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YEAR IN REVIEW

A special report on Mercer Island home sales

JANUARY 2013


Windermere
REAL ESTATE

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FIVE-YEAR SNAPSHOT

Single Family Homes							
Year	# Sold	Average \$ Per Sq Ft	Average List Price	Average Sale Price	Median Sale Price	Average Market Time	Average % SP/LP
2008	188	\$452	\$1,566,083	\$1,464,364	\$1,025,000	78 Days	94%
2009	173	\$327	\$1,224,474	\$1,084,832	\$819,000	114 Days	89%
2010	220	\$402	\$1,232,055	\$1,135,100	\$829,500	86 Days	92%
2011	260	\$339	\$1,144,171	\$1,060,428	\$824,000	103 Days	93%
2012	297	\$377	\$1,309,034	\$1,215,391	\$856,000	91 Days	93%
Condominiums and Townhomes							
Year	# Sold	Average \$ Per Sq Ft	Average List Price	Average Sale Price	Median Sale Price	Average Market Time	Average % SP/LP
2008	21	\$348	\$436,358	\$423,166	\$365,000	109 Days	97%
2009	37	\$278	\$363,408	\$347,535	\$325,000	99 Days	96%
2010	40	\$345	\$397,353	\$378,153	\$292,000	63 Days	95%
2011	42	\$266	\$376,287	\$358,152	\$242,500	151 Days	95%
2012	45	\$239	\$311,015	\$301,186	\$243,350	117 Days	97%
Vacant Land							
Year	# Sold	Average \$ Per Acre	Average List Price	Average Sale Price	Median Sale Price	Average Market Time	Average % SP/LP
2008	6	\$3,616,387	\$1,836,650	\$1,619,000	\$1,762,500	73	88%
2009	5	\$3,651,675	\$1,711,200	\$1,386,600	\$915,000	216	81%
2010	4	\$1,463,258	\$1,080,738	\$941,250	\$737,500	279	87%
2011	9	\$3,264,374	\$1,744,761	\$1,724,044	\$700,000	285	99%
2012	23	\$1,908,784	\$793,430	\$706,250	\$505,000	191	89%

2012 marked a change of course for Mercer Island home prices with year-over year gains in both the median and average sales price for the first time in five years. Sales activity has continued at a brisk pace with 297 residential homes sales compared to 260 in 2011 and 220 in 2010.

While rising prices are a welcome sight to sellers, buyers are benefitting from our record-low interest rates. The Annual Monthly Cost Index shows that the monthly interest expense of owning a home—what matters most to the bottom line—is on par with that of 1998.

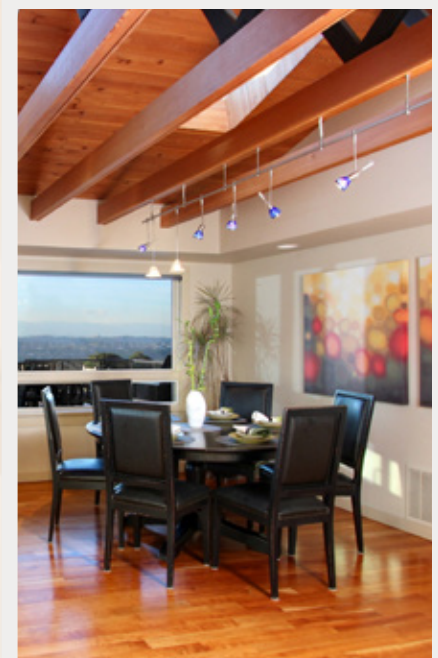
2012 also saw the number of Mercer Island homes for sale drop to its lowest level in the past 15 years (as far back as we have been keeping record). The success of the 2013 real estate market will pivot on the available inventory of homes for sale to meet the demand of serious buyers in the market.

Of the year's home sales, 106 were above \$1,000,000, while only 24 were below \$500,000. Bank-owned and short sales made up only 5% of the sales in 2012.

