

2026
MARKET REPORT

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COMPREHENSIVE REPORT
Featuring Economic Insights, Housing Trends & Future Outlook

Realogics | Sotheby's
INTERNATIONAL REALTY





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Celebrating
Fifty Years of Sotheby's

Welcome

Insights, Trends and Projections for the Year Ahead

The 2025 real estate market across Washington state marked a year of recalibration, while 2026 is projected to provide a year of greater balance between confidence and caution, encouraging increased transaction flow with less friction.

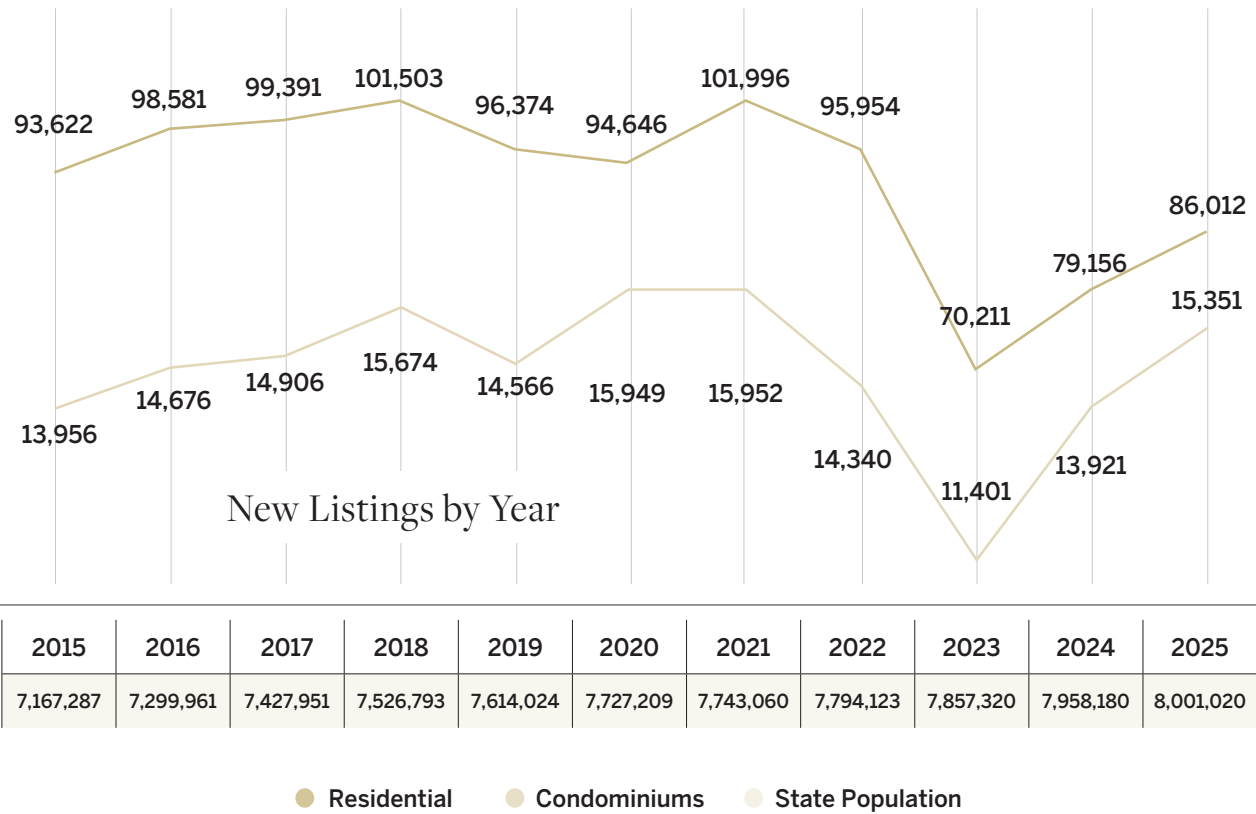
After several years of rapid change, conditions began to normalize as inventory increased, price growth moderated, and buyers and sellers adjusted expectations in a “higher for longer” interest rate environment. According to the Northwest Multiple Listing Service (NWMLS), brokers closed 67,929 residential and condominium sales in 2025, representing more than \$55 billion in closed volume, while median prices rose just 0.7% year over year

Despite affordability pressures, the market demonstrated price stability rather than contraction. Such resilient value was based on meager volumes, despite improved supply market-wide. For perspective, the last time U.S. home sales were as low as in 2023-25 was the mid-1990s. Annual transaction counts were near or just above 4 million homes. Recent years marked the weakest period of sales activity in roughly three decades, underscoring the combined effects of high rates, relatively low inventory, and affordability headwinds. While home prices barely flinched locally, transaction volume plummeted nearly 37% from the 2021 peak—a demand correction of recessionary magnitude hiding beneath remarkably resilient values. The 2023-2025 era was a transaction recession, not a price collapse.

Unlike the last housing downturn, which followed the Global Financial Crisis, the current market pullback has nothing to do with consumer duress or a buyer’s fear of catching a falling knife. There are simply fewer active buyers. Today’s homeowners enjoy unprecedented home equity with irreplaceable mortgage rates, creating a “locked-in” effect. This reduces the viability of selling, especially if tepid home appreciation doesn’t recover the added cost of alternative housing. Some cause for pause is understandable with last year’s political discord, stock market disruptions, and employment jitters

as industries continue to be reshaped by artificial intelligence. The year ahead looks more promising as mortgage rates are projected to drop and home prices rise, improving the value proposition of making a move.

Inventory growth was one of the most notable shifts in 2025. New listings increased nearly 9% year-over-year, and average active listings rose more than 34%, offering buyers greater selection and a more deliberate pace. Even with these gains, months of supply remained below three months,



Graph sourced from the NWMLS Annual Statistic and Review Highlights. Population data sourced from U.S. Census Bureau - Population Estimates as of July 2025.

reinforcing the region’s ongoing housing constraints and the importance of strategic pricing and market preparation.

Market performance varied meaningfully by location. King County continued to lead the state in sales volume and pricing, including the year’s highest residential sale at \$26 million. San Juan County recorded strong price appreciation, while markets such as Island and Jefferson counties saw increased sales activity. These outcomes underscore that 2025 was shaped by hyperlocal conditions rather than broad market momentum.

Mortgage rates in 2025 averaged approximately 6.6% for a 30-year fixed loan, continuing to challenge affordability. However, rates began trending downward toward the end of the year, a signal that may support gradually improving activity in 2026 when combined with rising inventory and sustained regional employment. With mortgage rates currently in the low-6% range and projected to dip into the high-5% range by late 2026, if economic conditions allow, the psychological barrier that has kept many homeowners frozen with ultra-low pandemic-era loans is beginning to thaw. As rates ease and prices show signs of renewed strength the logic shifts: protecting yesterday’s mortgage may no longer outweigh expanding tomorrow’s equity and lifestyle opportunities. When borrowing costs feel manageable and appreciation resumes, mobility follows, and more would-be sellers become willing participants. That is how transactions reaccelerate—not from urgency, but from confidence. For many homeowners, 2026 may be the year to stop being married to a mortgage rate and start being strategic about their next move.

At the luxury level, market behavior continued to diverge from broader trends. According to the 2026 Sotheby’s International Realty® Luxury Outlook Report, high-net-worth buyers nationally remained active, driven primarily by equity, liquidity, and long-term lifestyle considerations. Gardner Economics notes that luxury segments often stabilize earlier during transitional cycles, particularly in supply-constrained markets. Throughout 2025, premium properties that were priced accurately and presented thoughtfully continued to attract qualified demand, positioning luxury real estate as an early indicator of broader market confidence.

This report is intended to provide clarity in a market shaped by transition. Whether you are evaluating your next move or planning ahead, informed guidance matters. At Realogics Sotheby’s International Realty, clients are connected with experienced real estate advisors who bring market insight, local expertise, and strategic perspective. We invite you to connect with our team to help align your goals with the realities of today’s market.

Highest Home Prices by School District

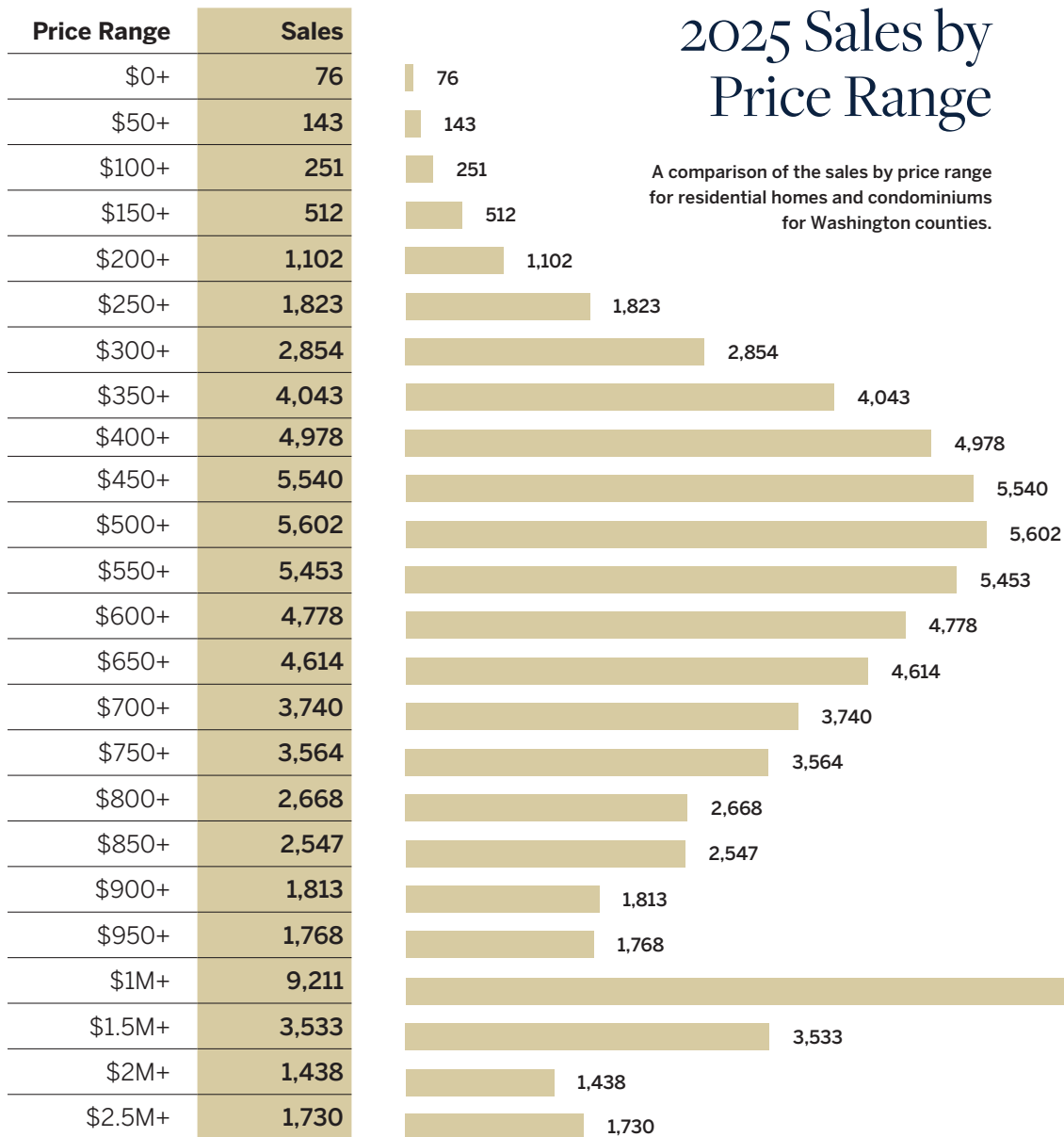
18 highest priced, based on closed sales for residential homes only in each school district.

This graph is sourced from the NWMLS Annual Statistic and Review Highlights. All data is provided by the NWMLS.

	Median	District	County
	\$2,500,000	Mercer Island	King
	\$1,950,000	Bellevue	King
	\$1,595,000	Lake Washington	King
	\$1,595,000	Issaquah	King
	\$1,312,000	Bainbridge Island	Kitsap
	\$1,225,000	Northshore	King/Snohomish
	\$1,206,000	Snoqualmie Valley	King
	\$1,050,000	Orcas Island	San Juan
	\$999,000	Riverview	King
	\$988,500	Lopez Island	San Juan
	\$975,000	Seattle	King
	\$927,500	Dieringer	Pierce
	\$925,000	Easton	Kittitas
	\$916,500	Vashon Island	King
	\$886,500	Shoreline	King
	\$880,000	San Juan Island	San Juan
	\$874,950	Monroe	Snohomish
	\$850,000	Snohomish	Snohomish

Sources

• Northwest Multiple Listing Service (NWMLS), 2025 Annual Report and Press Release, January 2026. • NWMLS County Reports and RSIR 2025 County Market Summaries. • National Association of REALTORS® (NAR) Research and Statistics. • Sotheby’s International Realty®, 2026 Luxury Outlook Report (Proprietary Research). • Gardner Economics, Matthew Gardner, Chief Economist.



New Construction Market Update

Puget Sound Region

The new construction housing market across Puget Sound remains structurally constrained as developers contend with elevated land costs, higher lending rates, rising labor expenses, and material volatility, compounded by tariff impacts on key construction inputs. These pressures have driven replacement costs meaningfully above prevailing resale values in many submarkets, resulting in limited speculative activity and cautious capital deployment. In practical terms, delivering new housing today often requires pricing that exceeds what buyers are currently willing to pay, keeping new supply muted.

This imbalance is most pronounced in the high-rise condominium sector in Seattle.

The city has not seen a major high-rise condominium groundbreaking since before the pandemic, as current market pricing remains below estimated replacement cost. Until values rise sufficiently to justify new vertical development, large-scale condominium inventory is unlikely

to return. As a result, what exists today largely defines what the market will have for years to come and sets the

stage for future appreciation once demand rebounds against constrained supply. There are fewer than 500 unsold, new construction condominiums in downtown Seattle, a major city of more than 110,000 residents in the urban core. Only a slight increase in the renter-turn-homebuyer demographic

This graph is sourced from the NWMLS Annual Statistic and Review Highlights. All data is provided by the NWMLS.

could put a significant strain on the inventory, where demand can rise much quicker than supply.

Conditions improved modestly on the affluent Eastside, where higher household incomes, corporate employment stability, and deeper buyer pools have supported selective developer confidence. While some projects pencil in these submarkets, absorption has remained measured rather than robust, reinforcing a disciplined approach to new starts.

Legislative efforts to address supply constraints—notably House Bill 1110, which up-zoned single-family land in Washington’s largest municipalities effective July 1, 2025—represent a structural shift but not an immediate solution. While intended to expand “middle housing,” early implementation has yielded limited permitting activity. In many cases, the economics of small-scale infill development still require price points that do not align with buyer value perceptions. Zoning capacity alone does not overcome high land basis, construction costs, and financing realities.

Unlike many “ring city” markets elsewhere in the U.S., Washington’s Growth Management Act and geographic land constraints limit the region’s ability to simply build outward to restore affordability. The result is persistent upward pressure on the existing housing stock. With new construction economically stalled in several segments, resale inventory carries the burden of demand and reinforces the Puget Sound region’s demonstrated price resilience.

In this environment, the supply equation remains fundamentally tight. Until replacement costs and achievable market values converge, developers will largely wait for the next expansion cycle. That cycle may take years to fully materialize, underscoring a simple reality for buyers and sellers alike: constrained new supply today is likely to translate into durable value support tomorrow.

Sources: Seattle Condos and Lofts, Seattle Condo Market Recap, January 2026.





Seattle | Sold at \$2,100,000

Median Sold Price By County 2025

For buyers searching for a residential or condominium home in the Puget Sound region market, rising inventory levels created more options in a previously low-supply market. With 86,012 new residential listings in 2025 (an 8.66% year-over-year increase), buyers made their moves in more favorable conditions compared to the previous year. The number of listings spiked in May, as is typical of the seasonal market trends where listing activity picks up during the spring. The condominium market also experienced an increase in new listings, which were up by 10.27% compared to 2024.

