

Heavy Snowfall Ices February Housing Activity Around Western Washington

Seattle's snowiest month in 50 years had an obvious chilling effect on February's housing activity, agreed officials with Northwest Multiple Listing Service. Statistics for last month show pending sales dropped nearly 14 percent compared to the same month a year ago.

Despite the weather disruptions, brokers added 6,247 new listings to inventory during the month, 1,037 fewer than a year ago. At month end, Northwest MLS members reported 11,275 total active listings, a robust 42.3 percent jump from twelve months ago. Thirteen of the 23 counties served by the MLS reported year-over-year increases in inventory.

Northwest MLS figures show about 2.2 months of inventory system-wide, with four counties (Kitsap, Pierce, Snohomish, and Thurston) having less than two months of supply. King County was slightly above two months (2.09).

Area-wide median prices for the 5,145 sales of single family homes and condos that closed last month were up 5.7 percent from a year ago, rising from \$385,000 to \$407,000. Compared to January, prices increased 6.6 percent. Single family home prices increased 7.44 percent, while condo prices were nearly flat (up about 1.3 percent).

In King County, brokers reported a price gain of nearly 2.4 percent from a year ago. The median selling price jumped \$14,000 from a year ago, from \$590,000 to \$604,000. The comparison to January shows a price increase of 6.9 percent.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate commented on the return of the multiple-offer market. "While the snow in February created a short distraction, the housing market is back on hot as we head into spring," he remarked, reporting "Dedicated buyers braved the snow. The market is on track for a strong spring."

"Between January and February, home prices in the tri-county King/Snohomish/Pierce area rose significantly, ending the month-over-month declines that started last May," remarked OB Jacobi, president of Windermere Real Estate. He called the increase "pretty unexpected and likely a result of the drop in interest rates we saw in December." Jacobi believes it's too early to know if this is the start of a trend, but added "It might suggest that the slowing in prices that began last summer has come to an end."

As the pace of activity picks up, Scott emphasized the importance of buyer preparation to ensure they can secure the home of their choice. "We recommend working with a qualified broker, becoming fully underwritten by a lender, and signing up for text notifications for new listings to find success this spring."

Market Activity Summary for February 2019						
	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
Single Family						
Homes & Condos						
King	2,381	3,744	2,278	1,795	\$702,378	\$604,000
Snohomish	914	1,375	1,029	843	\$493,962	\$454,995
Pierce	1,025	1,486	1,290	901	\$388,635	\$350,000
Total	4,320	6,605	4,597	3,539	\$528,325	\$469,665

Annual income takes to buy a median home

It now takes \$105,367 annual income to buy a median home in the Seattle-Tacoma area, according to HSH.com, a mortgage resource company based in California. A median home in the Seattle-Tacoma-Bellevue market was priced at \$489,600 as of the fourth quarter of 2018 (National Association of Realtors). One catch, that's the income you'll need if you can afford a 20 percent down payment, nearly \$98,000.

If you can only put down 10 percent, you'll need \$122,484. Seattle is the seventh most expensive city in the U.S. to buy a home. Of the 50 largest metro areas in the country, Pittsburgh is the least expensive. It takes just \$37,660 in income. The median home price there is \$141,625. No surprise, San Jose is most expensive. You need a quarter of a million dollars to buy the median home there (\$1.25 million).

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$	Average \$	2019 VS
	Feb. 2019	Feb. 2018	2018
Auburn-Federal Way (110-310)	\$ 417,116	\$ 391,524	6.54%
Kent-Maple Valley (320-340)	\$ 495,783	\$ 473,063	4.80%
West Seattle (140)	\$ 658,435	\$ 742,048	-11.27%
SODO-Beacon Hill (380-385)	\$ 690,014	\$ 682,464	1.11%
E.lake-Madison-Capital Hill (390)	\$ 908,145	\$ 1,037,846	-12.50%
Queen Anne-Magnolia (700)	\$ 1,240,561	\$ 1,220,302	1.66%
*Belltown-Downtown Seattle(701)	\$ 904,863	\$ 950,961	-4.85%
Ballard-Greenlake (705)	\$ 814,151	\$ 838,251	-2.88%
North Seattle (710)	\$ 865,268	\$ 984,125	-12.08%
Shoreline/Richmond Beach (715)	\$ 660,056	\$ 872,972	-24.39%
Bellevue Downtown (520)	\$ 2,657,773	\$ 3,472,584	-23.46%
Mercer Island (510)	\$ 2,072,267	\$ 2,112,326	-1.90%
Bellevue South-Newcastle (500)	\$ 1,078,646	\$ 1,100,616	-2.00%
Renton Highlands-Downtown (350)	\$ 634,282	\$ 547,821	15.78%
Microsoft-Bellevue East (530)	\$ 987,799	\$ 1,148,931	-14.02%
Kirkland Downtown (560)	\$ 1,303,331	\$ 1,498,809	-13.04%
Redmond (550)	\$ 739,347	\$ 873,821	-15.39%
Issaquah-Sammamish (540)	\$ 877,122	\$ 929,722	-5.66%
Juanita-Bothell-Woodinville (600)	\$ 888,843	\$ 862,017	3.11%
Bothell North-Mill Creek (610)	\$ 710,348	\$ 712,044	-0.24%
Edmonds-Lynnwood (730)	\$ 598,995	\$ 611,581	-2.06%
Everett-Mukilteo-Snohomish (740)	\$ 484,438	\$ 498,100	-2.74%

*Condominium SOLD Average

Growing home equity

Homeowners keep racking up equity, and this could mean big volume for home equity loans, especially as interest rates slide. The average U.S. homeowner gained \$9,700 in equity from the fourth quarter of 2017 to the fourth quarter of 2018, according to the latest report from CoreLogic. This equates to an 8.1% increase year over year and represents an aggregate gain of \$678.4 billion since Q4 2017.

Home equity levels grew in almost every state, with the western region seeing the greatest increases, CoreLogic reported. Washington state average was \$17,000.00.

Weekly Primary Mortgage Market Survey® (PMMS®)				
March 14, 2019	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	4.00%	3.50%	3.50%	3.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.135%	4.534%	3.738%	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

Gina Brown (NMLS#115337)
Senior Loan Officer
425-766-5408

