



Brokers Suggest Improving Inventory May Mean "Season of Opportunity"

Northwest MLS brokers added 13,497 new listings during May, improving on the previous month by 2,849 listings for a gain of nearly 27 percent. Compared to a year ago, the volume of new listings increased about 10 percent. Total active inventory is down from a year ago, but about 6.8 percent better than April.

The latest statistics show inventory system-wide is still squeezed (down 17.9 percent), pending sales rose slightly (up 2.7 percent), and sales prices are still rising (up 11.2 percent) compared to a year ago.

Despite murmurs of the possibility of relief for disenchanted house hunters, May was a hotbed of activity. Brokers notched 9,188 pending sales (mutually accepted offers) in the four-county region, the highest ever reported for the region. Overall, members reported 12,607 pending sales, up 2.7 percent from a year ago.

"May was a Grand Slam month for housing activity," exclaimed J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "We finally saw new inventory come on the market in May, and although we had a slight delay in the timing, the spring Puget Sound housing market is in full swing and as intense and frenzied as it has ever been. New inventory outpaced pending sales. This translated into more opportunities for buyers, but with such a quick action market, they still had to act fast to win a home. We're seeing explosive sales, severe inventory shortages, intense competition, and multiple offer situations."

Despite a year-over-year decline of nearly 23 percent in the number of active listings in King County, the volume of closed sales rose about 4.4 percent. Prices on sales within the county (including single family homes and condos) spiked 15.5 percent from a year ago, rising from \$485,000 to \$560,000. Thirteen counties reported double-digit increases, including King County, up nearly 15.5 percent.

The combination of strong demand and limited supply continues to fuel competition and multiple offers in many areas, according to MLS brokers.

Commenting on the market, both currently and going forward, OB Jacobo of Windermere Real Estate said, "Every year there is a seasonal pressure release when we get past Memorial Day and the historically tight spring market. People begin going on summer vacations which takes some buyers out of the process. We are also seeing the number of homes for sale tick up ever so slightly which could prove positive for buyers. That being said, the demand in the Puget Sound area is very high and the months of inventory continues to trend down, so I expect competition for homes to remain pretty fierce in the coming months."

Market Activity Summary for May 2017						
	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active	Closings	Price	Price	
King	4,484	2,570	4,368	3,383	\$673,115	\$560,000
Snohomish	2,108	1,275	1,948	1,394	\$456,169	\$420,000
Pierce	2,235	1,897	2,215	1,587	\$340,392	\$300,000
Total	8,827	5,742	8,531	6,364	\$489,892	\$426,667

\$2.1 Billion in Local Income

According to a 2015 NAHB study, the 6,500 single-family homes built in King and Snohomish counties in 2014 generated: \$2.1 billion in local income, 24,759 jobs, and \$314.7 million in taxes and other revenue.

After construction is complete, the new homes and new residents continue to stimulate our local economy. Annual sustained impact includes: more than \$280 million in local income, nearly \$84 million in taxes, and almost 4,000 local jobs.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$	Average \$	2017 VS
	May 2017	May 2016	2016
Auburn-Federal Way (110-310)	\$ 406,262	\$ 349,125	16.37%
Kent-Maple Valley (320-340)	\$ 442,555	\$ 399,285	10.84%
West Seattle (140)	\$ 646,283	\$ 573,732	12.65%
SODO-Beacon Hill (380-385)	\$ 633,698	\$ 551,004	15.01%
E.lake-Madison-Capital Hill (390)	\$ 1,127,990	\$ 1,080,076	4.44%
Queen Anne-Magnolia (700)	\$ 1,060,283	\$ 1,085,778	-2.35%
*Belltown-Downtown Seattle(701)	\$ 919,609	\$ 663,635	38.57%
Ballard-Greenlake (705)	\$ 804,118	\$ 719,082	11.83%
North Seattle (710)	\$ 864,698	\$ 768,470	12.52%
Shoreline/Richmond Beach (715)	\$ 690,322	\$ 555,855	24.19%
Bellevue Downtown (520)	\$ 2,635,990	\$ 2,124,528	24.07%
Mercer Island (510)	\$ 1,819,751	\$ 1,793,880	1.44%
Bellevue South-Newcastle (500)	\$ 1,036,047	\$ 843,789	22.79%
Renton Highlands-Downtown (350)	\$ 620,363	\$ 543,516	14.14%
Microsoft-Bellevue East (530)	\$ 1,065,110	\$ 802,313	32.75%
Kirkland Downtown (560)	\$ 1,163,401	\$ 1,098,967	5.86%
Redmond (550)	\$ 938,291	\$ 753,218	24.57%
Issaquah-Sammamish (540)	\$ 922,485	\$ 767,217	20.24%
Juanita-Bothell-Woodinville (600)	\$ 772,418	\$ 698,070	10.65%
Bothell North-Mill Creek (610)	\$ 665,782	\$ 552,485	20.51%
Edmonds-Lynnwood (730)	\$ 569,174	\$ 510,207	11.56%
Everett-Mukilteo-Snohomish (740)	\$ 464,758	\$ 428,885	8.36%

*Condominium SOLD Average

Economic Optimism Soaring

Especially in rural and middle America, consumer confidence has been ignited by job gains and the hope for even greater growth in 2017.

According to the Housing Opportunities and Market Experience survey recently published by the National Association of Realtors, optimism about the U.S. economy has soared to its highest level in the past two years.

Confidence levels generally rise after a presidential election as the nation hopes for the best. Even though it is a highly polarized country, consumers for the most part have upbeat feelings about the economy right now. Stronger business and consumer morale typically leads to making big decisions like buying a home.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
June 10, 2017	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.875%	3.25%	3.00%	3.00%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.004%	4.512%	3.224%	3.122%

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

