



MERCER ISLAND *2016 year in review*

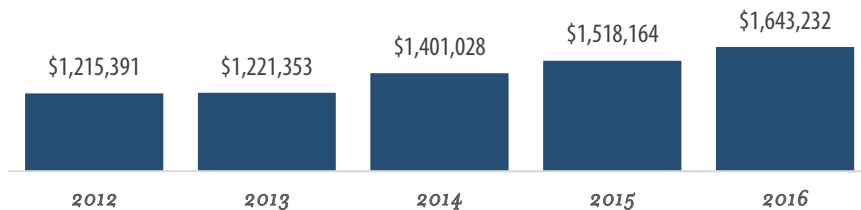
an annual report on single family residential real estate activity



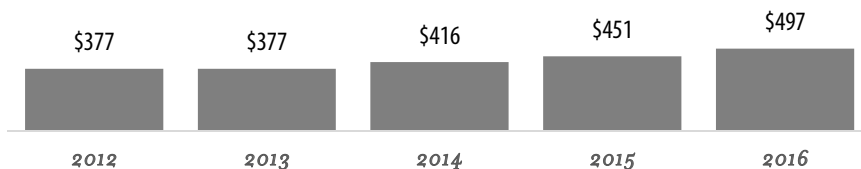
2016 MERCER ISLAND *year in review*



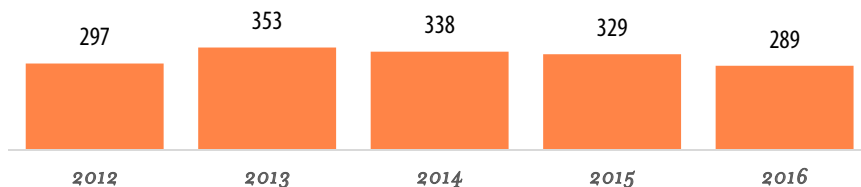
MERCER ISLAND AVERAGE SALE PRICE



AVERAGE COST PER SQUARE FOOT



OVERALL RESIDENTIAL SALES



Mercer Island's real estate market was greatly compromised by a severe shortage of moderately affordable homes for sale. 230 of the 289 homes sold in 2016 were priced above \$1,000,000—and 56 of those were priced above \$2,000,000. Inventory tightened as the year progressed and the Island ended the second half with only a handful of homes for sale that were below the \$2 million mark. The few homes priced below the \$1 million price point were snatched up at aggressive prices while many homes in higher price segments sat out the dance on the sidelines.

The median sale price of single-family homes on the Island increased by 10.0% in 2016. The average cost per square foot kept pace evenly, increasing 10.1% to \$497.

Many buyers looking to own on Mercer Island in affordable price ranges have turned to the very modest supply of condominiums for sale—with most condos having sold in mere days at an average of 2% above their listing price.

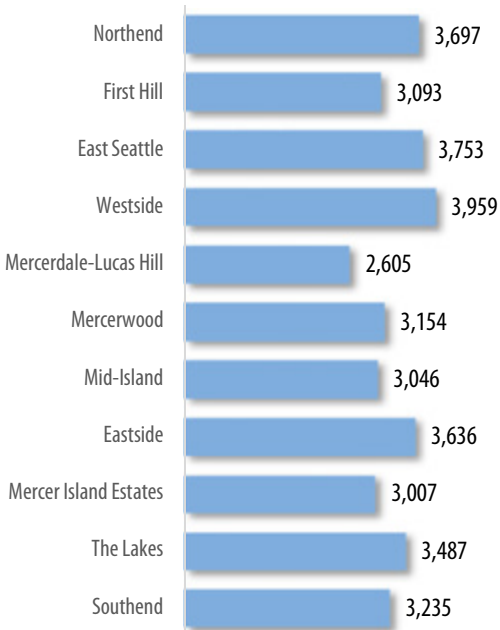
It is unsettling to see so few moderately affordable homes for sale on the Island and the dynamics of the market may change the Island community. We expect to see a continued strong seller's market in 2017.

After beginning the year very low, interest rates rose briskly to 4.25% in the last weeks of 2016. The annual average for a conventional 30-year fixed rate mortgage was 3.65% in 2016.

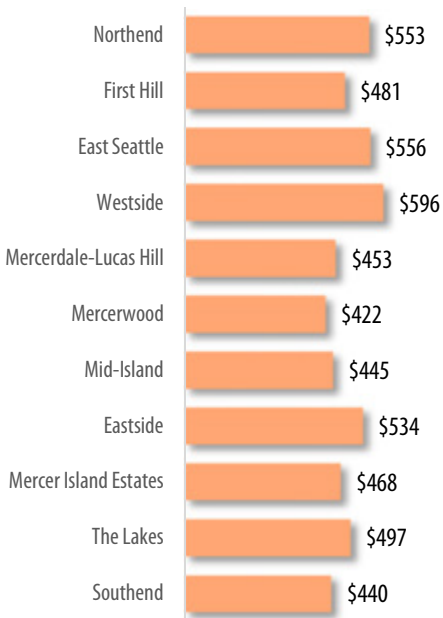
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Number of Homes Sold and Average Sale Price by Neighborhood