Although King County saw a 10.45% year-over-year increase in residential listings, the county experienced a 2.54% decrease in the number of homes sold, indicating that buyers still had to contend with the affordability issues—due to high home prices and continued elevated mortgage interest rates—which have kept some potential buyers on the sidelines for the past few years.

The year-over-year changes in median sales prices varied by county. King County was number one with a residential median of \$974,900 (a 2.62% year-over-year increase). San Juan County had the second-highest median sales price of \$957,500 (a 6.98% year-over-year increase). Of the 28 counties analyzed in the NWMLS annual report, median sales prices ranged from \$250,000 to \$974,900, with ample variation in between.

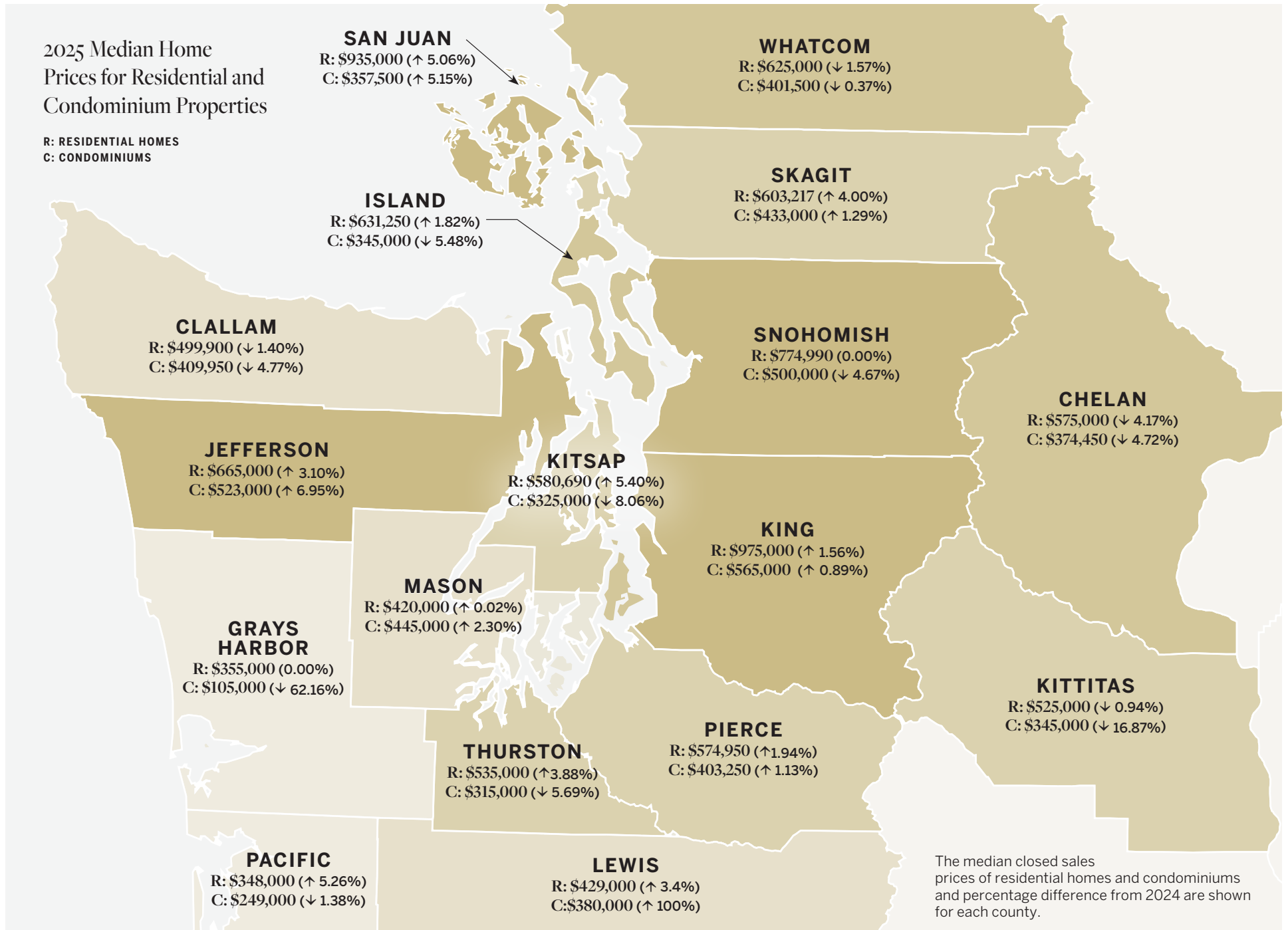
Sellers who were willing to price strategically and accurately, understanding that the market moves more slowly than we have seen in market cycles of the past, when buyer competition was strong, were rewarded with successful sales.

Whether you are searching for your ideal property within the Puget Sound region or hoping to take advantage of shifting market conditions and list your home, enlisting the assistance of an experienced market expert is the first step. Realogics Sotheby's International Realty's advisors are informed of the market trends that make all the difference in your real estate journey.

NWMLS data. Information was obtained from sources deemed reliable but cannot be guaranteed. Reader is encouraged to perform independent due diligence before acting upon reports outlined herein. Errors and omissions excluded.

2025 Median Home Prices for Residential and Condominium Properties

R: RESIDENTIAL HOMES
C: CONDOMINIUMS



The median closed sales prices of residential homes and condominiums and percentage difference from 2024 are shown for each county.



A Letter From the President

Dean Jones

**President and CEO of
Realogics Sotheby's International Realty**

As I reflect on the insights presented in our 2026 Market Report and within the Sotheby's International Realty® Luxury Outlook, one overarching conclusion becomes clear: the residential real estate market is no longer in a period of instability but rather entering a new era of "maturation" and not "correction".

The previous ultra-low-interest rate epoch was like a sugar rush for housing, and this high did more than accelerate housing activity. It pulled years of demand forward. Many households that would have naturally moved in 2023, 2024, or even 2025 chose to act sooner to secure historically inexpensive financing. The slower pace that followed was not a disappearance of need, but a period of digestion and necessary adjustment for consumers and the industry. As mortgage rates ease into a more comfortable range, inventory improves, and home values demonstrate renewed strength, we are approaching a natural inflection point. Life decisions postponed during the rate shock are beginning to resurface. The result is not a return to frenzy, but a return to better flow for a healthier, more sustainable market, where confidence replaces urgency and thoughtful decisions replace speculation.

As we look toward 2026 and the balance of the decade, five structural forces will shape the path ahead.

First and foremost, wealth creation continues. Despite periodic volatility in public markets, global capital formation remains robust. Entrepreneurial liquidity, equity appreciation, and private capital growth are

concentrating wealth at the upper tiers. Concurrently, the historic intergenerational transfer of assets (measured in the tens of trillions of dollars known as the "Silver Tsunami") is actively reshaping ownership patterns. Luxury real estate increasingly serves not just as a lifestyle asset, but as a strategic allocation within diversified private portfolios that can be experienced and lived in.

Second, policy and regulation are playing a defining role in simultaneously motivating some to make a move while freezing others in place. At the federal level, monetary decision continues to influence mortgage rates and transaction timing. Tax policy, estate planning considerations, and immigration frameworks affect capital mobility, helped by Congress approving investment goalposts under the One Big Beautiful Bill Act last year, albeit with the slimmest of margins possible. This is a reminder about political will and influence as we approach mid-term elections and the likelihood of a flurry of Executive Orders, appointments, and legislative bills while the agenda is accelerated before election day on November 3, 2026.

Here in Washington state, the Growth Management Act and recent housing legislation, including HB 1110, aim to restrict and address supply constraints, yet structural realities remain. Land is finite. Replacement costs are elevated. Regulatory complexity influences feasibility.

In markets such as ours, upward pressure on well-located housing is not cyclical; it is structural. The “missing middle” housing crisis will remain such until the retail sales values support the elevated prices of land, entitlements, lending, construction, and liability mitigation. The bottom line is, if developers can’t pencil the micro-housing projects despite the up-zone, they won’t get built.

Third, demographics and psychographics are evolving. Millennials are entering peak earning years. Gen X is in its prime wealth-building stage. Baby Boomers are transferring assets, often while retaining ownership of real estate longer than anticipated.

Meanwhile, today’s buyer approaches homeownership differently. Luxury is no longer measured solely by size or address. It is evaluated by coherence of architectural integrity, sustainability, functionality, and alignment with lifestyle. Homes must serve as platforms for enterprise, wellness, creativity, and family life. In all the discussions about economics and financing, we’re reminded of buyers’ desires and the will to believe in their future by investing in it and making moves.

Fourth, interest rate normalization is reshaping behavior. The era of ultra-low borrowing costs is behind us. Rates in the 5–7% range may represent the new equilibrium. While this has reduced transaction volume, it has not undermined pricing integrity in

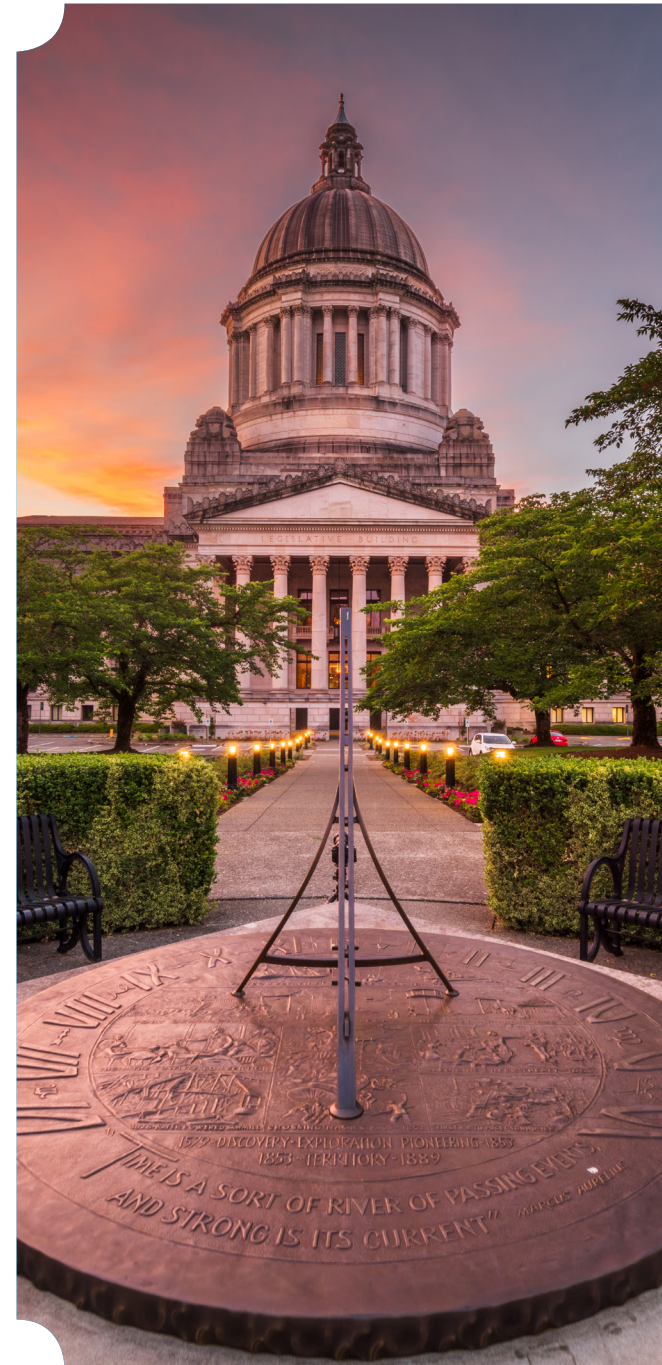
high-demand, supply-constrained markets. In fact, the current environment has filtered speculative activity and reinforced long-term ownership. Besides, in luxury real estate, mortgage rates are less of a factor because most properties are acquired in cash, but the trickle-up effect is still an influence over time.

Fifth, geopolitical and systemic disruptions remain a constant backdrop. Trade tensions, currency volatility, global conflicts, climate risk, and political polarization influence where capital seeks refuge or flees. Prime real estate in stable, globally connected regions increasingly functions as a safe-haven allocation. Jurisdiction matters, infrastructure matters, and governance matters. In Washington, the potential imposition of a “Millionaire’s Tax” is making its way through Olympia and may end up on the voting ballot later this year. While this form of income tax is likely to be challenged by the State Constitution requiring uniformity, just the propensity of this mounting tax pressure on the region’s most affluent and influential earners will create domicile refugees. Many are already exploring “if this, then that” planning and strategy, potentially spurring sellers to let go before a self-fulfilling prophecy about a declining luxury home market is tested in reality. It’s also spiking demand in already popular, tax-friendly states like Nevada, Arizona, Texas, Idaho, and Florida, where a second home today may become a primary focus for residency tomorrow.

Against this backdrop, what does 2026 represent?

It represents refinement and perspective. The kind of processing that is possible when you work with savvy real estate professionals and trusted advisors who are experts in navigating multiple and varied inputs, when a single decision to purchase or sell can often be the result of months or years of considerations in a dynamic market.

The Sotheby’s International Realty® Luxury Outlook





report underscores that excellence compounds while mediocrity stagnates. Architecturally significant properties, irreplaceable waterfront homes, curated urban enclaves, and amenity-rich communities continue to command global attention. Undifferentiated inventory faces pressure. Scarcity remains the ultimate driver of resilience.

In the Puget Sound region, our geographic constraints, economic drivers, and cultural vibrancy position us uniquely. We cannot “drive to affordability” in the same manner as many Sunbelt or ring markets. Our land use policies and natural boundaries create durable scarcity. As global wealth expands and mobility increases, these characteristics become strengths.

For our clients, whether buyers, sellers, developers, or investors, this environment calls for strategy over speculation, patience over urgency, and data-informed judgments over reactive ones.

Today, real estate sits at the intersection of lifestyle and legacy. It must serve both daily experience and long-term capital preservation.

For our brokers, this is a defining moment. The role of the Global Real Estate Advisor has evolved beyond transactional facilitation. Our clients expect macroeconomic context, jurisdictional awareness, design literacy, and portfolio-level thinking. They seek guidance not only on price, but on positioning. Not only on marketing, but on narrative. Not only on timing, but on intergenerational impact.

At Realogics Sotheby's International Realty, we are committed to meeting this moment. We continue to invest in systems, creative execution, analytics, and collaboration. We are refining workflows, aligning resources, and strengthening our culture to ensure that we remain ready, motivated, and scalable for the growth ahead. As transaction activity selectively increases and confidence builds, we must be prepared to execute with precision and integrity. The market of 2026 is not about exuberance but excellence.

Transaction volumes may fluctuate, but well-located, thoughtfully designed, and responsibly capitalized properties will continue to demonstrate resilience. Sustainability is no longer optional. Experience is integral to value, and jurisdictional stability matters as much as architectural distinction.

To our clients, thank you for your trust. To our brokers, thank you for your professionalism and commitment. Together, we stand at the threshold of a new chapter, defined not by volatility but by maturity. Prime real estate is properly located, thoughtfully structured, and guided by strategic counsel. It remains one of the defining wealth assets of our time.

The foundation is strong and the horizon is clear. Let us move forward with confidence and help guide you along your next real estate journey.

With respect,

Dean Jones | President & CEO
Realogics Sotheby's International Realty
and Founder of Futurecast Forum

Fifty years

Celebrating fifty years

This year, we celebrate 50 years of Sotheby's International Realty® — a milestone in a centuries-long legacy of discerning taste, unwavering trust, and exceptional service. Sotheby's Auction has shaped culture for over three centuries. Realogics Sotheby's International Realty has extended that legacy by connecting buyers with remarkable properties around the world. Heritage is our advantage, and innovation is our tradition.



forward

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Celebrating
Fifty Years of Sotheby's

Sold for \$4,400,000 | Seattle, WA

Photo by Caleb Melvin at Clarity Northwest Photography

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Dean Jones

President and CEO of Realogics
Sotheby's International Realty

Futurecast Forum

Futurecast Forum is a forward-looking thought leadership platform dedicated to examining the forces shaping the future of real estate, economics, policy, lifestyle, and investment. Founded by Dean Jones of the Realogics Group of Companies, Futurecast Forum was created with a singular conviction: the most consequential market shifts are visible long before they become headlines, if you know where to look.

