



Puget Sound Area Home Sales Slow (Not Prices)

Traffic isn't the only thing that is gridlocked around many Puget Sound communities. "We're experiencing gridlock in the Puget Sound housing market," suggested J. Lennox Scott in reaction to the latest statistics from Northwest Multiple Listing Service.

MLS figures show pending sales across the 23 counties it serves dropped about 4.5 percent in March compared to the same period a year ago. Inventory fell sharply - down more than 25 percent. Brokers say that imbalance helped spur a 9.4 percent escalation in prices area-wide, with 12 counties reporting double-digit increases.

During March, brokers reported 10,900 pending sales, about 500 fewer mutually accepted offers than a year ago for a drop of nearly 4.5 percent. For the four-county Puget Sound region, pending sales were down about 6 percent.

The year-to-date drop in pending sales versus first quarter 2015 is a reflection of tight inventory, according to MLS members. "It's not for any other reason except there aren't enough homes coming on the market to satisfy pent-up buyer demand," stated Scott. He also points to listing shortages for the steady escalation of home prices.

To illustrate his point, Scott cited figures for the single family component. In King County, pending sales for March declined nearly 11 percent, while prices spiked 20.7 percent. Pending sales of condos (excluding single family homes) were about the same as a year ago in King County, but year-over-year prices jumped 15 percent.

"In today's market sellers want to find their next home before they list their current home, but because of the severe inventory shortage it's hard to win in a multiple offer situation," Scott explained. He said some sellers are hesitant to put their home on the market because they fear it would sell instantly and they might not win their next home. "It's a Catch 22 situation," he explained.

Mike Grady, president and COO of Coldwell Banker Bain, noted closed sales outside of King County are outpacing year-ago levels. "This is most likely a reflection of the lack of affordability within King County and indicates that buyers are increasingly looking to other counties for their home purchases," he remarked.

The median selling price on homes and condos that closed last month was \$320,000, up 9.4 percent from twelve months ago when it was \$292,500. Compared to February, prices rose nearly 4 percent. In King County, year-over-year prices for March jumped 11.5 percent, from \$411,200 to \$458,450.

For single family homes (excluding condos), prices area-wide are up 8.7 percent from a year ago. In King County, prices soared 20.7 percent compared to year ago, jumping from \$440,250 to \$531,250.

Market Activity Summary for March 2016						
Single Family	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Homes & Condos	Listings	Active	Closings	Price	Price	
King	3,839	2,700	3,766	2,570	\$566,720	\$458,450
Snohomish	1,621	1,267	1,825	1,156	\$389,975	\$365,000
Pierce	1,697	1,824	1,980	1,267	\$287,525	\$261,000
Total	7,157	629	7,571	4,993	\$414,740	\$361,483

Bellevue is No.4 of top 10 Best Downtowns

The "best downtowns" are growing and thriving, offering expanded housing options, rising population, affordability, diversity and

around-the-clock entertainment. Livability.com looked at 2,000 small to mid-sized cities with low vacancy rates, new development and an influx of people into those spaces. It also looked for cultural attractions and nightlife as well as the city's Walk Score and measures of affordability and diversity. The "Top 10 Best Downtowns for 2016" are (in top order): Alexandria, VA, Santa Monica, CA, Greenville, SC, Bellevue, WA, Pittsburgh, PA, Boise, ID, Tempe, AZ, Plano, TX, Colorado Springs, CO and Evanston, IL.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2016 VS 2015
	Mar. 2016	Mar. 2015	
Auburn-Federal Way (110-310)	\$ 333,723	\$ 290,475	14.89%
Kent-Maple Valley (320-340)	\$ 386,283	\$ 333,877	15.70%
West Seattle (140)	\$ 551,333	\$ 491,642	12.14%
SODO-Beacon Hill (380-385)	\$ 531,820	\$ 468,836	13.43%
E.lake-Madison-Capital Hill (390)	\$ 974,083	\$ 823,113	18.34%
Queen Anne-Magnolia (700)	\$ 949,852	\$ 782,133	21.44%
*Belltown-Downtown Seattle(701)	\$ 744,508	\$ 582,664	27.78%
Ballard-Greenlake (705)	\$ 679,558	\$ 598,106	13.62%
North Seattle (710)	\$ 824,299	\$ 650,001	26.82%
Shoreline/Richmond Beach (715)	\$ 550,860	\$ 410,349	34.24%
Bellevue Downtown (520)	\$ 1,966,305	\$ 1,851,969	6.17%
Mercer Island (510)	\$ 1,607,818	\$ 1,265,521	27.05%
Bellevue South-Newcastle (500)	\$ 829,233	\$ 772,062	7.40%
Renton Highlands-Downtown (350)	\$ 521,127	\$ 455,516	14.40%
Microsoft-Bellevue East (530)	\$ 848,519	\$ 604,111	40.46%
Kirkland Downtown (560)	\$ 1,029,207	\$ 924,653	11.31%
Redmond (550)	\$ 730,461	\$ 618,856	18.03%
Issaquah-Sammamish (540)	\$ 720,323	\$ 638,607	12.80%
Juanita-Bothell-Woodinville (600)	\$ 655,226	\$ 572,134	14.52%
Bothell North-Mill Creek (610)	\$ 564,851	\$ 487,481	15.87%
Edmonds-Lynnwood (730)	\$ 465,960	\$ 464,853	0.24%
Everett-Mukilteo-Snohomish (740)	\$ 400,091	\$ 373,110	7.23%

*Condominium SOLD Average

Potential Rate Hikes Not Detering Buyers

In mid December 2015, the Federal Reserve raised its key interest rate to a range of one-fourth to one-half percent. Despite this slight increase, and its potential impact on mortgage rates, the majority of homebuyers are still moving forward with their house hunting plans.

A recent study by Zillow found that 70% of Americans currently searching for a home will continue looking even if rates rise to 4.5%, the level economists expect by 2016.

Purchasing a home continues to be more affordable than renting. Rates are still at historic lows.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
April 14, 2016	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.500%	3.250%	2.750%	2.625%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.627%	4.218%	2.973%	2.745%

740 credit score and 20% down payment for conventional
640 credit score and 3.50% down payment for FHA

