



## Home buyers still competing for sparse inventory in Western WA, Driving up prices - especially for sought after Condominiums

"The Seattle area real estate market hasn't skipped a beat with pent-up demand from buyers is stronger than ever," remarked broker John Deely in reacting to the latest statistics from Northwest Multiple Listing Service. The report on January activity shows a slight year-over-year gain in pending sales, a double-digit increase in prices, and continued shortages of inventory.

Member brokers added 6,805 new listings of single family homes and condominiums to the system-wide database last month for a gain of about 4.6 percent from a year ago. In King County, the number of new listings outgained pending sales for the first time since September:

For the MLS overall, last month's 7,820 pending sales marked a slight increase compared to January 2017 when members reported 7,724 mutually accepted offers, a gain in of 1.24 percent. In King County, where acute inventory shortages exist in many neighborhoods, pending sales dropped 7.5 percent and closings dropped 18.5 percent.

"The decline in sales last month can't be blamed on the holidays, weather or football. It's simply due to the ongoing shortage of housing that continues to plague markets throughout Western Washington," said OB Jacobi, the president of Windermere Real Estate.

Condo inventory is especially tight in Snohomish County (0.8 months of supply) and King County (0.92 months). System-wide there is under a month's supply (0.93 months).

Despite the sparse selection, brokers expect inventory to improve.

"The month of March can't come soon enough for home buyers," said J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "In March, the number of new listings will bump up substantially from the low number of new listings typical for winter months. Better selection will start in March as we enter the spring housing season," Scott predicts.

Prices for homes and condos combined shot up 20.3 percent in King county, rising from \$475,000 to \$571,250. Pierce County reported a jump of 15 percent, followed by Snohomish County at about 12.2 percent and Kitsap County at nearly 3.5 percent.

The depleted supply of condos meant premium prices. Area-wide the median price for last month's completed transactions rose nearly 18.6 percent, from \$269,900 to \$320,000. Snohomish County's condo prices surged nearly 25.5 percent, followed by King County at nearly 22.6 percent.

Market Activity Summary for January 2018						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	2,326	1,509	2,282	1,635	\$586,775	\$571,250
Snohomish	1,024	667	1,194	836	\$421,750	\$426,250
Pierce	1,233	1,360	1,570	998	\$295,396	\$307,250
<b>Total</b>	<b>4,583</b>	<b>3,536</b>	<b>5,046</b>	<b>3,469</b>	<b>\$434,640</b>	<b>\$434,917</b>

## Rents are dropping across the Seattle area

Rents are dropping significantly across the Seattle area for the first time this decade, as a flood of new construction has left apartments sitting empty in Seattle's hottest neighborhoods. The average rent across King and Snohomish counties dipped 2.9 percent in December compared with the prior quarter, according to a new quarterly landlord survey by Apartment Insights/RealData.

## Breakouts! – Residential SOLD Average

Area (Area Code)	January 2018 (King/Snohomish/Pierce County) SOLD Average		2017 VS 2016
	Average \$ Jan. 2018	Average \$ Jan. 2017	
Auburn-Federal Way (110-310)	\$ 388,012	\$ 342,122	13.41%
Kent-Maple Valley (320-340)	\$ 473,476	\$ 434,734	8.91%
West Seattle (140)	\$ 728,864	\$ 537,284	35.66%
SODO-Beacon Hill (380-385)	\$ 721,276	\$ 557,396	29.40%
E.lake-Madison-Capital Hill (390)	\$ 1,019,832	\$ 830,886	22.74%
Queen Anne-Magnolia (700)	\$ 1,179,199	\$ 958,775	22.99%
*Belltown-Downtown Seattle(701)	\$ 1,022,299	\$ 896,995	13.97%
Ballard-Greenlake (705)	\$ 805,263	\$ 724,595	11.13%
North Seattle (710)	\$ 1,028,073	\$ 809,242	27.04%
Shoreline/Richmond Beach (715)	\$ 780,556	\$ 594,349	31.33%
Bellevue Downtown (520)	\$ 2,809,191	\$ 1,649,200	70.34%
Mercer Island (510)	\$ 1,578,469	\$ 2,184,850	-27.75%
Bellevue South-Newcastle (500)	\$ 1,127,433	\$ 1,035,301	8.90%
Renton Highlands-Downtown (350)	\$ 564,297	\$ 491,106	14.90%
Microsoft-Bellevue East (530)	\$ 1,114,924	\$ 896,361	24.38%
Kirkland Downtown (560)	\$ 1,390,568	\$ 1,005,574	38.29%
Redmond (550)	\$ 895,849	\$ 768,925	16.51%
Issaquah-Sammamish (540)	\$ 913,311	\$ 842,374	8.42%
Juanita-Bothell-Woodinville (600)	\$ 845,990	\$ 761,910	11.04%
Bothell North-Mill Creek (610)	\$ 695,921	\$ 610,689	13.96%
Edmonds-Lynnwood (730)	\$ 594,715	\$ 532,875	11.60%
Everett-Mukilteo-Snohomish (740)	\$ 467,791	\$ 440,427	6.21%

\*Condominium SOLD Average

## Home prices Up for fifth consecutive month

CoreLogic Reports December Home Prices Up More Than 6 Percent Year-Over-Year for Fifth Consecutive Month.

Largest Price gains during 2017 were in California, Nevada, Utah, Idaho and Washington

Looking ahead, the CoreLogic HPI Forecast indicates that home prices will increase by 4.3 percent on a year-over-year basis from December 2017 to December 2018, and on a month-over-month basis home prices are expected to decrease by 0.4 percent from December 2017 to January 2018.

"The number of homes for sale has remained very low," said Dr. Frank Nothaft, chief economist for CoreLogic. "Job growth lowered the unemployment rate to 4.1 percent by year's end, the lowest level in 17 years. Rising income and consumer confidence has increased the number of prospective homebuyers. The net result of rising demand and limited for-sale inventory is a continued appreciation in home prices."

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Weekly Primary Mortgage Market Survey® (PMMS®)				
February 9, 2018	30-Yr	30-Yr	5-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	4.25%	3.875%	3.75%	3.75%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.339%	5.295%	3.904%	3.836%

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

