



GROUP ESTES *realty*

## What Will 2013 Hold for the Housing Market?

Dear Friend,

*January 2013*

Most of us are very curious (and hopeful!) about what the housing market will look like in 2013. Since housing is seen as a leading indicator of economic recovery, even people who aren't looking to enter the market to buy and/or to sell are anxious to see if this will be the year that the market fully recovers. And does its job helping the rest of the economy to continue to strengthen...

This month, I'm sending along information that summarizes the status of both the national and local housing markets. The first page offers predictions and projections for the national housing market this year. Page two provides three reasons why it's important to pay attention to what's going on in your local market. Although the national market can give us an idea of the overall state of housing, only the local market directly impacts you and your home.

The local market is, of course, why we publish local market statistics on a monthly basis. And why we've added the Community View snapshots to the website as well. Then many of you also receive the quarterly market surveys that we provide, a snapshot of what the market is doing in your actual neighborhood and other nearby activity. I believe in information and I am committed to providing you with data that helps you to make good decisions for yourself and others in your life. If you or someone you know should be getting more of this information and are not, please let me know!

The local market really delivered for sellers this year. On an annual basis as compared to 2011, 2012 offered less inventory throughout the region – King, Snohomish and Pierce counties. Properties sold faster. And average sale prices are *rising*. King County is up almost 4%, with both the Eastside and Seattle Metro reflecting ~3.5% increases. Snohomish County is up almost 4.5%, with the Southeast reporting 2% and Southwest Snohomish 5%. Pierce County has now joined the positive numbers, delivering almost 1.5% higher pricing. The healing is greater in more urban areas, but the healing has been consistent.

Comparing the 4<sup>th</sup> quarter of 2012 to the 4<sup>th</sup> quarter of 2011 offers an even more dramatic picture. King County saw a 17% rise in average sale prices; the Eastside and Seattle each saw 13%. But why focus on the spikes of a quarter when we now have annual data? No one expects double-digit growth in pricing. The 'old normal' is 3-to-5% annual appreciation. And 2012 is the first year I've been able to report healthy positive annual appreciation to you since I began delivering this kind of data to you in January 2008. We thought 2010 – given that it was a relatively stable year – was going to be the beginning of the healing, but 2011 took the market back down again. I am confident that I speak for all of us when I say that it will be really nice to find that the 'new normal' reflects a healthy economic climate for jobs and housing!

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So what else do I have for you this month?

- A reminder to please make sure your home has carbon monoxide detectors in it!!! While the law now requires a property to have detectors when it's offered for sale, this is a safety precaution that should be in all of our homes.
  - Landlords, the law now requires that you have detectors in your rental properties as well.
- We're including the Seattle Times "Disaster Checklist" in this package – it's always good to be prepared! And there are many new articles on the website. Everything from 2012 recaps to how Washington State fared in an emergency-preparedness review. Housing forecasts and local data including jobs reports. 'How to' information, climate projections and what that will mean to local skiers by 2050 (which doesn't seem that far away any longer, does it? Given that surely the Y2K furor wasn't really 13 years ago already?!). The bill to keep us from falling off the "fiscal cliff" and what it means to housing. A truly important component for homeowners needing to sell their properties short is the continuation of the Debt Forgiveness Act. A fascinating article on technology and the home of the future, written of course (!) in Redmond! There's even a winter healthy and safety quiz for you to take...
- Our first 2013 Northwest Harvest fundraiser is coming up on Saturday, January 26<sup>th</sup>! Find out more and RSVP if you can join us at [www.GroupEstes.com/wine](http://www.GroupEstes.com/wine). (For those of you who don't have Internet access, please just call if you will be able to join us!)
- And the 2012 recipe contest is coming to a close early next week. There's still time to vote on your favorites, though, at [www.GroupEstes.com/recipes](http://www.GroupEstes.com/recipes).

