

# MERCER ISLAND

*third quarter 2018  
market review*

a quarterly report on single family  
residential real estate activity



[LOCALINSEATTLE.COM](http://LOCALINSEATTLE.COM)

206.232.0446 | [windermere Mercer Island.com](http://windermere Mercer Island.com)

# Q3 MERCER ISLAND

## *quarterly report*



Quarters like Q3 2018 remind us how crucial it is to delve into the data behind the numbers instead of relying on only the bottom line. The Q3 median sale price was 19.7% higher than that of Q3 2017. Did prices really go up nearly 1/5 on Mercer Island in just the past year? No, they did not. So, what happened? Q3 of 2017 was an anomaly with many land-value sales transacting at the low end of the price spectrum. The effect was that the median sale price was 10.2% lower than Q1 of that same year. Far fewer moderately priced homes transacted in Q3 of this year.

There were 89 sales in Q3 2017 and of those sales 45 were of homes priced below \$1.5 million. Compare that to Q3 of 2018 with 74 sales, of which only 28 were priced below \$1.5 million. The differential of sales between the two years was almost entirely composed of entry-level and land value home sales.

To further prove this, we looked at comparable homes sold this year and last (an approach like that of the Case-Schiller index). All things being roughly equal, the median sale price of that subset of homes increased only 9.0% from Q3 2017 to Q3 2018. This number is far more in alignment with what we have truly experienced in our market.

We've seen a 34% increase in the average number of single-family homes for sale on the Island and a 17% decrease in the number of homes sold (remember those algebra equations with two trains running at different speeds in opposite directions?). The result is a 67% increase in the months of inventory listed for sale on Mercer Island—from 2.1 to 3.5. This means that it would take 3.5 months to sell all the homes currently on the market at the existing rate of sales and assuming that no new homes came to market.

Where does this leave Mercer Island? Very comfortable, actually. 3.5 months of inventory is a healthy and balanced market. One where buyers have options to choose from, time to conduct their due diligence, and leave a little bit of negotiating room. Sellers, while possibly reeling from the sudden shift in the market, should not forget that they have gained 60.2% in median sale price increases over the past five years, give or take a few dollars. All things considered, this is not a bad position to be in at all.



*one year trend*



**19.7%**

*five year trend*

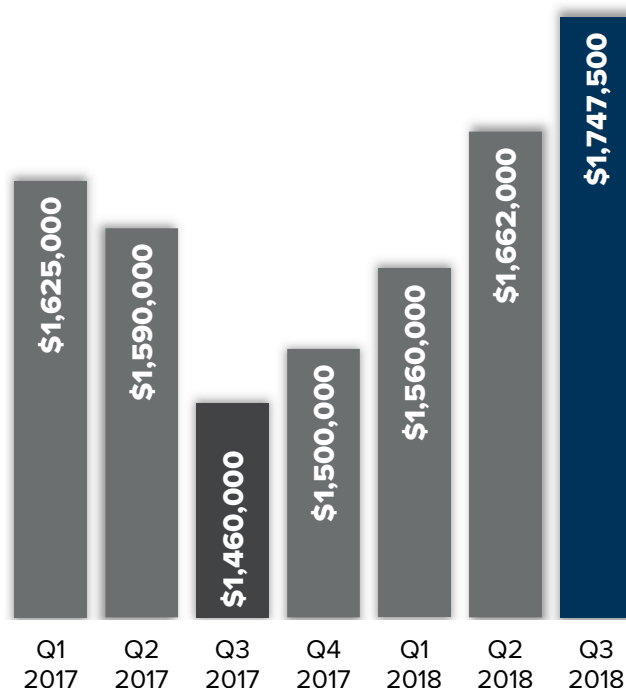


**60.2%**

*price per square foot*

**\$586**

### *Median Sale Price*



© 2018 Windermere Mercer Island. Information & statistics derived from Northwest Multiple Listing Service.

