

Real Estate

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Seattle home sellers, seeing new reality, are lowering list prices faster than anywhere else



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Seattle-area homebuyers are getting a double dose of good news: More sellers are dropping their asking price to lure buyers — and buyers are then negotiating the price down further.



By [Mike Rosenberg](#) 

Seattle Times real estate reporter

Earlier this week the news was that the average Seattle-area homebuyer has been successfully able to [negotiate a deal at below list price](#) for the first time in four years.

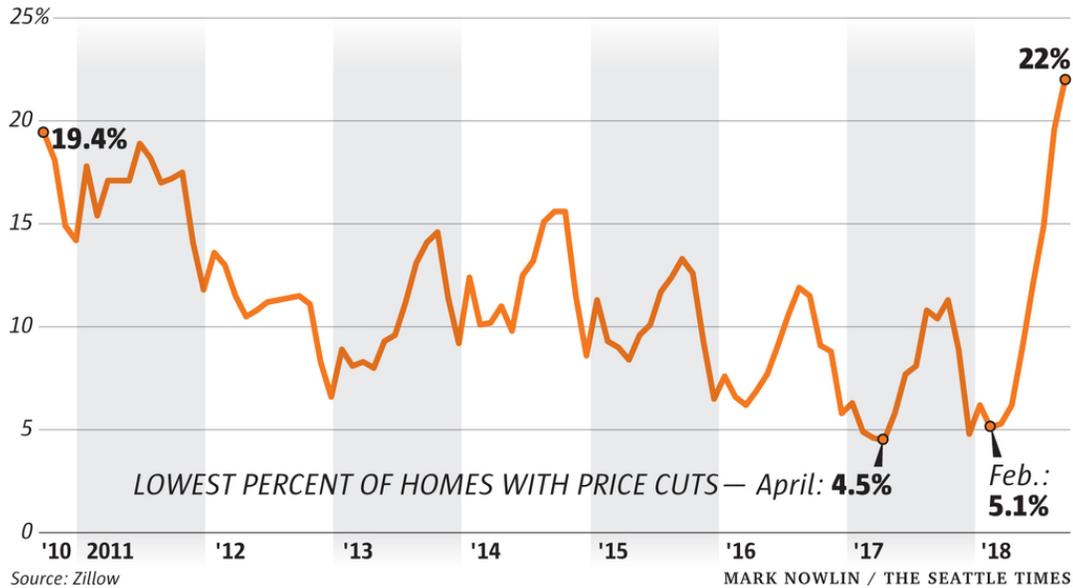
But that's only half the story: In a lot of cases, sellers are now doing the work for buyers by lowering the list price themselves.

At the start of the spring, when the local market was still on fire, just 5 percent of all homes on the market in the metro area had a reduced listing price, according to Zillow.

Now, 22 percent of all listings are being pitched at a reduced price, the most since Zillow began tracking the data in 2010.

More price cuts for Seattle-area homes

About 22 percent of homes on the market in the Seattle metro area had price cuts in September, the most since Zillow began tracking the data in 2010.



Nowhere else in the country has seen a change that dramatic.

In fact, among the 50 biggest regions in the nation, only 10 other metro areas currently have a higher rate of homes with price cuts.

In some cases, sellers have had to reduce their price over and over again.

Take a newly remodeled [four-bedroom home](#) just northwest of Green Lake that went on the market in mid-September for \$950,000. The flipper who gutted and renovated the home must not have gotten any nibbles because within a week, the price was down to \$899,950. A couple weeks later, it was down to \$879,950. Still nothing. Another couple of weeks and it sank to \$859,950. Another two weeks and they tried \$839,950. Nope. This week it went back on the market at \$799,995.

