2019 Predictions

Last year I predicted mortgage rates would rise .5% to .75% and… they did! (Even blind squirrels find nuts as they say.) I predicted prices would increase 10%. They rose 2%. So, I was two for two in predicting that rates and prices would both go up and they did. You're welcome!

Anyway, the crystal ball has been calibrated to an even finer degree and the future is clear:

**Mortgage Rates**- Will remain more or less flat. With a rattled stock market, looming trade wars, policy uncertainty, etc. I think the Fed may not move their target rate this year. Investors will flee equity for bonds. Overall, I don't see much change.

**Real Estate Market in Seattle**- Home prices will rise 4%. The Seattle economy grew 6.6% last year (the US economy grew about 3%) and I don't see signs that our local economy will fall off. Office space is still tight in Seattle's core due to the continued expansion of Amazon and other tech firms. Some of those plans in the medium term may be softening as indicated by Amazon recently deciding to sublease the Rainier Square they were developing, possibly ramping up growth in Bellevue instead.

Happy New Year!

Lucas and Lacie