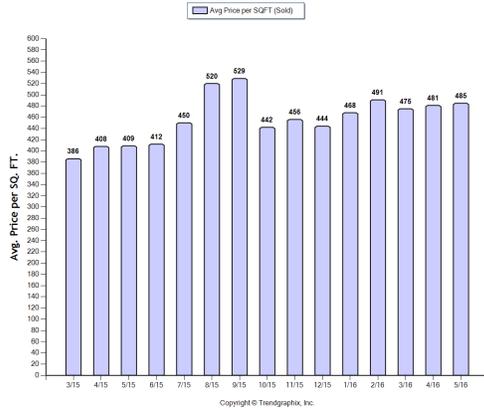


Metro Seattle Real Estate Market Update | Condominium May 2016

Windermere tracks key performance indicators to determine the current state of the market and to anticipate trends. This report looks at Metro Seattle from West Seattle to Lake Washington and north to Shoreline & Kenmore. We trust that this data combined with our expertise will help you to make sound decisions.

PRICE TRENDS



Seattle area condo prices held steady, with the average price per-square-foot in May of \$485, up from \$409 in May of 2015. Supply was flat from a month earlier. Residential buildings under construction are primarily designed for the apartment market, where rents for new construction are \$2.93/SF per month. We are now seeing dedicated condo construction again in the Seattle area. These are mostly concentrated in the higher density neighborhoods.

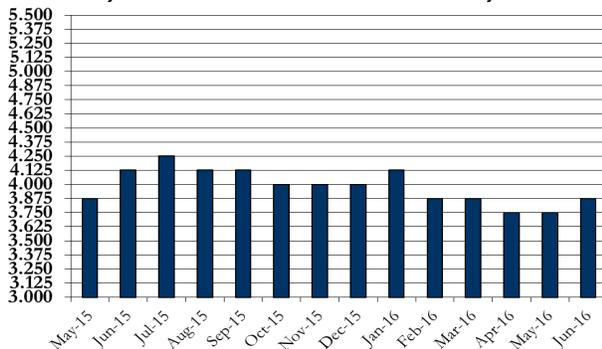
MARKET ACTIVITY



Sellers continue to profit from the market. The number of condos for sale decreased by 15%, while those placed under contract decreased by 7% when compared to May 2015. These factors leave .8 months of condominium inventory on the market (based on pending sales), down from .9 months last year. Average cumulative days on market is down 50% compared to last year, to 16 days. The average list price for the City's condos increased year on year to \$796K, and the average sold price increased to \$433K.

Interest Rates: Rolling 13 Month

30 year fixed interest rate shown as of 1st business day of month



FINANCIAL MARKET TRENDS

After moving higher in anticipation of the May jobs report, mortgage rates dropped back to close to 3-year lows after the dreadful employment number.

As we are very unlikely to see the Fed raise rates in June (I am holding onto a July bump) rates will remain at around current levels but watch events in Europe carefully. With Great Britain voting on possibly leaving the European Union, and the start of a new bond buying exercise by the European Central Bank, rates may actually drop a little this month.