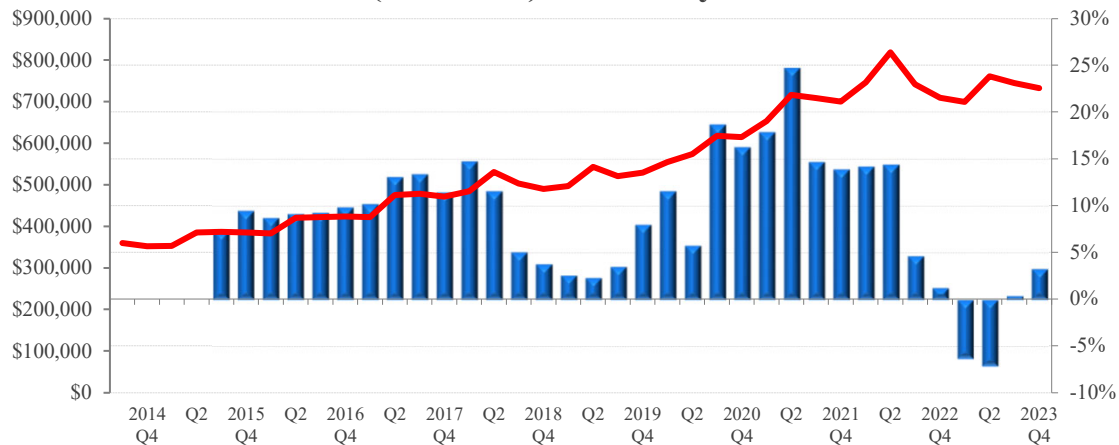


## Seattle-Tacoma-Bellevue Area

### Local Market Report, Fourth Quarter 2023

## Today's Market...

**Median Price (Red Line) and One-year Price Growth**



**Local Price Trends**

Price Activity	Seattle	U.S.	Local Trend
Current Median Home Price (2023 Q4)	\$732,200	\$387,300	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q4)	3.3%	3.9%	
3-year (12-quarter) Appreciation (2023 Q4)	19.1%	24.5%	
3-year (12-quarter) Housing Equity Gain*	\$117,500	\$76,300	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$308,900	\$153,367	
9-year (36 quarters) Housing Equity Gain*	\$380,200	\$179,667	

\*Note: Equity gain reflects price appreciation only

	Seattle	U.S.	
<b>Conforming Loan Limit**</b>	\$977,500	\$1,149,825	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$977,500	\$1,149,825	
<b>Local Median to Conforming Limit Ratio</b>	75%	not comparable	

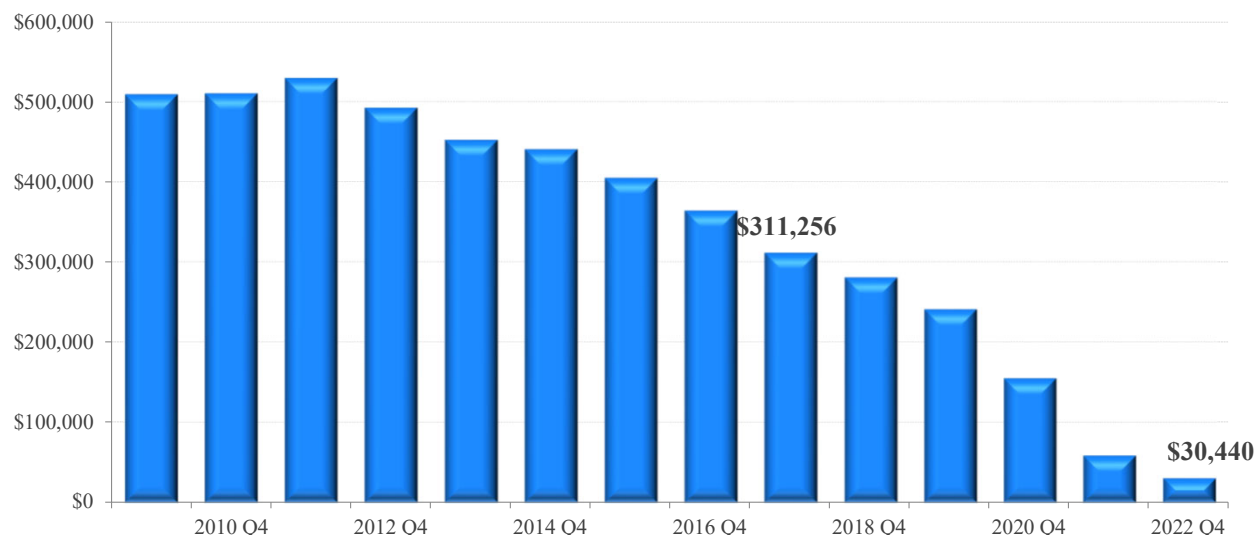
Note: limits are current and include the changes made on January 1st 2024.

