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BROKERAGE REPORT: IN-CITY HOUSING DEMAND TRENDS “DIRECTIONALLY POSITIVE” IN ALL PRODUCT TYPES, PRICE POINTS

Survey Result Cites Improving Consumer Confidence and Threat of Rising Interest Rates

April 30, 2010 (Seattle, WA) - Offering further validation that the in-city housing market is improving, *Realogics Sotheby's International Realty* reports a significant increase in pending sales activity at each of their condominium communities and numerous resale listings around Seattle. More than \$25 million in transactions were mutually accepted at the brokerage during April – the strongest demonstration of buyer demand in two years, according to Sam Cunningham, the Broker and Partner in Realogics Sotheby's International Realty.

“Buyers are back,” said Cunningham. “We’re witnessing a notable rise in purchase activity for all price points and product segments around the city – traffic and sales are trending upwards.”

Market pundits expected a surge at lower price points because the homebuyer tax credits expire today. “But the expansion was actually felt across the board,” said Dean Jones, President and Owner of Realogics Sotheby's International Realty. “And we believe this is more than a seasonal spike - many homebuyers that sat on the sidelines have reconciled the market dynamics and are ready to make a move.”

The “wait-and-see” mentality subsides quickly as consumer confidence increases, according to Jones. “Unlike this time last year, buyers can now tour all new construction inventories, compare their newly adjusted market values and buy without fearing the future,” he said. “As pricing stabilizes the game changes for those trying to time the market bottom – buyers are now becoming more focused on securing low interest rates and preferred selection.”

In a recent *New Home Council / Realogics* survey of 150 registered homebuyers 85.5% of respondents believe that it's a good time to buy a new home citing two primary reasons: (1) home values have corrected and respondents don't want to miss the opportunity as supply is absorbed; and (2) interest rates are low so savings on monthly payments outweigh potential benefits of waiting for further price discounts. Indicating greater buyer confidence, 58.7% stated the local housing market is better than the national average while 34.7% say it's the same. Only



6.6% believed its worse. Similarly, 47.5% say the local economy is better than it was last year, while 35.2% say things are the same. Only a small fraction of respondents (17.2%) feel the worst is yet to come.

Moira E. Holley, a Co-Founding Director with Realogics Sotheby's International Realty says sellers are becoming more realistic on market pricing and luxury has become more affordable. By example, Holley represented out-of-town buyers for the top residential purchase in Seattle for a non-waterfront home in April, which was listed at more than \$9 million. "Thankfully, our housing demand isn't just local," she said. "We're doing more and more relocation and second home transactions, which includes some high-end leases as buyers continue to search for that perfect home."

Internet searches have also increased substantially, according to James H. Stroupe, creator of the *Stroupe Condo Blog* and Co-Founding Director with Realogics Sotheby's International Realty. "Buyers are starting to realize that no new inventory will be delivered for a very long time and the supply is absorbing in the most preferred in-city areas," Stroupe said. "This appears to be a strong motivator for buyers in this current cycle. They finally see the bottom forming and don't want to be left out."

According to the *S&P / Case-Shiller Home Price Index*, the rate of decline in the Seattle Metro Area (tri-county) has reversed trajectory but remains at a new low for median home value – the lowest since March 2005 before the housing bubble inflated. By contrast, the 10-city and 20-city indices for the nation finally posted their first year-over-year increase in median home prices in more than two years. These recent statistics are computed as of February 2010 so they don't reflect more positive activity that was recorded during March or April 2010.

"Seattle traditionally lags the national housing trends so an early uptick locally is encouraging," said Jones. "It could mean that Seattle was one of the last markets to correct and may become one of the first to recover led by the in-city segment."

ABOUT REALOGICS SOTHEBY'S INTERNATIONAL REALTY

Representing distinctive properties throughout the Seattle area and beyond, Realogics Sotheby's International Realty is a full-service real estate brokerage with more than 70 years of combined executive experience and honored by more than 125 regional and national awards for marketing and sales excellence. As the Seattle affiliate for the *Sotheby's International Realty*® network, local listings are featured worldwide with more than 8 million unique visitors each month. Each office is independently owned and operated. For more information visit www.RealogicsSothebysRealty.com.