

A background image of the Seattle skyline at dusk, featuring the Space Needle prominently on the left. The city lights are visible against a soft, hazy sky. A large green vertical bar is positioned in the center, serving as a backdrop for the title text.

SEATTLE MORTGAGE UPDATE



HOME BUYING IN THE SEATTLE AREA

INCOME NEEDED TO BUY A HOME IN THE SEATTLE AREA

How much income do I need to buy a home in the Seattle, Washington area? What are the minimum income requirements for getting a mortgage loan in Seattle? These are common questions among home buyers, and a new report sheds some light on them.



[View the report!](#)

NEEDED INCOME

Income Needed to Buy a Home in the Seattle Area

According to a study by the mortgage information website HSH.com, home buyers in the Seattle metro area need a salary of \$108,357.35 to afford the principal, interest, taxes and insurance payments on a median-priced home in the area.

Related: How much house can I afford? < ([Learn More](#))

To arrive at this figure, they looked at median prices for single-family homes during the first quarter of 2021. So the data are quite recent. Still, this report does offer some insight into the kind of salary a person might need to afford a home in the Seattle metro area.

View the Analysis



WORKING NUMBERS

Here are the figures they used for this analysis:

- **Mortgage rate:** 3.15%
- **Median home price:** \$617,700
- **Monthly payment:** \$2,528
- **Salary needed:** \$108,357

This calculation is based on a down payment of 20%. For borrowers who put 10% down, the required salary would increase from \$108,357 to \$127,278, according to the study. Bear in mind, this is a look at the income needed to buy a home in the Seattle metro area, which varies a lot in terms of home prices. In Seattle, for example, the median home price had risen to \$804,500, as of January 2021, according to Zillow.

But there are **more affordable cities** < (**Learn More**) in the metro area, where the median home value is roughly half of Seattle's. So you have to take these figures with a grain of salt.

Is there a better way?



REQUIREMENTS

A Better Way to Determine Salary Requirements for a Mortgage

There's a better way to determine how much salary / income you'd need to get a mortgage loan in the Seattle area. [Call us!](#)

Sammamish Mortgage has been helping home buyers in the Seattle area, and across the Pacific Northwest, since 1992. We can evaluate your current debt and income situation to see if you're a good candidate for a mortgage loan, and how much you can borrow.

In the HSH analysis above, they determined how much income was needed to buy a home in the Seattle area using medians and averages. This might offer a ballpark estimate of the salary needed to afford a mortgage. But your situation might be vastly different from the "median" and "average" figures used in this calculation.

That's why it's important to speak with a knowledgeable mortgage professional, who can help you evaluate your specific financial situation and needs.

The debt-to-income ratio is an important factor here. As its name suggests, this ratio (percentage) compares the amount of money a person earns each month to the amount spent on recurring debts. The DTI ratio helps lenders ensure that borrowers aren't taking on too much debt, with the addition of a home loan. It's a financial safeguard designed to protect borrowers and lenders alike.

HOME PRICES

Most Affordable Housing Markets in Seattle Metro Area

With home prices rising steadily in recent years, the Seattle housing market has begun to stretch the budgets of local home buyers. House values are expected to increase through to early January 2021.

Although prices are relatively high, there are pockets of relative affordability in the area. A recent report from the chief economist at Zillow highlighted the five most affordable cities in the Seattle metropolitan area, relative to the median income. This data is therefore a bit old, but these numbers are likely to still be reasonably accurate reflections of these neighboring markets.

**What cities
are the most
affordable?**





BUYING A HOME?

Most Affordable Cities in the Seattle Area 2021

Seattle, Washington is without doubt one of the hottest real estate markets in the country right now. It has been for a while. High demand and limited inventory have forced home buyers to compete fiercely, especially in the more sought-after areas.

As a result of these trends, the median home price in Seattle recently rose to \$804,500.

But there are more affordable options for people who want to buy a home in the Seattle metro area, but not necessarily within the city itself.

The chief economist for the real estate data company Zillow recently prepared a report for Seattle NBC affiliate King 5 News. It listed five of the most affordable cities and housing markets in the Seattle area, based on the percentage of income that goes toward housing costs in each area.