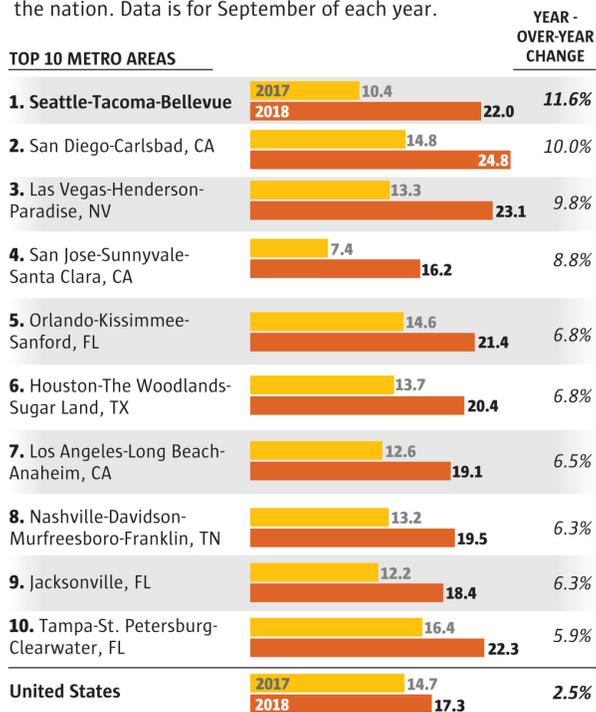
But it's not just sellers of pricey homes who are setting their sights lower. A small house in Rainier Beach, one of the cheapest on the market in the city right now, [just had its asking price lowered](#) for the third time — from the original \$367,950 to \$335,000 now — and the owner is throwing in a \$5,000 closing credit.

Realtors aren't being bashful about the changes.

“Seller says get it sold!!! So just reduced the price,” [reads an ad](#) for a West Seattle house whose owner has cut its price three times, by a total of \$50,000.

Price cuts spreading faster in Seattle than anywhere else

Over the past year, the share of local homes on the market with a price cut has roughly doubled, the biggest increase in the nation. Data is for September of each year.



Source: Zillow

MARK NOWLIN / THE SEATTLE TIMES

“HUGE PRICE REDUCTION!!!” says an ad written in caps-lock.

“Come take advantage of this Amazing deal and walk into Instant Equity!” says a listing for a Carnation home with reduced price.

And a home in Auburn: “Buyers, please read. We’ve drastically lowered our price! If you’re a serious buyer this is your opportunity to save some money and get a beautiful, quality and spacious home ‘under’ market value. The home is priced under both Redfin’s and Zillow’s estimates. So, please call to schedule a showing because at this price point the home may not last long on the market.” The home’s price cut – its fourth – was three weeks ago, and it’s still on the market.

The average sellers cutting their list price here have reduced it by 3 percent, the same as the national average. In the city of Seattle and the Eastside, that translates to a cut of about \$25,000 to \$30,000.

It’s a double advantage for buyers: Not only are list prices dropping, but the average buyer is then able to knock the price down further in negotiations, a reversal from recent years in which bidding wars designed to escalate list prices were the norm.

That’s another area where Seattle stands out on the national stage.

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5 Seattle home sellers, seeing new reality, are lowering list prices faster than anywhere else

In the city of Seattle, homes now go for 0.6 percent below list price on average, after selling for 4.1 percent above list price a year ago. That 4.7 percentage-point shift is the biggest in the nation among the 50 biggest cities, according to data from Redfin.

There are a few other ways to look at how buyers are reacting to list prices, and they all produce the same results. For instance, the share of homes selling in under two weeks — a sign that the list price was right — is falling faster here than anywhere other than San Jose.

But here is a bucket of cold water in the face of anyone thinking Seattle is suddenly a great place to buy a house.

The fact remains that Seattle has some of the most expensive real estate [in the country](#), and the changes in recent months haven't put much of a dent in that.

Just to hammer that home: Five years ago, the median house in Seattle cost \$461,000. It peaked this spring at \$830,000 — an 80 percent rise over five years.

The median price has since dropped [down to \\$775,000](#) — reducing the total five-year increase to 68 percent, still a huge amount.

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