



## Lack of Inventory "A Game Changer" For Home Buyers

Depleted inventory is contributing to "overwhelming" traffic at open houses, shifts in strategies for both buyers and sellers, and escalating prices, according to officials with the Northwest Multiple Listing Service.

The latest figures show a drop of nearly 28 percent in the number of active listings in the MLS database compared to a year ago. Members added 6,670 new listings during the month across 23 counties in the MLS service area. That's down nearly 4.6 percent from twelve months ago. At month end, members reported 12,357 active listings, which compares to 17,082 at the end of January 2015.

The inventory shortage took a toll on last month's sales. The number of pending sales (mutually accepted offers) fell about 5.3 percent area-wide during January, although half the counties in the report tallied increases compared to a year ago. The 5.3 percent drop marked the first negative change in year-over-year comparisons since April 2014.

"We're selling virtually all new listings, many with multiple offers in all the market areas of King, Snohomish, Pierce and Kitsap counties in the price range where 90 percent of the sales activity is happening," said J. Lennox Scott, chairman and CEO of John L. Scott.

"The Greater Seattle area housing market remains out of equilibrium," stated OB Jacobi, president of Windermere Real Estate. He said sales will continue to suffer at the current pace of transactions without adding new inventory. "At the same time, prices will continue to appreciate and could outperform our expectations if inventory levels and mortgage rates remain at current levels."

Single family home prices (excluding condos) jumped 7.6 percent from a year ago for the area overall. For the four-county Puget Sound region, the median price for a single family home rose 12 percent, from \$325,000 a year ago to last month's figure of \$363,975. Snohomish County reported the largest increase at 16.6 percent. A comparison of prices by county shows King County tops the chart with a median sales price of \$490,970, up 11.2 percent from a year ago.

The increasingly competitive market is prompting hesitation among some would-be sellers, reported Bobbie Chipman, principal managing broker at John L. Scott in Puyallup. She said potential sellers are expressing reluctance to list their existing home prior to finding a home to move into due to limited inventory.

"A strong strategy is for sellers to list their home, sell and close, and move into temporary housing," suggested Chipman, one of the MLS directors. "This approach allows offers to be written that are not conditioned upon their sale closing, and it strengthens their position as a buyer," she explained.

Market Activity Summary for January 2016						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	2,407	2,427	2,385	1,720	\$533,488	\$431,500
Snohomish	1,067	1,267	1,249	811	\$384,035	\$351,500
Pierce	1,124	2,040	1,360	904	\$269,739	\$240,000
<b>Total</b>	<b>4,598</b>	<b>629</b>	<b>4,994</b>	<b>3,435</b>	<b>\$395,754</b>	<b>\$341,000</b>

## Nation's Hottest Neighborhood of 2016

According to a recent study by Redfin, Seattle's Roosevelt neighborhood is one of the nation's 10 Hottest Neighborhoods of 2016.

Roosevelt came in at #10 in the study as Redfin cites the breathtaking views as one of the main reasons Roosevelt made the list.

## Breakouts! – Residential SOLD Average

January 2016 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2015 VS
	Jan. 2016	Jan. 2015	2014
Auburn-Federal Way (110-310)	\$ 314,144	\$ 286,798	9.54%
Kent-Maple Valley (320-340)	\$ 383,503	\$ 324,718	18.10%
West Seattle (140)	\$ 529,904	\$ 436,920	21.28%
SODO-Beacon Hill (380-385)	\$ 554,011	\$ 457,696	21.04%
E.lake-Madison-Capital Hill (390)	\$ 941,922	\$ 854,498	10.23%
Queen Anne-Magnolia (700)	\$ 872,076	\$ 849,876	2.61%
*Belltown-Downtown Seattle(701)	\$ 573,287	\$ 431,284	32.93%
Ballard-Greenlake (705)	\$ 677,560	\$ 599,918	12.94%
North Seattle (710)	\$ 690,374	\$ 572,645	20.56%
Shoreline/Richmond Beach (715)	\$ 506,408	\$ 452,325	11.96%
Bellevue Downtown (520)	\$ 1,989,750	\$ 2,068,602	-3.81%
Mercer Island (510)	\$ 1,798,500	\$ 1,219,357	47.50%
Bellevue South-Newcastle (500)	\$ 751,469	\$ 737,223	1.93%
Renton Highlands-Downtown (350)	\$ 474,637	\$ 411,866	15.24%
Microsoft-Bellevue East (530)	\$ 687,400	\$ 766,986	-10.38%
Kirkland Downtown (560)	\$ 1,031,955	\$ 803,334	28.46%
Redmond (550)	\$ 699,019	\$ 583,540	19.79%
Issaquah-Sammamish (540)	\$ 788,455	\$ 677,335	16.41%
Juanita-Bothell-Woodinville (600)	\$ 596,567	\$ 534,884	11.53%
Bothell North-Mill Creek (610)	\$ 509,168	\$ 501,017	0.00%
Edmonds-Lynnwood (730)	\$ 498,814	\$ 416,934	19.64%
Everett-Mukilteo-Snohomish (740)	\$ 391,638	\$ 338,468	15.71%

\*Condominium SOLD Average

## Cash sales continue to decline

The percentage of total home sales transactions that are completed in cash continues to decline. CoreLogic said on Thursday that **33.9 percent** of home sales in October were all cash, a 2.6 percent decrease from a year earlier. The cash share did increase by 1.4 percentage points from September to October but CoreLogic said that is normal for an uptick in such sales in October due to the seasonality of the market.

Cash sales are especially significant in sales of owned real estate (REO) and accounted for **59.7 percent** of those sales in October. However total REO sales constituted only 7.3 percent of the market. When cash sales were at their peak in January 2011, accounting for 46.6 percent of home sales.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
February 9, 2016	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.490%	3.250%	2.625%	2.625%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.617%	4.218%	2.873%	2.770%

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