Built on rigorous analysis and curated dialogue, Futurecast Forum convenes market luminaries, economists, brokers, policymakers, developers, and innovators to explore where markets are heading next and why. The Forum's mission is not merely to forecast outcomes, but to guide market trajectory by interrogating the signals that matter most: variant industry indicators, consumer behavior shifts, capital flows, demographic patterns, and policy decisions that collectively shape future demand.

“By closely examining variant industry indicators and evolving consumer psychology, we can see inflection points forming well before consensus catches up. Futurecast Forum exists to challenge assumptions, surface early signals, and help leaders position themselves ahead of the curve.”

- Dean Jones, Founder, Futurecast Forum



Scan to explore emerging trends,
anticipate change, and shape
strategy before the rest.

FuturecastForum.com

Tariffs, Taxes & Turmoil

At a packed Futurecast Forum hosted by Realogics Sotheby's International Realty, leaders in finance, policy, AI, and global real estate gathered to decode a rapidly shifting landscape defined by tariffs, tax policy, geopolitical tension, and technological disruption.

The conclusion? Uncertainty doesn't stop markets. It resets them.



What We Just Learned

At the “Tariffs, Taxes & Turmoil” Futurecast Forum, panelists, including Kartik Ram, Eddie Chang, and Ofer Avnery, explored the forces shaping the next chapter of the Pacific Northwest housing market.

The signals are becoming clear.

Tariffs may create short-term noise, but they rarely change the long-term value of scarce real estate assets.

Taxes may influence domicile strategies, but embedded wealth in the Pacific Northwest remains powerful.

AI is splitting housing demand into two markets: those benefiting from productivity leverage and those waiting cautiously on the sidelines.

Global tensions may disrupt confidence temporarily, but history shows they often precede economic repositioning and growth.

Meanwhile, a familiar pattern is emerging.

Demand can return in months. Supply takes years to build.

Why It Matters

The panel's message was clear: The market is not collapsing. It is repositioning.

Real estate continues to function as a store of value, particularly in supply-constrained global cities like Seattle. And while uncertainty may cause hesitation today, history shows inflection points often precede the next cycle of growth.

The real question is not whether change is coming. The question is who positions ahead of it.

The Next Chapter: Real-Time Intelligence

To follow the evolving story, RSIR is launching a continuous insight series connected to the 2026 Market Report.

At the center of it: **Digital Dean**: an AI-powered avatar and thought partner designed to capture observations, interpret policy developments, and distribute timely market intelligence with speed and efficiency.

Stay connected to our thoughts, articulated in real-time.

Expect rapid-response insights on topics including:

- Washington state tax policy
- Global capital migration
- AI-driven wealth creation
- Mortgage rate pressures from energy markets
- Supply constraints in Seattle and the Puget Sound region
- The emerging “tax nomad” lifestyle

This is news you can use—at the speed of opportunity.



Scan for more analysis from the Futurecast Forum and ongoing Digital Dean insights in real time.

Top 5 Emerging Buyer and Seller Profiles for 2026

The Old Rules Still Matter, but They Are No Longer Enough

For decades, real estate professionals have relied on the familiar “Five Ds” to explain housing movement: death, divorce, divestment, dislocation, and diapers. These life events remain powerful catalysts, and they always will. People still pass away, families and portfolios still change, careers still migrate, and children still come and go. Those forces quietly underpin the steady heartbeat of housing demand.

But in 2026, those traditional triggers are no longer acting alone. Another “D” has arrived: Desire. A yearning for a new address and a way to live, driven by lifestyle and propelled after years of wait-and-see.

Today’s consumer is more nuanced, more strategic, and more financially sophisticated. They’re shaped by a once-in-a-generation convergence of economic recalibration, demographic transition, and behavioral reset, and they’re trying to time the market following years of volatility and weakened confidence.

Buyers and sellers are not simply reacting to life events. They are responding to opportunity, to optionality, and to a recalibration of what “value” really means in a world where:

- Mortgage rates have stabilized but remain structurally higher
- Inventory has expanded materially after years of suppression
- Equity markets have recovered faster than real estate in many segments
- Work has become more mobile but also more intentional; “quality time” is paramount
- And wealth, especially generational wealth, is moving earlier, not later

At the same time, the Seattle-Bellevue region sits at the intersection of several powerful forces: a deep bench of high-income talent, a global tech economy still reshaping itself with artificial intelligence, constrained long-term housing supply, and new zoning and transit investments that are quietly redrawing the map of opportunity. It’s not one thing; it’s seemingly everything and all at once. This has created a market where waiting is no longer neutral.

For renters, the realization is settling in that delaying ownership may come at the cost of selection, not savings. For homeowners, particularly those with equity and flexibility, the question is no longer whether to act, but how to position themselves intelligently. For families with resources, strategic gifting and intergenerational planning are reshaping who can participate in the next cycle. And for lifestyle-driven buyers, the definition of “home” has expanded beyond a single address, evolving not just where to live but how to live their best life, opting for multiple zip codes and lifestyles.

The result is a new set of buyer and seller profiles not defined solely by age or income, but by intent, leverage, and timing.





These are consumers who understand that:

- Rates can be refinanced, but missed inventory cannot be reclaimed
- Price discovery favors decisiveness, not perfection, and selection matters too
- Lifestyle returns matter as much as financial ones, especially when factoring in limited time
- And in a market where supply remains structurally limited, even small shifts in demand can have an outsized impact

What follows are the five emerging buyer and seller archetypes shaping the 2026 housing landscape across Seattle, Bellevue, and the region's lifestyle markets. These profiles help explain not just who is transacting, but why momentum is quietly rebuilding beneath the surface.

1 The “Re-Activated Renter” (Ownership Converters)

**Primary Buyer Segment Emerging as In-City Homeowner
Equity Gains Reset**

Who they are:

Affluent, urban renters, often tech, professional services, or dual-income households, who have delayed purchasing for 3-5 years due to mortgage rate volatility, economic uncertainty, lifestyle flexibility, or price corrections. Many have been enjoying lease-up incentives at newly completed buildings and returning to work in an urban market, while recognizing the opportunity to pivot to homeownership at the market inflection point once price growth starts accelerating again.

Why 2026 is their moment:

- Rent inflation and declining concessions expose the long-term cost of waiting
- Improved for-sale inventory selection creates choice, not pressure
- Mortgage rates lower/stabilize enough that payment certainty overrides rate perfection
- Realization: “You can refinance a rate, but you can’t re-buy a missed property.”

What they buy:

- Newer condominiums and townhomes with developer incentives and preferred selection
- Targeting deals below replacement cost, noting it will be years to add more housing
- Inherently unique product design in distinctive locations that resist commoditization
- Walkable, transit-adjacent, amenity-rich environments

Geographic bias:

- Downtown Seattle, South Lake Union, Capitol Hill, Ballard, Eastlake in lifestyle centers
- Proximate to in-city jobs and improving absorption of commercial office spaces
- Micro-housing projects made possible within established neighborhoods spawned by House Bill 1110 rezoning
- Emerging nodes near light rail stations as part of the Sound Transit 3 expansion

Why they matter:

Even a 5% renter-to-owner conversion can create outsized upward pressure when for-sale inventory is tight. Roughly 500 unsold high-rise condominiums sit in downtown Seattle, serving an urban population of 110,000. Observers note it could take five years to deliver new high-rise towers, likely requiring prices 50% higher to pencil. Demand can accelerate far faster than supply.



Kirkland | Sold at \$10,400,000

2 The Capital-Confident Tech and Equity Buyer

High-Impact Buyer Group Propensity at the Ready

Who they are:

Senior tech professionals, founders, or RSU (Restricted Stock Units)-rich employees riding sustained equity appreciation in stock values despite layoffs elsewhere.

Buying behavior:

- Larger down payments or all-cash, harvesting sizable gains in stock market portfolio
- Will buy “A-minus” product and upgrade
- Comfortable with \$2 million to \$5 million price points when value is clear
- Aware that AI-anxiety may be curbing greater buyer competition for now, but not for long as confidence grows

Where they concentrate:

- Bellevue, Medina-adjacent, Kirkland, and Redmond
- Proximate to tech employment centers
- Prime Seattle neighborhoods with schools and lifestyle appeal
- Tech titans fleeing California’s tax structure are drawn to lakefront affluence and lifestyle

Market effect:

They absorb inventory without noise, stabilizing values before broader recovery becomes obvious. High-value transactions are often off-market as brokers play matchmaker.

3 The Strategic Seller-Turned-Landlord (Luxury Lease Class)

A Defining 2026 Hybrid Profile Deferring a Would-Be Sale for Future Market

Who they are:

Affluent homeowners who tested the market in 2024-2025 but refused to discount to meet buyer expectations will increasingly consider executive lease scenarios, furnished or otherwise.

Behavior shift:

- Opt to lease high-end homes for 12-36 months, anticipating higher values ahead
- Maintain ownership optionality, sometimes with first-right-of-purchase
- Maintain low mortgage rate, defer capital gains or estate planning decisions
- Willing to downsize in a conservative view of market conditions

Why leasing works now:

- Strong demand from relocating executives testing the career move and market
- Rise in luxury class home rentals as tepid house appreciation chills purchase demand
- Corporate housing budgets are up for relocating professionals
- High-income renters prefer turnkey homes, especially in preferred school districts

Outcome:

Creates a shadow inventory of luxury rentals that absorbs demand without price declines, stabilizing the high-end market. Strong leasing demand gives sellers alternatives while incubating future buyers, removing both supply and demand from the market.

4 The Generational Wealth Catalyst

One of the Most Underestimated and Magnifying Forces Driving Consumer Behavior

Who they are:

Parents and grandparents deploying gift capital now rather than via inheritance later at death.

Motivations:

- Rising estate tax exposure
- Desire to see positive impact during their lifetime (buy home, expand business, etc.)
- Strategic gifting to accelerate family stability and investment diversification
- Strategically timing the market and leveraging expansion under the One Big Beautiful Bill Act.

How it shows up:

- Down payment gifts or co-buying of property for next generation
- Family LLC purchases, compounds to be transferred
- Multi-generational buying (main house and ADU) “Grandchild Trap” drives visits to family homes via resort-style amenities and recreation access.

Impact:

- Pulls younger buyers forward by 5-10 years as gifts are accelerated gains
- Quietly boosts mid-market and luxury liquidity
- Makes “first-time buyer” data misleading because purchasing power is augmented

Takeaway:

Warm-handed gifting is becoming a core strategy, especially in high-cost markets like Seattle. It accelerates homeownership, preserves family wealth, reduces estate tax exposure, and measurably reshapes housing demand.

5 The Lifestyle Optimizer (Dual-Market Living)

The Most Emotionally Driven Yet Economically Rational Consumer Cohort

Who they are:

Households optimizing for a life experience, not just square footage, and increasingly exploring multiple homes rather than one single-family home in a hybrid work reality.

What they’re doing:

- Rightsizing or unlocking equity in primary residence to purchase a secondary home
- Cashing out of obsolete single-family homes in favor of two (or more) condominiums elsewhere
- Buying second homes in regional lifestyle markets: Suncadia, Seabrook, Roche Harbor, Crescent Ridge, Bainbridge Island/Kitsap County

Why now?

- Hybrid work now normalized and socially acceptable, and travel patterns are more realistic
- Family time returned to a priority
- Opportunities to buy in at the bottom of the market cycle
- Realization that time outweighs arbitrage
- Planning for future estate tax refugee status (relocating to a secondary home as a primary residence before death to avoid Washington taxation during the sunset of life)

Market effect:

Creates sustained demand in secondary markets while keeping urban cores liquid. This affluent buyer values lifestyle returns as much as financial ones — and can enjoy both.



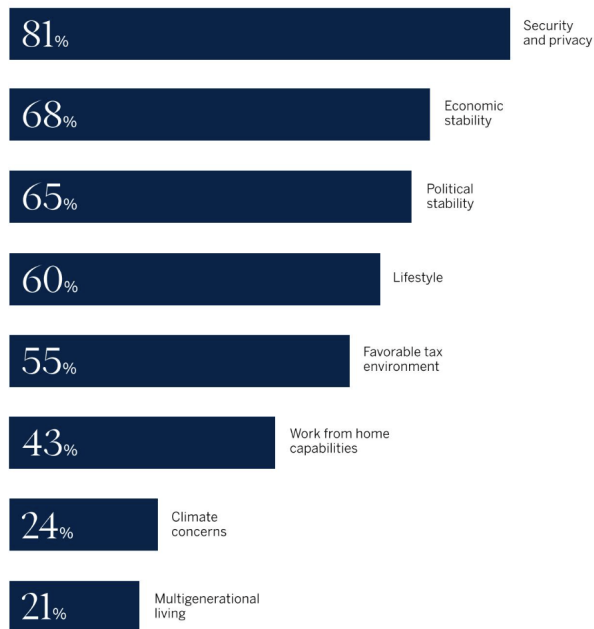
Bothell | Sold at \$2,850,000

The Motivations of Luxury Homebuyers

While seeing an appreciation in their home's value or benefiting from rental income from a second or third property were considerations for many homebuyers, relatively few purchases were driven primarily by such motives. Purchases made mainly for capital growth or rental income each accounted for just 10% of sales on average across the world. However, in certain regions this figure was higher, with homebuyers in Asia and Africa/Middle East

Major considerations among homebuyers

Source: 2026 Sotheby's International Realty agent survey (ranked by importance)



more interested in capital growth and many in the Caribbean and South/Latin America seeking properties they could rent out.

Security and privacy were the top priorities among homebuyers, with most agents reporting these factors as growing concerns for their clients. An area's economic and political stability were also major factors. An area's local tax structure was a significant driver of interest, with more than half of respondents saying a favorable tax environment

was a key concern. This was particularly true in Europe and the Caribbean, where at least three-quarters of agents said their clients cited taxes as a motivator in choosing a future home there. Multigenerational living is also becoming increasingly important in certain regions, including Africa/Middle East, North America, and South/Latin America.

The Rise of Millennial Homebuyers

Several groups of home buyers are becoming more active according to the survey, particularly Millennials (born between 1981-96) and foreign buyers looking for a golden visa or other residency benefits.

The biggest jumps in the number of Millennial buyers of luxury properties were in the Caribbean, where 75% of agents noted an increase, followed by South/ Latin America (64%) and Asia (59%). “As global economies shift, we are continuing to see an influx of new primary and secondary homebuyers choosing Puerto Rico,” says Oriana Juvelier, vice president and broker, Puerto Rico Sotheby’s International Realty. “We are increasingly seeing that HNWI’s in particular are drawn to the wellness-inspired quality of life in

warmer climates, such as we have here in Puerto Rico. Furthermore, business incentives are more important than ever due to rising costs of living and doing business in the U.S. This is driving Millennials, many of whom are for the first time considering their family’s long-term prospects, to choose locations that are both culturally aligned and tax-favorable for building family wealth.”

Millennials are also becoming more active in North America, primarily in the U.S., according to 44% of agents there. This concurs with findings in the 2025 Home Buyers and Sellers Generational Trends Report, released by the National Association of REALTORS® in April 2025, which found that Millennials made up 29% of recent homebuyers in the U.S., second only to Baby Boomers (born 1946-64), who made up 42%.

The Caribbean islands, meanwhile, remain a hotspot for those looking for so-called golden visas citizenship and residency benefits given

to foreigners who make a sizable investment in a country’s economy. A large majority (83%) of agents working in the region reported an increase in this type of buyer, compared with a global average of nearly half. The lure of Oceania for foreign buyers is also above average, with more than half of agents noting an uptick.