#### Local NAR Leadership

The Seattle-Tacoma-Bellevue market is part of region 12 in the NAR governance system, which includes all of Montana, Idaho, Washington, Oregon, and Alaska. The 2024 NAR Regional Vice President representing region 12 is Evelyn Arnott.

## Benefits of Ownership: Total Equity Appreciation

**Total Equity Accrued to Owner by Year and Quarter of Purchase**



**Total Equity Gained\*\* through 2023 Q4 from quarter in which home was of purchased**

Price Activity	Seattle	U.S.	Local Trend
1-year (4-quarter)	\$30,440	\$18,387	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$154,773	\$95,158	
5-year (20-quarter)*	\$280,487	\$151,356	
7-year (28 quarters)*	\$363,933	\$183,780	
9-year (36 quarters)*	\$440,229	\$215,076	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

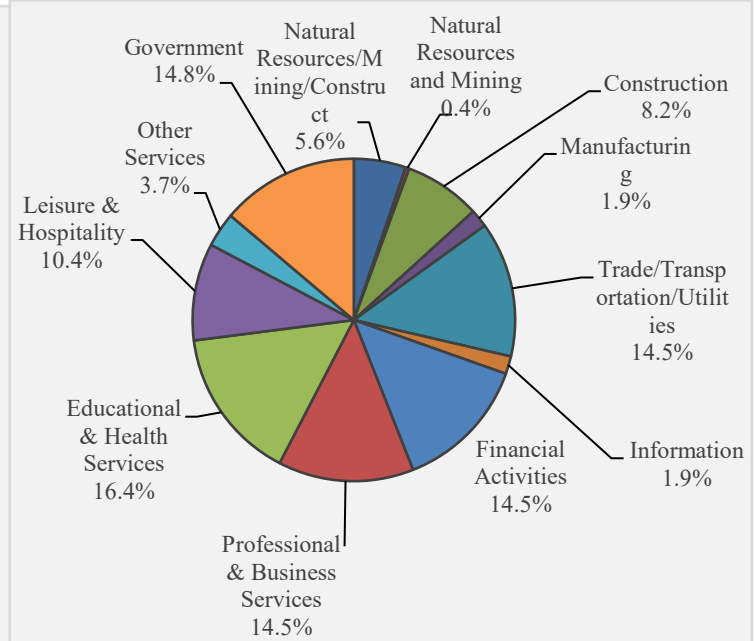
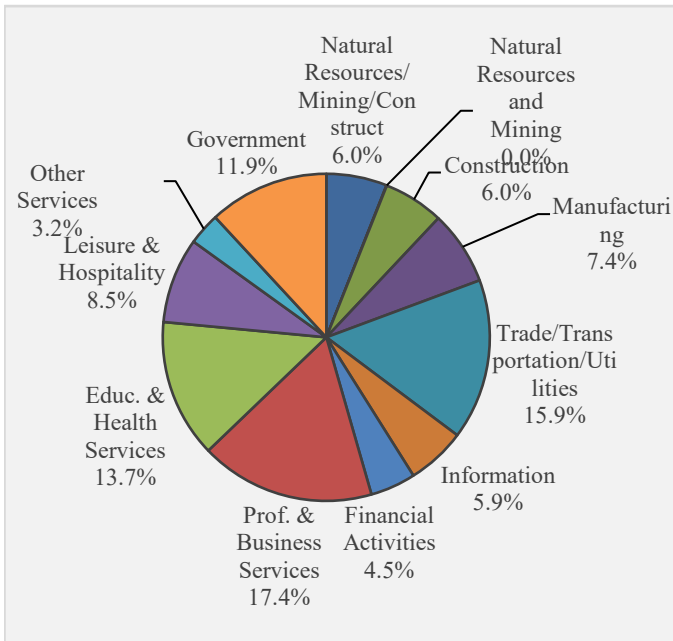
# Drivers of Local Supply and Demand...

