

Issaquah-Sammamish Reporter

Residential Real Estate Snapshot – Temperatures slow to rise but summer housing market is sizzling!

By: Suzanne Spinelli

Home sales continue to sizzle as Seattle marks its 19th month in a row as the hottest housing market in the country. But could there be signs of a shift in the weather?

For the first time in many months it appears buyers are gaining a small edge in the market. Making an immediate offer on a home may not be as crucial even in the frenzied Issaquah-Sammamish market, which saw an impressive 35.4% increase in Issaquah and 14.4% increase in the number of Sammamish houses for sale this month over April.

“We had more inventory come on the market in May than in we have in a long time,” confirmed Karen Lindsay, managing broker and office leader at the John L. Scott Issaquah office. “This caused brokers to feel like the market had slowed down but it was only a result of the backlog of buyers being spread a little thinner across more listings for sale.”

Sellers are needing to lower expectations a bit however, Lindsay said. “Buyers are more price sensitive than they’ve been in a while. When a seller dramatically over-estimates what they should list their home for, it may sit for quite a while before selling. Homes over \$1 million, especially if priced aggressively, may sit.”

Buying methods are also expanding for buyers, with the influx of startup brokerages that offer to purchase homes for buyers battling cash offers. While it may seem innovative now, Lindsay doesn’t believe this approach will mean a loss of buyers working with traditional real estate firms. “As far as the startups who are seeking to cash in on the hottest real estate market in the country, I think their timing is off. The company that offers to pay all cash for homes on behalf of buyers they later turn it over to probably should’ve come up with their idea last year.” And, she continued, it may prove more costly for buyers who participate. “If the buyer’s concern is competing in a multiple offer situation and winning, they’d be far better off to work with a broker who is experienced in multiple offers and a trained and expert negotiator.”

Despite the slight slowdown in buyer traffic, housing prices continue to go up, rising 5.9% in Issaquah and 7.8% in Sammamish over prices just a year ago. “Escalation clauses are still in offers but the end result is no longer the highest amount the winning bidder is willing to pay. It’s still over the listed price but not dramatically higher,” commented Lindsay. She believes pricing may stabilize more as the summer continues. “As we’ve passed the season of the year where most of the appreciation occurs, buyers can expect home prices to level out a bit, at least for this year. “

And as Lindsay perceives it – that’s a good thing for everyone concerned: “Overall we have a healthy, steady real estate market. If the trend towards more listing inventory continues, we may see the market turn more balanced, which would be good for both buyers and sellers.”