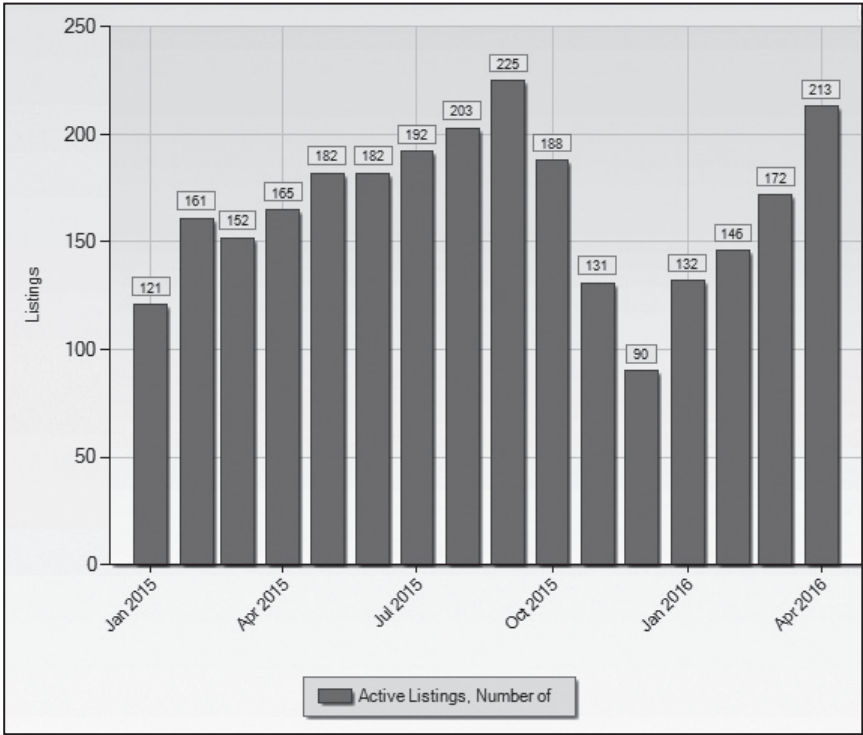


INVENTORY (# OF LISTINGS) PICKING UP – GOOD SIGN FOR BUYERS!



Inventory (the number of ACTIVE listings) is starting to pick up in North Seattle! This is a good sign for buyers.

- In May 2016 there were 213 Active listings in North Seattle
- In May 2015 there were 165 Active listings in North Seattle
- The low point over the past year and half was December 2015 with only 40 Active listings
- The high point over the past year and a half September 2015 with 225 Active listings

We typically see SEASONAL trends when it comes to inventory in Seattle. Historically inventory is at its lowest level on January 1st. Inventory then traditionally increases each month and peaks in September. From the September peak then inventory starts to decrease and bottoms out on December 31st.

So we should see more inventory hit the market in next 4 months which is great news for buyers!



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STEVE LAEVASTU’S MARKET UPDATE

JUNE 2016

House#	Address	Year Built	List/Sell \$	Beds	Baths	SF	Sold Date
34	NE 90th St	1955	\$595,000	3	1	1,230	04/21/2016
9416	32nd Ave NE	1946	\$635,000	3	1.75	1,530	05/16/2016
3838	NE 88th St	1946	\$688,000	3	1.75	2,160	05/14/2016
3520	NE 92nd St	1949	\$740,000	4	2	2,060	05/17/2016
3849	NE 86th St	1946	\$752,500	3	1	1,690	05/11/2016
4318	NE 87th St	1954	\$855,800	4	2.75	3,090	05/10/2016
8232	34th Ave NE	1942	\$870,000	4	3	2,620	04/25/2016
7559	30th Ave NE	1988	\$929,000	4	3.25	2,930	05/04/2016
2541	NE 85th St	2005	\$1,032,000	4	3.25	3,250	05/04/2016
4210	NE 89th	1965	\$1,109,000	6	3.25	3,490	05/05/2016
8245	41st Ave NE	2016	\$1,120,000	5	3.5	2,500	05/03/2016

- Steve Laevastu’s Market Update
- Priorities for 1st Time Home Buyers
- O’Brien Bill to Encourage Backyard Cottages & Mother-in-Law Units
- Inventory Picking Up



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SEATTLE AREA FIRST-TIME HOME BUYERS SAY COST, NEIGHBORHOODS ARE PRIORITIES WHEN SHOPPING FOR A HOME

More Seattle metro area first-time buyers are motivated by emotional factors (78 percent) than financial factors (69 percent) when making the decision to buy a home, according to the inaugural Bank of America Homebuyer Insights Report, released last month.

The “Insights Report” explored the attitudes, behaviors and preferences of the modern homebuyer in Seattle and nine other metro markets.

Research analysts concluded today’s buyers value the emotional benefits of homeownership as much as the financial ones. These buyers also believe saving for a home is as important as saving for retirement.

First-time buyers know sacrifices come with their dream: 95 percent said they are willing to make sacrifices to become a homeownership.

When asked why they want to purchase a home, 58 percent of Seattle respondents said they want a place to call their own and nearly as many, 54 percent, indicated owning a home was something they’ve always wanted to do. About one-third (31 percent) said they wanted a place to put down roots. Other reasons cited included “a place to make memories,” and “the money spent on rent would be better spent toward a mortgage.”

When considering a prospective home, cost (83 percent) and neighborhood (65 percent) are extremely important to Seattle area buyers, outweighing other considerations. Fifty-three percent rate the floor plan and layout as very important. Cost also ranked highest among key factors for buyers in other markets.