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SINGLE FAMILY HOMES BY NEIGHBORHOOD

Area	# Sold	Average Sq Ft	Average \$ Per Sq Ft	Average List Price	Average Sale Price	Median Sale Price	Average Market Time	Average % SP/LP
Northend	52	3647	\$374	\$1,470,844	\$1,368,269	\$1,032,500	121 Days	93%
First Hill	28	2450	\$309	\$901,647	\$868,164	\$768,000	59 Days	96%
East Seattle	7	2818	\$303	\$1,443,493	\$1,326,714	\$1,275,000	140 Days	92%
Westside	40	3758	\$348	\$1,777,092	\$1,591,198	\$1,016,000	160 Days	90%
Mercerdale-Lucas Hill	7	2077	\$253	\$621,664	\$620,286	\$615,000	80 Days	100%
Madrona Crest	5	1955	\$296	\$506,390	\$502,000	\$480,000	39 Days	99%
Mercerwood	9	3164	\$307	\$869,661	\$839,222	\$869,000	111 Days	96%
Mercer Ridge/Terrace	1	3390	\$323	\$898,000	\$898,000	\$898,000	2 Days	100%
Mid-Island	34	2676	\$290	\$789,257	\$770,345	\$727,500	47 Days	98%
Parkwood	2	2949	\$294	\$1,074,000	\$1,059,500	\$1,059,500	82 Days	99%
Eastside	18	3279	\$412	\$1,164,858	\$1,093,289	\$950,000	109 Days	94%
Mercer Island Estates	3	2557	\$345	\$746,333	\$762,833	\$800,000	6 Days	102%
The Lakes	3	2973	\$334	\$1,005,667	\$953,333	\$945,000	47 Days	95%
Southend	45	3219	\$291	\$1,115,354	\$1,061,584	\$850,000	67 Days	95%
Undefined	43	3749	\$280	\$1,973,467	\$1,775,926	\$850,000	73 Days	90%
Market Averages	3228	\$377	\$1,309,034	\$1,215,391	\$856,000	91 Days	93%	



Photos courtesy of Dan Achatz Photography, danachatz.com

At 45 condominium sales for the year, buyers have purchased almost all of the available units for sale. Distressed sales dropped to 16% as compared to 50% in 2011. While sales prices continue to be impacted by the previous distressed sales, all indications are that they will rise in 2013.

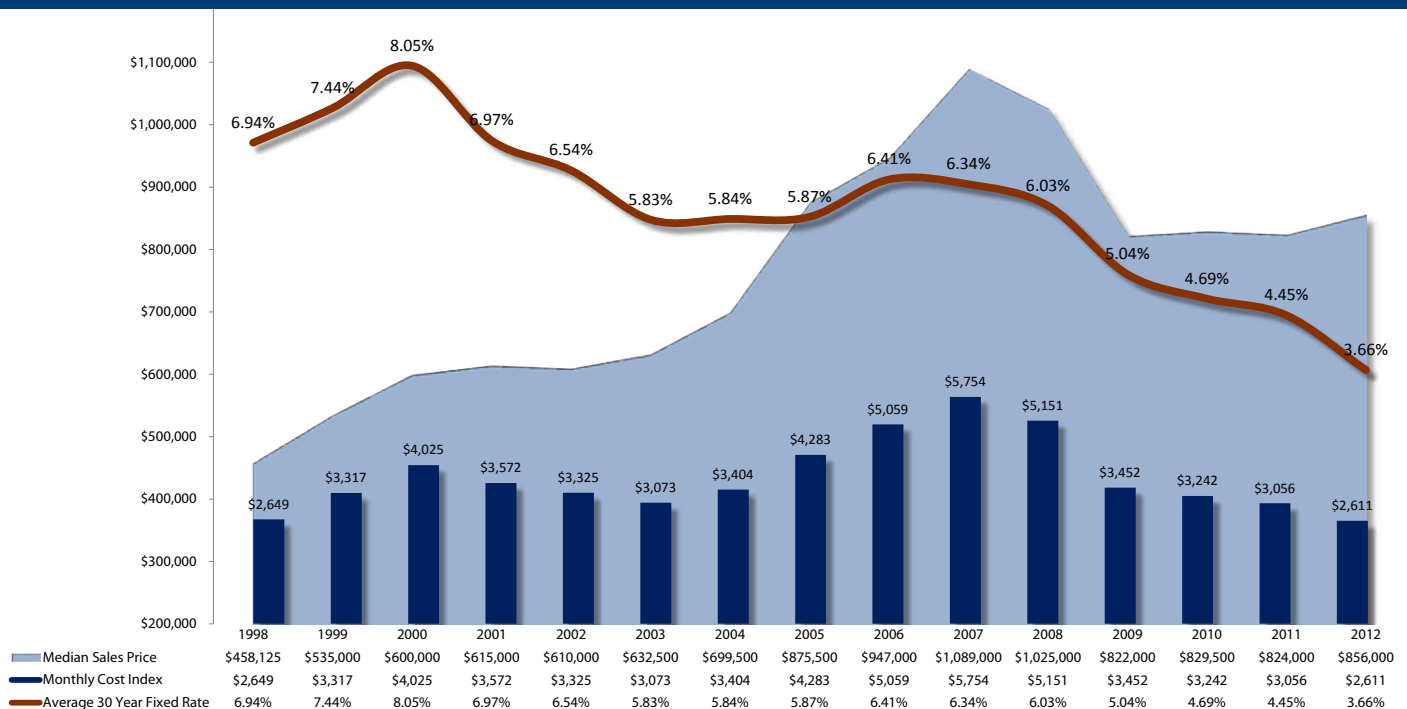
Private waterfront homes continued to sell at a brisk pace with 29 sales in 2012 ranging from \$1,132,000 to \$21,625,000. The average cost per waterfront foot increased 14% to \$39,274 and the average cost per home square foot increased 13% to \$780.

