600,000 in 2019.

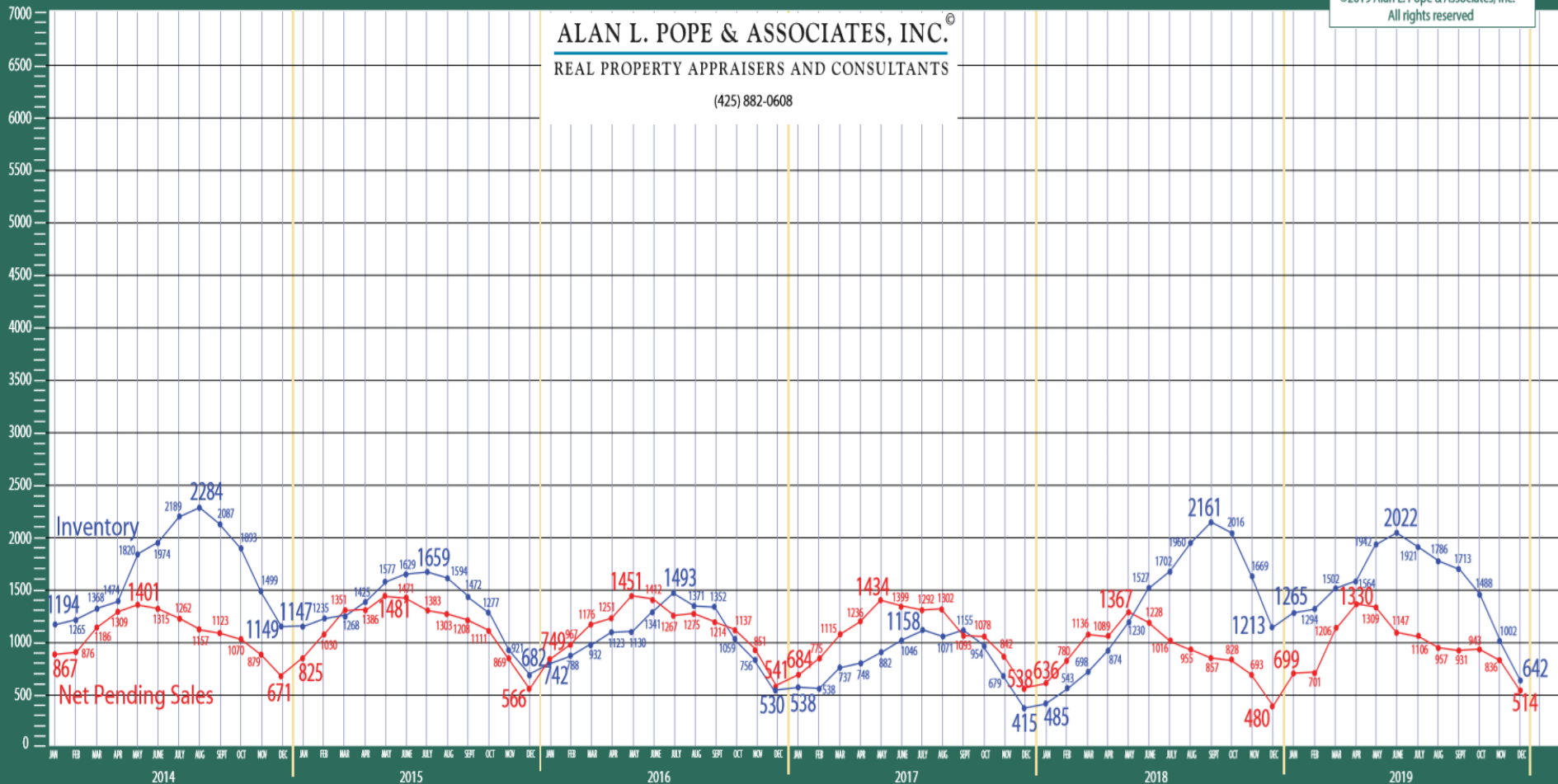
# All of Eastside Residential & Condo Inventory and Pending Sales

500-600 Eastside/Mercer Island

Listing Residential & Condo Only

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# Absorption of Inventory Residential & Condo Eastside