Local Economic Outlook	Seattle	U.S.	
12-month Job Change (Dec)	41,200	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Nov)	45,200	Not Comparable	
36-month Job Change (Dec)	222,700	Not Comparable	Seattle's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Dec)	3.9%	3.7%	
Year-ago Unemployment Rate	3.5%	3.5%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.9%	2.3%	

## Share of Total Employment by Industry

Seattle-Tacoma-Bellevue Area

U.S.



### 12-month Employment Change by Industry (Dec - 2023)

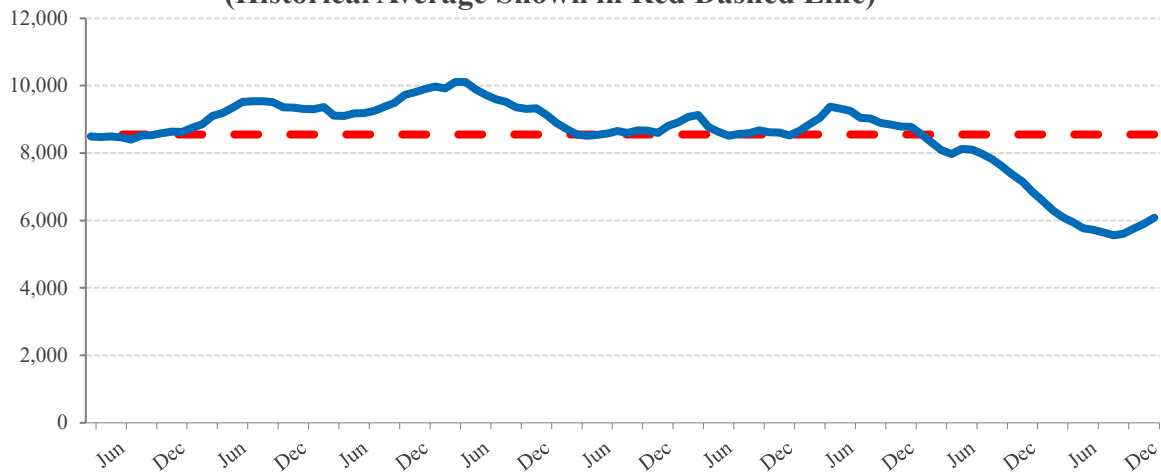
Goods Producing	NA	Information	-8,200
Natural Resources/Mining/Construction	-3,500	Financial Activities	700
Natural Resources and Mining	-100	Prof. & Business Services	1,900
Construction	-3,400	Educ. & Health Services	24,000
Manufacturing	6,500	Leisure & Hospitality	8,300
Service Providing Excluding Government	NA	Other Services	1,900
Trade/Transportation/Utilities	5,200	Government	8,400

State Economic Activity Index	Washington	U.S.	
12-month change (2023 - Dec)	3.6%	3.0%	Washington's economy is stronger than the nation's, but slowed from last month's 4.32% change
36-month change (2023 - Dec)	17.9%	14.3%	

