



Shrinking Inventory Puts "Stranglehold" on Sales Around Western Washington

"Frustrating" is how brokers are summarizing the mood of buyers, brokers - and industry professionals - during the current housing market frenzy. New statistics from Northwest Multiple Listing Service show declines in inventory and sales, while prices continue their upward trajectory, but those numbers only tell part of the story.

Inventory fell nearly 25 percent from the volume of active listings being offered a year ago. At the end of April, MLS brokers reported 10,679 homes and condos for sale across a 23-county area, which compares to the year-ago selection of 14,235 listings.

MLS members continue to struggle to keep pace with demand. Brokers added 10,648 new listings to their database last month, down from 11,939 during April 2016, and they reported 10,514 pending sales. That total was down 893 transactions for a drop of year-over-year drop of 7.8 percent.

Prices area-wide shot up 10.4 percent from a year ago, from \$325,990 to \$360,000. The four-county Puget Sound region, which accounted for more than 77 percent of last month's 7,276 closed sales, reported a price hike of nearly 14.7 percent, led by Snohomish County at 16.7 percent. In Snohomish County, the median price for single family homes and condos (combined) eclipsed the \$400,000 mark, climbing to \$416,668.

Homes and condos that sold last month in King County fetched a median price of \$550,000, up about 15.8 percent from a year ago. For a single-family home (excluding condos) the median price was \$625,000. That's \$85,000 more than the year-ago figure, and \$25,050 more than the previous month.

The pressure is across county borders and across the price spectrum. "Market mayhem is wreaking havoc for homebuyers," suggested J. Lennox Scott, chairman and CEO of John L. Scott. The inventory shortage is fueling the market and prompting shifts in seller behavior, according to Scott, who described the market as "intense as ever with 80 percent of homes in King County selling within 30 days of being listed."

"Everything is down except prices," declared Mike Grady, president and COO of Coldwell Banker Bain. Although the pending sales for the first four months of 2017 are lower than the same period a year ago (down about 8.5 percent), new listings are off even more (down 24.3 percent). "That combination is shrinking the available inventory at an unprecedented pace," he remarked. The shrinkage is not an anomaly, he emphasized. "It has a stranglehold on new sales. Additionally, this low supply and high demand continues to put upward pressure on prices," he said.

Market Activity Summary for April 2017

	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active	Closings	Price	Price	
King	3,676	2,283	3,637	2,635	\$665,153	\$550,000
Snohomish	1,522	1,004	1,527	1,116	\$446,209	\$416,668
Pierce	1,762	1,604	1,920	1,289	\$323,146	\$290,500
Total	6,960	4,891	7,084	5,040	\$478,169	\$419,056

Home prices based on decade they were built

As reported in the *Seattle Times*, Estatefy - a local real estate site, broke down our home costs by comparing sales prices for home based on which decade they were built. Brand-new homes were the priciest, selling for an average of \$845,000 in Seattle. Seattle homes built before 1910 now sell for an average of \$725,000, while homes from the 1920s

and 1930s command about \$700,000. By comparison, homes built between 1940 and 1980 cost closer to \$610,000, and those that went up in the '80s and '90s cost about \$665,000 on average. Of course, areas in Seattle with older houses tend to be in more desirable neighborhoods. Many of the oldest homes have probably been remodeled and modernized as well, raising their value.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$	Average \$	2017 VS
	Apr. 2017	Apr. 2016	2016
Auburn-Federal Way (110-310)	\$ 410,157	\$ 345,620	18.67%
Kent-Maple Valley (320-340)	\$ 444,114	\$ 401,630	10.58%
West Seattle (140)	\$ 628,985	\$ 550,065	14.35%
SODO-Beacon Hill (380-385)	\$ 630,925	\$ 497,877	26.72%
E.lake-Madison-Capital Hill (390)	\$ 1,037,554	\$ 976,455	6.26%
Queen Anne-Magnolia (700)	\$ 1,143,435	\$ 973,165	17.50%
*Belltown-Downtown Seattle(701)	\$ 677,832	\$ 752,070	-9.87%
Ballard-Greenlake (705)	\$ 804,182	\$ 717,709	12.05%
North Seattle (710)	\$ 903,901	\$ 808,900	11.74%
Shoreline/Richmond Beach (715)	\$ 643,039	\$ 523,475	22.84%
Bellevue Downtown (520)	\$ 2,267,220	\$2,025,688	11.92%
Mercer Island (510)	\$ 1,745,543	\$1,324,129	31.83%
Bellevue South-Newcastle (500)	\$ 1,046,757	\$ 906,727	15.44%
Renton Highlands-Downtown (350)	\$ 562,747	\$ 503,638	11.74%
Microsoft-Bellevue East (530)	\$ 1,037,813	\$ 797,208	30.18%
Kirkland Downtown (560)	\$ 1,162,192	\$ 999,318	16.30%
Redmond (550)	\$ 853,678	\$ 731,727	16.67%
Issaquah-Sammamish (540)	\$ 888,291	\$ 748,367	18.70%
Juanita-Bothell-Woodinville (600)	\$ 746,833	\$ 657,697	13.55%
Bothell North-Mill Creek (610)	\$ 666,581	\$ 553,352	20.46%
Edmonds-Lynnwood (730)	\$ 569,085	\$ 467,966	21.61%
Everett-Mukilteo-Snohomish (740)	\$ 457,780	\$ 417,237	9.72%

*Condominium SOLD Average

WHAT IS PMI

PMI stands for private mortgage insurance. It's an insurance policy your lender will take out to cover a portion of the amount you borrow in case you ever default on your loan.

This means if you stop paying what you owe on your mortgage and the lender forecloses on your property and suffers a loss, the insurance company will pay out a claim to the lender.

Even though PMI protects the lender, you are the one who must pay the premiums. That's why it's a good idea to avoid PMI when buying a home.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
May 2, 2017	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.875%	3.50%	3.125%	3.125%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.004%	4.985%	3.35%	3.248%

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

