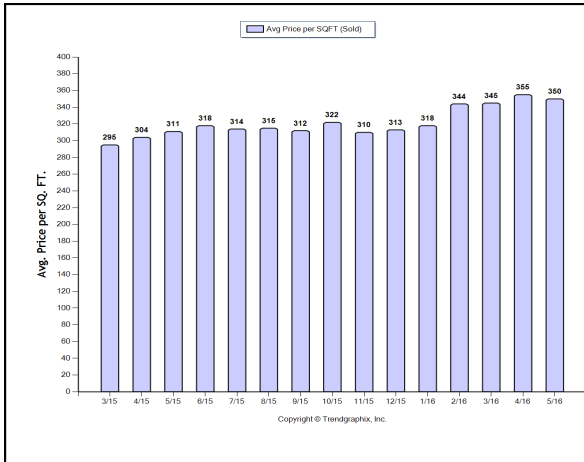


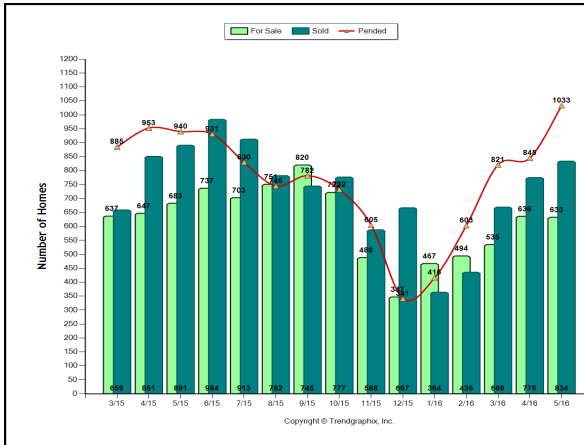
Metro Seattle Real Estate Market Update | Residential May 2016

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.



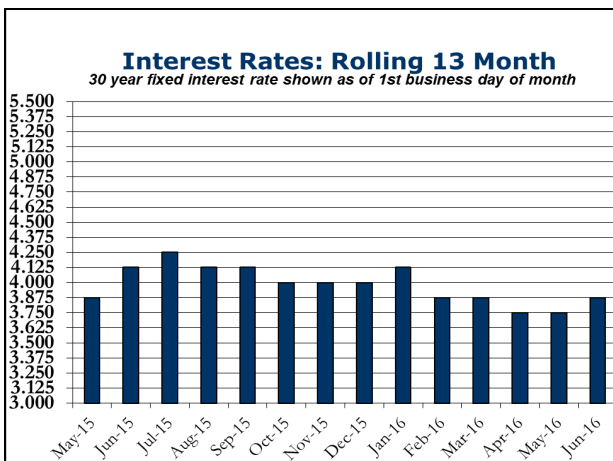
PRICE TRENDS

Prices on a per-square-foot basis are up 13% from the same time last year, with an average sold price of \$708K, compared to \$629K. First time buyers, relocation buyers and investors are competing to capitalize on continued favorable interest rates. Windermere brokers indicate clients' frustration with lack of inventory. Absorption rates increased 8% compared to last month, and increased 1% compared to last year, both of these indicate the market will continue to be tight going forward.



MARKET ACTIVITY

The number of homes in pending status increased month-on-month to 1033 for May, down from 940 a year earlier. There was .6 months of housing inventory on the market, down slightly from .7 months last year based on pending sales. Average cumulative days on market for new listings was 16 days, down from 18 days for the same time period last year. The continued strong local employment market and new hiring by firms in the Seattle Metro area may be responsible for the high level of demand for housing.



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.