



Brokers Report "High Velocity" Market

Western Washington's "high velocity" market continued during January with the number of pending sales (7,745) outgaining the number of new listings (6,507), according to new figures from Northwest Multiple Listing Service.

"Properties are moving through the market at an unusually fast pace," remarked John Deely, chairman of the board at Northwest MLS and the principal managing broker at Coldwell Banker Bain. "Although we have a high number of new listings, they are moving into a pending or sold status within the typical 30-day reporting period. This phenomenon causes a low active listing count," he added.

At month-end, there were 9,752 active listings in the MLS service area, which encompasses 23 counties. That total was 2,605 fewer than the year-ago volume of 12,357, a decline of 21 percent.

Measured by months of inventory, the selection is at historic lows in many counties. At month end, there was just under 1.7 months of supply system-wide, which compares to the year-ago figure of about 2.5 months of supply. Both King and Snohomish counties have less than one month of supply.

"List it and they will come" is the new mantra as new listings come on the market, commented J. Lennox Scott, chairman and CEO of John L. Scott. Despite having more sales than new listings over the past few months, Scott said there is hope for homebuyers. "As the days start getting longer the future will look brighter for the backlog of buyers waiting to find a home." Describing February as the bridge month between winter and spring markets, Scott expects to start seeing an increase in the number of new listings.

Not surprisingly given the imbalance in supply and demand, prices continue to rise. Last month's median price for the 5,874 completed sales of single family homes and condominiums was \$327,175, up 9 percent from the year ago figure of \$300,000. There were 889 more closed sales in January than for the same month a year ago for a 17.8 percent increase.

Single family home prices (excluding condos) increased 9 percent, rising from \$309,950 to \$338,000. The median price for single family homes that sold in King County last month was \$525,000, up more than 6.9 percent from the year-ago sales price of \$490,970. Several outlying counties reported double-digit gains.

"The softening of single family home prices in King County over the last few months, combined with the relatively large price increase in Snohomish County (8.2 percent) suggests buyers are migrating north in order to find more affordable housing," said OB Jacobi, president of Windermere Real Estate.

Market Activity Summary for January 2017					
	Listings		Pending	Closing Sales	
	New Listings	Total Active		# of Closings	Median Price
Single Family					
Homes & Condos					
King	2,272	1,887	2,488	2,010	\$475,000
Snohomish	999	888	1,238	938	\$380,000
Pierce	1,141	1,575	1,530	1,099	\$267,000
Total	4,412	4,350	5,256	4,047	\$374,000

Seattle leads the country in the crane race

According to the Puget Sound Business Journal, the number of cranes in Seattle increased to 62 in the latter part of 2016 and now leads the country in the crane race. The Business Journal reported that the number

of cranes is decreasing in some major cities, including New York, Phoenix, and Los Angeles. Meanwhile, almost 50 percent of tower cranes currently operating in North America are in Seattle, Chicago, and Toronto, according to the Journal.

Breakouts! – Residential SOLD Average

January 2017 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2017 VS
	Jan. 2017	Jan. 2016	2016
Auburn-Federal Way (110-310)	\$ 342,123	\$ 314,143	8.91%
Kent-Maple Valley (320-340)	\$ 434,735	\$ 383,503	13.36%
West Seattle (140)	\$ 525,853	\$ 529,904	-0.76%
SODO-Beacon Hill (380-385)	\$ 557,396	\$ 554,011	0.61%
E.lake-Madison-Capital Hill (390)	\$ 830,887	\$ 941,922	-11.79%
Queen Anne-Magnolia (700)	\$ 958,776	\$ 872,076	9.94%
*Belltown-Downtown Seattle(701)	\$ 896,996	\$ 573,286	56.47%
Ballard-Greenlake (705)	\$ 724,595	\$ 677,559	6.94%
North Seattle (710)	\$ 809,242	\$ 690,373	17.22%
Shoreline/Richmond Beach (715)	\$ 594,349	\$ 506,408	17.37%
Bellevue Downtown (520)	\$ 1,649,200	\$ 1,989,749	-17.12%
Mercer Island (510)	\$ 2,184,850	\$ 1,798,500	21.48%
Bellevue South-Newcastle (500)	\$ 1,035,302	\$ 751,469	37.77%
Renton Highlands-Downtown (350)	\$ 491,107	\$ 474,636	3.47%
Microsoft-Bellevue East (530)	\$ 875,990	\$ 687,400	27.44%
Kirkland Downtown (560)	\$ 1,005,574	\$ 1,031,955	-2.56%
Redmond (550)	\$ 768,926	\$ 699,019	10.00%
Issaquah-Sammamish (540)	\$ 842,374	\$ 788,454	6.84%
Juanita-Bothell-Woodinville (600)	\$ 761,911	\$ 596,566	27.72%
Bothell North-Mill Creek (610)	\$ 610,690	\$ 509,168	19.94%
Edmonds-Lynnwood (730)	\$ 532,876	\$ 498,813	6.83%
Everett-Mukilteo-Snohomish (740)	\$ 440,427	\$ 391,638	12.46%

*Condominium SOLD Average

2017 Housing Market Outlook

Mortgage rates are predicted to rise gradually in 2017, ultimately reaching a fourth quarter average of 4.3%. (Fannie Mae)

Existing home prices are expected to increase by around 4% (nationally) over the year.

Homebuyer affordability will be a challenge during 2017 due to higher home prices and higher home mortgage rates.

The average number of days homes will spend on the market is expected to be less in 2017 than any other year on record.

The loan amount limits have increased for King/Pierce/Snohomish \$421,100.00 for Conventional and FHA. Fannie Mae High Balance is \$592,250.00.

Weekly Primary Mortgage Market Survey® (PMMS®)				
February 10, 2017 Regional Breakdown	30-Yr FNMA	30-Yr FHA	15-Yr FNMA	5/1 ARM
Average Rates	3.59%	3.375%	3.25%	3.00%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.081%	4.867%	3.477%	3.123%

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