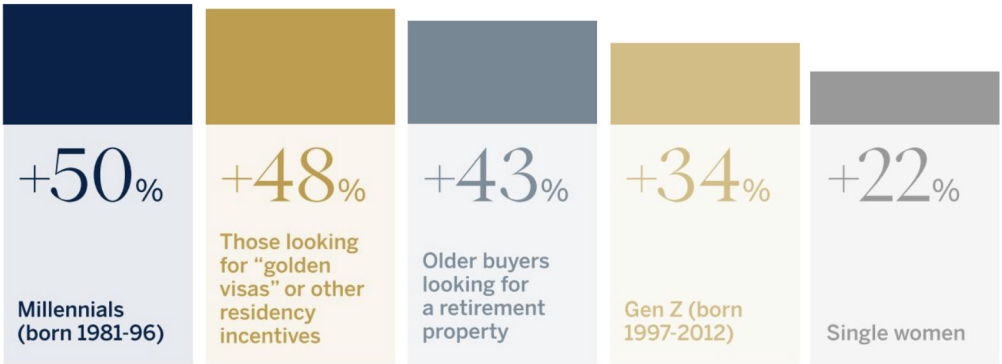
According to a September 2025 report in the Guardian, since the requirements for New Zealand’s Active Investor Plus visa were relaxed in April 2025—lowering investment thresholds and reducing the time applicants must spend in the country to establish residency—the number of foreigners who have applied has tripled, with most coming from the U.S. and China.



Scan to explore the full 2026
Luxury Outlook Report.

Change in buyer types

Source: 2026 Sotheby’s International Realty agent survey





Two Housing Markets: AI Anxiety vs. AI Advantage

How the Puget Sound region feels both cautious and euphoric about the market at the same time, and what that means for housing in 2026

Ofer Avnery, Co-Founder of Realte

Author bio

Ofer Avnery is the co-founder of **Realte** and founder of **Real Wave**, working at the intersection of artificial intelligence, residential real estate, and proptech in the Puget Sound region. His work focuses on applying AI to the practical realities of housing: valuation, development feasibility, neighborhood change, and the on-the-ground decisions households make about buying, renting, or holding property through economic cycles. Ofer has been featured in regional business press for his work in housing and technology, and he advises teams and partners across real estate and tech on how AI-driven productivity shifts will reshape local demand and affordability.

The Puget Sound region is entering a familiar kind of “new era.” Familiar because we’ve lived through a technology-driven reinvention before. New because this one is moving faster, touching more job categories, and rewiring daily work in a way most people won’t fully notice until they can’t imagine functioning without it.

That’s the first misconception to clear up: AI isn’t “taking jobs.” The real risk is that roles, teams, and

functions that fail to leverage AI will be outcompeted by those that do. It's the internet (distribution and information) and the wheel (productivity and transport of effort) arriving simultaneously, in the same decade and labor market.

And when a region like ours sits at the center of that reinvention, something strange happens to housing: you don't get one market. You get two markets running in parallel.

- **Market A: AI Anxiety.** Households feeling job fragility hesitate. They rent for longer. They avoid stretching. They delay move-up purchases. They wait for clarity.
- **Market B: AI Advantage.** Households benefiting from AI-driven productivity, equity performance, or new venture formation act sooner. They buy with confidence. They compete for prime homes. They upgrade.

If that sounds like a contradiction, it's because it is. But it's also exactly what made the region's real estate market so interesting in 2025 and into 2026.



1 The economic fork in the road: labor disruption and capital expansion.

The near-term story is not clean. It's mixed signals.

On one hand, Washington's unemployment rate has been edging higher, landing at 4.7% in December 2025 per the state's Employment Security Department. That matters because housing decisions are confidence decisions, and confidence is fragile when job headlines feel unstable.

Regional layoff news remains loud. A KOMO report citing state filings said nearly 9,800 Washington-based tech workers have been laid off since January 2025. Nationally, the most visible example is large corporate reductions, including Amazon's reported ~16,000 corporate job cuts in its latest round.

All of that creates the "AI Anxiety" in half of our housing equation: people keep their options open, keep cash liquid, and choose flexibility.

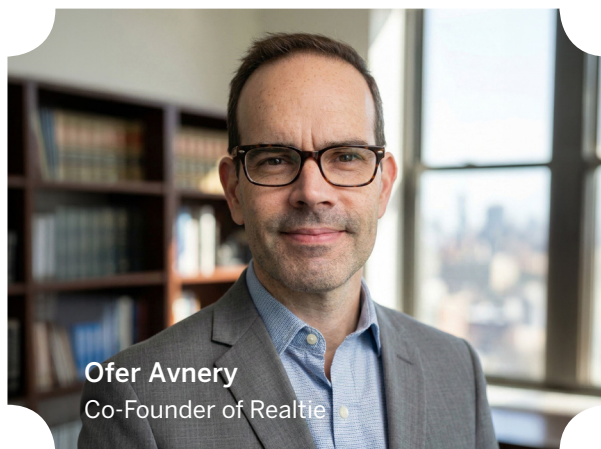
But here's the other half of the equation, and it's the part that makes the Puget Sound region fundamentally different from regions that only experience the downside of disruption: **the level of AI investment by local companies is not incremental. It's industrial-scale.**

- Reuters reported Amazon projecting **\$200 billion in capital spending in 2026**, up from \$131 billion in 2025, explicitly tied to the AI infrastructure buildout.
- Microsoft publicly stated it is on track to invest **~\$80 billion in FY2025** to build AI-enabled data centers.
- Reuters also reported Microsoft targeting a record **~\$30 billion capex quarter** as AI investments scale.

Amazon's 2026 plan is roughly \$50 billion per quarter, and Microsoft's FY2025 plan is roughly \$20 billion per quarter. That's around \$70 billion per quarter from just two companies, globally. Even a modest regional "slice" of that activity still becomes billions cycling through local payrolls, vendors, construction, leasing, services, and housing demand.

While AI is reshaping job composition, the Puget Sound region continues attracting top technical employers, including satellite offices from out-of-state firms. indicators—new leases, expansions, and AI/ML hiring—show sustained investment from companies like OpenAI, Apple, xAI, Anthropic, NVIDIA, and Google, even as headcounts are optimized elsewhere. The Seattle/Bellevue market remains a top U.S. tech talent hub, adding **8,940 tech jobs (2022–2024)** while producing **14,107 tech-degree graduates (2021–2023)**, reinforcing the region's talent advantage.

This is why the "AI Advantage" market exists at the same time as the anxiety market.



Ofer Avnery
Co-Founder of Realte

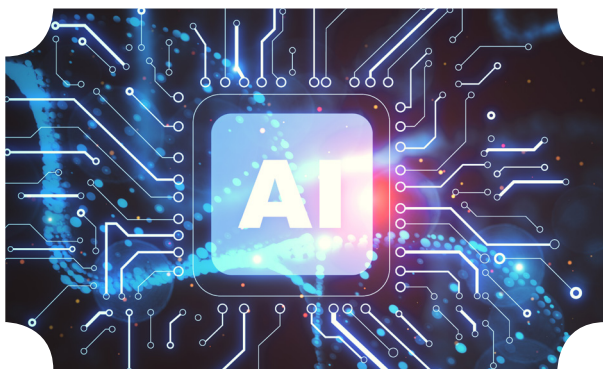
2 Puget Sound’s “AI corridor” is becoming literal, not theoretical.

In past cycles, people argued about whether Seattle was an innovation hub. In this cycle, you can measure it in square feet.

GeekWire reported that Elon Musk’s xAI leased a floor in downtown Bellevue and that OpenAI is expanding to nearly 300,000 square feet in Bellevue as well. KIRO 7 reported permit filings showing xAI leasing roughly 25,000 square feet at Lincoln Square South.

There’s a pattern here: abundant office availability at discounted terms, plus dense talent, plus proximity to hyper-scalers equals an unusually attractive setup for AI expansion. In other words, the office overhang isn’t only a problem. In certain corridors, it’s a strategic advantage.

When high-value teams cluster, housing demand becomes less evenly distributed. You get tighter pricing in “commute-logic” nodes and lifestyle nodes, even if the broader region feels mixed.



3 Housing reality check: 2025 didn’t break. It held.

If you’re looking for the “big housing crash” narrative, the Puget Sound region keeps refusing to cooperate.

Northwest MLS reported that brokers closed 67,929 residential and condominium sales in 2025, with inventory rising and prices holding relatively steady. A widely repeated NWMLS figure for 2025 is an average ~2.83 months of supply, up from ~2.11 months in 2024, still below a balanced 4–6 months.

That 2025 pattern supports the deeper point: even while affordability stays difficult and buyer psychology stays cautious, supply remains constrained enough to keep pricing resilient.

So, the “AI Anxiety vs. AI Advantage” story lands on top of a market that is already structurally tight.

4 Renting vs. buying: the affordability gap is real, and it’s shaping behavior.

The renter reality is a key pillar, because it’s where labor anxiety meets monthly math.

Seattle’s owner-occupied rate is 43.7% (2020–2024), meaning renters are the majority. And right now, renting is materially cheaper than owning in the Seattle metro area: a LendingTree analysis showed median rent ~\$2,050 vs. monthly owning cost ~\$2,989: about a \$900 gap.

That doesn’t mean renting is “better.” It means renting is rational for many households who don’t want to take career risk and mortgage risk at the same time, or who would rather keep cash liquid while they evaluate job stability and interest-rate direction.

And this isn’t just a lower-income story. The rise of “wealthy renters” in Seattle has been well documented, with higher-income households choosing to rent for flexibility while homeownership costs stay elevated.

The rental market, including higher-end rentals, is not a side story. It’s a central story for 2026.





5 “Lock-in to landlord”: the new defensive move for anxious homeowners.

Now we get to one of the most important behavioral shifts in this cycle, and it’s one that many people underestimate.

When homeowners sit on low mortgage rates, they don’t sell. They optimize.

If a household feels uncertain about the next 12–24 months of work, selling the home can feel like surrendering a long-term asset at the wrong time. Instead, many will choose a hedge:

- 1) Keep the home (and the low rate).
- 2) Rent it out.
- 3) Rent something more modest or flexible.

This creates a new kind of “annuity mindset”: the property’s long-term appreciation becomes the “future payout,” the rent becomes current cash flow, and the household buys time to re-skill or re-position professionally.

When this pattern grows, it has two big market effects:

- **For-sale inventory tightens** (more owners hold).
- **Rental inventory and professional property management demand rises** (more owners become “accidental” landlords).

This is exactly why a property management strategy isn’t just an add-on. It’s a logical response to the way households behave when they are both uncertain of the future and asset-aware.



6 Why are so many new units rentals and not condominiums? Because the system rewards it.

The overwhelming majority of multifamily housing built since 2010 has been rental rather than for-sale condominiums, and that’s consistent with a broader policy reality: condominium production has been structurally harder to underwrite.

One major reason: construction defect liability risk has historically made condominiums legally riskier than apartments. Washington’s liability framework has long been cited as a barrier to condominium construction, and while reforms aim to rebalance that risk, the supply gap persists.

Even when demand exists for ownership products (especially entry-level), the market has often delivered more rental supply instead. This pushes more households into renting, reinforcing the “two-market” split: some renters rent by necessity, others by choice, and both expand the rental story.



7 The “AI bubble” warning: take it seriously, then translate it into housing.

The uncomfortable question deserves airtime: what if the AI investment boom is a bubble, or at least an overbuild cycle that ends abruptly?

This critique is useful because it keeps the analysis honest: the AI transition is real, but the timeline and the market pricing can still overshoot.

Here’s how that bubble risk maps to Puget Sound region real estate, in plain terms:

- If there’s a hype reset or equity drawdown: luxury demand tied to stock compensation can soften temporarily.
- If layoffs rise further: the “AI Anxiety” market expands, pushing more households into renting and delaying purchases.
- But even in a bubble scenario: the infrastructure, tooling, and talent don’t disappear. A bubble can pop valuations without erasing productivity gains. The long-run cluster advantage remains, especially in a region that already houses the hyper-scalers and the engineering density.

So yes, it’s fair to acknowledge the bubble risk. It’s also fair to say: Puget Sound is still one of the best places to be if the AI transition is real, and one of the most resilient places to be even if AI is temporarily overpriced.

Tech Layoffs Make Headlines. Migration Makes Markets.

Despite periodic alarmist headlines about tech layoffs, Washington state, especially the Puget Sound region, continues to see net population growth driven by immigration. New residents arrive from California, other states, and abroad, supporting household formation and housing demand. While some employers have reduced headcounts, those losses have not produced a comparable resident outflow. The region’s diversified economy, global connectivity, and constrained housing supply continue to underpin demand across price points. In this context, the market is less about “mass exodus” narratives and more about structural growth against limited inventory, reinforcing long-term resilience in residential values.

8 2026 housing outcomes: what I expect to see (and why).

1) Entry-level and first-time buyers stay choppy.

Job uncertainty plus monthly-payment math keeps many buyers renting longer. Renting is cheaper than owning right now, and households will take the cheaper option when confidence is low. But as mortgage rates drop and RSU (Restricted Stock Units) rise in value, more and more renters will explore buying, especially from developers eager to

unload standing inventory below replacement cost in a rising market.

2) Move-up buyers become more selective, not absent. Rate-lock means fewer sellers, and many move-up buyers are only moving for a “must-have” home, not a “nice-to-have” upgrade. Seattle’s low turnover trend is consistent with that “frozen” feel. Again, this consumer chill will warm up as mortgage rates drop, and the value of building equity in a preferred home gains momentum over staying put with compromises.

3) Luxury stays supported, but it becomes more story-driven. Luxury demand will be increasingly tied to the “AI Advantage” households: those with stable high incomes, strong equity positions, and confidence in their skills and company trajectory. It won’t propositions stay liquid. The most liquid will continue to be highly desired waterfront estates, most notably being bought and sold by affluent tech titans.

4) Luxury rentals grow as a bridge stage.

High earners relocating or re-positioning often rent first, especially if they’re arriving amid uncertainty or waiting for rates to improve. The “wealthy renter” trend suggests this is structural, not temporary. As more homeowners choose to rent their luxury listings and await better market conditions, this added supply will help fuel those inbound consumers looking to lease, as both would-be buyers and would-be sellers tread water for a few years.

5) Property management and investor services become more central. If the “lock-in to landlord” trend continues, brokers who can advise on rental strategy, tenant quality, and management infrastructure will win more client loyalty during uncertain months—not just during closing months.

9 Are we in the right place at the right time? The déjà-vu argument, upgraded.



Is it fair to conclude this feels like déjà vu from the internet boom? Yes, with an important upgrade.

The internet boom rewarded the region because we became a global hub for software and cloud-scale businesses. The Puget Sound region was a relative value for recruiting and retention purposes, but the cost of living has rapidly increased and weakened that moniker. The AI boom rewards the region because we already sit at the center of cloud infrastructure (hyper-scalers), AI compute investment (capex wave), engineering density (talent), and now, visible AI-company clustering (leases, hiring, startups). As the AI industry descends on the region, especially its wealth effect, history is likely to repeat itself, albeit at a higher strike price overall.

The risk, of course, is that this cycle magnifies inequality: capital gains and productivity benefits accrue to some households faster than others. The AI boom may disproportionately benefit capital rather than labor, applying more pressure to the luxury consumer rather than the general one. Which brings us back to the core thesis: this region will feel split. And housing will reflect that split.

10 The practical takeaway for 2026: lead with “AI adoption” as the real economic story.

If I had to boil this into one message for clients and brokers of Realogics Sotheby's International Realty: Don't frame AI as a job-destroyer. Frame it as a productivity divider. The risk isn't that “AI is coming.” The risk is being in a role, company, or workflow that refuses to adapt.

And in a region like Puget Sound, adaptation is not optional. It's the new baseline. That's why you can see both caution and optimism at the same time.

- Some households will pause and rent.
- Others will buy and upgrade.
- Many will keep a low-rate home and rent it out, choosing flexibility without surrendering long-term asset appreciation.

I expect that the market won't move in one direction in 2026. It will move in two directions at once, depending on where a household sits on the AI anxiety-to-advantage spectrum.

“And for a real estate market report, that's the most accurate conclusion I can offer: not a single forecast, but a map of the forces reshaping demand, supply, and behavior in real time.”



