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Think Amazon HQ2 will depress Seattle's housing market? Think again, experts say

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An economist, a real estate broker and a mortgage banker did not walk into a bar together Tuesday to discuss the effect of Amazon's [HQ2 decision](#) on Seattle's housing market, but separately they agreed there will be little impact.

"Amazon's not leaving here," Windermere Chief Economist [Matthew Gardner](#) said.

Amazon now says it has 10 million square feet of office space and more than 45,000 employees in Seattle. The company plans to complete all ongoing construction by 2020, adding 2 million square feet and 10,000 employees.

Market analysts anticipate Amazon will have 13 million square feet in that time, adding about 5,000 more employees for a total of 60,000 Amazonians in the Puget Sound region.

"I think they've just outgrown Seattle," said Gardner, who doubts having a second, split North American headquarters in New York and Virginia will have a tangible effect on the Seattle-area housing market.

Seattle "will still be the world headquarters for Amazon. The brain power is still here," said Coldwell Banker Bain President and Chief Operations Officer [Mike Grady](#).

Then there are Facebook, Google and other growing tech companies. Google and Facebook are [expanding their footprints](#) in no small measure on both sides of Lake Washington, taking enough space for [thousands of employees](#).

This is occurring against a backdrop of already robust job growth, which increased 3.7 percent annually in September.

Grady said Amazon's HQ2 plan mirrors Google and Facebook's decision to grow in Seattle, where housing prices are lower than around the companies' Silicon Valley headquarters. He thinks high housing prices make it harder for Amazon to attract talent to Seattle.



COLDWELL BANKER BAIN

Mike Grady, president and chief operations officer of Coldwell Banker Bain, is among the Seattle housing experts who said Amazon's decision to open auxiliary headquarters in two East Coast cities will have little or no impact on the Puget Sound area's housing market.

According to Zillow, the median house price in Seattle is \$739,600, or 11.3 percent higher than in Arlington, Virginia, and 15.5 percent more than Queens, New York, which is where Long Island City is. The median price in San Jose is nearly \$1.1 million.

Gardner does see one pitfall that depends on whether Amazon slows growth in Seattle next year as it ramps up HQ2 hiring. He thinks this will hurt the South Lake Union market, which has a glut of new supply.

"But as far as home ownership is concerned, I don't see there being an 'Amazon effect,'" Gardner said.

Mortgage banker [Andy McDonough](#), a division production manager with Seattle-based HomeStreet Bank, agrees that HQ2 will not have much impact on the Seattle market due to anticipated continued strong job growth. But Seattle still has an affordability issue, and then there are rising interest rates.

According to HomeStreet, a 0.5 percent increase in current interest rates lowers a buyer's purchasing power by approximately 6 percent.

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