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What's in Style?

Volume 1 2018 Issue

Your Style Your Style Your Style Your Style Your Style Your Style Your Style Your Style
Your Dream Your Dream Your Dream Your Dream Your Dream Your Dream Your Dream Your Dream
Your Home Your Home Your Home Your Home Your Home Your Home Your Home Your Home

“Exceptionally low” inventory slows year-end home sales, contributes to steep price hikes around Greater Seattle region

The year 2017 may be in the books and for many members of Northwest Multiple Listing Service it was a memorable one with December's activity being no exception. Brokers reported historic lows for inventory and year-over-year price gains in most areas.

For the MLS area overall, inventory shrunk 19 percent, from 10,569 active listings at the end of 2016 to last month's figure of 8,553. That's the smallest selection for any month in the past decade. For the fourth time this year, monthly inventory dipped below the 10,000 mark, a level not reached at any other time during the 10-year comparison.

Despite the paltry supply, last month's sales remained remarkably strong, with closings up slightly (0.88 percent) from a year ago. Northwest MLS members reported 7,642 closed sales, about the same volume as a year ago when completed transactions totaled 7,575.

Northwest MLS statistics show prices rose 11.4 percent system-wide for the 7,642 completed sales of homes and condos. Thirteen of the 23 counties in the report had double-digit price hikes from a year ago. Two counties reported price drops: Chelan (-11.2 percent) and Douglas (-6.5 percent).

Within the Puget Sound region, King County registered the sharpest escalations at nearly 16 percent. Year-over-year prices jumped from \$505,000 to \$585,000. For single family homes in King County, the hike was similar (about 15.5%), rising from \$550,000 to \$635,000 at year end.

Condo prices surged 28 percent in King County over the past twelve months, from \$315,000 to \$402,000. During the same year-over-year period, active listings fell from 346 units to 206 (down more than 40 percent), leaving only about 10 days of supply (0.35 months of inventory).

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate believes the Central Puget Sound housing market will remain one of the strongest in the nation. "It will be another happy new year for real estate activity." As the new year unfolds, he expects buyers "will emerge from winter holiday hibernation in big numbers" in part thanks to the Seahawks. "Without the Seahawks in the football playoffs, the 2018 housing market will be more intense earlier in January rather than heating up after the Super Bowl," Scott remarked.

The study also found that annual household income in the Seattle area averages \$104,475 - which is also considerably higher than the national average of \$72,156. Housing is the largest expenditure category for Seattle-area households, the research showed, averaging \$24,993 per year - about a third of the area's average household budget.

Breakouts! – Residential SOLD Average

December 2017 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2017 VS
	Dec. 2017	Dec. 2016	2016
Auburn-Federal Way (110-310)	\$ 395,156	\$ 351,939	12.28%
Kent-Maple Valley (320-340)	\$ 476,734	\$ 437,564	8.95%
West Seattle (140)	\$ 706,784	\$ 540,317	30.81%
SODO-Beacon Hill (380-385)	\$ 628,702	\$ 560,317	12.20%
E.lake-Madison-Capitol Hill (390)	\$ 1,216,882	\$ 832,091	46.24%
Queen Anne-Magnolia (700)	\$ 1,128,447	\$ 973,757	15.89%
*Belltown-Downtown Seattle(701)	\$ 854,663	\$ 738,668	15.70%
Ballard-Greenlake (705)	\$ 816,839	\$ 722,256	13.10%
North Seattle (710)	\$ 848,655	\$ 746,251	13.72%
Shoreline/Richmond Beach (715)	\$ 630,912	\$ 578,572	9.05%
Bellevue Downtown (520)	\$ 2,806,006	\$ 2,146,822	30.71%
Mercer Island (510)	\$ 2,012,359	\$ 1,522,945	32.14%
Bellevue South-Newcastle (500)	\$ 1,125,431	\$ 902,841	24.65%
Renton Highlands-Downtown (350)	\$ 612,661	\$ 529,010	15.81%
Microsoft-Bellevue East (530)	\$ 1,063,326	\$ 893,237	19.04%
Kirkland Downtown (560)	\$ 1,324,143	\$ 1,056,812	25.30%
Redmond (550)	\$ 889,720	\$ 883,913	0.66%
Issaquah-Sammamish (540)	\$ 943,593	\$ 864,630	9.13%
Juanita-Bothell-Woodinville (600)	\$ 813,854	\$ 700,892	16.12%
Bothell North-Mill Creek (610)	\$ 730,518	\$ 633,484	15.32%
Edmonds-Lynnwood (730)	\$ 580,646	\$ 510,262	13.79%
Everett-Mukilteo-Snohomish (740)	\$ 451,078	\$ 408,612	10.39%

*Condominium SOLD Average

Mortgage approval rate is high nationwide

With a fresh year beginning, now is the perfect time to assess all the goals you hope to accomplish in 2018. For many, included in that list of aspirations is to finally become a homeowner. Markets may be tight on available homes, but you feel for the first time you have the right financial stability to take on this major investment.

The only question is: Will you be able to get a mortgage to finance your dream purchase?

You likely won't have to worry about getting approved by a lender. NerdWallet reported in early 2017 that the average approval rate of mortgage application is 88.2 percent nationwide, based on 2015 data.

Market Activity Summary for December 2017

	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active	Closings	Price	Price	
Homes & Condos						
King	1,165	1,374	1,850	2,681	\$700,191	\$585,000
Snohomish	614	709	1,009	1,242	\$465,405	\$425,000
Pierce	872	1,500	1,248	1,356	\$355,422	\$314,995
Total	2,651	3,583	4,107	5,279	\$507,006	\$441,665

WA households spent more than average

Households in the Seattle-Tacoma-Bellevue metropolitan area of Washington state spent an average of 33.4 percent more than the average U.S. household, a new federal study found. The study, conducted over the past two years (2015 and 2016) for the U.S. Bureau of Labor Statistics, found that the average household in the Seattle metropolitan area spent \$74,723 per year, significantly more than the \$56,648 average expenditure level for households in the United States.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
January 11, 2018	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.99%	3.50%	3.375%	3.50%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.12%	4.985%	3.603%	3.626%

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

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