Scan to learn how artificial intelligence is rapidly changing Seattle's tech market and real estate industry.

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Kartik Ram
Investment Strategist

The 2026 Crystal Ball of Luxury Real Estate

Signals, Shifts, and the New Rules of Global Prestige Property

Kartik Ram, Investment Strategist

Author bio

Kartik Ram is a global citizen, fintech entrepreneur, wealth manager, real estate investor, and developer with residences spanning international markets, including the Puget Sound region. With a career grounded in capital markets, cross-border portfolio strategy, and luxury asset allocation, Kartik approaches residential real estate not simply as shelter, but as a strategic component of generational wealth and lifestyle design. As a client of Sotheby's International Realty, he brings both personal perspective and institutional discipline to the evolving luxury housing conversation.

Forward

From Kartik's vantage point, the luxury residential consumer in 2026 is defined less by impulse and more by intention. Today's buyer is globally aware, equity-backed, and jurisdictionally strategic—evaluating political stability, tax frameworks, infrastructure, and mobility alongside architecture and aesthetics. Luxury is no longer measured solely by size or status, but by coherence, resilience, sustainability, and long-term defensibility. Homes are expected to function as platforms for enterprise, wellness, family life, and legacy preservation.

In this new cycle, prime residential property sits at the intersection of lifestyle and capital strategy.

The modern luxury consumer is patient, data-informed, and experience-driven—seeking assets that perform financially while enriching daily life. Kartik's observations reflect this psychographic shift: excellence compounds, scarcity prevails, and thoughtfully structured real estate remains a defining wealth asset for 2026 and beyond.

A Global Perspective on Prime Property

In luxury real estate, the future rarely arrives unannounced. It emerges in patterns, with capital flows, policy signals, demographic transitions, and evolving buyer priorities. By the time headlines confirm a trend, the most sophisticated investors have already positioned accordingly.

As we enter 2026, the global luxury property market is defined not by volatility, but by structural maturation. The recalibration of recent years has strengthened its foundation. What lies ahead is not contraction, but refinement, guided by disciplined capital, scarce inventory, and the strategic vision of globally mobile buyers.

A Market Recalibrated

The past decade has been shaped by liquidity, leverage, and structural shifts. Ultra-low interest rates fueled prime property growth, while rising rates and tighter policies slowed transactions. What was called a "correction" was really normalization.

Leverage receded, cap rates widened, and speculative activity fell. Equity-backed buyers gained influence, reducing volatility and lengthening holding periods.

Seven- and eight-figure deals increasingly closed with substantial liquidity, showing a trend toward patient capital.

These dynamics matter: top-tier luxury real estate is now more disciplined, capitalized, and resilient. Volume may fluctuate, but pricing integrity and long-term value are stronger than in past cycles.

Generational Wealth and Intentional Ownership

The historic intergenerational transfer of wealth is now operational. Trillions of dollars are moving from Baby Boomers to Gen X and Millennial heirs, reshaping the definition of luxury ownership worldwide. In North America alone, estimates suggest that more than \$30 trillion will change hands over the next two decades, with Europe and Asia seeing similarly transformative flows.



Modern buyers approach luxury with intention. They seek alignment between investment, identity, and lifestyle. Architectural authenticity, environmental performance, and ecosystem integration now sit alongside prestige and scale as primary considerations. Trophy properties remain aspirational, yet provenance, craftsmanship, and durability now weigh equally with location and size.

Luxury is no longer measured solely by rarity; it is evaluated by resilience, coherence, and legacy. Properties are underwritten not merely for short-term appreciation, but for generational relevance.

Global Allocation: The Rise of Jurisdictional Strategy

Prime real estate has evolved into a global allocation within diversified private portfolios. High-net-worth individuals increasingly prioritize jurisdictions over individual properties, evaluating political stability, regulatory durability, tax transparency, and mobility before finishes or floor plans.

Secondary and tertiary residences serve multiple functions including lifestyle enrichment, geographic diversification, generational wealth preservation, and operational bases for globally mobile enterprises. Cities and regions offering institutional stability, strong infrastructure, cultural vibrancy, and predictable governance continue to attract sustained interest.

Emerging markets such as Singapore, Dubai, and select Asian coastal enclaves highlight mobility-driven acquisition strategies, while historic markets in London, New York City, Paris, and Geneva continue to offer enduring prestige and structural resilience, reinforcing the appeal of geographically diversified portfolios.



Luxury real estate has evolved into sovereign-level allocation and is integrated within estate planning, tax structuring, and intergenerational wealth management.

The Modern Luxury Residence

The function of the home has permanently expanded. Remote and hybrid work are no longer transitional adaptations; they are structural realities. Prime properties now operate as integrated platforms for enterprise, wellness, creativity, and family life.

Executive-grade office suites, wellness complexes, creative studios, and smart-home ecosystems are increasingly baseline expectations. Advanced security protocols, biometric access, and energy redundancy have transitioned from premium enhancements to essential features.

Design excellence remains fundamental, but functionality drives long-term value. Properties that integrate operational flexibility with architectural distinction command the most enduring appeal.

Sustainability as Strategic Advantage

Sustainability has shifted from symbolic to structural. Net-zero construction, geothermal energy, renewable integration, water conservation, and carbon-conscious materials reflect both responsibility and long-term foresight.

Globally, regulatory frameworks are increasingly aligning with environmental standards, with Europe leading in green certification, North America incentivizing energy efficiency, and Asia expanding green development zones. Buyers with multi-decade horizons recognize that environmental performance correlates directly with asset defensibility and long-term value retention.

Sustainability is no longer optional. It is a hallmark of strategic stewardship, reinforcing the prestige and durability of prime property.

Experience as Value

Modern luxury prioritizes experience over excess. Indoor-outdoor continuity, walkable cultural districts, proximity to private aviation, and curated communities now form central valuation criteria.

A prestigious address alone is insufficient. Buyers seek environments that deliver narrative and utility, where design, infrastructure, and social connectivity converge seamlessly. Locations offering access to arts, education, wellness, and curated social ecosystems continue to outperform traditional “location-only” metrics.

Scarcity and Structural Resilience

Prime real estate retains intrinsic value through scarcity. Waterfront access, protected views, and historic urban districts are inherently finite. In regulated and geographically constrained markets, meaningful new supply is limited.

At the same time, global wealth continues to expand. Estimates indicate that the number of ultra-high-net-worth individuals (those with \$30 million or more in investable assets) will exceed 200,000 globally by 2027. As these buyers compete for finite inventory, resilience becomes structural rather than cyclical. Appreciation in prime markets is increasingly driven by fundamental scarcity, not market exuberance.





Evolving Advisory Landscape

Data transparency and predictive analytics have reshaped advisory capabilities. AI-driven models, real-time transaction monitoring, and advanced valuation tools help buyers and sellers navigate markets with greater precision.

The advisor's role now extends beyond transaction facilitation. Luxury property consultants provide macroeconomic context, local insight, and portfolio-level strategy. Institutional rigor increasingly guides acquisition decisions, boosting confidence for global buyers across complex jurisdictions.

The 2026 Outlook

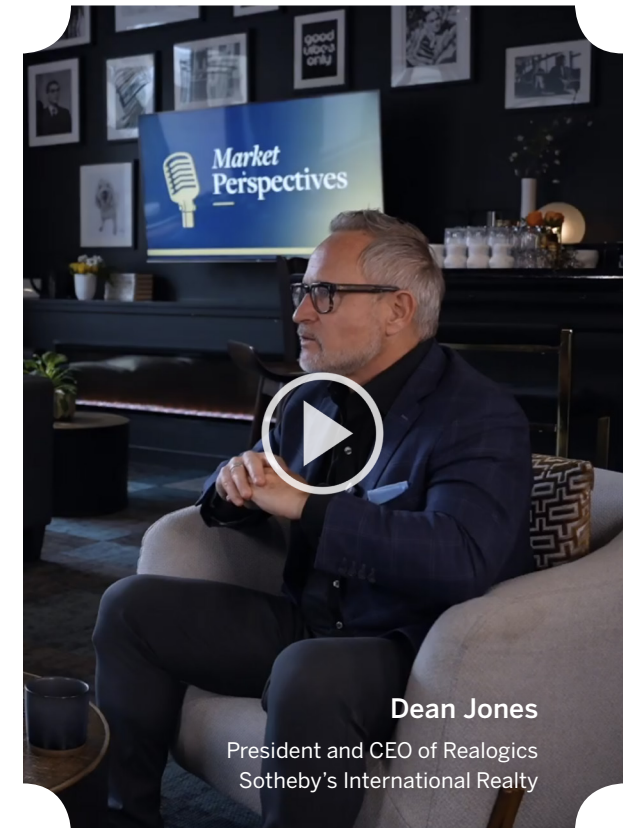
As macroeconomic conditions stabilize, transaction activity is expected to increase selectively. Undifferentiated inventory will continue to face pricing pressure, while architecturally significant estates, irreplaceable waterfront properties, and amenity-rich urban enclaves attract sustained global attention.

Excellence will compound; mediocrity will stagnate. High-quality, well-located, and thoughtfully structured properties will continue to command premiums.

Global wealth expansion persists, capital mobility accelerates, and prime supply remains structurally constrained. Equity-backed buyers are patient, disciplined, and increasingly sophisticated.

Luxury real estate in 2026 occupies a unique intersection of lifestyle, legacy, and capital preservation. It is simultaneously experiential and strategic, offering both daily utility and multi-generational security.

"The crystal ball does not predict disruption; it reveals maturation. Prime real estate—properly located, thoughtfully structured, and capitalized with discipline—is positioned to remain one of the defining wealth assets of the coming decade."



Dean Jones

President and CEO of Realogics
Sotheby's International Realty



Scan to watch Market Perspectives: Global Wealth and Real Estate with Kartik Ram and Dean Jones.

Why 2026 Could Be the Year the Housing Market Finds Its Footing Again



After several years of volatility, the U.S. housing market is showing early signs of stabilization. While many analysts initially expected 2024 to mark the trough, Gardner Economics now assesses that market conditions bottomed in 2025. Looking ahead, 2026 is expected to bring measured improvement rather than a sharp rebound, characterized by gradually rising sales, modest price appreciation, and improving inventory.

A Market Regaining Momentum

Existing-home sales in 2025 remained subdued, roughly flat with 2024 levels. Gardner forecasts a 7% increase in national home sales in 2026, equating to approximately 4.4 million transactions.

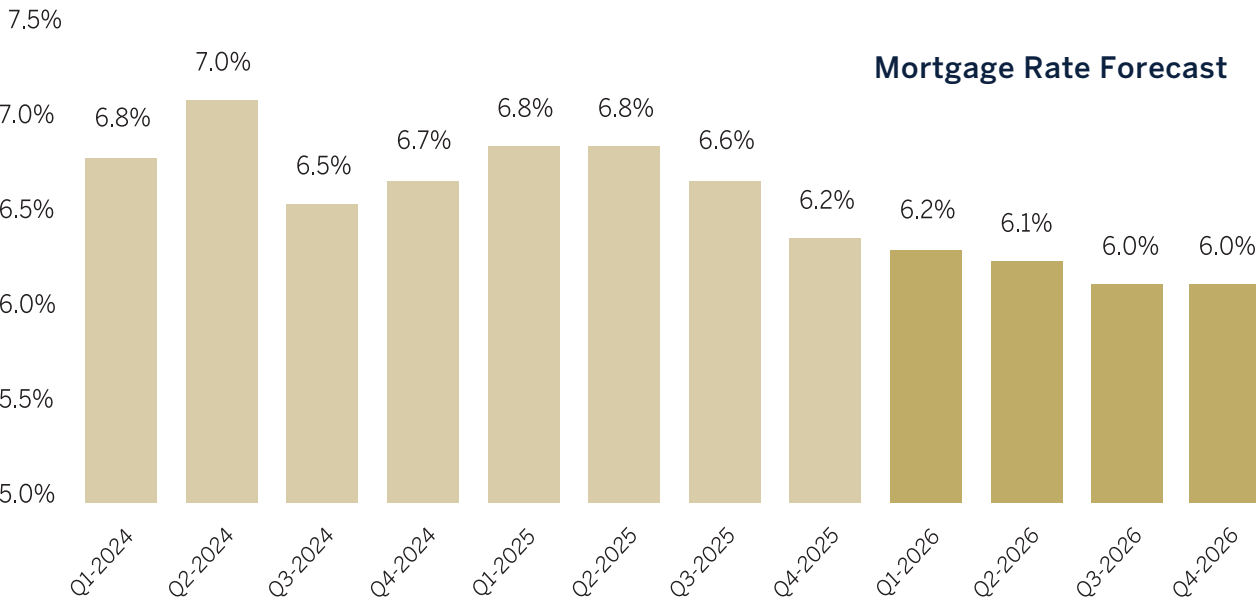
Several factors underpin this outlook. Active listings are increasing from historically low levels, providing buyers with more choice. Sellers are also adjusting expectations after several years of limited demand. According to the National Association of Realtors, months of supply rose above four months in late 2025, compared with under three months at the height of the post-pandemic seller’s market. Borrowing costs are also easing. Freddie Mac data show that the average 30-year fixed mortgage rate declined from its 2023 peak above 7% to the mid-6% range by late 2025. While rates remain elevated relative to the 2010s, incremental declines are improving affordability at the margin.

As a result, households that delayed purchases in anticipation of a sharp price correction are beginning to re-enter the market. Gardner notes that the absence of widespread mortgage distress limits the likelihood of forced selling. Federal Reserve data

indicates that homeowner equity remains near record levels, with the average mortgaged homeowner holding well over \$200,000 in equity.

Home Prices: Growth Without Overheating

Gardner projects national home prices to rise approximately 3% in 2026. This pace is broadly in line with long-run income growth and below the double-digit appreciation recorded earlier in the decade. Single-family homes are expected to outperform condominiums and multifamily units, reflecting persistent demand for detached housing and limited new supply. Importantly, the conditions that typically precede price corrections, such as rising delinquencies or distressed sales, remain absent. Mortgage Bankers Association data shows serious delinquency rates near historic lows.

