

METRO DEEP DIVE

Affordability challenges remain, but Seattle is becoming much less competitive

By Patrick Kearns | December 30, 2021

The Pacific Northwest hub has seen steady competition declines since June

Affordability and competition challenges existed in Seattle, Washington, long before the pandemic sent the housing market ablaze. And while the last 18 months have only further exacerbated those challenges, homebuying hopefuls in the Pacific Northwest's largest city have at least some reason for optimism.

Unaffordability gains are leveling off and competition for homes has been steadily declining since the early days of the summer in Seattle, according to data compiled by [OJO Labs](#) real estate search site [Movoto by OJO](#).

Affordability

Seattle's unaffordability score — a measure of median home sold price contrasted to local median household income — reached 5.4 in November, which made it the 15th most unaffordable metro area in the U.S., according to OJO Labs data. It's not far off from the June 2021 high of 5.5, however, it's stayed mostly static since then.

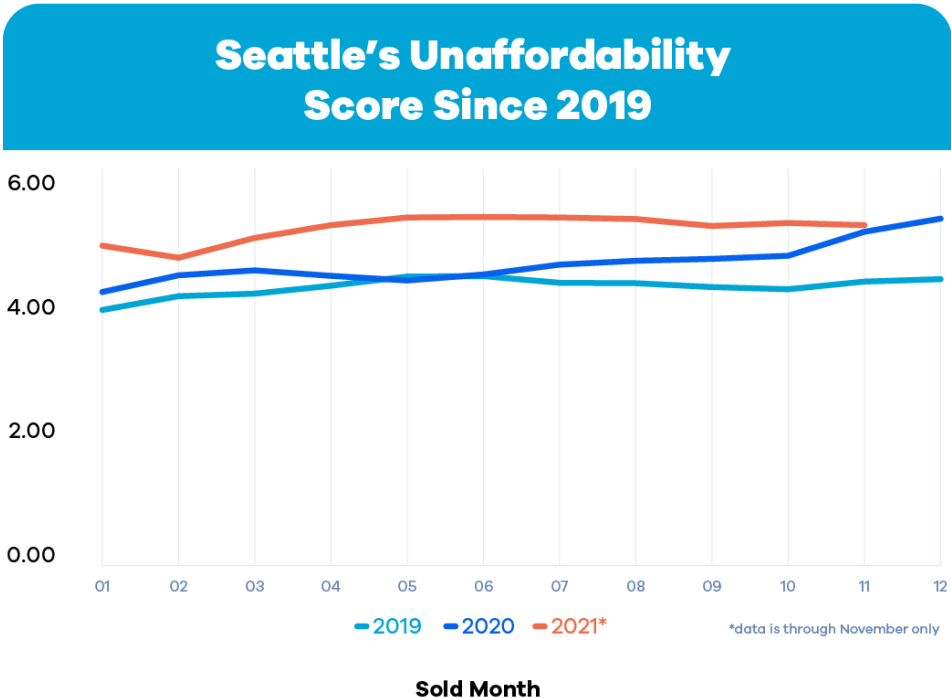
The median home sold price in Seattle saw a 0.6% decline from October to November, falling to \$565,825.00. That's up 7.3% from the year prior, however, when the median home sold price was \$527,422 in November 2020. If you go back another year, the median home sold price in November 2019 was just \$421,950 — so this year's annual gains are dwarfed by last year when prices increased by more than \$100,000.

The year-over-year price gains in November were also much smaller than many cities in the same range as Seattle when it comes to affordability. Phoenix, Salt Lake City, and Austin, all with similar unaffordability scores in the low 5s, all also saw year-over-year price gains of between 25% and 30%, compared to just 7.3% for Seattle.

Prices have declined month over month in Seattle in four out of the last five months, off from the July and August highs of a median home sold price of \$570,000.

Nationally, the median home sold price hit \$415,230.65 in November 2021, which was significantly below the median home sold price in Seattle. The national unaffordability score was 4.9 in November, meaning it was harder to afford a home in Seattle than in the nation’s top 50 metro areas, based on the national average.

Of the top 50 metro areas in terms of homes sold, Seattle ranked 15th in unaffordability.



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Competition

Competition for homes in Seattle has been on a steady decline since peaking in June 2021, but homes are still, on average, selling far above initial list price in the metro.