Before wrapping up, here are our five 'Spotlight Vendors' for January:

Mitch Irwin - K & D Roofing - 425-742-5976 Roofing - Torch-Down
Marla Beck - Andelcare - 425-283-0408 - <a href="mailto:marla@andelcare.com">marla@andelcare.com</a> Elder Services, Hospice Care
Bill Fisher - 425-868-2003 - <a href="mailto:bfisher@sfiweb.com">bfisher@sfiweb.com</a> Insurance
Lane Wood - Cornerstone Painting - 425-941-2050 Painter - Exterior & Interior
Kevin Monohan - Avalon Northwest Landscape - 206-933-1277 - <a href="mailto:kevin@avalonnw.com">kevin@avalonnw.com</a> Decks, Fence Design & Build, Landscape Design, Masonry/Stone Contractor

As always, if there is any additional information that I can provide to you, and certainly, if you are thinking of buying or selling your home, please contact me. Whatever your interest and whatever your timeline, I am happy to consult. Helping you to achieve your goals is a pleasure! All I ask is that you share my information with anyone else in your life who may have need of my services, again, however long or immediate their timeline may be!

Sincerely,



*Always looking for more ways to be of service ... if you know of someone who would appreciate the level of service I provide, please call, text or email me with their name and number, and I'll be happy to follow up and take great care of them.*

# A Sneak Peek at the 2013 Housing Market

Everyone is curious about what the year will hold for the housing market, which is projected to continue its slow and steady path toward recovery. The majority of Americans feel that real estate is a good investment and that now is a good time to buy. While it's impossible to predict the future, we can look at current statistics for trends in the coming year.

**73%** of people believe that now is a good time to buy, while **15%** believe that it is a good time to sell.<sup>2</sup>

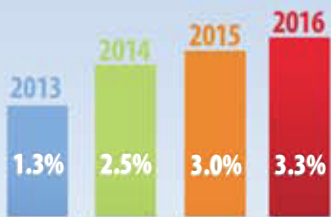


Homebuilder confidence is at a five-year high.<sup>4</sup>

**69%** of people feel that real estate is a good investment despite the market volatility experienced over the past few years.<sup>3</sup>

## MANY PEOPLE EXPECT HOME PRICES TO RISE.

Experts predict that home prices will rise in 2013, continuing the housing market's modest recovery.<sup>5</sup>



The national **median home price** is up **9.5%** from a year ago and **home prices** are expected to increase.<sup>1</sup>

**35%** of Americans think that home prices will go up in the next 12 months.<sup>2</sup>

**58%** of buyers think that home prices will rise in their markets, **28%** think that prices will remain the same and **11%** think that prices will drop.<sup>6</sup>

**72%** of respondents are confident that the real estate market and property values will improve over the next two years.<sup>3</sup>

The median existing single family home price was up **10.2%** from a year ago to **\$188,700**.<sup>7</sup>

**Median home values** are projected to rise **1.1%** over the next year.<sup>8</sup>

## SOME SELLERS ARE RELUCTANT TO PUT THEIR HOMES ON THE MARKET.

**11%** of homeowners would like to sell their homes but haven't listed yet, mainly because they feel that they would not be able to get the price they want.<sup>9</sup>

This means fewer houses are for sale.

Nearly **60%** of buyers surveyed faced competition when making an offer on a home.<sup>6</sup>

## WHO'S MOVING IN THE NEXT TWO YEARS?<sup>9</sup>

- 48%** of 18-34 year olds
- 26%** of 35-49 year olds
- 16%** of 50-64 year olds
- 10%** of people 65 and older



**4.9 million seniors**, aged 65 and older, plan to sell and buy a home in the next three years. **94%** of these seniors plan to pay cash for their next home.<sup>10</sup>

## WHY ARE PEOPLE LOOKING TO MOVE?

Top motivations for buying a home among people who intend to own a home:<sup>11</sup>



Sources: 1. PropertyWire, September 24, 2012; MarketWatch, June 25, 2012  
2. Wall Street Journal, July 9, 2012  
3. RISMedia, July 11, 2012  
4. The Associated Press, July 19, 2012  
5. Kiplinger, June 27, 2012  
6. Wall Street Journal, June 4, 2012

7. PropertyWire, September 24, 2012  
8. CNN Money, July 24, 2012  
9. The Demand Institute: The Shifting Nature of U.S. Housing Demand  
10. Inman News, July 11, 2012  
11. TD Bank Home Buyer Poll, May 21, 2012



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# 3 Reasons to Learn More About Your Local Real Estate Market

**1 National housing data is measured differently.** The S&P/Case-Shiller and the National Association of REALTORS®, two leading data indices, differ in their approach to measuring housing data. Both organizations collect data every month; however, NAR bases its numbers on the prices of homes that sell each month, whereas S&P/Case-Shiller measures how the prices change over a three-month average. The discrepancy can lead to confusion as to whether the market is doing great, holding steady or heading toward a slow down.