500-600 Eastside/Mercer Island

Absorption of Inventory Residential & Condo Only

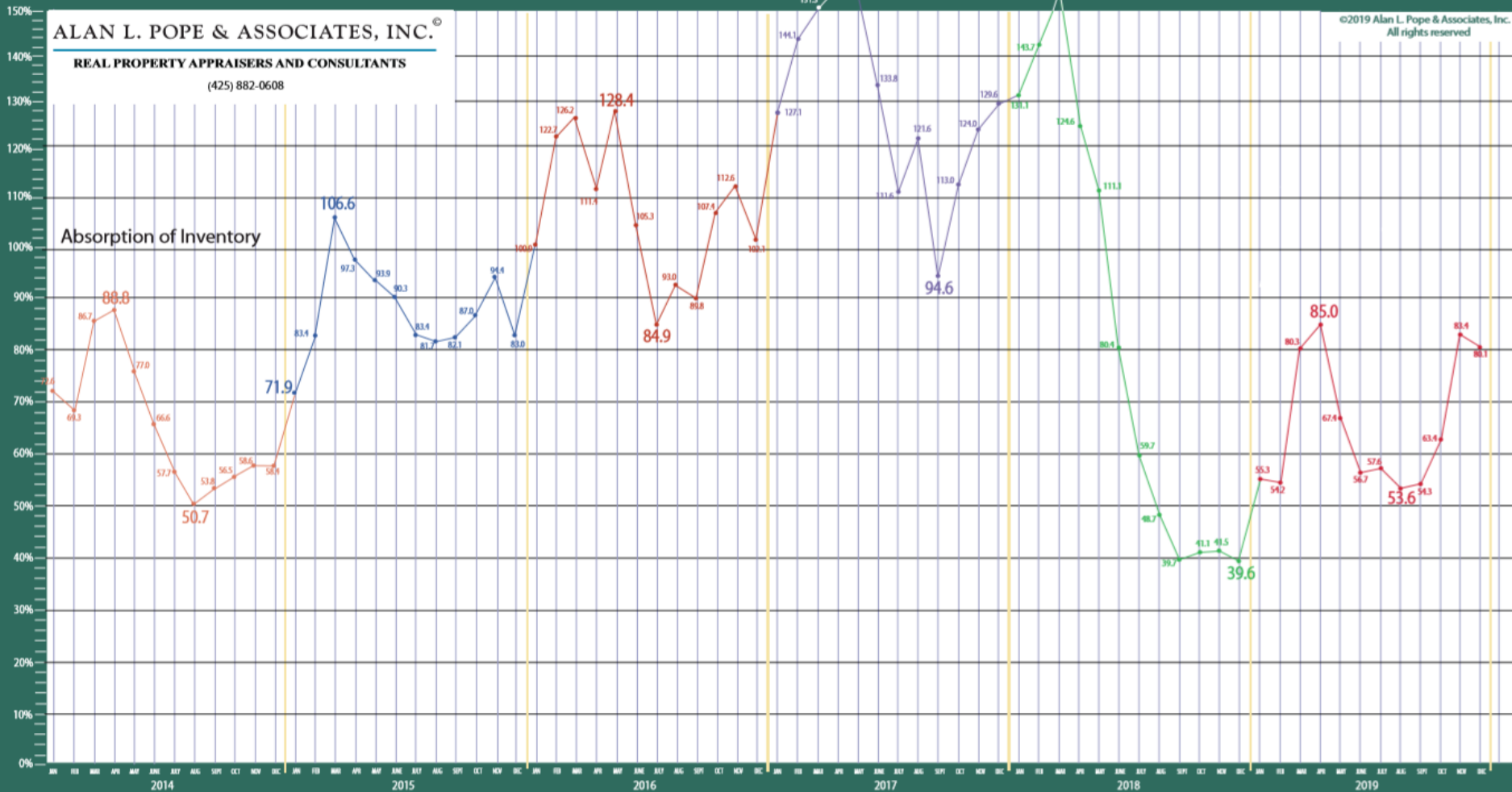
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Absorption of Inventory





