



Housing inventory shortages persist despite increase in new listings

Just as expected, the month of May had an uptick in new listings (12,272), but just as many buyers (12,275) made offers on homes during the month to keep inventory depleted, according to the latest figures from Northwest Multiple Listing Service.

By month end, member brokers reported 15,198 active listings in the Northwest MLS database. That's down more than 22 percent from a year ago when buyers could choose from an inventory of 19,515 listings across the 23 counties served by the listing service.

"The May housing market was not just hot, it was frenzy hot," commented J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "Brokers are working like bees in a hive as the housing market creates a buzz of sales activity in the Seattle-Central Puget Sound area." By his analysis, 80 percent of the homes coming on the market in King and Snohomish counties are selling within the first 30 days. "Many sell within the first week," Scott reported, adding, "A healthy/normal market would have 30 percent selling in the first 30 days."

Even though brokers say paltry inventory is limiting sales, the year-over-year volume of pending sales rose more than 7.4 percent last month. Members reported 12,275 mutually accepted offers, up from the year-ago total of 11,425. MLS data going back to 2004 shows that one-month total is the highest on record.

Prices also rose. The median price area-wide for last month's 8,630 closed sales of single family homes and condominiums (combined) was \$339,950. That's up more than 7.2 percent from twelve months ago when purchasers paid \$317,000 for the median-priced home. Ten counties reported double-digit price hikes.

In King County, the median price jumped more than 11.7 percent, from \$434,000 to \$485,000. Prices on single family homes surged nearly 16.5 percent, rising from \$480,942 to \$560,000. Condo prices were up 9 percent, but finding one proved challenging as inventory dropped 29 percent in King County.

Brokers offer various suggestions to prospective buyers as they vie for scarce inventory:

- "The best advice I can offer to potential first-time buyers is to think outside the box" said Gary O'Leary, a past chairman of the Northwest MLS board. He encourages buyers to consider purchasing a "stepping stone" property. "Consider future growth, such as in areas near light rail or other transit services, and areas that have good public schools."
- "Relationships are paramount in this market," said Lennox Scott. "If you're looking for a home, make sure your broker knows your story and can convey it in a compelling way."

Market Activity Summary for May 2016						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	4,334	3,332	4,486	3,242	\$597,191	\$485,000
Snohomish	1,862	1,505	1,979	1,386	\$403,061	\$367,250
Pierce	1,989	2,235	2,082	1,442	\$305,002	\$270,500
Total	8,185	7,072	8,547	6,070	\$435,085	\$374,250

Ownership rate fell in the first quarter

According to the Census Bureau, despite improving house prices, the ownership rate fell in the first quarter to a nearly half-century low of

63.5% nationally. That's 0.2 percentage point lower than in the same quarter last year and 0.3 point below the fourth quarter. The first quarter rate for the Seattle-Tacoma-Bellevue metro area was 57.7 percent. That marks a significant drop from the same period in 2014, when the rate was 61.3 percent.

Breakouts! – Residential SOLD Average

Area (Area Code)	May 2016 (King/Snohomish/Piece County) SOLD Average		
	Average \$ May 2016	Average \$ May 2015	2016 VS 2015
Auburn-Federal Way (110-310)	\$ 349,125	\$ 307,850	13.41%
Kent-Maple Valley (320-340)	\$ 399,285	\$ 362,503	10.15%
West Seattle (140)	\$ 573,733	\$ 476,303	20.46%
SODO-Beacon Hill (380-385)	\$ 551,005	\$ 463,449	18.89%
E.lake-Madison-Capital Hill (390)	\$ 1,080,077	\$ 874,895	23.45%
Queen Anne-Magnolia (700)	\$ 1,085,779	\$ 889,606	22.05%
*Belltown-Downtown Seattle(701)	\$ 663,635	\$ 504,363	31.58%
Ballard-Greenlake (705)	\$ 719,082	\$ 617,258	16.50%
North Seattle (710)	\$ 768,470	\$ 754,207	1.89%
Shoreline/Richmond Beach (715)	\$ 555,856	\$ 505,309	10.00%
Bellevue Downtown (520)	\$ 2,124,528	\$ 2,321,494	-8.48%
Mercer Island (510)	\$ 1,793,880	\$ 1,769,668	1.37%
Bellevue South-Newcastle (500)	\$ 843,789	\$ 878,409	-3.94%
Renton Highlands-Downtown (350)	\$ 543,517	\$ 451,938	20.26%
Microsoft-Bellevue East (530)	\$ 802,314	\$ 779,609	2.91%
Kirkland Downtown (560)	\$ 1,098,968	\$ 888,214	23.73%
Redmond (550)	\$ 753,219	\$ 662,814	13.64%
Issaquah-Sammamish (540)	\$ 767,217	\$ 678,327	13.10%
Juanita-Bothell-Woodinville (600)	\$ 698,071	\$ 584,500	19.43%
Bothell North-Mill Creek (610)	\$ 552,485	\$ 488,075	13.20%
Edmonds-Lynnwood (730)	\$ 510,208	\$ 412,834	23.59%
Everett-Mukilteo-Snohomish (740)	\$ 428,886	\$ 374,653	14.48%

*Condominium SOLD Average

Openhouse remain an effective selling tool

In the past, less than 5% of homebuyers previewed properties on the internet; public open houses were a necessity. Today, buyers select houses for private showing after shopping online. So, have open houses outlived their effectiveness? The answer depends on local preferences. In many cases, open houses are one of the most effective ways to gain exposure and feedback from prospective buyers. If an Open House is not commonplace in your community, your agent will recommend a Brokers Open to at least have agents through the home. Always best to listen to the professional that will guide you successfully.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
June 17, 2016	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.375%	3.250%	2.625%	2.500%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.501%	4.218%	2.847%	2.619%

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