**2 National statistics are meant to create a broader picture and do not necessarily reflect what's going on locally.** National statistics should always be taken with a grain of salt, regardless of how rosy or dire a portrait they paint. Daily updates about the changing status of the housing market often leave potential buyers and sellers confused as to whether they should enter the market or not. Although national figures may predict one thing, the data in your local market could reveal another.

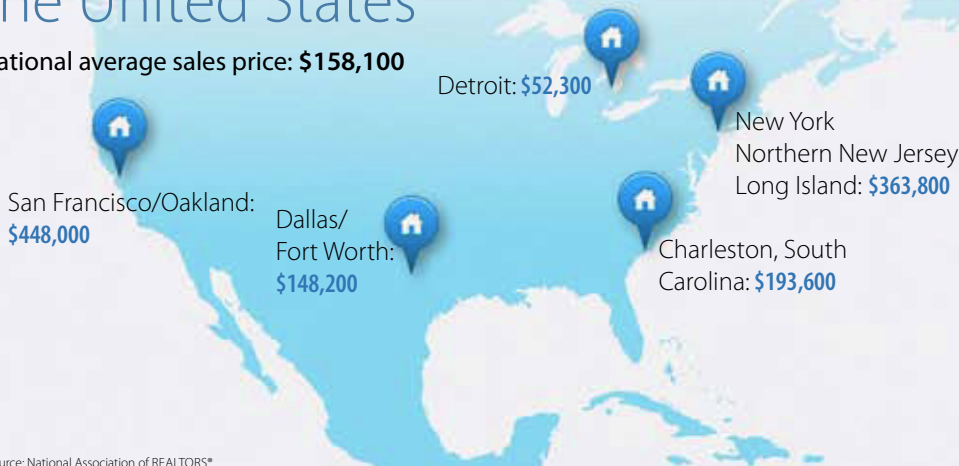


**3 Markets vary and can even differ from neighborhood to neighborhood within the same city.** In many cities and towns across the country, some neighborhoods are recovering faster than others. Similarly, other neighborhoods may not have felt the impact of the housing slump at all. National figures do not reflect these differences.

This is not to say that national figures are inaccurate; they do provide an overall picture of the national housing market. However, if you're thinking of buying or selling a home, it's best to speak with an expert like me to get accurate information about the local market.

## Average Sales Price of Homes in Cities across the United States\*

National average sales price: **\$158,100**



Contact me to learn more about our local housing market.

- Average Sales Price
- Average Time on Market
- Current Inventory
- Number of Active Sales

\*Source: National Association of REALTORS®

# How to prepare for disaster



Check these pages to see whether your family is ready in case disaster strikes. In our area, that could be a major earthquake. Be prepared to spend a week without utilities, medical aid or communications.

## Before it happens

### Gather documents and cash

- Store important documents** such as insurance policies, deeds, property records and birth certificates in a bank safe-deposit box. Store copies in your disaster-supplies kit.
- Keep a stash of cash** or traveler's checks at home where you can quickly get them in case of evacuation.

