

A cooler Seattle-area housing market as winter hits, but some buyers still face bidding wars

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Deirdre and Skyler Calhoun are first time homebuyers who recently bought a condo, seen in... (Ken Lambert / The Seattle Times)

By

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Seattle-area home prices are continuing to stagnate as the local real estate market takes its typical winter hiatus.

Median home prices across the Puget Sound region were essentially flat in November compared to the month before. That's typical of this time of year, when fewer sales take place.

The median single-family home sold last month for \$820,000 in King County, \$695,000 in Snohomish County and \$515,000 in Pierce County. Each county saw a less than 1% shift from October.

Some local real estate brokers are welcoming the fall cool-down. "It's been easier getting my clients into homes," said Angela Cubean, managing broker at Jabez Real Estate in Tacoma.

Still, prices are up by double-digit percentages from last year and continuing to squeeze buyers.

King County's \$820,000 median is up 12.25% from last November. Snohomish and Pierce counties saw even bigger jumps: 22.8% and 15.7%, respectively, according to new data released Monday from the Northwest Multiple Listing Service.

Price jumps are especially steep outside Seattle. In Seattle, the median home sold last month for \$850,000, up about 3.7% from a year earlier. On the Eastside, the median home sold for about \$1.43 million, up 34.7%. The median home in North Tacoma sold for \$600,000, up 18.2% compared to last year. In Central Tacoma: \$439,402, up 9.85%.

Similar trends are playing out in Kitsap, Thurston and Whatcom counties, where home prices shifted between 0.25% and 2% from October to November. Even so, each county has seen big growth since last fall, especially Whatcom County, where prices are up 24.3% from November 2020.

Across the region, fewer buyers signed contracts to buy new homes in November than in October. At the same time, fewer new homes were listed for sale, keeping the market tight for those who are trying to buy.

Deirdre Calhoun hoped to buy a home with her husband after the landlord at their Tacoma rental raised the rent and then planned to raise it again. The pair started searching in August using a [Veterans Affairs loan](#). The loans do not require a down payment. That makes homeownership more accessible for people without huge savings but can also make VA buyers less competitive during bidding wars in a seller's market.

To win, Calhoun and her husband figured they would need to cast a wide net, so they looked at homes from Kent south to Graham and Lacey.

"We were like, if we open our range and are not super picky, we'll have a better chance of getting something than walking away with nothing," said Calhoun, who works as a secretary on Joint Base Lewis-McChord.

They looked at around 10 homes in person, sometimes hearing they had sold even as they were still touring. "It was a scary first-time homebuyer situation," Calhoun said. "When we would be looking at some properties, they were already getting taken off the market."

They lost out to a higher bidder on one home before securing a three-bedroom condo in Lacey for \$7,500 over the \$309,500 list price. They won out against another military family bidding on the home, Calhoun said.

Even in a cooler winter market, Calhoun has advice for other first-time buyers: "Know there is definitely a bidding war," she said, "even on something that's not worth the money they're asking for it."

Tell us about your home-buying experience

As the home prices have climbed since the start of the pandemic, buyers from King County and investors looking for fixer-uppers or rental properties have brought more cash to the table in Pierce and Thurston counties, Cubeau said.

"We cannot compete against cash if you're an FHA or VA buyer," she said, referring to government-backed loans.

Despite the typical winter slowdown, the market is still unbalanced. Given current buyer demand in King, Snohomish, Pierce and Thurston counties, it would take less than two weeks to sell through all the homes for sale, according to a measure known as months of inventory.

"There's so much demand and so little inventory," said Barbara Clark, an agent at Windermere's Lynnwood office. More homes are likely to hit the market for sale in January, February and March, Clark said.

When comparing single-family home construction to population growth, Seattle is among the cities with the largest shortfalls in new homes, according to a recent [Zillow analysis](#).

To compete, some buyers are opening up their searches to homes that may need more work than they'd like, Clark said.

"They're very realistic. They go in knowing it's not going to be perfect," she said.

Joseph Lubong saw the competition firsthand. After he and his wife sold their last home this summer, they began searching for a new house with an adjacent unit they could rent to help offset the cost of their mortgage. First, they were outbid by \$10,000 or \$15,000 on a home in Edmonds, then by \$175,000 for a duplex in Issaquah, said

Lubong, who owns a photography studio.

The Issaquah duplex was "super cute, but I'm like, this doesn't make any sense at all," Lubong said. "They paid cash."

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In the end, the couple found a home in Des Moines with a separate living space in the basement they are now renting out. They "got lucky," Lubong said, and won the four-bedroom midcentury home with an early offer at its \$750,000 asking price.

A winter slowdown also has arrived to the region's condo market. It would take a little less than three weeks to sell through the current condo inventory in King County, where condo prices in November were down about 3.2% from October.

For months after the onset of the pandemic, homebuyers were often seeking the common trappings of their new lifestyle: room to work, conduct school and exercise at home. White-collar workers were less concerned about commutes and more interested in bigger houses.

Now, Clark says her clients are moving for the typical pre-pandemic reasons: wanting to be closer to family or live in a certain school district.

"The reasons aren't 'I have to have five bedrooms' for my five Zoom calls," she said.

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