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Your Style

Your Dream

Your Home

MARIKO MITSUI

What's in Style?

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Home buyer frustration continues due to limited selection; price increases

Like many other months of 2016, December was frustrating for buyers across Washington state as they encountered depleted inventory and rising prices. Post-election hikes in interest rates - with more on the horizon -- added to would-be homeowners' worries.

Northwest Multiple Listing Service statistics for December show year-over-year drops in new listings, but gains in pending sales, closed sales and prices. Pending sales (mutually accepted offers) in the four-county Puget Sound region reached their highest level since 2005.

Brokers added 4,217 new listings to the inventory during December to bring the supply up to 10,571 listings. The volume of new listings surpassed the year-ago figure of 4,041, but supply still fell, dropping to only 1.4 months for the Northwest MLS market area covering 23 counties. Both King and Snohomish counties reported less than a month of inventory.

"The housing market remains frenzy hot on a seasonal basis," exclaimed J. Lennox Scott. Noting sales activity was substantially higher than the number of new listings, he said such conditions "continue to foster a competitive market where homebuyers are just waiting for the next new listing to come on the market."

Commenting on strong sales in the Central Puget Sound region, Scott noted King County recorded the biggest year-over-year jump in pending sales of single family homes, surging nearly 11.3 percent, well ahead of Kitsap (up 4.5 percent), Pierce (up 4 percent) and Snohomish (up 3.2 percent).

Closed sales also finished on a strong note with brokers reporting 7,575 completed transactions during December. That's up more than 6.8 percent from a year ago when members notched 7,091 closed sales.

Prices area-wide also continued trending upward, rising nearly 9.2 percent from a year ago. The overall median price for single family homes and condominiums that sold during December was \$343,950; a year ago it was \$315,000.

King County prices jumped 12.2 percent, from \$450,000 in December 2015 to \$505,000 for last month's sales. For single family homes (excluding condominiums) the median price for December's sales was \$550,000, unchanged from October and November. Prices peaked this year in King County in June, reaching \$573,522.

Scott, the chairman and CEO of John L. Scott, expects a higher number of new listings will start to show up in mid-February - "just in time for the spring housing market rush."

sector added 4,700 jobs, while the public sector saw a decrease of 1,100. The national unemployment rate was 4.6 percent in November. The rate in the Seattle-Bellevue-Everett area dropped from 3.8 percent in October to 3.7 percent in November.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2016 VS 2015
	Dec. 2016	Dec. 2015	
Auburn-Federal Way (110-310)	\$ 351,940	\$ 332,391	5.88%
Kent-Maple Valley (320-340)	\$ 437,564	\$ 358,711	21.98%
West Seattle (140)	\$ 540,317	\$ 558,046	-3.18%
SODO-Beacon Hill (380-385)	\$ 560,317	\$ 498,106	12.49%
E.lake-Madison-Capital Hill (390)	\$ 832,091	\$ 866,317	-3.95%
Queen Anne-Magnolia (700)	\$ 973,757	\$ 930,316	4.67%
*Belltown-Downtown Seattle(701)	\$ 738,669	\$ 723,645	2.08%
Ballard-Greenlake (705)	\$ 722,257	\$ 638,011	13.20%
North Seattle (710)	\$ 746,252	\$ 753,236	-0.93%
Shoreline/Richmond Beach (715)	\$ 578,573	\$ 569,441	1.60%
Bellevue Downtown (520)	\$ 2,146,822	\$ 1,783,473	20.37%
Mercer Island (510)	\$ 1,522,946	\$ 1,384,194	10.02%
Bellevue South-Newcastle (500)	\$ 902,842	\$ 829,679	8.82%
Renton Highlands-Downtown (350)	\$ 529,010	\$ 490,616	7.83%
Microsoft-Bellevue East (530)	\$ 893,237	\$ 717,342	24.52%
Kirkland Downtown (560)	\$ 1,056,813	\$ 927,196	13.98%
Redmond (550)	\$ 883,913	\$ 705,847	25.23%
Issaquah-Sammamish (540)	\$ 864,631	\$ 706,250	22.43%
Juanita-Bothell-Woodinville (600)	\$ 700,893	\$ 638,493	9.77%
Bothell North-Mill Creek (610)	\$ 633,484	\$ 538,103	17.73%
Edmonds-Lynnwood (730)	\$ 510,263	\$ 455,729	11.97%
Everett-Mukilteo-Snohomish (740)	\$ 408,612	\$ 370,632	10.25%

*Condominium SOLD Average

Lending update for January 2017

Loan amounts have increased:

King/Pierce/Snohomish Conventional and FHA loan amounts are raised to \$592,250.00 for a single unit.

For multiple units, the loan amount increases are as follows: Duplex \$758,200.00 Tri-plex \$916,450.00 Four-plex: \$1,138,950.00

Conforming loan amount has been raised to \$420,100.00

FHA News:

FHA has DECREASED its monthly mortgage insurance premium from .85 of the loan amount to .60 of the loan amount.

FHA still allows the down payment of 3.50% to be gift and the seller or other 3rd party can pay the closing costs. Wonderful way to purchase your first home up to \$613,730.00 with zero out of pocket expense!

Weekly Primary Mortgage Market Survey® (PMMS®)				
January 11, 2017	30-Yr FNMA	30-Yr FHA	15-Yr FNMA	5/1 ARM
Average Rates	4.00%	3.375%	3.125%	3.125%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.021%	4.867%	3.342%	3.249%

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

Market Activity Summary for December 2016						
Single Family	Listings		Pending	Closing Sales		
	New	Total		# of Closings	Average Price	Median Price
Homes & Condos	Listings	Active				
King	1,329	1,985	2,092	2,701	\$600,324	\$505,000
Snohomish	658	1,020	1,104	1,147	\$414,466	\$379,350
Pierce	807	1,763	1,201	1,326	\$311,436	\$280,500
Total	2,794	4,768	4,397	5,174	\$442,075	\$388,283

Washington state added 3,600 jobs

Washington state's unemployment rate dipped to 5.3 percent in November and the state added 3,600 jobs. November's unemployment rate was the lowest since June 2008. According to numbers released mid-December by the Employment Security Department, the private

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