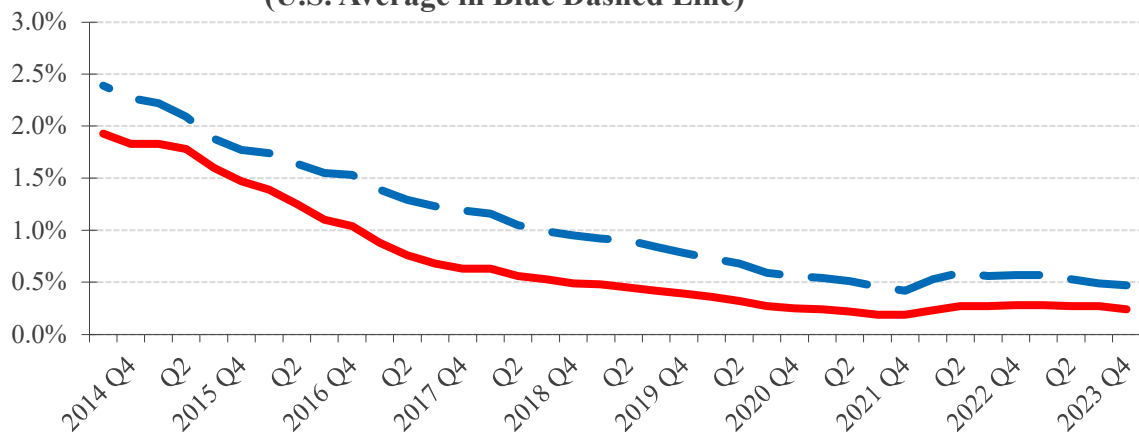
## New Housing Construction

Local Fundamentals	Seattle	U.S.	
12-month Sum of 1-unit Building Permits through Dec	6,080	not comparable	The current level of construction is 28.9% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	8,556	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	-11.2%	-6.1%	Construction is down from last year, but appears to have bottomed.

**Construction: 12-month Sum of Local Housing Permits**  
(Historical Average Shown in Red Dashed Line)



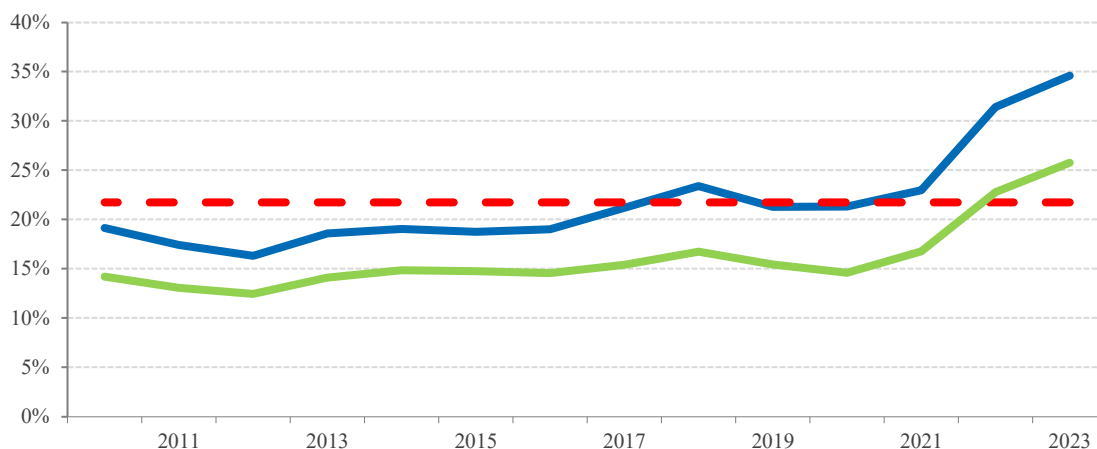
**State Total Foreclosure Rate vs. U.S. Average**  
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

