



Home buyers, sellers feel "looming pressure" but Western Washington market stays strong

Interest rates are creeping up, inventory is still squeezed, and some feared revised tax laws would have a chilling effect on home sales, but Northwest Multiple Listing Service leaders say the local market remains competitive.

Closed sales outgained last year's volume, 5,548 to 5,358, for an increase of nearly 3.6 percent. Median prices on those sales surged almost 14.8 percent area-wide, rising from the year ago figure of \$335,515 to last month's price of \$385,000.

Brokers added 7,284 new listings of single family homes and condos during February, an improvement of nearly 6.4 percent from a year ago when they added 6,848 new listings. Like many months during 2017, last month's pending sales (7,980) outgained new listings (7,284), keeping inventory depleted in many areas.

There is about 1.4 months of supply area-wide, but both King and Snohomish counties have less than a month's supply. For condos, there is only 0.88 months of supply.

Many brokers expect inventory levels to improve. "The arrival of daylight savings triggers a burst in new listings," proclaimed J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "More listings lead to more sales. In real estate, it's all about the new listing," he stated.

Scott expects the boost in home price appreciation during the winter market when inventory is reduced will moderate. "Over the second half of the year, as more listings come on the market, home price appreciation tends to flatten out," he explained while noting small upticks in mortgage interest rates. Such increases have led to slightly higher mortgage payments, Scott said, "but they have not put a damper on the market."

"Many buyers and sellers feel looming pressure, and with a mix of doom and elation, both are preparing for a flurry of activity," reported George Moorhead, designated broker at Bentley Properties. "We have not seen the typical aggressive spring market yet," he added, noting "Buyers are coming to the harsh reality that high home prices are here to stay" and they need to consider smaller homes or longer than hoped-for drive times.

Moorhead also noted 30-year mortgage rates climbed slightly for the seventh consecutive weekly increase, but he said these small increases "are not yet creating too much of a stir." Conversations with buyers are "more around the cost of commuting and time away from home versus floor plan and home size."

Market Activity Summary for February 2018						
	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
Single Family Homes & Condos						
King	2,549	1,645	2,480	1,864	\$706,518	\$590,000
Snohomish	1,100	672	1,215	812	\$487,307	\$460,000
Pierce	1,211	1,189	1,617	1,049	\$347,666	\$320,000
Total	4,860	3,506	5,312	3,725	\$513,830	\$456,667

Safest city in Washington state: Sammamish

A new report released recently and reported by komonews.com ranks the safest cities in Washington state. The list, compiled by the National Council for Home Safety and Security, ranks Sammamish as the No. 1 safest city in the state. Eighty cities were ranked altogether. Seattle came in at No. 69 on the list and Tacoma was No. 77. Sammamish had the lowest property crime rate, with only 8.3 per 1,000 residents.

Breakouts! – Residential SOLD Average

February 2018 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2018 VS
	Feb. 2018	Feb. 2017	2017
Auburn-Federal Way (110-310)	\$ 391,524	\$ 377,293	3.77%
Kent-Maple Valley (320-340)	\$ 473,064	\$ 423,779	11.63%
West Seattle (140)	\$ 742,049	\$ 573,211	29.45%
SODO-Beacon Hill (380-385)	\$ 682,465	\$ 542,843	25.72%
E.lake-Madison-Capital Hill (390)	\$ 1,037,846	\$ 916,393	13.25%
Queen Anne-Magnolia (700)	\$ 1,220,302	\$ 1,064,843	14.60%
*Belltown-Downtown Seattle(701)	\$ 950,962	\$ 793,252	19.88%
Ballard-Greenlake (705)	\$ 838,251	\$ 766,953	9.30%
North Seattle (710)	\$ 984,126	\$ 822,201	19.69%
Shoreline/Richmond Beach (715)	\$ 872,973	\$ 819,513	6.52%
Bellevue Downtown (520)	\$ 3,472,584	\$ 2,137,854	62.43%
Mercer Island (510)	\$ 2,112,327	\$ 2,222,971	-4.98%
Bellevue South-Newcastle (500)	\$ 1,100,616	\$ 946,852	16.24%
Renton Highlands-Downtown (350)	\$ 547,822	\$ 585,494	-6.43%
Microsoft-Bellevue East (530)	\$ 1,148,931	\$ 948,353	21.15%
Kirkland Downtown (560)	\$ 1,498,810	\$ 1,131,365	32.48%
Redmond (550)	\$ 873,821	\$ 807,561	8.20%
Issaquah-Sammamish (540)	\$ 929,722	\$ 852,502	9.06%
Juanita-Bothell-Woodinville (600)	\$ 862,018	\$ 698,970	23.33%
Bothell North-Mill Creek (610)	\$ 712,045	\$ 630,121	13.00%
Edmonds-Lynnwood (730)	\$ 611,582	\$ 492,293	24.23%
Everett-Mukilteo-Snohomish (740)	\$ 498,101	\$ 423,203	17.70%

*Condominium SOLD Average

Time to act is Now.

All good things come to an end—even low mortgage interest rates. They've been steadily rising and are poised to climb even higher this year.

When they do, the cost of buying a home will rise as well. This could make the challenges of today's buyer's market even worse for some prospective purchasers—particularly first-time buyers, having to settle for smaller abodes, fixer-uppers and homes farther out where real estate is cheaper.

Some may even be priced out of the market altogether thanks to a toxic combination of soaring home prices and increasing mortgage rates.

Time to act is now. Seek a mortgage Pre-approval to see where you stand in today's market.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
March 13, 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%	5.295%	3.904%	3.836%

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