With its proximity to major employment centers, excellent schools and strong community presence, Mercer Island continues to be positioned for solid growth in 2013.

CONDOMINIUMS AND TOWNHOMES									
Condominium Name	Year Built	# Sold	Average Sq Ft	Average \$ per Sq Ft	Average List Price	Average Sale Price	Median Sale Price	Average Market Time	Average % SP/LP
Carlton	1989	5	1020	\$238	\$241,760	\$242,780	\$240,000	37 Days	98%
Chateau	1981	1	1442	\$170	\$238,000	\$245,000	\$245,000	3 Days	103%
Devington	1979	3	1372	\$189	\$262,267	\$259,800	\$258,000	39 Days	98%
Island Court	1969	1	1113	\$196	\$217,500	\$218,000	\$218,000	251 Days	100%
Island Habitat	1977	3	611	\$263	\$172,300	\$160,667	\$117,000	15 Days	93%
Islandaire	1972	2	3132	\$145	\$486,250	\$454,000	\$473,000	63 Days	91%
Lake Pointe	1992	2	1939	\$359	\$724,000	\$697,000	\$699,000	198 Days	89%
Landmark Villa	1980	1	1081	\$171	\$199,950	\$185,000	\$185,000	78 Days	74%
Mercer Isle	1960	5	1274	\$171	\$224,780	\$217,460	\$219,000	128 Days	93%
Mercerdale Park	1999	1	2140	\$403	\$925,000	\$862,500	\$862,500	693 Days	93%
Monaco Villa	1968	2	1020	\$205	\$214,000	\$209,000	\$209,000	7 Days	98%
Monseratt	1997	1	1355	\$321	\$434,950	\$434,950	\$434,950	365 Days	97%
Parc Mercer	1982	4	1179	\$175	\$217,463	\$206,250	\$210,000	96 Days	90%
Ridgewood	1968	6	969	\$247	\$242,500	\$239,575	\$230,000	116 Days	97%
Watercourse	1996	4	2198	\$231	\$522,500	\$507,500	\$515,000	167 Days	90%
Woodlake	1973	3	1298	\$188	\$256,500	\$243,900	\$200,000	170 Days	85%
Market Averages			1362	\$239	\$311,015	\$301,186	\$243,350	117 Days	93%

Find waterfront stats at TheWaterfrontReport.com

**ANNUAL MEDIAN SALES PRICE
 OVERLAID WITH ANNUAL INTEREST RATE AND MONTHLY COST INDEX**



This chart illustrates how interest rates have dropped so dramatically that buyers actually pay **less** monthly interest on a \$856,000 house today than they did on a \$458,125 house back in 1998. Lower interest rates lead to greater purchasing power and lower monthly mortgage payments.