# Seattle North - Listing and Pending Sales

390/700-720 Central/North Seattle

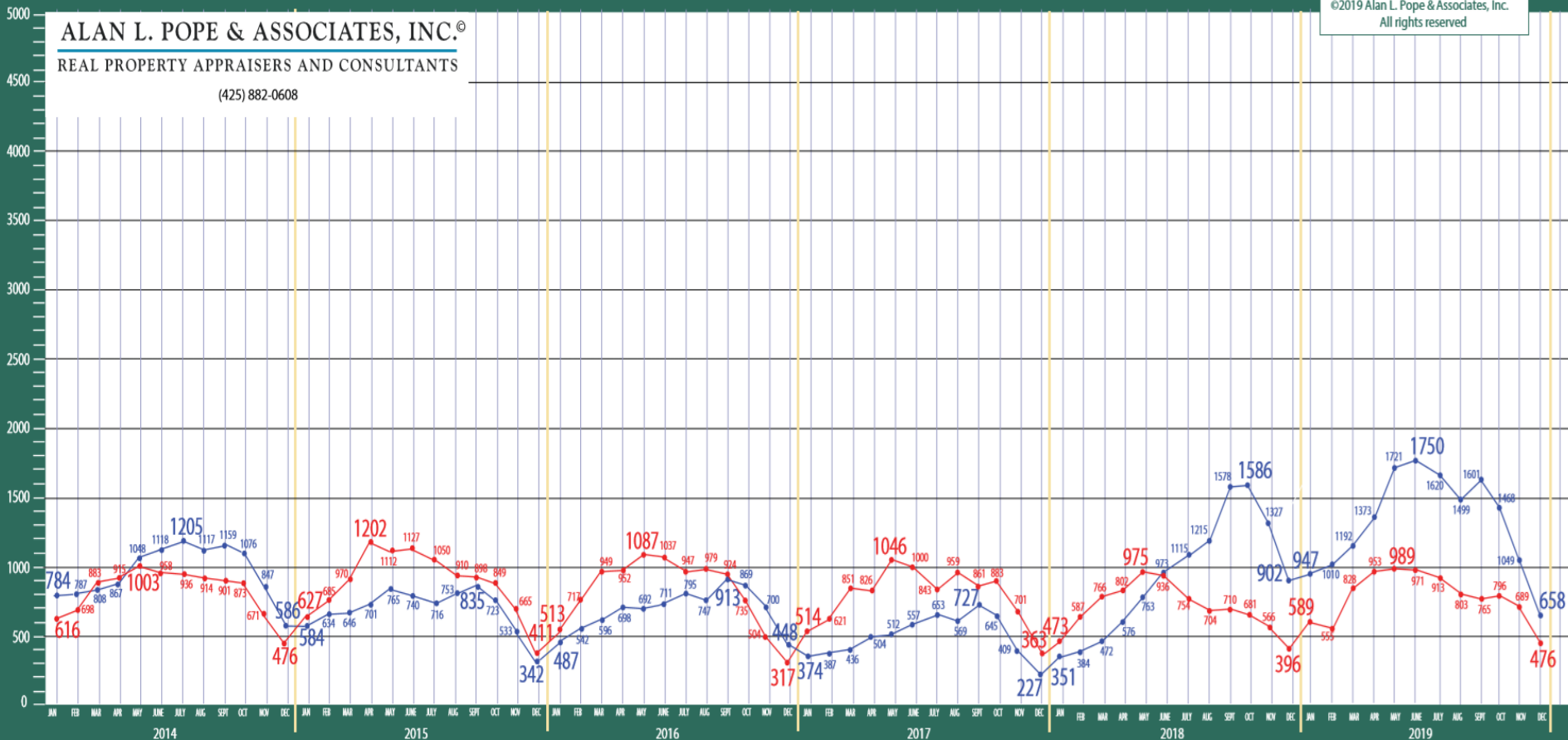
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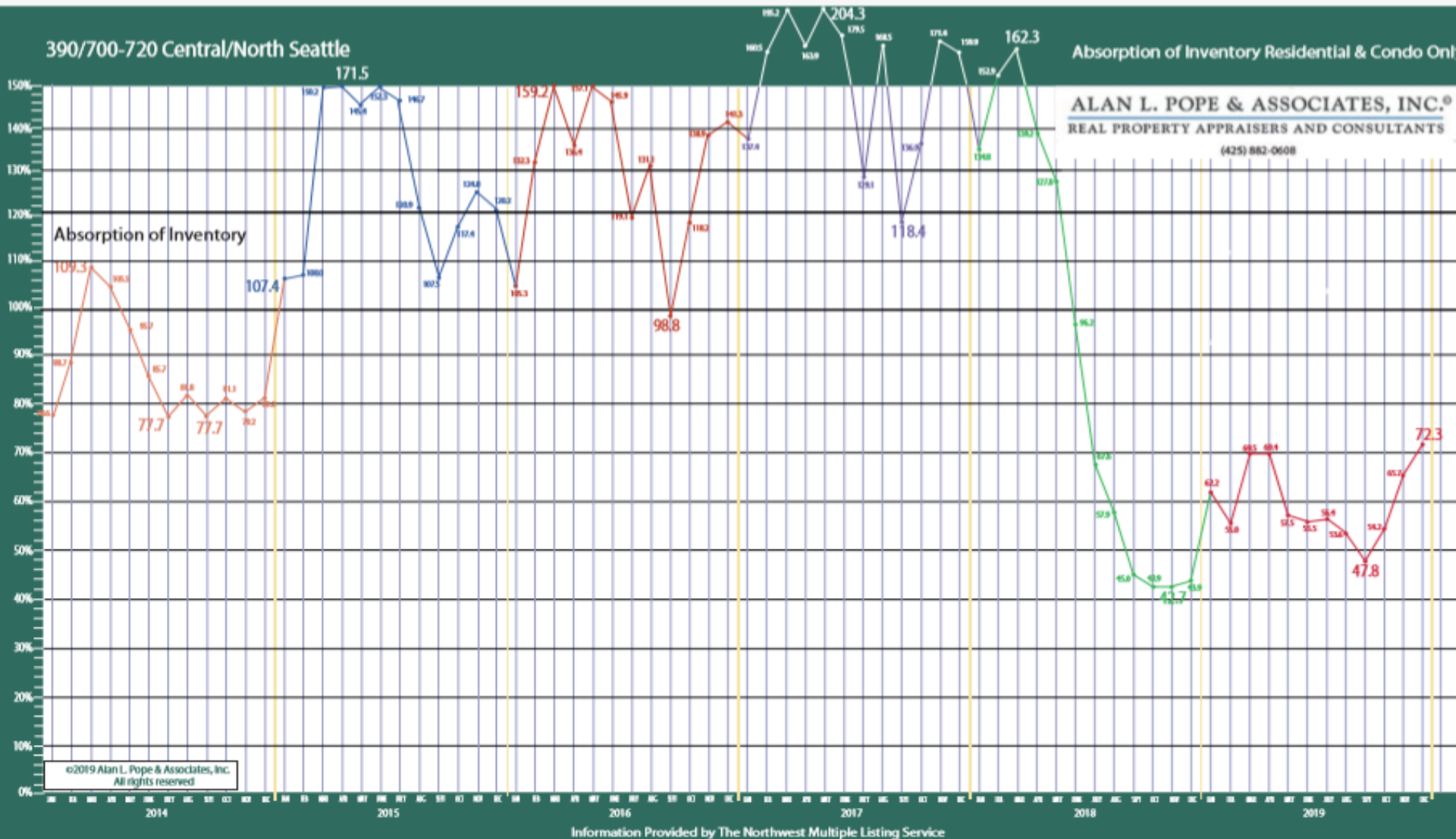
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# Seattle North - Absorption Residential and Condo



# Hottest markets for home sales above \$2,000,000 in 2019

NWMLS Area	# of Sales	Monthly Sales	Average Sale Price	# of Listing	# of Pending Sales	Months of inventory	Days on Market
520	236	19.7	\$3,770,784	47	26	2.35	76
510	109	9.1	\$3,036,553	26	6	2.86	84
390	108	9.0	\$2,973,902	21	24	2.33	74
560	98	8.2	\$2,594,450	30	24	2.50	65
700	53	4.4	\$2,897,717	14	4	3.18	88
500	44	3.7	\$2,795,774	12	7	3.24	86
540	41	3.4	\$2,751,207	13	3	3.82	83
710	35	2.9	\$2,875,302	9	28	3.10	74
600	26	2.2	\$2,602,135	13	4	5.91	101

# Final comments

How could it be slowing when the region has  
positive job growth  
in-migration into the region  
foreign investors  
low interest rates  
and an under-supply of inventory

2020 will be more of the same  
an election year  
interest rates will remain low  
appreciation during the first half of the year  
slowing during the summer  
a modest net increase in home values over the year

# ANY QUESTIONS??

## THANK YOU!

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