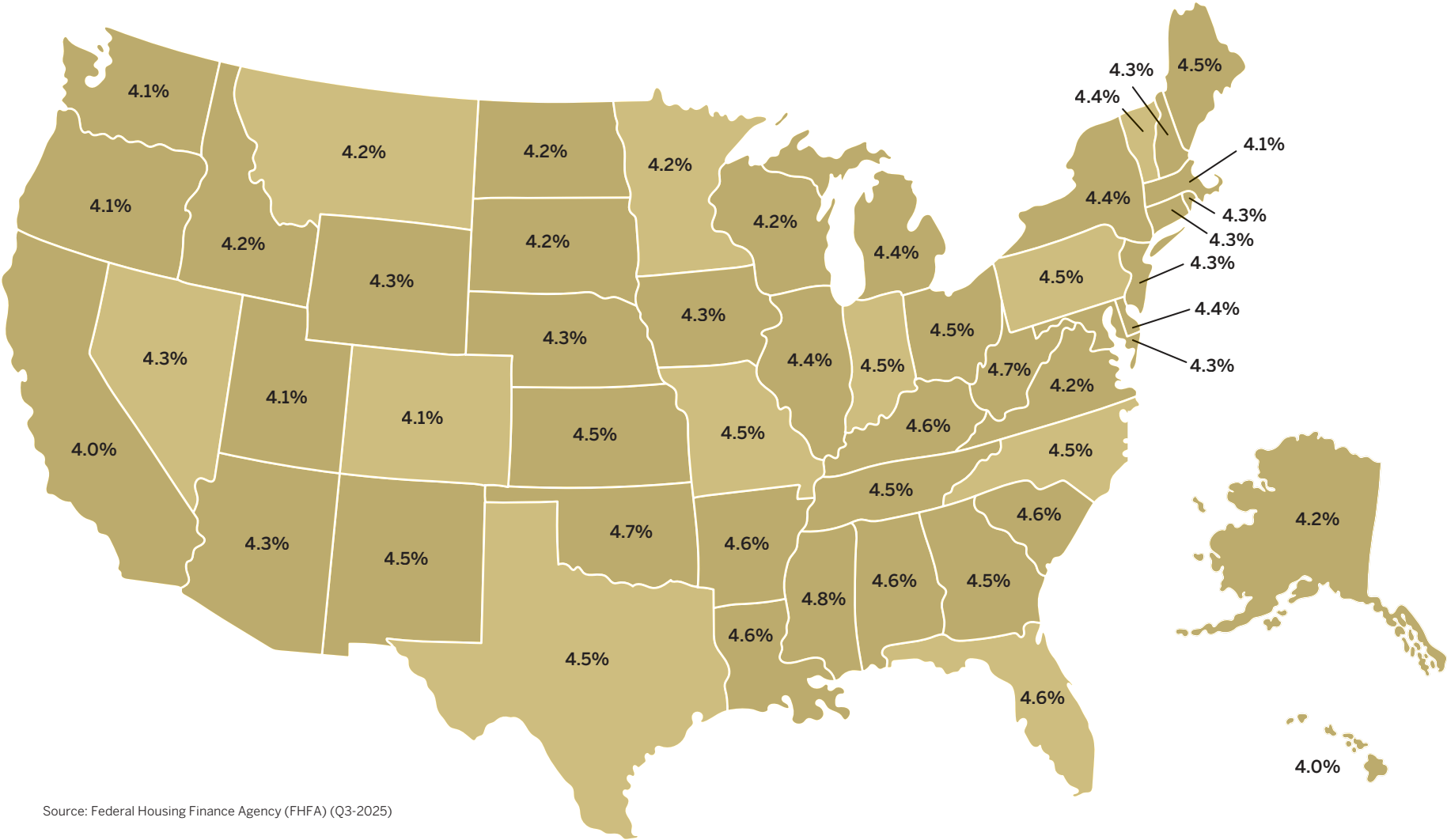


Regional Variation Persists

Market performance will continue to vary by region. The Midwest is expected to post steady gains, supported by relative affordability and stable employment growth. The Northeast is projected to see modest price appreciation alongside improving transaction volume.

The South and West, which experienced sales declines in 2025, are forecast to return to positive growth in 2026. In parts of Florida and Texas, prices may soften further as new supply is absorbed, though Gardner expects many of these markets to reach cyclical lows within the year.

Average Mortgage
Rate by State
Q3-2025



Source: Federal Housing Finance Agency (FHFA) (Q3-2025)



Seattle and Bellevue: Technology Wealth, Workforce Rebalancing, and Housing Demand

Another critical factor underpinning Gardner's confidence, particularly in the Seattle-Bellevue metro area, is the extraordinary concentration of wealth tied to the region's technology ecosystem.

From long-established giants like Amazon and Microsoft to fast-scaling artificial intelligence and cloud infrastructure leaders, the Puget Sound region continues to anchor one of the deepest technology talent pools in North America. That concentration of human capital, and the equity wealth that accompanies it, remains a defining structural advantage for the housing market.

That said, 2025 and early 2026 brought visible employment disruption as major employers recalibrated staffing levels following several years of rapid pandemic-era expansion.

Public filings and regional reporting throughout 2025 documented multiple rounds of workforce reductions across the metro area. Microsoft disclosed several Washington state layoffs beginning in mid-2025 that ultimately totaled more than 3,000 positions statewide across successive notices. Amazon filed

WARN notices reflecting more than 2,300 corporate job reductions in Washington tied to broader global restructuring initiatives. T-Mobile announced localized cuts in the Bellevue area, and Redfin reported a smaller but symbolically notable reduction at its Seattle headquarters.

The adjustment cycle extended into early 2026. As of publication, additional WARN notices and public reports show Amazon announcing approximately 2,200 Washington-based layoffs scheduled to begin in spring 2026. Meta reported reductions affecting several hundred employees across its King County footprint, while Expedia disclosed layoffs at its Seattle headquarters. T-Mobile also filed notices reflecting several hundred additional Washington job reductions. Collectively, publicly reported and WARN-documented announcements across 2025 and year-to-date 2026 amount to thousands of technology-related roles in the Seattle-Bellevue-Redmond corridor.

While these announcements understandably weighed on consumer sentiment, Gardner emphasizes that the broader macroeconomic context tells a more nuanced story. The layoffs represent a rebalancing from an unsustainably rapid hiring surge during 2020–2022 rather than a structural collapse in regional employment capacity. Aggregate household wealth across the metro area, heavily influenced by long-term equity compensation, restricted stock grants, and the appreciation of publicly traded technology shares, remains substantial. For many households, balance sheet strength has cushioned the impact of employment volatility.

Importantly, Seattle's technology labor market historically has demonstrated cyclical rather than

structural retrenchment. Previous periods of downsizing, including the post-dot-com contraction and the 2022–2023 adjustment cycle, were followed by rapid redeployment of talent within the region’s broader innovation ecosystem. Displaced workers often remain in the metro area, transitioning to startups, AI infrastructure firms, cloud computing ventures, cybersecurity platforms, or industries operating in closely related sectors.

Notably, not every major employer signaled contraction. In some cases, reported changes reflected real estate and workplace consolidation rather than workforce decline.

For example, corporate footprint adjustments and office consolidations have occurred alongside ongoing hiring in artificial intelligence, data infrastructure, and advanced cloud services. The narrative is therefore bifurcated: broad-based hiring is more selective, but capital investment in AI and next-generation computing remains historically elevated.

Gardner characterizes the current phase as normalization following extraordinary expansion. Efficiency initiatives, automation, and artificial intelligence are reshaping workforce composition, but they are not eliminating the region’s core competitive advantages: high wages, dense concentrations of specialized talent, global technology headquarters, and venture capital

formation. From a housing perspective, that distinction matters. A cyclical rebalancing tempers excess price volatility without undermining the long-term drivers of household formation and demand.

Meanwhile, population flows continue to support the region’s housing base. Recent U.S. Census Bureau estimates show ongoing domestic outmigration from higher-cost states such as California, while the Pacific Northwest remains a net beneficiary of interstate relocation among highly educated workers. Gardner notes that tax structure, quality of life, and relative housing affordability (compared with Bay Area benchmarks) continue to position the Seattle-Bellevue metro as an attractive destination for technology professionals.

As commercial office utilization gradually stabilizes and hybrid work patterns normalize, housing demand near core employment centers is beginning to re-emerge. Layered atop this stabilization is unprecedented capital investment in artificial intelligence infrastructure by many of the region’s anchor employers, which is spending that Gardner views as foundational for the next expansion cycle.

In his view, the recent wave of publicly announced layoffs across 2025 and early 2026 should be interpreted not as a demand shock, but as part of an economic recalibration within a structurally advantaged innovation economy. For housing, that distinction reinforces a central thesis: the Seattle-Bellevue market remains underpinned by deep wealth, elevated wage bases, and one of the most concentrated technology ecosystems in the world.





Infinity Shore Club Residences on Alki Beach (Nearly Sold Out)

Mortgage Rates: A Narrower Band

Mortgage rate stability is central to Gardner's outlook. He expects rates could briefly reach the high-5% range in late 2026, though a sharper drop would likely signal broader economic weakness. Over the medium term, he anticipates rates settling in the high-5% to low-6% range.

As of the publishing date, average 30-year mortgages are below 6%, according to Movement Mortgage.

He estimates a 40–45% probability of a recession over the next 12–18 months, a risk that could alter both rate and housing forecasts if realized.

Current Mortgage Rates & Homeowner Statistics

Analyzing the landscape of mortgage rates and the impact on homeownership in Washington state.

Average interest rate for WA household with a mortgaged single-family home (Q3-2025)

4.1%

Percentage of WA homeowners with a mortgage rate at or below 5% (Q3-2025)

74.4%

Percentage of WA homeowners with a mortgage rate at or below 3% (Q3-2025)

24.2%

Share of WA households with adjustable rate mortgages (ARM) (Q3-2026)

3.6%

Percentage increase in the average monthly house payment (Q2-2020 to Q3-2025)

51%

New Construction and Buyer Incentives

New construction will play a significant role in market dynamics. Census Bureau data show that builders entered 2026 with elevated levels of completed but unsold homes, the highest since the post-Great Recession period. To clear inventory, many builders are offering financial incentives, including mortgage rate buy-downs and closing cost credits.

This environment is particularly evident in markets such as Austin and Tampa, where new supply has outpaced near-term demand, creating pricing opportunities for buyers.

A Cyclical Opportunity in Urban Condominiums

In urban cores, including downtown Seattle, a wave of recently delivered condominium projects has shifted negotiating power toward buyers. Gardner notes that some units are priced below estimated replacement cost, reflecting higher construction and financing expenses faced by developers.

Incentives such as price concessions and financing assistance have further improved affordability. Given that high-rise condominium development typically requires four to five years from planning to completion, Gardner cautions that today's supply overhang may give way to renewed scarcity later in the decade.

Demand is also expected from downsizing households. Many older homeowners are seeking single-level, low-maintenance residences while monetizing equity accumulated in single-family homes. This cohort is less sensitive to current mortgage rates due to substantial cash proceeds.

Outlook for Consumers

Gardner describes the 2026 housing outlook as balanced. Sales volumes are projected to rise, price growth is expected to remain moderate, and inventory conditions are improving. Although affordability challenges persist, particularly for first-time buyers, market functionality is strengthening.

For households that paused during recent volatility, 2026 may represent less a question of market timing and more an opportunity to re-engage under more predictable conditions.

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TOP LOAN PROGRAMS FOR 2026

As the times change, so do our clients' needs. Movement Mortgage is very progressive in creating new programs with our investors to meet those needs. Here are a few programs to watch in 2026.

Better Than a Bridge

Designed for clients with **20% or more equity** in their departing residence, this program offers a smart alternative to a traditional bridge loan.

This solution allows buyers to **access cash from their current home, provided the combined loan-to-value remains under 80%.**

This structure allows buyers to:

- Purchase their new home **before selling**
- Move only once
- Use proceeds to **prepare the departing home for maximum resale value**

When the loans on the departing residence remain under 80% of its value, **the entire housing payment can be excluded from the client's debt-to-income ratio**, creating significantly more buying power.

The intent is to list the departing property within **60 days of closing** on the new purchase.

Asset Depletion Financing

This program is ideal for clients who have **significant assets but limited or inconsistent monthly income.**

Rather than relying on traditional income documentation, asset depletion financing:

- Assigns an allowable percentage to qualifying assets
- Converts those assets into a usable **monthly income calculation**

For example:

- Cash and cash-equivalent accounts may be counted at **100%**
- Stock and investment accounts may be counted at **80%**

The adjusted asset total is then divided by a set term (commonly **60 months**, investor-specific) to determine monthly income qualifying.

Key advantage: borrowers do **not** need to be of retirement age to qualify.

This makes the program especially effective for entrepreneurs, investors, and clients with large income fluctuations.

Second Homes and Investment Properties

On **January 5, 2022**, the secondary mortgage market—**Fannie Mae and Freddie Mac**, under the direction of the **FHFA (Federal Housing Finance Agency)**—introduced additional **Loan-Level Price Adjustments (LLPAs)** for second homes.

As a result:

- Interest rates on second homes increased significantly
- Second homes now carry **similar LLPAs to investment properties**

Why the change?

- Borrowers are historically more likely to walk away from second homes during market stress
- Second homes are **less liquid** in the Mortgage-Backed Security (MBS) market
- Policy focus shifted toward primary residence affordability

However, a **private investor solution** exists that is **not sold to the secondary market**. Because these loans avoid Fannie and Freddie delivery, the LLPAs are removed, resulting in **lower rates for both second homes and investment properties**.

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WE MANAGE \$61B
loans in servicing

WE GIVE 49%
of profits into the communities we serve

\$20.4B
total loan volume

\$1.9M
given to nonprofits in 2025

\$402M
given to charities in total

3,060
loan programs

59,914
families served in 2025

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Top Questions From Today's Real Estate Market

Insights From Your Movement Mortgage Lending Partners

For the past several years, the housing market has been shaped by one powerful force: the mortgage lock-in effect. Millions of homeowners secured ultra-low rates between 2020 and 2022 and have been reluctant to sell, even when their homes no longer fit their lifestyle.

But we're approaching an inflection point. Life events, high equity levels, and shifting priorities are beginning to outweigh rate attachment. Homeowners are realizing that the real question isn't whether they should protect a past rate—it's where they want their money working for them next.



Scan to see how lower rates, rising inventory, and stable prices are creating opportunities for buyers, plus insights on creative lending and generational shifts in Seattle homeownership.

Why are homeowners staying in their homes longer?

Many homeowners secured historically low interest rates during the pandemic and are now highly incentivized to stay put. In Washington state, 74.4% of homeowners hold mortgage rates below 5%, with 24.2% enjoying rates of 3% or lower. The average mortgage rate statewide is approximately 4.1%.

While many of these homeowners still want to move, the financial comfort of a low-rate mortgage allows them to manage their current housing situation longer while waiting for broader market conditions to improve. Even with a 13.8% increase in new listings compared to 2024, rate lock-in continues to limit overall inventory as homeowners weigh affordability against opportunity.

What are mortgage rates expected to do in 2026?

Interest rates remain one of the most discussed—and debated—topics among buyers and homeowners alike. Although rates have declined meaningfully from last year's highs, they remain above levels many buyers hope for, particularly first-time buyers who have not experienced prior rate cycles.

In 2025, the average 30-year fixed conventional rate ranged between 6.17% and 7.04%. Most economists and housing analysts anticipate rates will fluctuate between 5.75% and 6.25% throughout 2026, rather than move in a straight downward line.

How can homeowners leverage today's record equity?

American households collectively hold approximately \$34.5 trillion in home equity, with homeowners who carry mortgages accounting for roughly \$17.4 trillion of that total. This translates to an average of \$300,000–\$307,000 in equity per mortgage holder.

Home equity can be strategically used for:

- Major home renovations or improvements
- Down payments on new purchases
- Preparing a home for sale
- Investment or debt consolidation strategies

Accessing equity typically involves a Home Equity Line of Credit (HELOC) or similar product.

What are non-QM loans?

A Non-Qualified Mortgage (Non-QM) is a loan that falls outside traditional Consumer Financial Protection Bureau (CFPB) guidelines for conventional or government-backed mortgages. These loans allow for alternative income documentation—such as bank statements instead of W-2s—and are designed for:

- Self-employed borrowers, investors, high-net-worth individuals, and buyers with complex but credit-worthy financial profiles

Non-QM loans are funded by private investors rather than sold to Fannie Mae or Freddie Mac, allowing for greater flexibility in underwriting.

What is the mortgage lock-in effect and why has it been so powerful?

The lock-in effect occurs when homeowners hesitate to sell because their current mortgage rate is far below today's market rates. Moving often means a higher payment, even for a similar-priced home. Economically, this has reduced housing supply. Psychologically, it has created a sense of being financially 'married' to a mortgage—even when the home no longer fits their needs.

Are we approaching a turning point in the market?

Yes. The shift isn't being driven by falling rates alone. Life events, such as growing families, job changes, retirement, and relocation, are forcing decisions. Equity levels are high, rate expectations have stabilized, and buyers are adjusting to the new normal. When lifestyle pressure outweighs rate regret, mobility returns.

What's the hidden financial cost of staying put?

The focus is often on the cost of a higher rate, but the bigger risk may be opportunity cost. Homeowners who stay may delay appreciation in a long-term home, hold idle equity, or remain in a property that no longer supports their future. The real question becomes: Where do I want my next 5-10 years of growth and lifestyle value to come from?

Is holding onto a low rate always the smart financial move?

Not necessarily. A low rate is valuable, but housing is a long-term investment decision. Over time, appreciation, income growth, future refinance opportunities, and lifestyle alignment typically matter more than preserving a past rate.

How much of today's inventory shortage is tied to lock-in?

Economists estimate the lock-in effect has reduced listings by roughly 1–2 million homes annually compared to normal levels. The shortage is largely behavioral, and behavior can change faster than new construction can be built.

How should homeowners think about refinancing risk if they move today?

