

## Housing Market back to "Pressure Cooker Situation", But Brokers Remind Sellers "Pricing is Still Important"

Job growth and a recent run-up in mortgage rates has created an "extremely intense market for each new listing," stated J. Lennox Scott, chairman and CEO of John L. Scott Real Estate in commenting on the latest statistics from Northwest Multiple Listing Service.

MLS figures for March show a surge in both new listings and pending sales compared to February as the spring market heats up. Compared to a month ago, pending sales climbed more than 29 percent (from 7,980 in February to 10,311 in March), while the volume of new listings jumped more than 45 percent from February to March.

"What used to be a quick action market for buyers is now, once again, an instant response market, and this has been the case since the first of the year," remarked Scott, adding "This is especially true in the more affordable and mid-price ranges in all markets, and also pertains to luxury properties close to the job centers."

Prices overall are up about 13.2 percent from a year ago, and even more so in the four-county Puget Sound region. Among these four counties, Kitsap had the largest year-over-year increase at 19 percent, but King County homes are still the priciest. The median price for last month's sales of single family homes and condos combined in King County is \$625,000, up 17.9 percent from a year ago. For single family homes, excluding condos, the median price for last month's sales was \$689,950.

As has been the pattern, pending sales nearly equaled the number of new listings. Brokers reported 10,311 pending sales last month, a slight drop from the year-ago figure of 10,415. Tight inventory may be to blame as the number of total active listings stood at 8,825 at month end, down nearly 9.7 percent from the year-ago total of 9,772. Fourteen of the 23 counties in the Northwest MLS market area reported drops in pending sales.

"We have returned to an extremely intense market for each new listing due to extremely strong job growth and eager buyers who want to purchase before interest rates go higher," Scott reported. "The housing market is back to a pressure cooker situation and we are witnessing high levels of sales activity intensity for each new listing coming on the market," he commented.

"Despite the low inventory and sellers' market, proper pricing is still important," emphasized John Deely, principal managing broker at Coldwell Banker Bain in Seattle.

Market Activity Summary for March 2018						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	3,885	2,060	3,465	2,479	\$740,509	\$625,000
Snohomish	1,576	783	1,578	1,166	\$492,117	\$452,450
Pierce	1,767	1,350	1,856	1,369	\$374,384	\$342,225
<b>Total</b>	<b>7,228</b>	<b>4,193</b>	<b>6,899</b>	<b>5,014</b>	<b>\$535,670</b>	<b>\$473,225</b>

## Essential features when house-hunting

Having a living room is essential to most prospective home buyers, with 61 percent of first-time buyers listing that feature as their top requirement. Among shoppers who are looking for their second or subsequent home, 72 percent said a laundry room was their top must-have feature. In addition to a living room, first-time buyers ranked a

laundry room as their second highest priority, followed by a dining room, garage storage, and a walk-in closet in the master bedroom.

## Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2018 VS 2017
	Mar. 2018	Mar. 2017	
Auburn-Federal Way (110-310)	\$ 403,109	\$ 390,846	3.14%
Kent-Maple Valley (320-340)	\$ 512,932	\$ 438,455	16.99%
West Seattle (140)	\$ 744,636	\$ 616,863	20.71%
SODO-Beacon Hill (380-385)	\$ 739,126	\$ 594,199	24.39%
E.lake-Madison-Capital Hill (390)	\$ 1,134,209	\$ 993,764	14.13%
Queen Anne-Magnolia (700)	\$ 1,367,089	\$ 1,148,653	19.02%
*Belltown-Downtown Seattle(701)	\$ 785,657	\$ 758,725	3.55%
Ballard-Greenlake (705)	\$ 847,642	\$ 758,373	11.77%
North Seattle (710)	\$ 970,259	\$ 901,449	7.63%
Shoreline/Richmond Beach (715)	\$ 806,415	\$ 707,410	14.00%
Bellevue Downtown (520)	\$ 2,522,816	\$ 2,468,089	2.22%
Mercer Island (510)	\$ 2,008,802	\$ 2,211,917	-9.18%
Bellevue South-Newcastle (500)	\$ 1,143,767	\$ 1,019,301	12.21%
Renton Highlands-Downtown (350)	\$ 593,607	\$ 545,300	8.86%
Microsoft-Bellevue East (530)	\$ 1,032,018	\$ 1,022,063	0.97%
Kirkland Downtown (560)	\$ 1,443,617	\$ 1,128,079	27.97%
Redmond (550)	\$ 958,657	\$ 861,649	11.26%
Issaquah-Sammamish (540)	\$ 951,892	\$ 869,898	9.43%
Juanita-Bothell-Woodinville (600)	\$ 896,184	\$ 759,685	17.97%
Bothell North-Mill Creek (610)	\$ 737,442	\$ 649,964	13.46%
Edmonds-Lynnwood (730)	\$ 604,591	\$ 526,124	14.91%
Everett-Mukilteo-Snohomish (740)	\$ 500,898	\$ 449,656	11.40%

\*Condominium SOLD Average

## Tips to win the bidding wars

Today's housing market is arguably one of the most competitive in history. A record low supply of listings and high demand. Bidding wars are now the rule, rather than the exception. Here are some tips to win:

1. Come with cash. Not everyone can do this, but if you can make an all-cash offer, you will have an advantage.
2. If you don't have all-cash, try waiving the financing contingency. That is when the deal is contingent on your loan being approved by the lender.
3. Try a personal letter to the seller. Selling a home is just as emotional as buying one, especially for sellers who have lived in the home a long time.
4. Finally, don't be afraid to walk away. The last thing you want to do is get over-emotional and overstretch your budget. Don't be house-poor.

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Weekly Primary Mortgage Market Survey® (PMMS®)

April 13, 2018	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	4.375%	3.875%	3.875%	3.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.439%	5.295%	3.978%	3.836%

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