In November 2021, 49.6% of homes sold above initial asking price, down from 51% the month

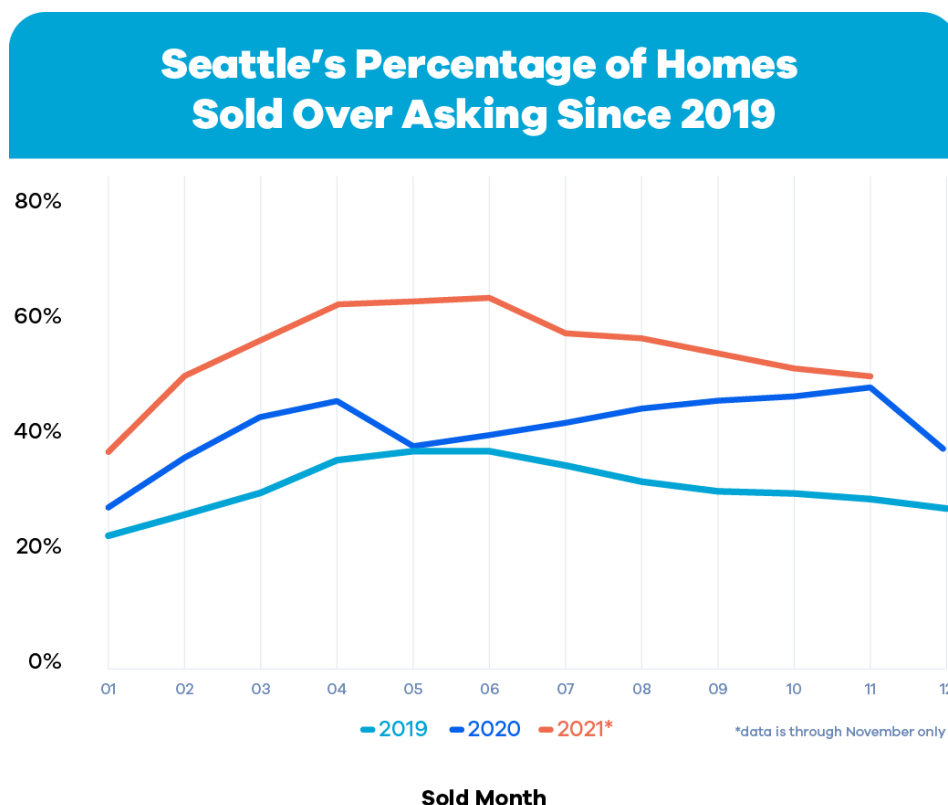
prior and the May 2021 high of 52.3%. November was the first time in 9 months that fewer than half of homes sold above list price.

The year prior, in November 2020, 47.6% of homes sold above list price, meaning it was just slightly more competitive this year. If you go back to 2019, however, you see a much less competitive market. In November 2019, only 28.3% of homes were sold above list price.

In dollar amount, homes sold for, on average, \$18,830 above list price in November, which was good for second in the nation behind San Francisco. While that's still far above price, it's way down from May 2021, when homes sold for, on average, \$39,443 above list price.

Despite the percentage of homes selling above list price being close to 2020, the average amount above list price is a much different story. In November 2020, homes sold for, on average, only \$5,899 above list price, nearly \$13,000 less than this year. In November 2019, homes sold for an average of \$5,934 below list price.

Nationally, 41.4% of homes sold for more than list price in November 2021, with the average home selling for \$4,277 above initial asking price, meaning that Seattle was more competitive than the national average in terms of percentage sold above list price, and average amount sold above list price. Of the 50 metro areas tracked, Seattle was the seventh most competitive for homes in terms of percentage of sales above list price.



Median home price data is drawn from local multiple listing service sold data on residential search site Movoto by OJO, and median household income is derived from 2016-19 census data. Unaffordability score is a ratio that's derived from monthly median housing prices and median household income. The higher the score, the more unfordable a metro area is for a household making the median income.

Want OJO to conduct a deep dive in your market? Contact pkearns@ojolabs.com.



Patrick Kearns is the Director of Storytelling at OJO Labs. Prior to joining OJO Labs, Patrick worked as a journalist for more than a decade, most recently covering housing and real estate at Inman News. He's also written for The Guardian, The Washington Post, Sports Illustrated, Vice, and others.



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