Buyers are increasingly separating the home decision from the rate decision. Interest rates move in cycles. Purchasing the right long-term home now, with the option to refinance later, restores flexibility and long-term control.

Who is most likely to make a move first?

Move-up buyers, empty nesters, remote-work households, and owners with significant equity are leading the shift. These groups have both motivation and financial flexibility to act despite higher rates.

What happens if even a small percentage of locked-in homeowners list?

If just 5–10% decide to sell, inventory would increase enough to improve market balance and ease buyer competition — without triggering a price decline. This would represent normalization, not a downturn.

What financial mindset helps homeowners make the decision?

Instead of focusing only on monthly payment changes, homeowners should evaluate their long-term net worth trajectory, equity deployment, and appreciation potential. Idle equity is underutilized capital.

What is the bigger takeaway for homeowners right now?

The goal isn't to stay loyal to a mortgage. The goal is to make your money work harder for you than you worked for it. When a home no longer supports your lifestyle or long-term financial growth, it may be time to move forward.

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2025 All Counties

Residential Homes and Condominiums

In breaking down the market data by residential homes versus condominiums, we gain a clearer picture of which counties boast a more diverse range of housing options. King County held the top position for both residential and condominium median sales prices in 2025, with San Juan County in the number two spot for residential median sales price.

Counties	Closed Sales 2025	YOY% Change	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Highest Sales Price
King								
Residential	18,564	-2.42%	\$975,000	\$960,000	+1.56%	\$551	+1.14%	\$26,000,000
Condominiums	5,940	+3.85%	\$565,000	\$560,000	0.89%	\$579	-2.29%	\$7,850,000
Kitsap								
Residential	3,613	-4.34%	\$580,690	\$550,920	+5.40%	\$336	+1.82%	\$6,300,000
Condominiums	200	+1.01%	\$325,000	\$353,500	-8.06%	\$400	-12.76%	\$1,790,000
Pierce								
Residential	10,153	+1.07%	\$574,950	\$564,000	+1.94%	\$318	+2.25%	\$8,500,000
Condominiums	728	-3.70%	\$403,250	\$398,750	+1.13%	\$348	+1.55%	\$1,800,000
Island								
Residential	1,316	+11.15%	\$631,250	\$619,975	+1.82%	\$380	+1.44%	\$7,100,000
Condominiums	89	+4.71%	\$345,000	\$365,000	-5.48%	\$320	-4.05%	\$865,000
Snohomish								
Residential	7,961	-3.51%	\$774,990	\$775,000	0.00%	\$417	+1.83%	\$5,900,000
Condominiums	1,496	-6.79%	\$500,000	\$524,500	-4.67%	\$415	-1.28%	\$3,092,000

Counties	Closed Sales 2025	YOY% Change	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Highest Sales Price
Skagit								
Residential	1,417	+1.94%	\$603,217	\$580,000	+4.00%	\$350	-0.57%	\$3,483,000
Condominiums	97	+7.78%	\$433,000	\$427,500	+1.29%	\$341	-5.46%	\$1,270,000
Whatcom								
Residential	2,431	+0.16%	\$625,000	\$635,000	-1.57%	\$363	+0.19%	\$5,000,000
Condominiums	460	+6.48%	\$401,500	\$403,000	-0.37%	\$399	+1.40%	\$2,100,000
Chelan								
Residential	869	+8.35%	\$575,000	\$600,000	-4.17%	\$346	+0.82%	\$5,150,000
Condominiums	108	+40.26%	\$374,450	\$393,000	-4.72%	\$432	+9.20%	\$1,599,500
Kittitas								
Residential	841	+3.70%	\$525,000	\$530,000	-0.94%	\$371	+4.65%	\$4,295,000
Condominiums	36	-20.00%	\$345,000	\$415,000	-16.87%	\$372	-6.16%	\$610,000
Thurston								
Residential	3,478	+0.81%	\$535,000	\$515,000	+3.88%	\$292	+1.64%	\$3,500,000
Condominiums	139	-4.14%	\$315,000	\$334,000	-5.69%	\$260	-2.77%	\$900,000
Mason								
Residential	1,094	-0.91%	\$420,000	\$419,925	+0.02%	\$297	+3.88%	\$2,110,000
Condominiums	9	0.00%	\$445,000	\$435,000	+2.30%	\$293	+12.39%	\$559,000
Clallam								
Residential	1,010	+15.83%	\$499,900	\$507,000	-1.40%	\$305	+2.42%	\$3,800,000
Condominiums	43	-6.52%	\$409,950	\$430,500	-4.77%	\$268	-7.59%	\$720,000
Jefferson								
Residential	444	+3.98%	\$665,000	\$645,000	+3.10%	\$362	+3.02%	\$3,300,000
Condominiums	33	-19.51%	\$523,000	\$489,000	+6.95%	\$409	-3.79%	\$711,000
Grays Harbor								
Residential	1,105	+3.37%	\$355,000	\$355,000	0.00%	\$249	-1.23%	\$2,375,000
Condominiums	42	+23.53%	\$105,000	\$277,450	-62.16%	\$265	-20.18%	\$1,043,980
Pacific								
Residential	409	-3.08%	\$348,000	\$330,625	+5.26%	\$256	+4.02%	\$1,550,000
Condominiums	33	-8.33%	\$249,000	\$252,494	-1.38%	\$270	-18.43%	\$510,000
San Juan								
Residential	229	+11.17%	\$935,000	\$890,000	+5.06%	\$623	+7.58%	\$13,100,000
Condominiums	32	+68.42%	\$357,500	\$340,000	+5.15%	\$403	-19.88%	\$1,375,000





King County

As the most populous county in Washington state, King County ranks number one in sales volume for both residential and condominium sales. The market also boasts the highest sales prices, with the most expensive sale of the year—a \$26M property in Bellevue.

\$975K ▲ 1.6%
MEDIAN SALES PRICE

\$551 ▲ 1.1%
AVG. PRICE PER SF

18,564 ▼ 2.42%
TOTAL CLOSED SALES

31 ▲ 24%
AVG. DAYS ON MARKET

27,284 ▲ 10.45%
NEW LISTINGS

\$23.4B ▼ 1.3%
TOTAL SALES VOLUME

2.2 Months
MONTHS OF INVENTORY

99.8% ▼ 1.1%
SOLD/LIST PRICE %

Although King County was still considered a seller's market, the improvement in inventory levels did lead to a 46.2% year-over-year increase in months of supply, which rose from 1.5 to 2.2 months.

2025 KING COUNTY RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Medina	\$4,475,000	\$4,195,000	+6.67%	\$1,299	-6.27%	46	-11.54%	67	+76.32%
Clyde Hill	\$4,300,000	\$3,656,250	+17.61%	\$1,167	+10.60%	33	-5.71%	35	+12.90%
Bellevue/West of 405	\$3,688,000	\$3,595,500	+2.57%	\$1,153	+5.10%	275	-5.82%	40	+2.56%
Madison Park	\$2,665,000	\$2,250,000	+18.44%	\$890	-1.33%	25	-28.57%	34	+70.00%
Mercer Island	\$2,550,000	\$2,485,000	+2.62%	\$895	-2.92%	226	-4.64%	32	+14.29%
Kirkland/Bridle Trails	\$2,100,000	\$2,037,500	+3.07%	\$829	-2.04%	585	-8.88%	32	+45.45%
Bellevue	\$1,898,500	\$1,890,000	+0.45%	\$772	+2.33%	1,112	+2.58%	23	+9.52%
Bellevue/East of 405	\$1,650,000	\$1,587,500	+3.94%	\$741	+1.51%	694	+13.40%	23	+43.75%
Kirkland	\$1,594,500	\$1,560,000	+2.21%	\$767	-2.06%	880	-10.57%	30	+66.67%
East of Lake Sammamish	\$1,500,000	\$1,565,000	-4.15%	\$580	-2.88%	1,133	-10.22%	28	+33.33%
Sunset Hill	\$1,408,000	\$1,350,000	+4.30%	\$626	+2.34%	66	+69.23%	16	-5.88%
Queen Anne/Magnolia	\$1,399,000	\$1,300,000	+7.62%	\$660	+5.08%	579	+1.22%	31	0.00%
Redmond/Carnation	\$1,341,000	\$1,420,000	-5.56%	\$570	-6.12%	550	+15.06%	32	+39.13%
Juanita/Woodinville	\$1,285,000	\$1,276,962	+0.63%	\$581	+2.24%	1,235	-14.06%	29	+31.82%
Alki	\$1,200,000	\$1,080,000	+11.11%	\$633	+3.50%	55	-32.10%	38	+31.03%
Central Seattle/Madison Park/Capitol Hill	\$1,150,000	\$1,150,000	0.00%	\$660	+0.50%	799	+2.04%	39	+8.33%
North Seattle	\$1,129,950	\$1,055,000	+7.10%	\$585	+1.07%	1,040	+3.79%	22	+10.00%
Broadview	\$1,125,000	\$1,092,500	+2.97%	\$559	+7.17%	99	-23.85%	21	+16.67%
Leschi	\$1,114,500	\$1,357,500	-17.90%	\$655	+5.16%	77	+28.33%	38	+15.15%
Capitol Hill	\$1,025,000	\$1,150,000	-10.87%	\$618	+5.50%	169	+13.42%	44	+15.79%
Fremont	\$997,450	\$925,000	+7.83%	\$615	+3.50%	110	+8.91%	24	-20.00%
Loyal Heights	\$984,000	\$950,000	+3.58%	\$551	-0.61%	81	-14.74%	19	+26.67%
Ballard/Greenlake/Greenwood	\$977,500	\$930,000	+5.11%	\$577	+1.25%	1,705	+1.61%	25	+8.70%
Seattle	\$972,000	\$930,000	+4.52%	\$568	+1.63%	6,378	+0.33%	29	+11.54%
Lake Forest Park/Kenmore	\$903,500	\$935,000	-3.37%	\$485	+2.89%	288	-6.19%	25	+19.05%
Vashon Island	\$900,000	\$850,000	+5.88%	\$508	+2.05%	150	+5.63%	45	+18.42%
Richmond Beach/Shoreline	\$899,999	\$865,000	+4.05%	\$503	-0.79%	317	-22.87%	24	-4.00%
Renton/Highlands/Kennydale	\$880,000	\$899,975	-2.22%	\$452	+3.58%	594	-4.81%	28	+27.27%
West Seattle	\$850,000	\$822,480	+3.35%	\$524	+0.13%	1,151	+1.59%	26	+4.00%
Central Seattle SW/Beacon Hill	\$735,000	\$710,000	+3.52%	\$444	0.00%	253	-0.78%	43	+16.22%
Burien	\$718,000	\$729,900	-1.63%	\$424	+9.27%	327	-3.54%	30	+3.45%
Kent	\$699,950	\$700,000	-0.01%	\$344	+1.15%	876	-7.50%	35	+25.00%
Enumclaw	\$650,000	\$650,000	0.00%	\$356	+3.43%	275	+2.61%	36	+12.50%



Kitsap County

\$581K ▲ 5.4%
MEDIAN SALES PRICE

\$336 ▲ 1.8%
AVG. PRICE PER SF

39 ▲ 14.7%
AVG. DAYS ON MARKET

3,613 ▼ 4.3%
CLOSED SALES

In the 2025 Kitsap County residential market, the median sales price and average price per square foot increased year-over-year, creating favorable conditions for sellers.

2025 RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Bainbridge Island	\$1,331,500	\$1,375,000	-3.16%	\$580	-7.07%	342	2.70%	45	+25.00%
Kingston	\$711,205	\$682,612	+4.19%	\$348	-1.05%	140	9.38%	57	+54.05%
Hansville	\$686,000	\$695,000	-1.29%	\$393	+6.97%	58	28.89%	38	-5.00%
Poulsbo	\$679,000	\$657,497	+3.27%	\$315	-3.14%	233	3.10%	40	+21.21%
Lofall	\$663,000	\$775,000	-14.45%	\$368	-10.73%	57	16.33%	50	+16.28%
Silverdale	\$617,450	\$565,000	+9.28%	\$299	+3.68%	232	-3.73%	46	+12.20%
Seabeck/Holly	\$579,000	\$575,000	+0.70%	\$351	+13.31%	103	-13.45%	36	-16.28%
Indianola	\$512,500	\$545,000	-5.96%	\$390	+8.85%	38	31.03%	42	-8.70%
East Central Kitsap	\$504,995	\$493,800	+2.27%	\$285	+2.56%	330	-17.29%	42	+35.48%
Retsil/Manchester	\$500,250	\$475,000	+5.32%	\$324	+7.03%	165	-22.17%	41	+51.85%
Port Orchard	\$475,000	\$475,000	0.00%	\$281	+0.97%	247	-15.70%	29	-3.33%
Suquamish	\$460,500	\$507,500	-9.26%	\$338	-6.63%	44	-29.03%	49	+75.00%
East Bremerton	\$451,000	\$455,000	-0.88%	\$283	+0.68%	237	16.18%	26	-25.71%
West Bremerton	\$429,950	\$425,000	+1.16%	\$267	+4.18%	374	-2.60%	31	+14.81%

Pierce County

\$575K ▲ 1.9%
MEDIAN SALES PRICE

\$318 ▲ 2.3%
AVG. PRICE PER SF

40 ▲ 17.6%
AVG. DAYS ON MARKET

10,153 ▲ 1.1%
CLOSED SALES

Although there was slight growth in both pricing and sales volume, the Pierce County residential data was similar to the 2024 figures.

2025 RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Fox Island	\$1,156,250	\$1,186,000	-2.51%	\$457	+6.90%	58	+5.45%	44	-6.38%
Gig Harbor	\$840,000	\$830,000	+1.20%	\$406	+3.60%	793	-1.61%	41	-4.65%
Artondale	\$755,000	\$740,000	+2.03%	\$382	+4.51%	58	+1.75%	26	-21.21%
Browns Point	\$692,500	\$690,000	+0.36%	\$338	+5.75%	236	+0.43%	39	0.00%
Bonney Lake/Lake Tapps	\$685,000	\$675,043	+1.48%	\$321	+1.01%	1,216	+6.76%	46	+12.20%
University Place	\$685,000	\$667,499	+2.62%	\$329	-1.85%	277	+9.06%	30	+15.38%
Auburn	\$649,950	\$635,000	+2.35%	\$324	+0.62%	910	-0.76%	39	+18.18%
Buckley	\$630,000	\$631,450	-0.23%	\$311	-3.36%	209	+22.94%	41	0.00%
Steilacoom	\$625,000	\$667,000	-6.30%	\$352	+5.93%	75	+5.63%	42	+31.25%
Puyallup	\$590,000	\$590,000	0.00%	\$285	+1.39%	1,562	+0.58%	42	+31.25%
Graham	\$580,475	\$587,000	-1.11%	\$299	+1.18%	258	+2.38%	43	0.00%
Dupont	\$567,500	\$563,000	+0.80%	\$281	+2.55%	116	+27.47%	21	-4.55%
Fife	\$545,000	\$550,000	-0.91%	\$299	+5.98%	63	-1.56%	28	-9.68%
Orting	\$542,025	\$540,000	+0.37%	\$284	-0.11%	184	-4.66%	40	+17.65%
Lakewood	\$530,000	\$530,000	0.00%	\$311	0.00%	464	-2.11%	35	+16.67%
Tacoma	\$500,000	\$489,999	+2.04%	\$313	+3.03%	3,060	-2.11%	34	+17.24%
Spanaway	\$500,000	\$499,000	+0.20%	\$284	+3.08%	637	-8.35%	42	+13.51%
Anderson Island	\$457,000	\$395,000	+15.70%	\$265	-15.75%	39	-17.02%	89	+36.92%





Island County

\$631K ▲ 1.8%
MEDIAN SALES PRICE

\$380 ▲ 1.4%
AVG. PRICE PER SF

51 ▲ 21.4%
AVG. DAYS ON MARKET

1,316 ▲ 11.1%
CLOSED SALES

The Island County market experienced a notable year-over-year increase in the number of homes sold, indicating that buyers were more motivated to make their moves in 2025 than in the previous year.