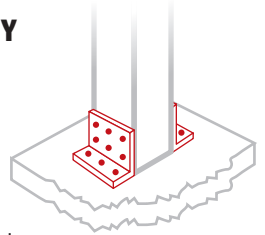
### Make a family emergency plan

- Identify a safe place in each room** of your home and practice rapidly getting there. Best locations include under a sturdy desk or table, or beside a sturdy, large piece of furniture such as a sofa or bed. Avoid doorways; doors will bang open and shut in a large earthquake.
- Practice home-evacuation drills.** Choose someplace nearby for your family to meet. Expect a lack of transportation.
- Educate your children.** Get a copy of your school district's disaster policy regarding transportation and the release of students. Keep photos of family members in your wallet in case someone is missing.
- Take a first-aid course.** Learn CPR.
- Know where the nearest police and fire stations are.** Know the route to the nearest hospital emergency room. Keep critical phone numbers and your insurance-policy numbers by your phone and in your wallet.
- Enter your "ICE" — In Case of Emergency — numbers on your cellphone** so emergency workers will know whom to contact if you're hurt. For example, enter "ICE husband John" and the phone number.
- Meet your neighbors** and find out whether they have medical or other expertise. Plan to unite if your neighborhood becomes isolated. Help elderly, disabled or single-parent neighbors create an emergency plan. Get contact information for their relatives.
- Fill in the spaces below and keep this page in a handy place.**

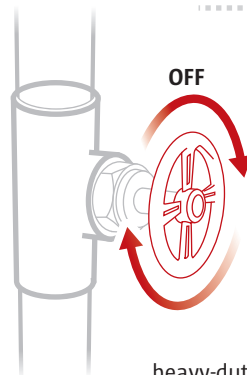
### Evaluate your home

#### STRUCTURAL SAFETY

- Make sure your home is bolted to the foundation** and the structure is properly reinforced.
- Check roof, foundation, chimney and walls** for cracks and overall condition. Information on retrofitting, including a list of trained local contractors and contacts, is available from Project Impact, a Federal Emergency Management Agency program. Check the Web site [www.seattle.gov/projectimpact](http://www.seattle.gov/projectimpact) or call 877-2-BOLT-IT.
- If you live in an apartment,** know where your building's utility controls are and how to use them.



#### PLUMBING

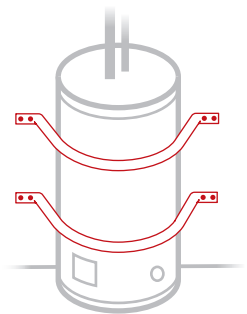


to from stores

- Family members should know how to shut off waterlines** in case of a leak in the house. Label the shut-off valve clearly; it's the first valve in the line after it enters the house.

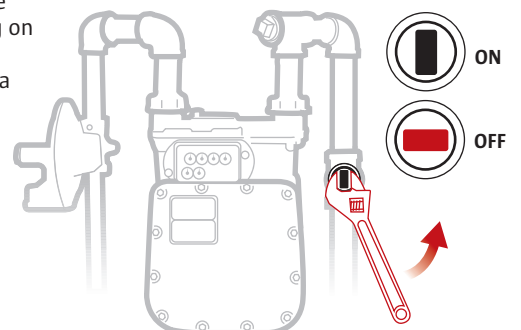
- Strap your water heater** (gas and electric ones) to studs in the wall with

heavy-duty metal strips or to the floor prevent gas leaks and possible fires broken pipes. Home-improvement sell strapping kits.



#### GAS

- All occupants should also know how and when to turn off the gas.** If you smell gas after an earthquake or other emergency, shut off the meter valve found at the first fitting on the supply pipe coming out of the ground. Use a wrench to turn the valve either way until it is perpendicular to the pipe. Keep a wrench attached to the gas meter with a wire. Call the gas company to get service restored.



## FAMILY

Emergency meeting place:

Out-of-state contact, phone number:

Insurance company and phone numbers:

Insurance policy numbers:

Driver's license numbers:

## NEIGHBORHOOD

Neighbor's names, phone numbers:

## UTILITY COMPANIES

Electricity:

Water:

Natural gas:

Phone:

## EMERGENCY

**Call 911 in life-or-death situation**

Doctor's phones:

Pharmacy phone:

Police nonemergency phone:

Fire nonemergency phone:

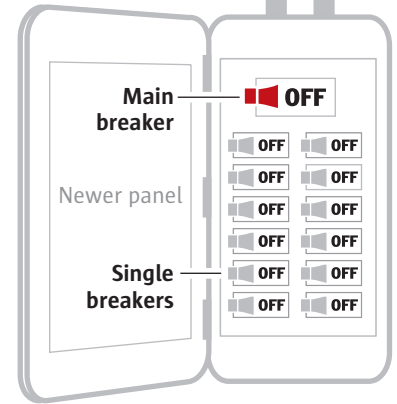
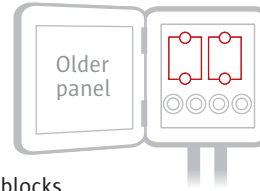
Closest emergency room, address:

## OTHER

## ELECTRICAL

- Learn how to shut off the electricity:** Turn off single breakers first, then switch off the main breaker. To turn back on, switch the main breaker first, then the single

breakers. On older panels, pull the main fuse blocks.



