



Early Signs of a "More Balanced Market"

Home prices are still rising but the supply of homes is improving, prompting brokers to suggest some relief is in sight for would-be buyers. "We might actually be starting to move very slowly back toward a more balanced market," said OB Jacobi, president of Windermere Real Estate, in commenting on July's figures from Northwest Multiple Listing Service.

The MLS report summarizing last month's activity shows active listings (including single family homes and condominiums) are at the highest level since September 2015 and the volume of new listings added to inventory topped the 12,000 marked for the third consecutive month.

"We are experiencing a record breaking market," exclaimed J. Lennox Scott, chairman and CEO of John L. Scott, Inc. "Last month was the best July in history in the Puget Sound real estate market. We're in a frenzy hot market with a large backlog of buyers." He credits improving inventory with spurring sales. "That additional inventory gave us the boost to not only be able to claim an all-time, best ever July, but to also position the last three months as the best in history for [pending] sales activity in the Puget Sound region."

Brokers added 12,178 new listings to the selection during July, which compares to 11,198 additions during the same month a year ago for an improvement of nearly 8.8 percent. At month end, there were 18,287 active listings for sale versus the year-ago figure of 21,069. That represents a year-over-year drop of "only" 13.2 percent; it's been hovering in the minus-20 ranges for most months since spring 2015.

The median price for last month's 9,466 closed sales of single family homes and condos (combined) was \$350,000. That reflects a jump of 9.6 percent from a year ago when it was \$319,250. Within the 23 counties in the report, the median price ranged from \$57,950 in Ferry County to \$505,000 in King County.

For single family homes (excluding condos), the area-wide median selling price was \$358,150, a 9.2 percent gain from a year. King County had the highest median price for single family homes at \$555,000. That's a 14.4 percent year-over-year increase.

Scott expects current market conditions will continue at least into the summer of 2017. "The best opportunity for homebuyers to find a home will be in the next three months," he suggested, noting new listings coming on the market historically taper off in November. "Because of the current increase in inventory, now may be a great time for buyers who were discouraged from entering the market to rethink their decision," he added.

Market Activity Summary for July 2016						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	4,385	4,316	4,098	3,653	\$616,644	\$505,000
Snohomish	1,877	1,969	1,795	1,515	\$411,643	\$385,000
Pierce	2,057	2,819	2,098	1,499	\$308,077	\$280,000
Total	8,319	9,104	7,991	6,667	\$445,455	\$390,000

Biggest population gain this century

Population in the central Puget Sound region reached nearly 4 million people in April 2016, growing by 86,320 people (2.2 percent increase) in the past year, according to the Puget Sound Regional Council. This is the biggest population gain this century, and the highest growth rate in the past 20 years. King, Kitsap, Pierce and Snohomish counties all

experienced population growth this past year. King county grew by 53,000 people (2.5%), while Kitsap grew by 4,390 (1.7%), Pierce by 14,370 (1.7%), and Snohomish by 15,260 (2%).

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2016 VS 2015
	July 2016	July 2015	
Auburn-Federal Way (110-310)	\$ 350,329	\$ 311,122	12.60%
Kent-Maple Valley (320-340)	\$ 398,528	\$ 353,882	12.62%
West Seattle (140)	\$ 568,169	\$ 516,622	9.98%
SODO-Beacon Hill (380-385)	\$ 571,305	\$ 499,507	14.37%
E.lake-Madison-Capital Hill (390)	\$ 1,090,214	\$ 906,143	20.31%
Queen Anne-Magnolia (700)	\$ 1,042,571	\$ 924,364	12.79%
*Belltown-Downtown Seattle(701)	\$ 745,290	\$ 588,027	26.74%
Ballard-Greenlake (705)	\$ 732,050	\$ 640,117	14.36%
North Seattle (710)	\$ 959,060	\$ 666,195	43.96%
Shoreline/Richmond Beach (715)	\$ 546,754	\$ 496,382	10.15%
Bellevue Downtown (520)	\$ 2,039,834	\$ 1,869,871	9.09%
Mercer Island (510)	\$ 1,820,334	\$ 1,352,976	34.54%
Bellevue South-Newcastle (500)	\$ 936,017	\$ 848,546	10.31%
Renton Highlands-Downtown (350)	\$ 512,178	\$ 407,792	25.60%
Microsoft-Bellevue East (530)	\$ 828,495	\$ 689,767	20.11%
Kirkland Downtown (560)	\$ 1,066,183	\$ 968,884	10.04%
Redmond (550)	\$ 707,706	\$ 723,996	-2.25%
Issaquah-Sammamish (540)	\$ 791,583	\$ 687,411	15.15%
Juanita-Bothell-Woodinville (600)	\$ 680,393	\$ 605,489	12.37%
Bothell North-Mill Creek (610)	\$ 573,498	\$ 492,725	16.39%
Edmonds-Lynnwood (730)	\$ 501,094	\$ 448,578	11.71%
Everett-Mukilteo-Snohomish (740)	\$ 423,058	\$ 376,597	12.34%

*Condominium SOLD Average

Freddie sees Banner Year for Originations; Lowers Interest Rate Projection for 2017

Strong home sales, near-historic low interest rates, a burst of refinancing, and continued home price growth are moving Freddie Mac's economic team to predict that mortgage originations will top \$2 trillion this year. That will be the **highest volume since 2012**

The mortgage markets continue to feel the impact of the United Kingdom's **Brexit vote**. The report says the continued flight to safety it, along with other global factors, triggered held the average 10-year Constant Maturity Treasury yield to 1.5 percent in July although that is higher than the low or even negative yield in much of the developed world. Those rates are continuing to keep downward pressure on U.S. rates and with the outlook for a rapid global recovery muted, Freddie Mac says that pressure is likely to persist for an extended period.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
August 15, 2016	30-Yr FNMA	30-Yr FHA	15-Yr FNMA	5/1 ARM
Regional Breakdown				
Average Rates	3.375%	2.75%	2.625%	2.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.501%	3.869%	2.847%	2.997%

** Owner Occupied /Single Family Residence
740 credit score and 20% down payment for conventional
640 credit score and 3.50% down payment for FHA