A single-family home in the suburbs remains the most common goal across the 10 metros. Seventy-eight percent of

homebuyers in Seattle are interested in buying a single-family home, but local respondents had the least interest in buying a suburban home when compared with buyers elsewhere.

Aspiring Seattle area homeowners differed from their counterparts elsewhere in several respects:

- More Seattle homebuyers who set aside savings for their home did so because they believe it will take a long time to save enough for a down payment (66 percent), compared to homebuyers nationally (50 percent) and any other market surveyed.
- Seventy-one percent of local first-time buyers have not purchased a home before now because they did not think they could afford a home or the type of home they would like to buy. That’s higher than the national average of 56 percent.
- Seventy-seven percent of experienced Seattle homebuyers sacrificed something the last time they purchased a home.

A large majority of first-time buyers would prefer to bypass the starter home. About three-fourths of respondents here and nationally are looking for a home they can grow into, rather than one that fits their needs today.

Two-thirds (66 percent) of first-time millennial buyers still expect some type of help from their parents, according to the bank’s research. Topping the wish list is help moving in (36 percent), followed by deciding which home to buy, money for a down payment, furnishing the home, and money for monthly mortgage payments.

When thinking back to the first time they purchased a home, experienced buyers said they wish they would have known about the pride (52 percent), sense of accomplishment (46 percent) and joy (46 percent) of owning a home. The top piece of advice they’d give their younger selves about purchasing a home is to start saving early (52 percent).

The research also uncovered some interesting differences across the country when comparing homebuying behaviors and preferences.

Bank of America commissioned an independent research company to conduct the survey. It consisted of an online survey of 1,001 nationally representative consumers, plus more detailed surveys and interviews of millennials in ten markets.

COUNCILMEMBER O’BRIEN UNVEILS BILL TO ENCOURAGE BACKYARD COTTAGES, MOTHER-IN-LAW UNITS

Councilmember Mike O’Brien released a proposal May 20th that would

make it easier for more homeowners to build backyard cottages and mother-in-law units in Seattle. As the city faces an affordable housing crisis, Councilmember O’Brien developed the legislation to increase the housing supply by encouraging low-impact housing options that fit within the scale and character of Seattle’s single-family neighborhoods.

As of December 2015, 221 backyard cottages had been constructed or permitted in Seattle since Council authorized their use in 2009, despite approximately 75,000 single-family lots that are eligible to build one. Councilmember O’Brien heard feedback that current regulations put significant burdens on homeowners deciding to build backyard cottages or mother-in-law units.

Backyard cottages, also called detached accessory dwelling units (DADUs), are separate living spaces on the same property as an existing single-family house. Mother-in-law units, also referred to as accessory dwelling units (ADUs), are separate living units generally located within a single-family house. Both are currently allowed in single-family zones.

Councilmember O’Brien’s bill makes a series of changes to the existing backyard cottage and mother-in-law unit building code, including:

- Allowing both a backyard cottage and mother-in-law unit on the same lot, which provides additional housing options while maintaining the character and appearance of the property.
- Increasing the height limit for backyard cottages by 1-2 feet, depending on lot width, which would allow enough livable space to make two-bedroom units more feasible. Setback requirements from property edges would not change.
- Removing the requirement for owners to include an off-street parking space for backyard cottages or mother-in-law unit. Currently, this requirement often requires removal of green space on the property. Feedback found the parking requirement was prohibitive in creating new backyard cottages, as additional parking spaces were either unnecessary or unable to fit on the lot. For single-family lots outside urban villages or urban centers, the one required off-street parking space for a single-family house requirement will still apply.
- If a backyard cottage is only one-story, its floor area may cover up to 60% of the rear yard (currently 40%), creating a large enough livable space for those unable to use stairs. Existing setback requirements from the lot edge would not change.
- Requiring that the property owner live on-site for at least one year after a backyard cottage or mother-in-law unit is created, rather than the current requirement that the owner live on-site at least 6 months out of every year in perpetuity. The requirement prevents

speculative developers from acquiring property and building backyard cottages that don’t fit the character of the neighborhood, while allowing the owner future flexibility for those who don’t want, or are unable to continue living on-site.

- Allowing backyard cottages on lots 3,200 square feet or greater in area (currently 4,000 square feet), which would make approximately 7,300 additional parcels eligible to provide this additional housing option.
- Increasing the maximum gross floor area of a backyard cottage to 1,000 square feet (currently 800 square feet), which would provide more livable area and increase the likelihood of two-bedroom backyard cottages to better serve families with children.
- If a backyard cottage is built above a garage, the garage square footage will no longer count toward the maximum floor area, which often results in an unreasonably small living space.

“With these amendments to the existing code, we could see thousands of new housing units that simultaneously fit into the context of a neighborhood and serve property owners,” said Councilmember O’Brien. “By expanding the availability of backyard cottages and mother-in-law units, someone might be able move to a neighborhood they otherwise couldn’t afford while helping a homeowner who needs an extra source of income to afford to stay where they are. It’s a win-win.”

The legislation was developed utilizing feedback from neighborhood community meetings, from architects, and from current backyard cottage owners. The former Seattle Department of Planning & Development, now known as the Office of Planning & Community Development, also conducted an analysis of current backyard cottages in Seattle and a review of peer cities’ backyard cottage model.

The proposal is scheduled for consideration in the Council’s Planning, Land Use & Zoning Committee in July.