AVERAGE SIZE (SQ FT)



AVERAGE COST PER SQ FT



	2012	2013	2014	2015	2016
NORTHEND	57 \$1,430,438	62 \$1,335,391	66 \$1,847,470	53 \$2,092,601	29 \$2,045,762
FIRST HILL	28 \$868,164	29 \$1,083,960	17 \$973,006	24 \$1,328,724	20 \$1,486,947
EAST SEATTLE	9 \$1,623,778	8 \$1,505,333	11 \$1,296,999	11 \$1,288,517	4 \$2,086,988
WESTSIDE	48 \$1,923,265	45 \$1,671,912	43 \$1,613,336	39 \$1,964,810	42 \$2,359,469
MERCERDALE	12 \$571,000	15 \$829,505	11 \$995,524	16 \$927,094	31 \$1,180,871
MERCERWOOD	10 \$843,072	20 \$951,693	19 \$1,007,715	23 \$1,166,282	18 \$1,331,528
MID-ISLAND	57 \$871,877	76 \$967,478	65 \$1,254,581	43 \$1,109,288	65 \$1,354,441
EASTSIDE	22 \$1,258,827	31 \$1,646,469	27 \$1,381,169	45 \$1,753,135	29 \$1,943,148
MI ESTATES	3 \$762,833	7 \$860,571	8 \$957,564	9 \$1,011,211	7 \$1,407,000
THE LAKES	3 \$953,333	3 \$1,267,092	3 \$1,411,000	3 \$1,447,667	3 \$1,733,333
SOUTHEND	48 \$1,049,465	57 \$1,118,583	68 \$1,332,393	63 \$1,336,270	41 \$1,423,630

Mercer Island experienced an extreme shortage of homes below \$1 million and an overabundance of homes above \$2 million in 2016.

WAIT THERE'S MORE! HOMES & STATS ONLINE



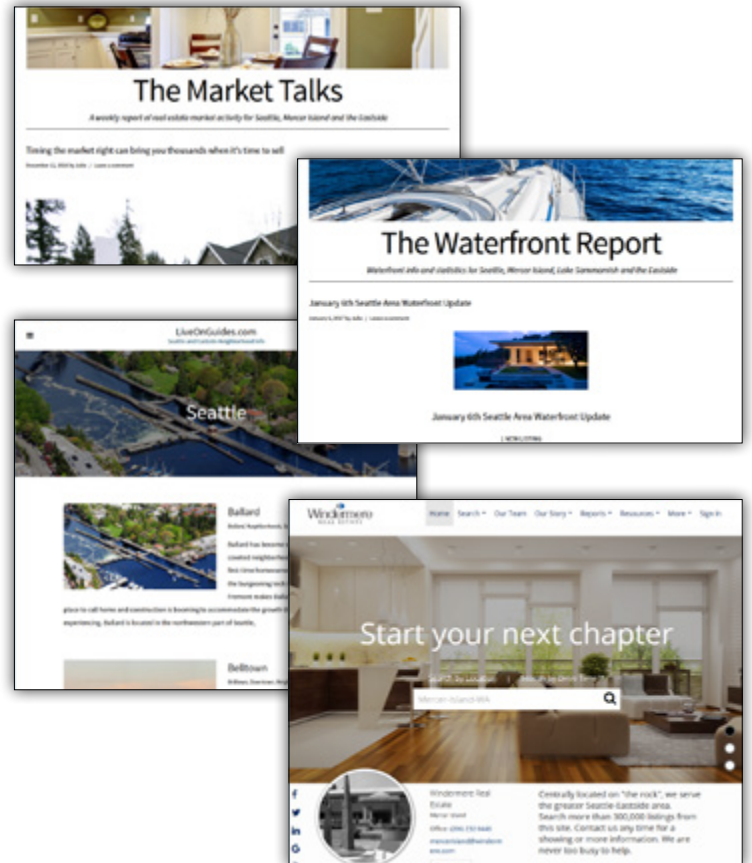
While having a historical perspective like this annual review is valuable, you may be looking for real-time information on today's real estate market. If so, your search is over!

We publish weekly reports to **TheMarketTalks.com** providing a summary analysis of what's happening in 16 different micro-markets, including Mercer Island.

Interested in what's happening with waterfront properties? We are too! That's why we analyze waterfront sales each month and post results at **TheWaterfrontReport.com**.

Easily compare neighborhoods on **LiveOnGuides.com** with local info including maps, links and school data.

You can search for every property listed for sale—by any real estate company—on **WindermereMercerIsland.com**.



WINDERMERE MERCER ISLAND

In everything we do we put our clients first. We enable them to make sound real estate decisions through professional representation, expert advice, and deep neighborhood and community knowledge. Our clients enjoy a friendly, personalized experience as we competently guide them through their real estate transaction to achieve their hopes, dreams and goals.

Centrally located on Mercer Island, our team of talented Realtors® serves Seattle, Mercer Island, and greater Eastside. Our neighborhood and community engagement goes beyond being avid supporters of Island and regional organizations and events—we are active neighbors and volunteers who enjoy making a difference in our world.