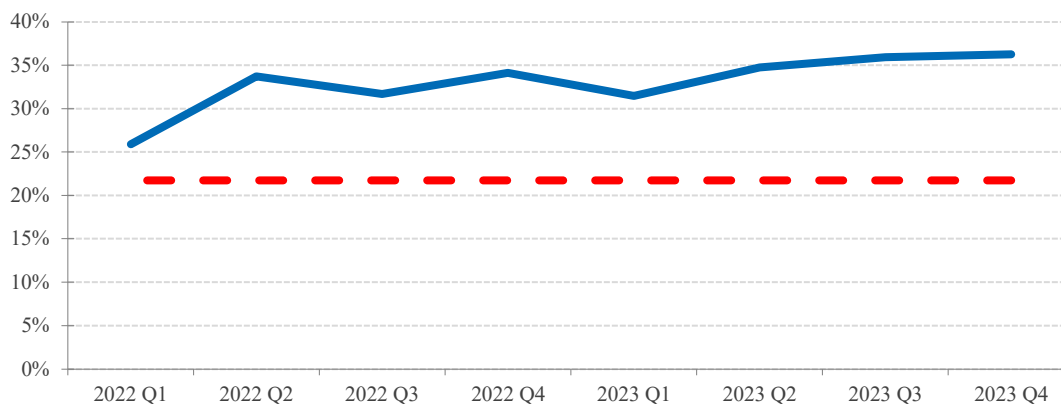
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

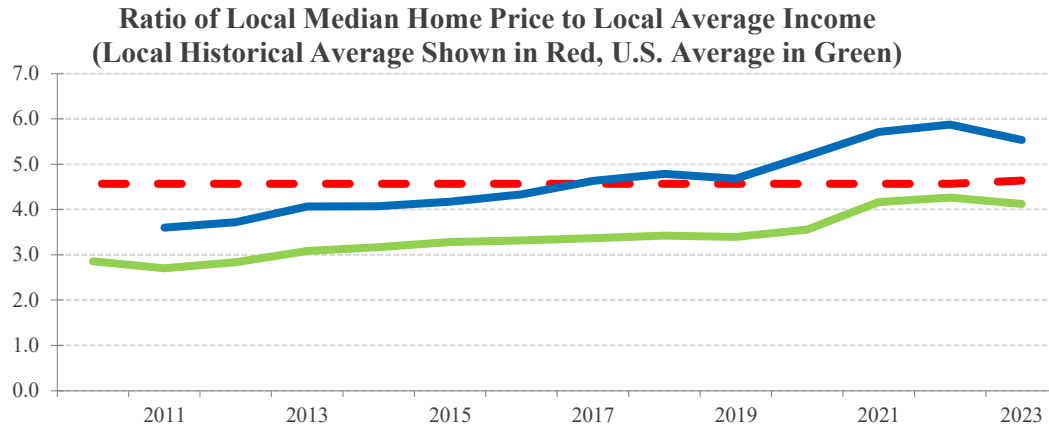


Monthly Mortgage Payment to Income	Seattle	U.S.	
Ratio for 2023	34.6%	25.8%	Weak by local standards and could weigh on demand
Ratio for 2023 Q4	36.3%	25.5%	
Historical Average	21.7%	17.0%	Weaker affordability than most markets

**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Seattle	U.S.	
Ratio for 2023	5.5	4.1	The price-to-income ratio eased, but could be better
Ratio for 2023 Q4	5.5	3.9	
Historical Average	4.6	3.4	Less affordable than most markets



## The Mortgage Market



Throughout much of the final quarter of the year, mortgage rates remained elevated near 7.5 percent. According to the mortgage provider Freddie Mac, the 30-year fixed mortgage rate rose to 7.3 percent in the fourth quarter of 2023 from 6.7 percent the previous year. Nevertheless, rates fell below 7 percent at the end of year as the Federal Reserve continued to halt its interest rates hikes. With lower interest rates on the horizon, mortgage rates are expected to continue their downward trend in 2024, thereby enhancing affordability for potential homebuyers.

NAR forecasts the 30-year fixed mortgage rate to average 6.8 percent in the first quarter of 2024, with a further decline expected to bring them below 6.6% by the end of the first half.

## Geographic Coverage for this Report

The Seattle area referred to in this report covers the geographic area of the Seattle-Tacoma-Bellevue metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

King County, Pierce County, and Snohomish County

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

