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The Seattle Times

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Not just Seattle area: Home prices soaring across state

FROM BELLINGHAM TO SPOKANE

Washington has 5 of the 9 hottest housing markets in U.S.

By MIKE ROSENBERG
Seattle Times business reporter

Seattle finished 2017 as the hottest housing market in the country for the entire year, and isn't showing any signs of slowing down. And even cheaper towns in Washington, from Wenatchee to Bellingham to Spokane, aren't far

behind on the list of regions with the fastest-rising home prices.

Single-family-home prices for the metro area that spans from Tacoma to Everett grew 12.7 percent in December from the previous year, according to the monthly Case-Shiller home price index, released Tuesday.

It was the 16th month in a row that Seattle led the nation in home-price increases. That extends a local record and is the longest streak in the nation since the dot-com bubble in San Francisco around the turn of the century.

For homebuyers, the only shred of relief is that

at least the market is not getting any hotter — the increase locally was the same it's been for the last few months. The rest of the country, on the other hand, is heating up.

Las Vegas was second, with prices rising 11.1 percent in a year, and San Francisco was next at 9.2 percent, both up from the last several months.

Nationally, prices are up 6.3 percent, the most in three and a half years and almost five times more than the country's historical average.

Compared to a month prior, home values

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locally ticked up 0.6 percent, three times more than the national average, and a big gain for this time of year.

But the local home-shopping market, which historically had quieted down in the winter, is increasingly becoming a year-round battle ground for buyers.

The median house price in Seattle just hit a record \$757,000, and on the Eastside is hovering at an all-time high of \$938,000, according to the Northwest Multiple Listing Service.

Prices here are rising fairly evenly across all types of homes, from starter homes to luxury estates, in contrast to the rest of the nation, where

Fastest-rising home prices compared with a year ago

1. Seattle +12.7 percent
2. Las Vegas +11.1 percent
3. San Francisco +9.2 percent
4. Los Angeles +7.5 percent
5. Denver, San Diego (tie) +7.4 percent

Source: Case-Shiller home-price index

the cheapest homes are gaining value the fastest.

The same market fundamentals continue to worsen for buyers here: There are fewer and fewer homes for sale — the lowest on record since 2000 in King County — along with a rising number of qualified buyers. That leaves

home shoppers to duke it out over the few homes that do hit the market.

There are fewer backup options for buyers of single-family homes here, as condo costs surge to record highs and nearby cheaper towns continue to experience the same tight market with soaring prices.

Looking more broadly, Washington as a whole continues to lead all U.S. states in home-price increases, as it has since the middle of 2016, according to CoreLogic.

The Case-Shiller reports cover only big metropolitan areas. But a separate home-price index released by the government on Tuesday, which covers all metro areas, showed Washington had five of the nine hottest housing markets in the country in the

fourth quarter of 2017.

In addition to Seattle, prices were up 14.6 percent over the past year in the Tacoma-Lakewood area, 12.9 percent in Mount Vernon-Anacortes, 12.2 percent in Bellingham and 12 percent in Wenatchee, according to the Federal Housing Finance Agency.

Not far behind: Prices are up 10.5 percent in Bremerton-Silverdale, 9.6 percent in Kennewick-Richland, 9.2 percent in Olympia-Tuinwater, 8.2 percent in Spokane-Spokane Valley and 8 percent in Yakima.

Those areas remain far cheaper than Seattle, of course. For instance, the typical home costs \$378,000 in Bellingham, \$266,000 in Wenatchee and \$202,000 in

Yakima, according to Zillow.

On top of all that, mortgage-interest rates recently have been ticking up to their highest point in years, adding tens of thousands of dollars to the cost of a long-term home loan for Seattle-area buyers.

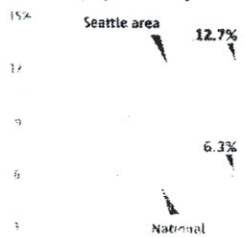
And for existing homeowners, King County property taxes are rising at their fastest rate in modern history.

In Seattle, the property tax on a median home hit \$5,700 this year, with bills recently being sent to property owners around King County. In 2013, that average bill was \$3,600 — a 56 percent increase in five years.

Mike Rosenberg:
mrosenberg@seattletimes.com or
206-464-2266; on Twitter
@ByRosenberg.

Nation's hottest home market

Seattle finished 2017 as the hottest housing market in the country for the entire year, without any sign of slowing down.



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2016 2017

Source: S&P/Case-Shiller Home Price Index THE SEATTLE TIMES