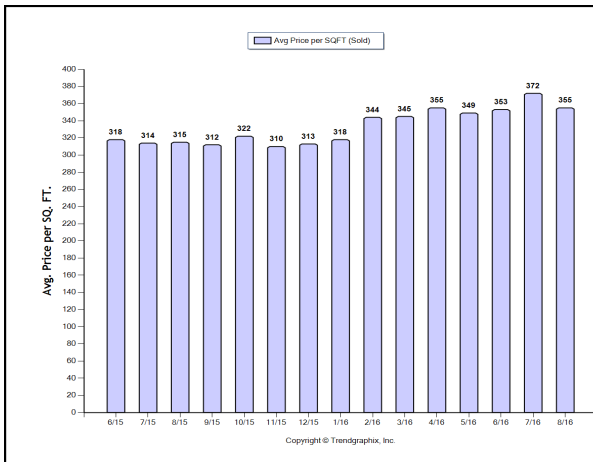


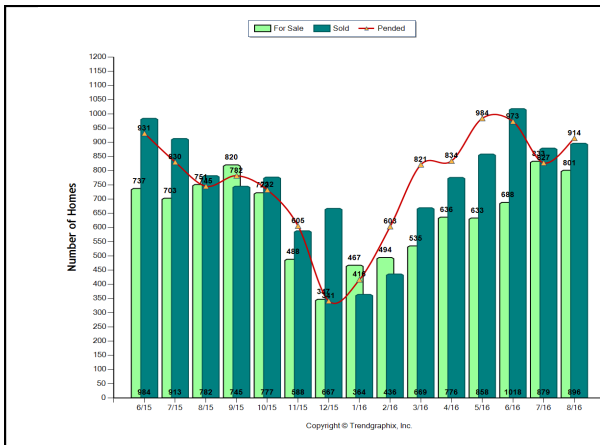
## Metro Seattle Real Estate Market Update | Residential August 2016

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.



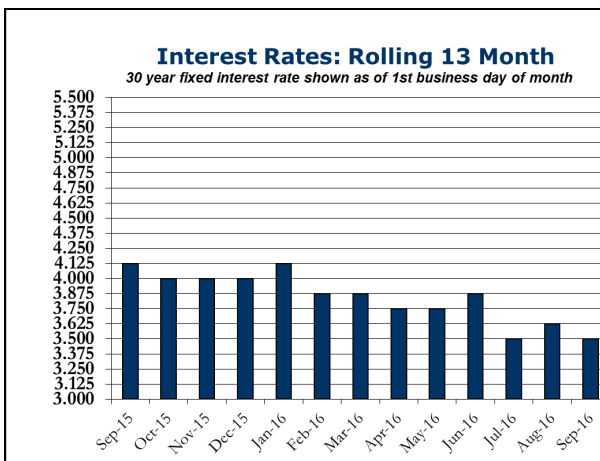
### PRICE TRENDS

Prices on a per-square-foot basis are up 13% from August 2015, with an average sold price of \$686K, compared to \$634K. First time buyers, relocation buyers and investors are competing to capitalize while interest rates continue to be favorable. Windermere brokers indicate clients' continued frustration with lack of inventory. Absorption rates increased 6% compared to last month, and increased 7% compared to last year, however, indicating that the market will likely continue to be tight for the foreseeable future.



### MARKET ACTIVITY

The number of homes in pending status increased month-on-month to 914 for August as well as increasing from 745 a year earlier. There was .9 months of housing inventory on the market, down slightly from one month last year based on pending sales. Average cumulative days on market for new listings was 16 days, down from 22 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

Although remaining very competitive, mortgage rates are in a vulnerable position right now. Europe is considering slowing its purchase of treasuries and the Federal Reserve is now thinking about raising rates earlier than many anticipated. This "one-two" punch has disturbed the market and allowed rates to spike.

These represent the biggest threats we've seen to the low, narrow rate range that has been in place for the past 2 months. The only safe bet here is to plan for rates to continue to move higher until, and unless, they prove they can do otherwise.