



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 | | | | | | |
|--|--------------|--------------|--------------|---------------|------------------|------------------|
| Single Family Homes & Condos | Listings | | Pending | Closing Sales | | |
| | New Listings | Total Active | | # of Closings | Average Price | Median 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 \$ | | 2017 VS 2016 |
|-----------------------------------|--------------|--------------|--------------|
| | Apr. 2017 | Apr. 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.

Gina Brown (NMLS#115337)
Mortgage Specialist /
Mortgage Capital Associates

425-766-5408
gina@gmgloan.com
www.loansbygina.com



| 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

