

## Home Buyers Are "Better Off", But Market is Heating Up

The housing market in western Washington may not be as hot as it was last spring, but it is heating up, suggested one industry leader in commenting on the latest statistics from Northwest Multiple Listing Service.

Matt Deasy, president of Windermere Real Estate/East, Inc. said his analysis of single family home sales in King County reveals 7 out of 10 properties that sold during May had 15 or fewer days on the market. He also noted more than half the listings (55 percent) in the county sold for at or above list price, the highest ratio since July 2018.

Northwest MLS figures show last month's 12,006 pending sales across its 23 county service area nearly matched the year-ago total of 12,168 mutually accepted offers. Nine counties notched increases.

Two other indicators of activity - the volume of new listings, and the number of closed sales - both showed slight gains from a year ago. MLS member brokers added 14,689 new listings to inventory during May, up 165 units from twelve months ago. Year-over-year (YOY) closed sales rose about 1.6 percent (from 9,011 in May 2018 to last month's total of 9,153).

In addition to favorable financing, J. Lennox Scott, chairman and CEO of John L. Scott Real Estate said, "Increased inventory and continued job growth built on April's momentum, translating to strong results in May." While inventory has increased in many areas, Scott noted there are still severe shortages of listings in some price ranges.

Inventory improved 24.5 percent from a year ago, with brokers adding 14,689 new listings to outpace the 12,006 pending sales. The MLS report for May shows 16,133 active listings at month end, up from the year-ago total of 12,956. King County recorded the largest gain in total inventory, at more than 62 percent, but supply remained below 2 months in that and several other counties.

"Home prices in the Seattle metro area are still lower than they were a year ago, but only marginally," remarked OB Jacobi, president of Windermere Real Estate, but added, "Thanks to the pretty significant drop in interest rates last month, we can expect to see home prices trending higher through the end of the year, but at a far more moderate pace than the last several years."

"We're in the midst of the four best months in the year for buyer activity," Scott emphasized. "I recommend sellers ensure their home's appearance, marketing strategy and broker associate relationship are all in tip-top shape," he added.

### Market Activity Summary for May 2019

	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active		Closings	Price	Price
King	5,483	5,785	4,196	3,378	\$785,368	\$645,000
Snohomish	2,157	2,052	1,725	1,396	\$522,196	\$476,025
Pierce	2,347	2,000	2,081	1,470	\$410,616	\$365,000
<b>Total</b>	<b>9,987</b>	<b>9,837</b>	<b>8,002</b>	<b>6,244</b>	<b>\$572,727</b>	<b>\$495,342</b>

## The hottest housing market in U.S. - Tacoma

Tacoma is currently the hottest housing market in the United States, according to a report released late May from real estate brokerage company Redfin and reported by KOMO news. Half the homes in the city 35 miles south of Seattle sold within two weeks in May, with the typical home finding a buyer in a little more than a week. Redfin also says Tacoma was left with just 1.3 months supply of homes as of the first week of May. The lowest supply in the country. Almost half of the Tacoma homes sold for the four weeks ending May 19 sold above the asking price, more than any other metro except San Francisco, Oakland

and San Jose. According to Redfin, the rise in homebuyer interest is largely due to buyers being priced out of Seattle. The median sale price for a home in Seattle is \$595,000, compared to \$370,000 in Tacoma.

## Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2019 VS 2018
	May 2019	May 2018	
Auburn-Federal Way (110-310)	\$ 465,281	\$ 430,086	8.18%
Kent-Maple Valley (320-340)	\$ 512,385	\$ 506,428	1.18%
West Seattle (140)	\$ 754,479	\$ 790,512	-4.56%
SODO-Beacon Hill (380-385)	\$ 714,528	\$ 702,949	1.65%
E.lake-Madison-Capitol Hill (390)	\$ 1,199,808	\$ 1,334,612	-10.10%
Queen Anne-Magnolia (700)	\$ 1,192,579	\$ 1,278,611	-6.73%
*Belltown-Downtown Seattle(701)	\$ 734,509	\$ 872,686	-15.83%
Ballard-Greenlake (705)	\$ 892,595	\$ 943,069	-5.35%
North Seattle (710)	\$ 991,996	\$ 969,095	2.36%
Shoreline/Richmond Beach (715)	\$ 727,184	\$ 789,027	-7.84%
Bellevue Downtown (520)	\$ 3,332,638	\$ 2,969,142	12.24%
Mercer Island (510)	\$ 2,063,642	\$ 2,058,014	0.27%
Bellevue South-Newcastle (500)	\$ 1,076,828	\$ 1,103,799	-2.44%
Renton Highlands-Downtown (350)	\$ 671,501	\$ 700,331	-4.12%
Microsoft-Bellevue East (530)	\$ 1,031,765	\$ 1,144,962	-9.89%
Kirkland Downtown (560)	\$ 1,540,007	\$ 1,459,621	5.51%
Redmond (550)	\$ 1,019,635	\$ 1,049,261	-2.82%
Issaquah-Sammamish (540)	\$ 929,425	\$ 977,978	-4.96%
Juanita-Bothell-Woodinville (600)	\$ 878,057	\$ 860,704	2.02%
Bothell North-Mill Creek (610)	\$ 731,135	\$ 763,506	-4.24%
Edmonds-Lynnwood (730)	\$ 631,677	\$ 635,331	-0.58%
Everett-Mukilteo-Snohomish (740)	\$ 526,755	\$ 535,794	-1.69%

\*Condominium SOLD Average

## Goldman Sachs says the Fed won't cut rates this year

"Although it is a close call, we still expect the FOMC to keep the funds rate unchanged in the remainder of the year," says Jan Hatzius, the bank's chief economist.

Chairman Jerome Powell said last week the Fed will "act as appropriate to sustain the expansion." Goldman said it was not a strong hint of an upcoming cut.

The fed funds futures market is pointing to a nearly 70% chance of a rate cut in July and about 60% probability of three rate cuts this year, according to the CME FedWatch tool

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Weekly Primary Mortgage Market Survey® (PMMS®)				
June 10, 2019	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.625%	3.25%	3.125%	3.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.689%	4.384%	3.613%	4.009%

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