2025 RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Clinton	\$813,750	\$756,500	+7.57%	\$387	-10.41%	38	-9.52%	49	0.00%
Langley	\$800,000	\$800,000	0.00%	\$456	+3.43%	111	+42.31%	45	-11.76%
South Whidbey Island	\$765,500	\$749,950	+2.07%	\$442	-2.28%	316	+3.61%	53	+12.77%
Camano Island	\$730,000	\$710,000	+2.82%	\$408	+2.98%	345	+25.45%	65	+35.42%
Freeland	\$703,750	\$725,000	-2.93%	\$418	7.32%	38	-22.45%	69	+76.92%
Coupeville	\$657,500	\$572,500	+14.85%	\$376	+0.35%	138	-2.82%	55	+34.15%
Coupeville/Greenbank	\$650,000	\$566,450	+14.75%	\$374	-1.37%	142	-2.74%	58	+34.88%
North Whidbey Island	\$537,500	\$525,000	+2.38%	\$319	+4.39%	513	+12.01%	40	+11.11%
Oak Harbor	\$536,900	\$525,000	+2.27%	\$317	+3.69%	503	+11.04%	39	+8.33%

Port Ludlow
Sold at \$3,300,000

Jefferson County

\$665K ▲ 3.1%

MEDIAN SALES PRICE

\$362 ▲ 3%

AVG. PRICE PER SF

49 ▼ 14%

AVG. DAYS ON MARKET

444 ▲ 4%

CLOSED SALES

Although market conditions varied in each city, the Jefferson County market as a whole saw overall growth, with year-over-year increases in median sales price, average price per square foot, and the number of sales.

2025 RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Port Townsend	\$657,654	\$672,495	-2.21%	\$428	+13.59%	138	+2.99%	47	+23.68%
Tri Area	\$420,000	\$419,000	+0.24%	\$291	-3.68%	26	-29.73%	42	-10.64%

San Juan County

\$935K ▲ 5.1%

MEDIAN SALES PRICE

\$623 ▲ 7.6%

AVG. PRICE PER SF

94 ▲ 11.9%

AVG. DAYS ON MARKET

229 ▲ 11.2%

SOLD LISTINGS

With a median sales price of \$935,000, the San Juan County residential market had the second-highest median of all the counties analyzed.

2025 RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Orcas/Obstruction/Crane/Shaw	\$1,030,000	\$1,060,000	-2.83%	\$706	+16.52%	70	-6.67%	74	-19.57%
San Juan Island	\$880,000	\$850,000	+3.53%	\$572	+2.29%	107	+10.31%	97	+22.78%



Edmonds
Sold at \$2,700,000

Snohomish County

\$775K ▲ 0%
MEDIAN SALES PRICE

\$417 ▲ 1.8%
AVG. PRICE PER SF

32 ▲ 33.3%
AVG. DAYS ON MARKET

7,961 ▼ 3.5%
CLOSED SALES

The Snohomish County market saw a 0% change in the median sales price when analyzing year-over-year data and less than a 2% increase in the average price per square foot.

2025 RESIDENTIAL NEIGHBORHOOD SNAPSHOT

Community	Median Sales Price 2025	Median Sales Price 2024	YOY% Change	Avg Price Per SF 2025	YOY% Change	Closed Sales 2025	YOY% Change	Avg CDOM 2025	YOY% Change
Picnic Point	\$1,127,475	\$1,119,950	+0.67%	\$448	+4.96%	95	+26.67%	34	+30.77%
Bothell	\$1,125,000	\$1,155,000	-2.60%	\$506	-0.30%	1,117	-6.53%	27	+68.75%
Mill Creek	\$1,117,500	\$1,090,000	+2.52%	\$473	+2.42%	158	-7.60%	27	+12.50%
Maltby	\$1,100,000	\$1,107,475	-0.67%	\$483	-4.51%	44	+37.50%	30	+15.38%
Edmonds	\$1,050,000	\$1,050,000	0.00%	\$499	+4.09%	591	-3.27%	27	+28.57%
Brier	\$1,050,000	\$1,100,000	-4.55%	\$490	-0.33%	74	-12.94%	16	0.00%
Mukilteo	\$1,001,500	\$972,000	+3.03%	\$451	+2.18%	166	+13.70%	32	+23.08%
Eastmont	\$949,990	\$804,995	+18.01%	\$405	-4.21%	76	-46.48%	44	+158.82%
Meadowdale	\$875,000	\$870,000	+0.57%	\$459	+1.55%	101	+21.69%	25	+8.70%
Martha Lake	\$842,066	\$846,809	-0.56%	\$422	-3.30%	121	-7.63%	35	+94.44%
Alderwood Manor	\$837,000	\$815,000	+2.70%	\$489	+5.41%	66	-7.04%	37	+76.19%
Silver Lake	\$777,500	\$864,500	-10.06%	\$408	-1.50%	115	-3.36%	21	+16.67%
Lynnwood	\$759,730	\$797,000	-4.68%	\$428	-2.86%	745	+7.50%	27	+58.82%
Lake Stevens	\$750,000	\$775,000	-3.23%	\$373	+3.04%	572	-13.60%	37	+23.33%
Silver Firs	\$748,746	\$861,938	-13.13%	\$426	-5.15%	128	+93.94%	22	+46.67%
Mountlake Terrace	\$726,000	\$701,250	+3.53%	\$472	-3.10%	136	-4.23%	20	+25.00%
Everett	\$702,000	\$695,000	+1.01%	\$394	-1.33%	1,057	-9.43%	30	+57.89%
North Lynnwood	\$688,529	\$664,775	+3.57%	\$416	+1.86%	88	+37.50%	25	+31.58%
Marysville	\$650,000	\$662,750	-1.92%	\$348	+2.93%	884	-16.92%	37	+48.00%

Mukilteo
Sold at \$1,750,000



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Source: Trendgraphix research per NWMLS data comparing Realogics Sotheby's International Realty franchise performance versus the top ten largest aggregated brokers in the study area of 22 Washington State counties in the Pacific Northwest (not including other affiliated franchises with its aggregated brand performance). NWMLS data may not include off-market transactions or referral sales not captured in the region. Data excludes licensed brokers in Realogics Referral Exchange, Inc.

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AVERAGE LISTING
SALES PRICE

\$1.36M

AVERAGE BUYER
SALES PRICE

Referral Performance

\$296M

TOTAL REFERRAL
SALES VOLUME

\$18M

HIGHEST OUTBOUND
REFERRAL

\$8.5M

HIGHEST INBOUND
REFERRAL

100%

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SOLD (2025)

\$100M+

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UNITS SOLD

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ACTIVE INVENTORY

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Graystone

First Hill | 800 Columbia Street | Priced from the \$400Ks | Move in Today

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TheGraystone.com

Offered by Greentown



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InfinityShoreClub.com

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Harbor26Seattle.com

Offered by DEP Homes Eastlake



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CrescentRidgeResort.com

Offered by Hadley Properties

Redefining Home in a Changing World

As Realogics Sotheby's International Realty continues to expand its New Developments platform, I'm continually reminded of how quickly the definition of "home" is evolving. Across the Pacific Northwest, we are seeing buyers seek not just new construction, but homes that reflect the way they truly live: flexible, design-driven, and thoughtfully conceived from the ground up.

Around the world, residential design is becoming more intentional, blending architecture, wellness, technology, and lifestyle in ways that feel both refined and deeply personal. Interiors are increasingly tailored and hospitality-inspired, and homes are being planned to support well-being, adaptability, and long-term value from the outset.

In the pages that follow, we share select projects from our New Developments portfolio alongside five global trends shaping the next era of residential living.

Rethinking Residential

At Realogics Sotheby's International Realty, we see new construction as increasingly defined by relevance. As lifestyles evolve faster than the existing housing stock can adapt, buyers are gravitating toward homes that offer flexibility, efficiency, and design that reflects how people live today, not how homes were built decades ago.

Across markets, demand is growing for adaptable layouts that support multi-generational living, second homes with rental flexibility, and shared ownership among friends and families. At the same time, buyers are prioritizing access over excess, favoring thoughtfully designed shared amenities and right-sized private spaces that deliver more lifestyle, lower maintenance, and greater long-term value.

These trends are already taking shape across the Pacific Northwest and beyond, seen in projects like Infinity Shore Club Residences, Graystone Condominiums, and Crescent Ridge, where new construction is responding to modern lifestyles through intentional design, shared amenities, and destination-driven living.

Together, they underscore the role new development plays in shaping how people live today.

Purpose-built communities can respond to hybrid work, multi-home living, and changing mobility patterns, while balancing urban proximity with lifestyle-oriented destinations throughout the region. Rather than simply adding supply, today's new construction is redefining value through performance, adaptability, and design that works harder for everyday life.



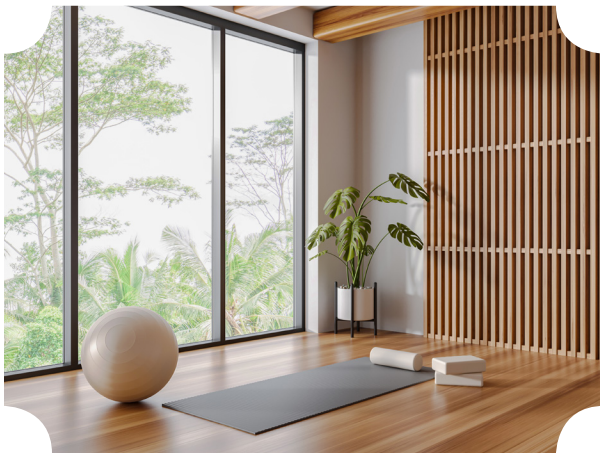
**Graystone Condominiums on
Downtown Seattle's First Hill
(Now Selling)**

What's New in Global Homebuilding

Homes Designed Around Wellness

The most coveted homes in the world now mirror five-star wellness resorts. Homeowners are commissioning dedicated spa suites with saunas, steam rooms, cold plunges, massage rooms, and meditation spaces designed for daily use, not occasional indulgence. Wellness is no longer an amenity, but a core programmatic element of the home, shaping layout, lighting, acoustics, and material choices from the start.

Beyond dedicated spaces, today's homes integrate advanced air purification, low-toxicity materials, circadian lighting, acoustic insulation, and thermal zoning to support sleep, focus, and overall well-being. The home itself is designed to support physical and mental well-being, not just aesthetics.



Technology and Design Harmonize

In the world's most advanced residences, technology is no longer a visible feature but an invisible infrastructure layer. Enterprise-grade cybersecurity, biometric access, and private networks are becoming standard, where privacy and digital resilience rival design in importance.

Resilience is also redefining luxury. Whole-home backup power, integrated solar arrays, EV charging for multi-vehicle fleets, and satellite redundancy are engineered from the outset. Some properties now include atmospheric water generation or whole-property filtration systems.

Artificial intelligence is quietly personalizing environments. Rather than reacting to commands, homes learn routines, adjusting lighting, temperature, shading, air quality, and acoustics based on occupancy and time of day. In residences with significant art collections, automated climate and preservation systems protect sensitive works. The result is continuity, security, and seamless performance.

Kitchens Are Becoming Architectural Living Spaces

Kitchens are shifting away from visible appliances and busy upper cabinetry in favor of fully integrated, furniture-grade millwork. Refrigeration walls are concealed behind panel-ready cabinetry, stone islands are carved from monolithic slabs, and handleless systems create uninterrupted material planes. Fluted and ribbed wood fronts, integrated lighting, and flush induction surfaces allow the kitchen to read as architecture rather than utility.

Behind the scenes, full-height wall systems and concealed prep kitchens allow entertaining to unfold seamlessly without visual clutter. Sculleries, walk-in pantries, and secondary refrigeration zones enhance functionality while preserving the calm, uninterrupted aesthetic of the space.



Architecture Dissolves the Boundary Between Indoors and Out

The boundary between interior and exterior is becoming increasingly fluid. Rather than simply adding retractable doors, architects are designing entire façades to disappear, allowing living rooms to extend uninterrupted into terraces, courtyards, and landscaped gardens. Floor materials continue seamlessly from inside to out, ceiling planes extend beyond the glass line, and sightlines are calibrated to frame the water, forest, or skyline as part of the architecture itself.

Outdoor environments are conceived as fully realized living spaces, not appendages. Covered loggias, sunken conversation lounges, integrated fire features, and sculptural pools are positioned with the same precision as interior rooms. In climate-sensitive regions, radiant-heated stone floors, concealed wind screens, and automated shading systems allow these spaces to function comfortably across seasons.

Landscaping, in turn, is treated as architecture. Terraces are carved into topography, planting is layered to create privacy without walls, and materials are selected to age gracefully alongside the home. The result is not simply indoor-outdoor living, but a fluid spatial experience where the home feels embedded in its surroundings rather than placed upon them.



Homes Are Designed to Support Multiple Lifestyles

Residential design is shifting away from single-purpose planning. Instead, they are programmed to support multiple rhythms of living at once. Private studies rival executive suites with integrated technology and separate access, while detached guest pavilions and self-contained suites allow extended family, staff, or visiting partners to occupy the property independently without compromising privacy.

Rather than simply adding extra bedrooms, architects are designing homes with layered autonomy. Secondary kitchens, private entrances, independent mechanical systems, and convertible wings allow spaces to transition seamlessly between personal retreat, professional workspace, and hospitality environment. In some estates, entire floors are conceived as adaptable zones, capable of operating independently when needed.

For owners maintaining residences across cities and climates, homes are also being engineered for fluid mobility. Remote management systems, secure access controls, and climate-preservation programming allow properties to operate efficiently whether occupied full-time or intermittently. The result is a residence that accommodates evolving family structures, hybrid work, global travel, and long-term succession without ever feeling temporary or improvised.

Partnering on the Front Lines of Innovation

As part of our expanding New Developments platform, we collaborate with industry-leading builders and technology partners who are actively shaping the next generation of residential design. Through these strategic relationships, we remain closely aligned with the evolving standards of performance, integration, and livability that define the most forward-thinking homes.

Wipliance, a premier audio-visual and home technology firm in the Pacific Northwest, specializes in fully integrated smart home environments where lighting, climate, security, and entertainment systems are seamlessly embedded into the architecture. Their work reflects the growing demand for intuitive, invisible technology that enhances daily life without disrupting design intent.

Similarly, Alair Homes, a high-end custom homebuilder with a strong presence in the region, delivers architecturally distinctive residences tailored to modern lifestyles. Their projects incorporate advanced building systems, wellness-focused planning, adaptable layouts, and elevated material selections that align with the global trends highlighted in this report.

Together, these partnerships ensure that Realogics Sotheby's International Realty remains at the forefront of residential innovation, connecting our clients not only to exceptional properties, but to the builders and technologists who are redefining what home can be.

“New Developments represents an important division within Realogics Sotheby's International Realty, and we're bolstered by the leadership of Sofia Padilla and our experienced project marketing and sales professionals that specialize in this distinct ecosystem. Our developers understand that new construction is inherently novel, and we're collectively delivering innovative homes built from the mind up that compel not just a new place to live, but a new way to live.”

- Dean Jones, President & CEO of RSIR

Sofia Padilla

Vice President of New Developments

Author bio

With more than 20 years of experience in real estate sales and marketing, Sofia Padilla is an executive leader known for building high-performance marketing platforms that drive revenue, elevate brand positioning, and support brokerage growth. As Vice President of New Developments, she has led the strategic expansion of the firm's division, shaping project branding, go-to-market strategy, and sales execution across the Pacific Northwest.



Prior to RSIR, Sofia held senior leadership roles in Los Angeles, including Senior Vice President of Development Marketing at Douglas Elliman, where she directed flagship luxury and mixed-use developments and collaborated with globally recognized architects, designers, and hospitality brands. Her career spans residential, retail, and hospitality environments, giving her a unique ability to bridge developer strategy with brokerage performance. As she expands her leadership to support broader company-wide marketing initiatives, Sofia continues to champion data-driven strategy, brand excellence, and scalable systems that empower brokers and drive enterprise growth.

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