Zillow's economic research team looked at the median income for various cities in the Puget Sound area, and compared that to median home values.

In the city of Seattle, people are spending about 25% of their income on housing. Here are five more affordable cities in the metro area, along with the percentage of income needed to cover mortgage and housing costs:

- **Marysville: 16.2%**
- **Tacoma: 17.4%**
- **Auburn: 17.8%**
- **Kent: 19.5%**
- **Federal Way: 20.1%**

Today, the average home price in Marysville is \$439,380 and the median home price in Seattle is \$780,450. That goes to show how much more affordable housing becomes when you drive a little further north (in this case).

With a median home price of around \$389,889 as of January 2021, Tacoma is another affordable option for those who want to live in the Seattle area.

Ready to Buy a Home?



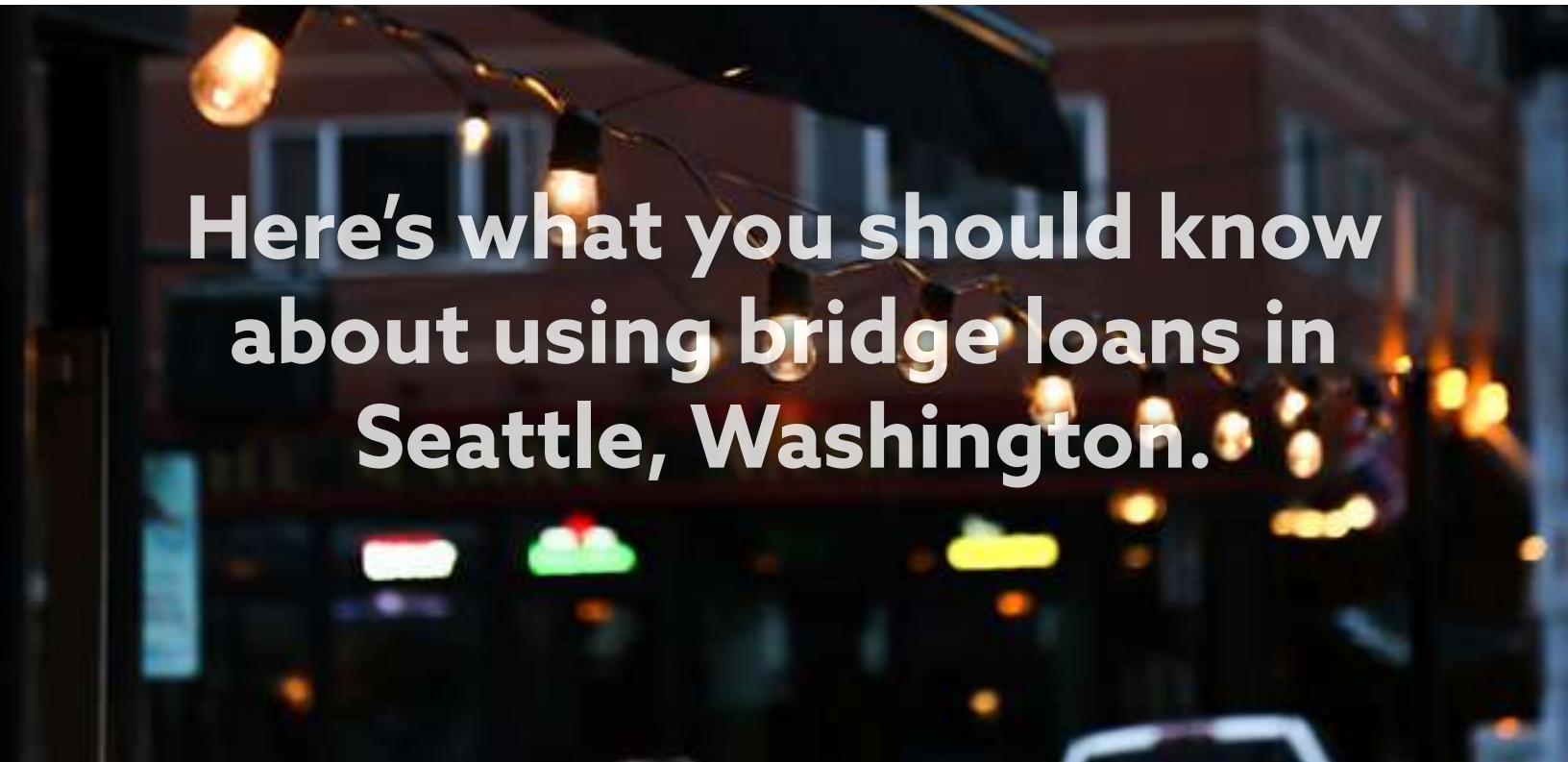
BUYING A HOME?

