

GAINING PERSPECTIVE ON THE REAL ESTATE MARKET

A Letter from Geoff Wood, CEO, Windermere Real Estate

While listening to the radio the other day, I heard the old song by The Clash that asks again and again, “Should I stay or should I go now?” The lyrics almost sound like a “pros and cons” list, with Mick Jones pondering aloud, “If I go there will be trouble. And if I stay it will be double.”

I suspect this song has stuck in the minds of more than a few home buyers and sellers since it was first written in 1981. But here’s another golden oldie from that same year that may help them: the average price of a home in King County was \$85,000. Local home prices have risen by 465% in the past 27 years, and though the headlines may not always reflect this, history tells us that they will continue to rise in the coming decades.

For example, some friends and I were chatting about their home in Madison Park that they sold for \$55,000 in 1983. Last year, they saw that same home sell for over \$1 million. This was a unique opportunity for this couple to see, first hand, how their previous home had increased in value by nearly 2,000% since they handed over the keys.

In today’s market it can be hard to remember that real estate is inherently a long-term investment. And with news media telling us to buy one day and sell the next, you just might find yourself singing, “Should I stay or should I go now?”

SO WHAT DO YOU DO?

The reality is that if you have been in your home for more than two years your house is likely worth more today than when you bought it, making this an okay time to sell. If you’re looking to buy a home, there are a lot of available homes that are certain to gain in value over time. Though there is no crystal ball, these simple truths remain.

I suspect the cynics among you will say, “Of course he’d say that—he makes money when houses are bought and sold.” And this is true. But my role, and the role of Windermere’s 8,000+ full-service agents, is to provide truth about what is real in our market and help you make informed, positive decisions.

So if you’re not sure whether to “stay” or “go,” just take a trip down memory lane as I did. You’ll see for yourself that, over time, real estate has always been and will always be a great investment.