# NEIGHBORHOOD



## overview

Single-Family Neighborhoods		Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
<b>NORTHEND</b>	# sold	11	10	6	21	16
	median price	\$2,125,000	\$2,277,500	\$2,404,000	\$1,405,000	\$1,815,000
<b>FIRST HILL</b>	# sold	11	5	2	4	5
	median price	\$1,410,000	\$1,100,000	\$1,445,000	\$1,223,000	\$1,500,000
<b>EAST SEATTLE</b>	# sold	1	1	1	1	2
	median price	\$1,093,400	\$975,000	\$720,000	\$3,070,000	\$2,050,000
<b>WESTSIDE</b>	# sold	12	11	10	13	9
	median price	\$2,330,000	\$2,215,000	\$1,665,000	\$2,595,000	\$1,940,000
<b>MERCERDALE</b>	# sold	3	6	6	5	8
	median price	\$1,315,500	\$1,178,000	\$1,345,000	\$1,551,000	\$1,961,500
<b>MERCERWOOD</b>	# sold	6	4	4	3	3
	median price	\$1,105,000	\$1,198,500	\$1,259,000	\$1,234,000	\$2,268,000
<b>MID-ISLAND</b>	# sold	23	11	9	19	14
	median price	\$1,325,000	\$1,400,000	\$1,510,000	\$1,870,000	\$1,509,000
<b>EASTSIDE</b>	# sold	9	16	6	10	4
	median price	\$1,629,600	\$1,700,000	\$2,020,000	\$1,574,000	\$3,225,000
<b>MI ESTATES</b>	# sold	0	0	1	2	1
	median price	N/A	N/A	\$1,288,000	\$1,638,500	\$1,150,000
<b>THE LAKES</b>	# sold	1	1	1	1	1
	median price	\$2,120,000	\$2,250,000	\$2,010,000	\$2,150,000	\$1,780,000
<b>SOUTHEND</b>	# sold	12	14	12	16	11
	median price	\$1,416,500	\$1,455,250	\$1,620,000	\$1,697,500	\$1,460,000



highest sale

**\$4,800,000**

lowest sale

**\$847,000**

number of  
homes sold

**74**

*A savvy way to search*

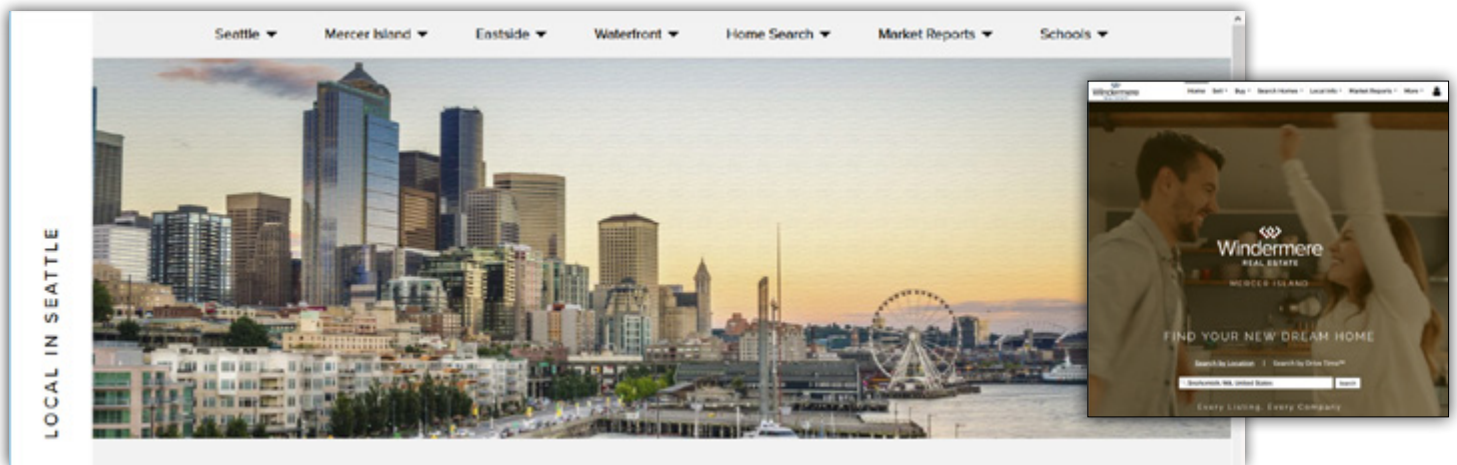
# HOMES & STATS ONLINE



Looking for real-time information on today's real estate market? If so, your search is over!

We publish weekly residential and waterfront reports, along with monthly and quarterly overviews, to **LocalinSeattle.com**, providing a summary analysis of what's happening each week in 18 different residential and condo micro-markets throughout Seattle, Mercer Island and the Eastside.

In addition to statistical data, you'll find resources for researching homes and neighborhoods, community profiles, maps, links and school data. And, you can search for every property listed for sale—by any real estate company on **WindermereMI.com**.



How have these latest market trends affected **your** home's value?  
Stay in the know—contact me any time for a complimentary home value analysis.

