

Slower Market Means Homebuyers Have "Newfound Ability to Negotiate"

Seven months of steadily rising housing inventory reversed course in October when Northwest Multiple Listing Service brokers added the fewest new listings since February, according to a new report. MLS members believe the onset of wintry weather and transition to the holiday season are factors, but suggested the slower pace also signals improving conditions for house-hunters.

Northwest MLS members added 8,865 new listings to inventory last month in the 23 counties it encompasses, down from September's volume of 10,458, but up 4.7 percent from the year-ago total of 8,466 new listings. Compared to September, last month's number of total active listings shrunk nearly 6.7 percent, but year-over-year inventory rose 33.2 percent, from 13,680 to 18,223 offerings.

Northwest MLS figures for October show median prices system-wide for homes and condos are up about 4.6 percent from a year ago, rising from \$373,000 to \$390,000. King County prices jumped from \$565,000 to \$613,509 for a gain of about 8.6 percent. All but four of the 23 counties in the report experienced price increases from a year ago.

Both pending sales (mutually accepted offers) and closed sales dipped by double-digits during October. MLS members reported 9,015 pending sales, down 14.8 percent from the year-ago total of 10,586, but up slightly from the previous month's figure of 8,913.

The volume of closed sales declined nearly 11 percent area-wide, although eight counties reported double-digit year-over-year increases. For the four-county Puget Sound region, the number of completed transactions fell 15.3 percent from a year ago, but rose 5.2 percent compared with September.

Commenting on the latest MLS statistics, J. Lennox Scott noted "unsold inventory levels are higher than we've seen in the past three years," adding, "We've gone from being virtually sold out in many areas close to the job centers to healthier inventory levels." Instead of an "extreme shortage," there is now just a "shortage level" of unsold inventory in the more affordable and mid-price ranges, according to Scott, the chairman and CEO of John L. Scott.

Scott believes the current market provides opportunities for those looking to move before the New Year, even with a home-to-sell contingency. "It's okay to buy and sell within same-market timing, although it remains crucial for those looking to purchase a home to be buyer-ready for the best chance to get their chosen property," he advised.

Market Activity Summary for October 2018						
	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active	Closings	Price	Price	
King	3,355	6,283	2,877	2,618	\$725,357	\$613,509
Snohomish	1,329	2,421	1,361	1,132	\$495,122	\$445,000
Pierce	1,407	2,474	1,652	1,427	\$366,542	\$331,000
Total	6,091	11,178	5,890	5,177	\$529,007	\$463,170

Possible Bullet train in Pacific Northwest

Officials in Oregon, Washington and British Columbia are in the very early stages of planning a bullet train that could travel between Portland, Oregon, and Vancouver, British Columbia, in about two hours. The Oregonian/OregonLive reports that the rail discussion is in its infancy, but the governments hope to make it a reality by 2035. Microsoft paid for a study of economic feasibility and found that the plan could create

38,000 construction jobs for a decade and create billions in labor income. If it were to happen, the train could theoretically connect Portland and Seattle in under an hour. According to a report the Washington Department of Transportation released in February, the line could cost \$25 billion to more than \$40 billion to build.

Breakouts! – Residential SOLD Average

October 2018 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2018 VS 2017
	Oct. 2018	Oct. 2017	
Auburn-Federal Way (110-310)	\$ 426,532	\$ 384,868	10.83%
Kent-Maple Valley (320-340)	\$ 507,626	\$ 449,823	12.85%
West Seattle (140)	\$ 647,623	\$ 644,877	0.43%
SODO-Beacon Hill (380-385)	\$ 656,736	\$ 665,337	-1.29%
E.lake-Madison-Capitol Hill (390)	\$ 1,218,116	\$ 1,144,025	6.48%
Queen Anne-Magnolia (700)	\$ 1,182,921	\$ 1,082,367	9.29%
*Belltown-Downtown Seattle (701)	\$ 795,336	\$ 782,195	1.68%
Ballard-Greenlake (705)	\$ 860,033	\$ 852,137	0.93%
North Seattle (710)	\$ 944,189	\$ 796,457	18.55%
Shoreline/Richmond Beach (715)	\$ 676,602	\$ 634,152	6.69%
Bellevue Downtown (520)	\$ 2,847,502	\$ 2,704,920	5.27%
Mercer Island (510)	\$ 2,142,738	\$ 1,857,895	15.33%
Bellevue South-Newcastle (500)	\$ 1,160,971	\$ 931,318	24.66%
Renton Highlands-Downtown (350)	\$ 583,355	\$ 566,204	3.03%
Microsoft-Bellevue East (530)	\$ 1,113,216	\$ 1,052,089	5.81%
Kirkland Downtown (560)	\$ 1,331,579	\$ 1,296,873	2.68%
Redmond (550)	\$ 959,028	\$ 892,563	7.45%
Issaquah-Sammamish (540)	\$ 926,024	\$ 888,273	4.25%
Juanita-Bothell-Woodinville (600)	\$ 873,517	\$ 768,708	13.63%
Bothell North-Mill Creek (610)	\$ 731,957	\$ 668,487	9.49%
Edmonds-Lynnwood (730)	\$ 588,087	\$ 553,076	6.33%
Everett-Mukilteo-Snohomish (740)	\$ 496,279	\$ 456,808	8.64%

*Condominium SOLD Average

NEWS BRIEFS

Purchase Mortgage Applications increased 8.2% in September 2018 compared to September 2017 but decreased 9% compared to August. This according to Builder Application Survey data released by the Mortgage Bankers Association (MBA). Source: Mortgage Professional America

TRANSUNION: Home Equity Lending is Going to Soar as home equity levels near \$15 Trillion and home prices have surpassed the 2005 boom levels. 70 million homeowners may qualify for HELOC's. Source: Housing Wire

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Weekly Primary Mortgage Market Survey® (PMMS®)				
November 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