- Buy a portable, gas-powered generator** for emergency electricity. Only appliances that can use extension cords should be attached to a generator. A 2200-watt unit can power a refrigerator and several lamps. Keep fuel in a safe, protected container.

## HOUSEHOLD ITEMS

- Place flashlights in hallways,** bathrooms and bedrooms. Keep a flashlight, spare batteries and sturdy shoes under the bed. (Shoes will protect you from broken glass and other debris on the floor.)
- Evaluate each room.** Ask yourself: If the home began shaking, what would fall?
- Secure appliances,** bookshelves and hutches to wall studs. Mirrors should be hung on double hooks; do not lean them against the wall.
- Place heavy objects and electronic equipment on lower shelves.** Use large Velcro patches or nonskid rubber shelf liner to help keep items from moving around too much. Place a beanbag of sand or shot in the bottom of vases and other breakable items to help hold them down.
- Use plastic,** not porcelain hanging planters.
- Store household chemicals safely,** preferably on or near the floor.

## Resources

**Federal Emergency Management Agency (FEMA):**  
[www.fema.gov/areyouready/](http://www.fema.gov/areyouready/)

**Washington Emergency Management Division:**  
<http://emd.wa.gov/>

**Seattle Emergency Management:**  
[www.seattle.gov/emergency\\_mgt/](http://www.seattle.gov/emergency_mgt/)

# Supplies you need

Experts suggest having three emergency kits: one at home, a small one at work, and a few basic supplies in the car, especially for winter. Pick up a few items on the list every time you go shopping.

## FOOD, WATER

- One gallon of water per person per day** (Try to store a week's supply. Do not use milk jugs; 2-liter pop bottles can be used if they are thoroughly cleaned and filled to the top.)
- A backcountry water-filtering device or a bottle of unscented liquid chlorine bleach to purify water** (16 drops per gallon or 8 drops per 2-liter bottle right before you use it, NOT before you store it)
- Nonperishable food**
- Can opener**
- Pet food**

## FIRST AID, HYGIENE

- First-aid handbook**
- Bandages** in a variety of sizes, gauze, bandaging tape, surgical gloves
- Portable supply of prescription drugs** and copies of prescriptions
- Backup of special supplies** you regularly use, such as oxygen tanks or hearing-aid batteries
- Moist towelettes**
- Toilet paper**
- Baby and feminine-hygiene items**

## SHELTER/CLOTHING

- Camp stove and fuel** (Never use them indoors.)
- Sleeping bags or blankets**
- Sturdy shoes**
- Hat**
- Boy Scout Handbook** for basic "how-to" instructions

## TOOLS

- Flashlight**
- Portable radio**
- Extra batteries**
- Multipurpose pocketknife**
- Crowbar**
- Handsaw**
- Sledgehammer**
- Work gloves, goggles, dust masks**
- Rope**
- Plastic sheeting or tarps**
- Duct tape**
- Fire extinguisher** with ABC rating (Keep instructions on the canister.)
- Candles**
- Waterproof matches**
- A loud whistle** (one for each family member) to signal for help
- Documents**
- Photocopies of credit cards**, driver's licenses, birth certificates, bank information and account numbers, other official identification

## UPKEEP

**Store the items in plastic boxes** that are waterproof and pest-proof. Stash emergency supplies near your front door or in your bedroom, somewhere you can easily grab them on your way out in an emergency. Don't keep supplies in the basement or other areas not easily accessible.

**Replenish kits annually** when you reset your clocks at daylight-saving time. Toss outdated food and cans that are dented, rusty or swollen. Restock as family's needs change.



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