

Real Estate

As Seattle home prices dip, outer reaches of metro area are humming along



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Homes line the Madison Park neighborhood in Seattle, near Lake Washington. (Greg Gilbert / The Seattle Times)

Most of the price growth in this month's report came from the outer edges of the region, from Tacoma to Everett, as buyers look for places more affordable than Seattle proper.



By [Mike Rosenberg](#)

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A month after the Seattle area [was dethroned](#) as the hottest housing market in the country, the local housing market is cooling again — but the outer reaches of the metro area remain competitive.

Single-family home prices across the region that includes King, Snohomish and Pierce counties were unchanged in July from a month prior, according to the monthly Case-Shiller [home price index](#), released Tuesday. It's the first time prices didn't grow in the month of July since 2009, when the housing bust was in full swing.

Compared with a year ago, prices still grew 12.1 percent, the second most in the country, again behind Las Vegas. But that's a bit deceiving: The index is a rolling average designed to avoid huge swings each month and includes home sales as far back as May, when the market was still chugging along. The annual gains are down from 12.8 percent in last month's report and 13.6 percent two months earlier, the largest slowdown in four years.

Fastest-rising home prices

1. Las Vegas +13.7 percent
2. Seattle +12.1 percent
3. San Francisco +10.8 percent
4. Denver +8 percent
5. Phoenix +7.5 percent

Price gains compared to a year ago. Source: Case-Shiller home price index

The index also shows that while the city of Seattle's housing market [isn't fetching](#) the same prices it used to, the rest of the metro area is still going strong as buyers look for more affordable options. Most of the price growth in this month's report came from the outer edges of the region, from Tacoma to Everett.

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The most affordable homes (relatively speaking) in the metro area — anything under \$410,000 — saw prices grow about 16 percent in the past year. That jibes with broker reports here about how buyers have retreated from the most expensive areas as they bump up against the limits of what they can afford.

Home sales are dropping faster in Seattle than anywhere else in the country, according to [Redfin](#). The brokerage also said Seattle had the nation's second-biggest increase in the number of homes for sale — not because new houses are coming onto the market, but because they are sitting unsold for longer.

The most recent [data shows](#) the number of homes on the market is up 66 percent in the last year in King County, 27 percent in Snohomish County, and 7 percent in Pierce County. Inventory still remains far below historic norms across the Puget Sound region, however.

The median house costs \$669,000 in King County, \$492,000 in Snohomish County and \$352,000 in Pierce County. All are down from the record highs set in the spring.

The national housing market has been tapping the brakes throughout the summer as well, with prices growing 6 percent in July, down from 6.2 percent a month prior — the fourth straight month of declines.

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