Seattle, Washington Bridge Loans: A Borrower's Guide


Bridge loans are a popular financing strategy in Seattle, Washington right now. They are used by homeowners who are selling one home and buying a new one, within a fairly short time frame. This type of mortgage “bridges the gap” between selling a home and buying a new home, hence the term.

Is a bridge loan right for your purchasing situation? That will depend on your timeline, your financing needs, and your real estate goals. Contact us if you have any questions about this financing strategy, or learn more below.

Here's what you should know about using bridge loans in Seattle, Washington.



Here's what you should know
about using bridge loans in
Seattle, Washington.



BRIDGE LOAN

Using Bridge Loans in Seattle, Washington

A bridge loan is a short-term home loan used by homeowners who want to purchase another home before selling their current one (in most cases). Stated differently, it allows you to close on a new home purchase before closing the sale of your existing home. It bridges the gap, financially speaking.

In Seattle, Washington, bridge loans can also be referred to as swing loans or gap financing. Interim financing is another common name for them. With all of these descriptions, the general idea is the same. The bridge loan is being used as a financing tool to bridge the gap, or interim, between buying another home and selling your current one.

Seattle bridge loans can vary quite a bit in terms of the structure. They are usually taken out for a few months up to a year, but they can be longer or shorter than this. After taking out the bridge loan, the borrower will attempt to purchase another home while actively selling their current one. In many cases, the bridge loan is paid back from the proceeds earned from the sale of the home.



WHAT WE DO!

How Sammamish Mortgage Does It

Sammamish Mortgage offers a unique and effective version of the bridge loan, which is ideally suited to the competitive real estate market in Seattle, Washington.

With this option, move-up home buyers can purchase a new house without having to sell the current residence until after closing. This allows you to purchase the new home without adding any contingencies into the contract (regarding the sale of your current residence). In a fast-moving real estate market like Seattle, purchase offer contingencies could work against you.

That's why we offer this form of bridge loan financing.

Let's review and go over the highlights together!



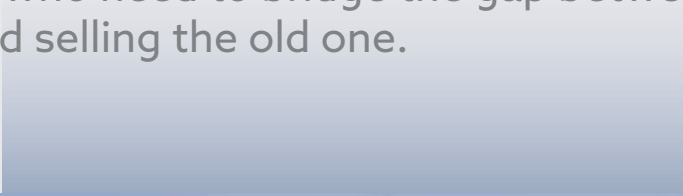


WHAT WE DO!

Highlights of our Seattle, Washington bridge loans:

- **This is not a second mortgage or HELOC.** The Sammamish Mortgage bridge loan is a short-term first lien on the new house you are buying.
- **Flexible debt ratios.** Unlike a typical bridge loan, which factors in both the current and new mortgage for debt-to-income ratio calculations, ours only uses the new mortgage. This dramatically increases your financing reach.
- **Our bridge loan allows you to make a “clean” offer on the new house, without having to include a contingency for the sale of your current home.** This is a big advantage in a real estate market like Seattle, where too many contingencies can be a turn-off for sellers.
- **You’ll have an easier transition from one residence to the next, without having to move into a short-term rental while you search for your new home and wait for it to close.**
- **Once your new purchase closes, we will begin setting up your permanent financing. When your previous property sells, we will then finalize the refinance into a long-term conventional mortgage.**

Bridge loans aren’t right for every buying-and-selling scenario. But in many cases, they can be the exact right solution for homeowners who need to bridge the gap between buying a new home and selling the old one.



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current Seattle market,
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best mortgage decision
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