



## Housing inventory improves; market still favors sellers

Northwest Multiple Listing Service reported strong gains in the volume of new listings its members added during April (up 13.6 percent from March), but inventory remained well below the supply needed for a more balanced market. MLS leaders say the lopsided market is prompting some anxious buyers to take ill-advised risks.

For the four-county Puget Sound region, pending sales totaled 8,332, making last month the third strongest April in the past 16 years. Compared with prior Aprils, last month's volume was surpassed only in 2015 and 2005.

Area-wide, members added 11,939 new listings to the MLS database during April, a modest improvement from a year ago when they logged in 11,495 homes and condos. With last month's additions, total inventory at the end of April included 14,235 active listings, a sharp drop (down 21.5 %) from twelve months ago when the selection included 18,132 residences.

J. Lennox Scott, chairman and CEO of John L. Scott, Inc. described April as "another grand slam month for housing," adding, "The market is more intense than a year ago. We are still seeing 80 percent of the homes coming on the market sell within the first 30 days.

For single family homes only (excluding condos), inventory dropped about 21 percent, pending sales were about even with twelve months ago (up 1.2 percent), and year-over-year prices rose about 4.7 percent, from \$320,000 to \$335,000. King County's single family home prices shot up 12.5 percent, to \$540,000.

Diedre Haines, a former chairman of the Northwest MLS board of directors, reports there are growing signs "of buyers' fatigue, and game-playing at its finest." Pre-inspections are being conducted as the "new normal," and/or buyers are waiving many of their rights with regard to inspections, title reviews, neighborhood reviews, and financing contingences, according to Haines, Coldwell Banker Bain's principal managing broker for South Snohomish County.

"In my opinion, this is risky behavior for both buyers and sellers," Haines commented, adding, "Buyers need to perform their due diligence investigations, and sellers should be cautioned about the wisdom, or lack thereof, in thinking these waivers strengthen the offer, are good for them, or that they create a 'no hassle' quick-close transaction." She urged parties to a transaction to think through the potential consequences of taking such risks.

Looking ahead, Ken Anderson, a former MLS director whose office is in Olympia said given the lack of new home construction and the huge pent-up demand, the seller's market will likely continue for some time. "This means prices will rise higher than normal - which means today's buyers will be happy they purchased when they did."

Market Activity Summary for April 2016						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	4,236	3,232	3,925	2,886	\$575,039	\$475,000
Snohomish	1,813	1,462	1,836	1,213	\$386,276	\$357,000
Pierce	1,939	2,050	1,987	1,346	\$289,749	\$264,000
<b>Total</b>	<b>7,988</b>	<b>6,744</b>	<b>7,748</b>	<b>5,445</b>	<b>\$417,021</b>	<b>\$365,333</b>

## Three Housing Trends

The Street recently identified three housing trends emerging this spring as follows: 1) **Inventory favors sellers** - buyers are competing for limited inventories, inventories of less expensive "starter homes,"

in particular of dropped, which is making it difficult for first-time buyers to break into the market. 2) **More buyers may consider a new home** - because the inventory of existing homes is small, some home buyers may seek greater alternatives to limited inventories and consider building a home and buying new. 3) **Buying is cheaper than renting** - seven in ten respondents of a recent Freddie Mac survey believe it's cheaper to pay rent than a monthly mortgage on a home.

## Breakouts! – Residential SOLD Average

Area (Area Code)	April 2016 (King/Snohomish/Piece County) SOLD Average		
	Average \$ Apr. 2016	Average \$ Apr. 2015	2016 VS 2015
Auburn-Federal Way (110-310)	\$ 345,621	\$ 284,883	21.32%
Kent-Maple Valley (320-340)	\$ 401,630	\$ 342,172	17.38%
West Seattle (140)	\$ 550,066	\$ 499,674	10.08%
SODO-Beacon Hill (380-385)	\$ 497,878	\$ 499,905	-0.41%
E.lake-Madison-Capital Hill (390)	\$ 976,455	\$ 940,202	3.86%
Queen Anne-Magnolia (700)	\$ 973,165	\$ 883,451	10.15%
*Belltown-Downtown Seattle(701)	\$ 752,070	\$ 536,535	40.17%
Ballard-Greenlake (705)	\$ 717,710	\$ 610,681	17.53%
North Seattle (710)	\$ 808,900	\$ 679,489	19.05%
Shoreline/Richmond Beach (715)	\$ 523,475	\$ 510,260	2.59%
Bellevue Downtown (520)	\$ 2,025,688	\$ 2,053,180	-1.34%
Mercer Island (510)	\$ 1,324,129	\$ 1,310,174	1.07%
Bellevue South-Newcastle (500)	\$ 906,727	\$ 731,999	23.87%
Renton Highlands-Downtown (350)	\$ 503,639	\$ 466,597	7.94%
Microsoft-Bellevue East (530)	\$ 797,208	\$ 673,123	18.43%
Kirkland Downtown (560)	\$ 999,319	\$ 864,789	15.56%
Redmond (550)	\$ 731,728	\$ 664,325	10.15%
Issaquah-Sammamish (540)	\$ 748,368	\$ 689,104	8.60%
Juanita-Bothell-Woodinville (600)	\$ 657,698	\$ 574,292	14.52%
Bothell North-Mill Creek (610)	\$ 553,352	\$ 500,121	10.64%
Edmonds-Lynnwood (730)	\$ 467,967	\$ 450,440	3.89%
Everett-Mukilteo-Snohomish (740)	\$ 417,238	\$ 382,544	9.07%

\*Condominium SOLD Average

## Buying a Fixer Upper?

Resale homes may need work on everything, from a new roof to repairing the deck.

When you buy a home, it will suffer wear and tear over time. A smart approach would be to take a few hundred dollars per month and put that money aside in a house repair fund, so when things come up, you can finance the repairs with cash instead of borrowed money.

More importantly, if the house you're buying will put a strain on your finances, don't buy it. It's that simple. Consider what repairs you want to make over time and how you're going to cover them.

Generally, if you can buy a home, enjoy it, spruce it up as your finances allow and hold that property for five to seven years or longer, you're going to do well for yourself.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
May 11, 2016	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.500%	3.250%	2.625%	2.500%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.627%	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

