

## Brokers Seeing "Simple Economic Recipe for a Softening Housing Market"

Home buyers around many parts of Washington state had more choices and less competition during June, prompting some industry leaders to comment on "a feeling of change in the market."

"Inventory is up and demand has dropped," reported Robert Wasser, an officer with the board of directors at Northwest Multiple Listing Service. That combination is "a pretty simple economic recipe for a softening market," he added in commenting on the latest MLS statistics.

Figures for June show a 5.2 percent improvement in the number of active listings system-wide, coupled with drops in the volume of pending sales (down 8.4 percent) and closed sales (down .07 percent) compared with a year ago. Despite the shift of some indicators favoring buyers, prices area-wide continued to rise, increasing more than 10% from twelve months ago.

NWMLS brokers added 13,153 new listings to inventory during June, a drop from both a year ago when they added 13,658, and from May when 14,524 new listings were added. With new listings outgaining sales, total inventory as measured by active listings and months of supply improved.

"Although still a quick response market, with more new listings coming on the market during the summer months, we experienced dispersed buyer energy due to the greater availability and selection," stated J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. He estimates sales activity is off 15-to-20 percent for each new listing's first 30 days on the market. "Now through October will be the best time of year for homebuyers," he remarked.

Of the 29 map areas the MLS tracks within King County, six areas, including Queen Anne/Magnolia and most sub-areas of the Eastside, reported median prices topping \$1 million for sales of single family homes and condos that closed during June.

Despite the overall gains, buyers might be cheered by one notable figure: The median sales price of a single family home (excluding condos) in King County fell from May, at \$726,275, to June, a \$715,000, for a drop of nearly 1.6 percent. That May-to-June decline hasn't happened since pre-recession, noted MLS director Wasser, owner/broker at Prospera Real Estate in Seattle.

The softening was evident in the four-county Puget Sound region where pending sales (mutually accepted offers) were down nearly 11 percent from a year ago. Last month's 8,052 mutually accepted offers in King, Kitsap, Pierce and Snohomish counties was the lowest total for June since 2014.

Wasser agreed. "It's still a seller's market out there, but I'm seeing signs of a more balanced market on the horizon," he stated.

Market Activity Summary for June 2018						
	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family						
Homes & Condos	Listings	Active	Closings	Price	Price	
King	4,896	4,503	3,830	3,502	\$784,396	\$650,000
Snohomish	1,995	1,831	1,652	1,526	\$518,242	\$485,000
Pierce	2,082	2,227	1,982	1,772	\$382,928	\$346,975
<b>Total</b>	<b>8,973</b>	<b>8,561</b>	<b>7,464</b>	<b>6,800</b>	<b>\$561,855</b>	<b>\$493,992</b>

## Fourth-strongest Economy in the Nation

A new survey ranks the Seattle-Tacoma-Bellevue area as having the fourth-strongest economy in the nation. The new report, by Business Insider, ranked the strength of the nation's 40 largest metropolitan areas based on five criteria: unemployment rate, average weekly wage, job growth rate, gross domestic product per capita, and GDP growth rate. According to the report, Seattle's economy has been supercharged by

hosting the headquarters of Amazon. Seattle's 2016 GDP per capita of \$86,889 was the fourth-highest among the 40 largest metro areas, and its third-quarter 2017 average weekly wage of \$1,445 was the third-highest in the nation.

## Breakouts! – Residential SOLD Average

June 2018 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2018 VS
	June 2018	June 2017	2017
Auburn-Federal Way (110-310)	\$ 432,242	\$ 401,481	7.66%
Kent-Maple Valley (320-340)	\$ 501,472	\$ 453,157	10.66%
West Seattle (140)	\$ 713,953	\$ 682,284	4.64%
SODO-Beacon Hill (380-385)	\$ 756,135	\$ 663,426	13.97%
E.lake-Madison-Capitol Hill (390)	\$ 1,377,679	\$ 1,087,370	26.70%
Queen Anne-Magnolia (700)	\$ 1,394,099	\$ 1,144,130	21.85%
*Belltown-Downtown Seattle(701)	\$ 853,854	\$ 710,278	20.21%
Ballard-Greenlake (705)	\$ 937,346	\$ 820,008	14.31%
North Seattle (710)	\$ 966,518	\$ 904,667	6.84%
Shoreline/Richmond Beach (715)	\$ 868,130	\$ 650,146	33.53%
Bellevue Downtown (520)	\$ 2,845,050	\$ 2,446,812	16.28%
Mercer Island (510)	\$ 1,946,392	\$ 1,904,033	2.22%
Bellevue South-Newcastle (500)	\$ 1,143,324	\$ 1,076,561	6.20%
Renton Highlands-Downtown (350)	\$ 647,699	\$ 596,885	8.51%
Microsoft-Bellevue East (530)	\$ 1,240,428	\$ 1,039,457	19.33%
Kirkland Downtown (560)	\$ 1,658,358	\$ 1,315,558	26.06%
Redmond (550)	\$ 956,521	\$ 942,146	1.53%
Issaquah-Sammamish (540)	\$ 964,385	\$ 872,522	10.53%
Juanita-Bothell-Woodinville (600)	\$ 889,132	\$ 795,220	11.81%
Bothell North-Mill Creek (610)	\$ 723,013	\$ 640,542	12.88%
Edmonds-Lynnwood (730)	\$ 616,270	\$ 574,996	7.18%
Everett-Mukilteo-Snohomish (740)	\$ 524,743	\$ 467,440	12.26%

\*Condominium SOLD Average

## The way homeowners are treating equity

This month's *Mortgage Monitor Report* from Black Knight, Inc. is again about equity, but this time with a twist regarding the way homeowners are treating it. The company says that the tappable equity held by homeowners increased by \$820 billion dollars over the 12 months that ended in March, \$380 billion in the first quarter of 2018 alone. Those numbers equate to 16.5 percent growth year-over-year, and 7 percent for the quarter.

It was the highest single-quarter increase recorded by Black Knight since it began keeping records in 2005.

Still Borrowers are leaning towards doing a cash out refinance vs. a HELOC due to the increasing prime index.

Gina Brown (NMLS#115337)

Mortgage Specialist /  
Mortgage Capital Associates

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



Weekly Primary Mortgage Market Survey® (PMMS®)

July 12, 2018	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	4.375%	3.875%	3.75%	3.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.439%	5.021%	3.892%	3.962%

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

