

Home buyers have "Window of Opportunity" with shift to more Balanced Market

With more plentiful inventory, recently announced increases in lending limits, and moderating prices, prospective home buyers are finding more options around Western Washington, according to industry experts from Northwest Multiple Listing Service.

House hunters have a much bigger selection than a year ago. Northwest MLS figures for the 23 counties in its report show the year-over-year volume of inventory rose from 11,193 homes and condos to 15,830. The increase in active listings represents a gain of more than 41 percent. Members added 6,399 new listings to inventory last month, up from 6,098 for the same month a year ago.

King County registered the biggest gains, with active inventory surging 135 percent from a year ago. The number of single family homes more than doubled from a year ago, rising from 1,879 to 4,020, while the condo selection more than tripled, jumping from 355 active listings twelve months ago to last month's total of 1,221.

"Months of inventory is still slim compared to historical norms," emphasized Mike Grady, president and COO of Coldwell Banker Bain. Using this metric, both King County and the Northwest MLS market area overall have 2.3 months of supply. While supply is improving, it's still well below the 4-to-6 month level industry analysts use as a gauge of a balanced market.

The surge in supply is not yet reflected in sales during this typically slower holiday season. Pending sales for November were down 10.4 percent from a year ago. Thirteen of the 23 counties in the report registered drops in pending sales versus a year ago. Compared with October, mutually accepted offers fell 17.5 percent. That was less than the falloff in 2017, when the volume of pending sales from October to November shrunk by 21.5 percent.

Closed sales declined about 15.3 percent from twelve months ago, with 13 counties reporting double-digit drops. Year-over-year prices still rose (up 4.2 percent overall). Ten counties had double-digit appreciation in their median sales price for single family homes and condos (combined).

J. Lennox Scott, chairman and CEO at John L. Scott Real Estate, expects slightly higher unsold inventory between now and February "for the first time in years, instead of a market that's virtually sold out." Describing 2018 as a "transition year" from an extreme frenzy market to a "strong" housing market, he predicts the holiday backlog of buyers will start searching in January. "We will experience a strong/surge housing market in the spring, which will taper off to a strong market for the remainder of 2019."

Market Activity Summary for November 2018						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	2,196	5,241	2,467	2,258	\$715,067	\$605,000
Snohomish	983	2,086	1,160	1,019	\$498,377	\$450,000
Pierce	1,036	2,186	1,308	1,207	\$374,775	\$337,000
Total	4,215	9,513	4,935	4,484	\$529,406	\$464,000

Million Dollar Neighborhood

Seattle now ranks 10th among U.S. metro areas for percentage of homes worth \$1 million or more, according to a newly-released study by Trulia. In 2018, 13.3 percent of all homes in the city are worth at least seven figures, up from 11.8 percent last year. The median house price stands at just under \$565,000, Trulia says. We're still a far cry from the Bay Area though, where 81 percent of homes in San Francisco are worth \$1 million.

or more. Trulia finds that Bellevue has the highest percentage in the region of "Million Dollar Neighborhoods" where more than half the homes are worth \$1 million or more. Other cities noted with at least one million-dollar neighborhood are Kirkland and Shoreline. Nationally, the share of homes worth \$1 million or more has doubled since 2012 from 1.5 percent of all homes to 3.6 percent today.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$	Average \$	2018 VS
	Nov. 2018	Nov. 2017	2017
Auburn-Federal Way (110-310)	\$ 414,547	\$ 386,547	7.24%
Kent-Maple Valley (320-340)	\$ 507,510	\$ 449,099	13.01%
West Seattle (140)	\$ 721,571	\$ 654,225	10.29%
SODO-Beacon Hill (380-385)	\$ 671,839	\$ 643,568	4.39%
E.lake-Madison-Capitol Hill (390)	\$ 1,121,541	\$ 1,160,774	-3.38%
Queen Anne-Magnolia (700)	\$ 1,167,453	\$ 1,213,018	-3.76%
*Belltown-Downtown Seattle(701)	\$ 766,163	\$ 887,019	-13.62%
Ballard-Greenlake (705)	\$ 810,769	\$ 838,067	-3.26%
North Seattle (710)	\$ 913,201	\$ 855,682	6.72%
Shoreline/Richmond Beach (715)	\$ 810,190	\$ 714,449	13.40%
Bellevue Downtown (520)	\$ 2,550,750	\$ 2,518,427	1.28%
Mercer Island (510)	\$ 2,158,945	\$ 1,670,305	29.25%
Bellevue South-Newcastle (500)	\$ 974,098	\$ 1,046,139	-6.89%
Renton Highlands-Downtown (350)	\$ 630,073	\$ 623,477	1.06%
Microsoft-Bellevue East (530)	\$ 900,893	\$ 1,062,680	-15.22%
Kirkland Downtown (560)	\$ 1,387,096	\$ 1,157,836	19.80%
Redmond (550)	\$ 913,861	\$ 827,965	10.37%
Issaquah-Sammamish (540)	\$ 964,351	\$ 857,248	12.49%
Juanita-Bothell-Woodinville (600)	\$ 877,125	\$ 799,613	9.69%
Bothell North-Mill Creek (610)	\$ 706,049	\$ 695,473	1.52%
Edmonds-Lynnwood (730)	\$ 590,302	\$ 553,281	6.69%
Everett-Mukilteo-Snohomish (740)	\$ 484,510	\$ 478,371	1.28%

*Condominium SOLD Average

Upcoming Fed Meeting:

On Friday we had the last jobs report before the Federal Reserve Board meets again next week to consider whether to raise interest rates one more time in 2018. Market analysts were pegging the probability of a hike at close to 80%. The volatility in the stock and oil markets did not seem to sway market analysts much with regard to feeling that the Fed would back off. With the jobs numbers out, the probability of a rate hike initially trended lower, but was still greater than 70%.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
December 14, 2018	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	4.75%	4.25%	4.125%	4.25%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.895%	5.221%	4.372%	4.390%

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