

# Zillow Seattle housing data reveals steady but slowing roller coaster

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By Pete DeLaunay

Seattle's housing values have risen at double digit rates exceeding pre-recession levels, with appreciation steady suggesting a slowdown is coming as escalation cools, said Zillow Senior Economist Dr. Skylar Olsen who at a relatively young age earned her Ph.D in economics from the University of Washington where she taught as a professor until joining Zillow in 2012. Fellow Rotarian **Mark Weed** introduced Dr. Olsen as a member of the management team and nationally known speaker who has helped make Zillow a dominant player in real estate – with an escalating stock value pegged at 45%.

“I get to work with the sexiest data sets to talk about what’s happening across the U.S.,” Dr. Olsen began, “that reveal how home values nationwide reside at 1/2% from pre-recession rates. There are different dynamics in areas like Dallas, Nashville, all of Florida, and Seattle.” When home values grow at such a steady pace, ‘affordability is pushed’ as potential home buyers are stressed with high down payments. “We are somewhat between a ‘rock and a hard’ place for home buyers and renters who are impacted at all layers of the income spectrum,” she said. The news is not so good for middle and lower income families whose share of income for housing has risen to 25% for home owners and 32% for those who rent. The largest share of income for housing in the U.S. is in Los Angeles where 49% of income for housing is not uncommon.



“As the rent burden grows higher, the share of households that are saving nothing goes higher,” she continued. “Folks can’t build wealth for a down payment so as a result commute distances grow longer, while 1/4 of all home buyers need a gift from ‘mom/dad’ or ‘uncle Fred’ to make a down payment.”

During her rapid-fire presentation she focused on Seattle Metro where not enough housing being built reduces availability. “The median age for a home purchase here is 28 and having up to four bids to secure a property is typical,” she says. “Although millennials rate home buying as their best long term investment, many are putting off marriage and babies to secure a property.”

During a spirited Q&A session Dr. Olsen said there is too much single family zoned housing in Seattle and that things must change with ‘inclusionary zoning’ that requires affordability with development. Having a portion of multi-family development affordable incentivizes development. She concluded by saying data shows how 28-35 year olds in search of a property

want walkability to nearby amenities, followed by affordability, safety and a property that is the right size for their household.

When asked about the potential migration from central workplaces to home, she said no one at Zillow works from home speaking of the benefits that come from `working directly in teams.

**President Cathy** opened the meeting by introducing **Don Murphy** for the day's anthem followed by **Marli Iverson** for the invocation. Don Murphy was recognized for his service as club historian and counselor for the Seattle Rotary Service Foundation. President Cathy presented Don an honorary Paul Harris Fellowship and Distinguished Service Award for his 25 years of service to our club. President Cathy also acknowledged **Carl Benke** for being named to the Junior Achievement Hall of Fame.



President Cathy then gave a special 'shout out' to the 43 Seattle Rotarians who attended the District Conference in Portland, with special thanks to **Ken Colling, Tom and Diane Jaffa, Dave Endicott, Steve Crandall, Mark Wright, Sten Crissey** and to **Trent and Alex Mummery** for hosting the hospitality suite. She encouraged Rotarians to save 4/26/18 for the next District 5030 Conference at the Tulalip Resort.



In recognition of Membership Month President Cathy asked Seattle 4 Membership VP, **Diankha Linear**, for an 'Each One Reach One' update. Thanks to the efforts of our members; Seattle #4 has attracted 33 new members so far this year, with four more in the pipeline. She challenged Rotarians to recruit ten new members by the end of June. Diankha concluded by stating her value proposition for Rotary as 'a pathway for personal growth and staying fresh'. She invited three Rotarians to the podium to share their value proposition for





Rotary. **Jackie Lorenz** said as Classification Chair she's had the good fortune to meet high quality, energetic and interesting people. **Laurel James** said Rotary was a great place for women. **Dorothy Bullitt** said friendships, community and peace comes from Seattle 4 as 'my small hotel'.

President Cathy closed the meeting by encouraging Rotarians to participate in the Rotary Boys & Girls Club's annual maintenance day on April 29 (Saturday) beginning at 8:30 a.m. – no sign up just show up!

