

**SEATTLE POST-INTELLIGENCER**

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**Seattle home sales shoot up****Many more houses are on market; King County sales tumble**

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**By AUBREY COHEN**  
P-I REPORTER

Seattle buyers, who have increasing selection and increasing competition, don't seem to be discouraged by a shaky national home market, according to data released Tuesday.

Seattle home sales shot up in May by 21 percent, compared with May 2006, according to the Northwest Multiple Listing Service. That's the largest year-to-year boost in more than two years and the third straight month that sales increased, after year-over-year declines for 10 of the previous 12 months.

The number of homes on the market, however, shot up by an even-more-impressive 60 percent from May 2006. Last month's median home price in Seattle was \$425,000 -- down 1.2 percent from April but up 2.4 percent from May 2006.

"We're remaining remarkably resilient," said Matthew Gardner, a local land-use economist.

While the market is declining, it's still good, he said. "We're declining from a peak."

Bob Melvey, assistant manager of Windermere Real Estate's Ballard office, said the market has slowed, but it hasn't reversed.

"I'm getting less multiple offers on listings, but everything that I'm listing is still selling at the list price or close to it," he said. "Market times are a little bit longer."

Seattle's May sales surge was largely due to condominiums, whose sales jumped by 74 percent. Gardner said completion of condos in new buildings like the Cosmopolitan and 2200, and subsequent flip sales of these units, can drive up condo numbers in particular months.

"That's the only way to legitimately describe that kind of substantial increase," he said.

Seattle's single-family house sales were up by 5.2 percent -- much less than condos but much better than King County as a whole, which saw a 2.7 percent drop in house sales. Local real estate agents have said they're seeing increased interest in Seattle and Bellevue, because people want to live closer to work so they can spend less time and money commuting.

David Javens and partner Gerry Barton sold their Normandy Park house in April because they wanted a smaller place in Seattle.

"Pretty much everything that we do is in the city," Javens said. That includes Barton's job at the University of Washington.

But they didn't like the prices on Capitol Hill and got outbid in Columbia City, so they stayed in Normandy Park, where they bought a townhouse last month.

"The square footage here is almost double what we could buy in Seattle," Javens said. "And we're only

10 miles from the city."

Seattle's inventory of homes for sale has increased every month since April 2006. The city's May inventory was enough to supply 2.5 months of sales at the May rate, up from 1.9 months a year earlier but far below the 5.4 months that has been the average national level for the past two decades, according to Molly Boesel, an economist with the mortgage giant Fannie Mae. King County's supply is about 3.2 months.

Gardner said he considers six months the threshold for an oversupply of homes on the market and doesn't expect an oversupply in the next couple of years.

"I'm getting a bit concerned about 2010, though," he said. "It looks like an awful lot of units will come to completion then."

Increasing condominium sales in May, compared with the previous month and year, skewed the median sales price, because condos tend to sell for less than houses. The median condo price last month in Seattle was \$307,500, up 9.8 percent from a year earlier. The typical house cost \$488,000, up 9.7 percent from May 2006.

The median price for all homes sold in King County as a whole was \$411,868 -- up nearly 7 percent from May 2006. The county as a whole had a smaller percentage of condo sales and a larger increase in condo prices than Seattle.

The county's total sales nudged up by just over 2 percent, while pending sales declined 7.5 percent. Seattle has had stronger year-over-year sales changes than the county as a whole for the 10th straight month and the 22nd month out of the past 24.

Pending and closed sales were down across the 19 counties the Northwest MLS covers. The 19-county median price was up nearly 10 percent.

Kathy Estey, managing broker at John L. Scott's Bellevue Downtown office, said in a Northwest MLS statement that she's seeing few bargains.

"In spite of growing inventory, prices are still increasing," she said. "And homes that are priced right are selling very quickly."

Dick Beeson, broker/owner of Windermere Real Estate/Commencement Associates in Tacoma, said sellers are seeing the need to be more realistic about pricing and get their houses market ready before listing them.

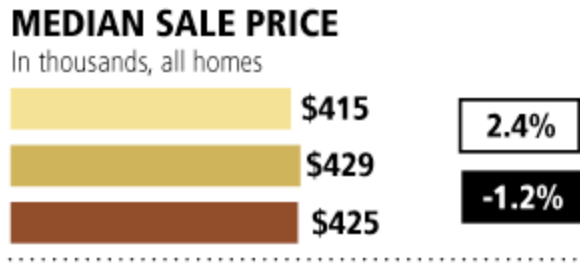
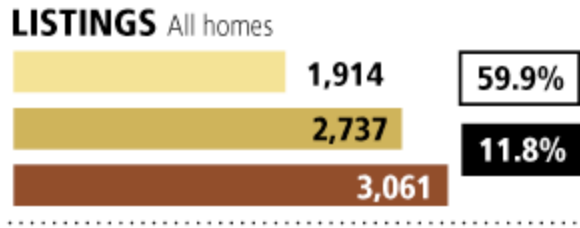
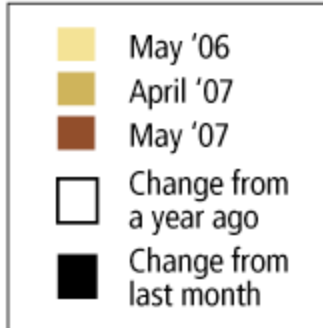
Javens had been worried about selling his Normandy Park house, given what he's been hearing about the slowing market.

"I was really worried that it was going to stay on the market forever," he said.

But they had three offers within two weeks of listing the house in April, Javens said. "It was a breeze."

# SEATTLE HOME MARKET

The number of homes for sale in Seattle shot up last month from a month ago and a year ago, but sales and prices also increased.



Source: Northwest Multiple Listing Service

SEATTLE P-I

*P-I reporter Aubrey Cohen can be reached at 206-448-8362 or aubreycohen@seattlepi.com.*

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