

Improving Inventory Creating Long-awaited Opportunities for Buyers

Member-brokers of Northwest Multiple Listing Service added 14,524 new listings during May, the first time that volume topped 14,000 since May 2008.

King County has more than a month's supply for the first time since September 2017, and only the third time since October 2016. For the MLS area overall, there is 1.44 months of supply. Only four counties of the 23 counties served by Northwest MLS reported having more than four months of supply, the minimum level most industry experts use as a gauge of a balanced market.

Last month's number of new listings was a significant gain from April when members added 11,271 new listings, a gain of nearly 29 percent.

"It's the best time of the year for potential home buyers," proclaimed J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "At this time of year we always see the highest number of new listings come on the market on a monthly basis," he explained, adding, "More new listings creates more opportunity for home buyers."

Even with the improving inventory, today's market "still takes instant response as sales activity remains at a frenzy level for these new listings," Scott emphasized.

"The good news for home buyers in King County is that compared to last month, there were almost 1,000 more homes for sale," noted OB Jacobi, president of Windermere Real Estate. "Hopefully," he added, "this is the beginning of a trend in which we will continue to see inventory levels improve. On the flip side, home prices in the county are up 16 percent year-over-year, which, when combined with rising interest rates, is forcing some buyers to expand their search to Pierce and Snohomish counties so they can find something they can afford to buy."

Brokers say the continuing bidding wars are helping push prices up. Fifteen counties had double-digit price hikes for single family homes and condos (combined) from a year ago. In the four-county Puget Sound region, Snohomish County has the smallest year-over-year price gain at just under 14 percent, while Kitsap County claimed the largest jump in the region at nearly 17.2 percent.

In King County, the median sales price on all homes rose just over 16 percent, from \$560,000 to \$650,000. The median price for a single family home rose 14.64 percent, from \$633,500 to \$726,275.

The condo market showed signs of improvement with inventory growing by nearly 21.4 percent, boosted by the addition of 1,803 new listings during May (up 11.3 percent from a year ago). Even so, there is less than a month's supply system-wide.

Market Activity Summary for May 2018

	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active		Closings	Price	Price
Homes & Condos						
King	5,251	3,562	4,176	3,194	\$771,889	\$650,000
Snohomish	2,157	1,421	1,833	1,427	\$517,864	\$478,615
Pierce	2,380	1,929	2,151	1,559	\$381,352	\$350,000
Total	9,788	6,912	8,160	6,180	\$557,035	\$492,872

Remodeling, not moving

A new survey by Bankrate found 21 percent of homeowners plan to move within five years, but a whopping 62 percent say they plan to stay put. The Bankrate survey also revealed a strong preference for remodeling or upgrading in the next five years, rather than moving.

Only 19 percent indicated they plan to move into a new home in the next five years, while 35 percent said they plan to remodel or upgrade their home.

Breakouts! – Residential SOLD Average

May 2018 (King/Snohomish/Pierce County) SOLD Average

Area (Area Code)	Average \$	Average \$	2018 VS
	Apr. 2018	Apr. 2017	2017
Auburn-Federal Way (110-310)	\$ 430,086	\$ 406,261	5.86%
Kent-Maple Valley (320-340)	\$ 506,429	\$ 442,555	14.43%
West Seattle (140)	\$ 790,512	\$ 646,283	22.32%
SODO-Beacon Hill (380-385)	\$ 702,950	\$ 633,698	10.93%
E.lake-Madison-Capitol Hill (390)	\$ 1,334,613	\$ 1,127,990	18.32%
Queen Anne-Magnolia (700)	\$ 1,278,611	\$ 1,060,283	20.59%
*Belltown-Downtown Seattle (701)	\$ 872,687	\$ 919,608	-5.10%
Ballard-Greenlake (705)	\$ 943,070	\$ 804,118	17.28%
North Seattle (710)	\$ 969,095	\$ 864,697	12.07%
Shoreline/Richmond Beach (715)	\$ 789,028	\$ 690,321	14.30%
Bellevue Downtown (520)	\$ 2,969,143	\$ 2,635,990	12.64%
Mercer Island (510)	\$ 2,058,014	\$ 1,819,751	13.09%
Bellevue South-Newcastle (500)	\$ 1,103,800	\$ 1,036,047	6.54%
Renton Highlands-Downtown (350)	\$ 700,331	\$ 620,363	12.89%
Microsoft-Bellevue East (530)	\$ 1,144,962	\$ 1,065,109	7.50%
Kirkland Downtown (560)	\$ 1,459,621	\$ 1,163,401	25.46%
Redmond (550)	\$ 1,049,262	\$ 938,290	11.83%
Issaquah-Sammamish (540)	\$ 977,978	\$ 922,484	6.02%
Juanita-Bothell-Woodinville (600)	\$ 860,705	\$ 776,757	10.81%
Bothell North-Mill Creek (610)	\$ 763,506	\$ 665,781	14.68%
Edmonds-Lynnwood (730)	\$ 635,331	\$ 569,173	11.62%
Everett-Mukilteo-Snohomish (740)	\$ 535,795	\$ 464,757	15.28%

*Condominium SOLD Average

Credit Rule Changes

On the 8th of June there will be changes on how your credit is reported.

- Collections that aren't at least 180 days old will be rejected by the 3 major credit bureaus.
- Medical collections will no longer show on your credit reports as long as it is being paid (through either you or your insurance).
- Collection accounts that have not been updated in the six months or more will not be factored into scores.
- Any collection that did not result from a contract agreement to pay by the consumer, will be removed.

This means that now is the perfect time to speak with a loan professional about how this will impact your ability to buy a home.

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Weekly Primary Mortgage Market Survey® (PMMS®)

June 8, 2018	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	4.375%	4.125%	3.75%	3.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.439%	5.672%	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

