



Sparse supply spurring more competition among motivated home buyers in Western WA

"People are moving here, home prices will continue to increase, inventory shortages will occur. That's our future," remarked Dick Beeson, principal managing broker at RE/MAX Northwest in Gig Harbor, upon viewing the October statistics from Northwest Multiple Listing Service.

Beeson, a member of the Northwest MLS board of directors, and other MLS leaders also commented on inventory shortages, which some refer to as the "new normal." The sustained, lower levels of supply "drive some buyers crazy as they keep expecting to gain the upper hand," Beeson reported, adding, "It's not going to happen any time soon."

MLS figures for its 23-county service area show 1.73 months of supply overall. Ten counties, mostly in the Puget Sound area, have less than two months of supply of single family homes and condominiums. Northwest MLS records show the last time the supply of homes and condos exceeded three months was February 2015, when there was just over 3.5 months of supply.

Despite the slim selection, demand was strong as the volume of pending sales (9,517) outgained the number of new listings added during October (8,394). Nine counties reported double-digit jumps in pending sales compared to 12 months ago.

"The most recent data certainly appears to bolster the idea of a 'new normal,' as we see the same trends continuing," stated Mike Grady, president and COO of Coldwell Banker Bain. "Inventory is staying between 1.7 and 2.3 months and median sales prices are stabilizing" in many areas, he noted, adding, "Couple this with continuing positive economic news locally -- including a positive forecast for job creation, interest rates at all-time lows, and several new condo projects in the pipeline (instead of apartments) given the legislature's change this year in the construction defects laws - all these point to a new definition of a 'balanced market' of only two months of inventory instead of 4-to-6 months."

Northwest MLS figures show sales prices continue to be wide ranging, not only when comparing counties in the report, but also within many counties.

In King County, for example, the median price on last month's 2,757 completed transactions was \$605,000, down about 1.4% from a year ago. Within King County, where Northwest MLS tracks 30 sub-areas, median sales prices ranged from \$371,000 (in Des Moines/Redondo Beach) to \$1,892,500 (in Bellevue west of I-405).

Year-over-year price changes ranged from a drop of nearly 20% (in Vashon) to a jump of more than 21% (in Bellevue west of I-405).

Market Activity Summary for October 2019						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	3,013	4,808	3,211	2,757	\$741,621	\$605,000
Snohomish	1,316	1,912	1,508	1,268	\$524,503	\$475,000
Pierce	1,300	1,764	1,579	1,366	\$400,360	\$360,000
Total	5,629	8,484	6,298	5,391	\$555,495	\$480,000

Best small cities in America

Sammamish has been named among the best small cities in America, according to a recent study. WalletHub compared more than 1,200 U.S. cities with populations between 25,000 and 100,000 across 42 key indicators of livability for the study, ranging from housing costs to school-system quality to restaurants per capita. The indicators were then grouped into 5 major categories: Affordability, Economic Health, Education & Health, Quality of Life and Safety.

Sammamish scored 5th best in the nation for Economic Health and also scored above average in Safety and Education & Health. Overall, Sammamish ranked No. 3 in the nation according to the study. Other Puget Sound area suburbs scored well too, including Bothell and Kirkland, who were in a virtual tie for 27th, with Redmond and Issaquah also finishing in the top 10th percentile.

Breakouts! – Residential SOLD Average

October 2019 (King/Snohomish/Pierce County) SOLD Average			
Area (Area Code)	Average \$	Average \$	2019 VS
	Oct. 2019	Oct. 2018	2018
Auburn-Federal Way (110-310)	\$ 440,789	\$ 426,531	3.34%
Kent-Maple Valley (320-340)	\$ 518,579	\$ 507,626	2.16%
West Seattle (140)	\$ 695,921	\$ 647,623	7.46%
SODO-Beacon Hill (380-385)	\$ 709,607	\$ 656,735	8.05%
E.lake-Madison-Capital Hill (390)	\$ 1,231,859	\$ 1,218,115	1.13%
Queen Anne-Magnolia (700)	\$ 1,360,246	\$ 1,182,921	14.99%
*Belltown-Downtown Seattle(701)	\$ 988,235	\$ 795,335	24.25%
Ballard-Greenlake (705)	\$ 832,493	\$ 860,032	-3.20%
North Seattle (710)	\$ 1,000,663	\$ 944,188	5.98%
Shoreline/Richmond Beach (715)	\$ 664,910	\$ 676,601	-1.73%
Bellevue Downtown (520)	\$ 3,032,063	\$ 2,847,501	6.48%
Mercer Island (510)	\$ 1,834,254	\$ 2,142,738	-14.40%
Bellevue South-Newcastle (500)	\$ 1,038,906	\$ 1,160,971	-10.51%
Renton Highlands-Downtown (350)	\$ 594,789	\$ 583,354	1.96%
Microsoft-Bellevue East (530)	\$ 1,098,097	\$ 1,113,215	-1.36%
Kirkland Downtown (560)	\$ 1,389,706	\$ 1,331,578	4.37%
Redmond (550)	\$ 957,114	\$ 959,028	-0.20%
Issaquah-Sammamish (540)	\$ 961,458	\$ 926,023	3.83%
Juanita-Bothell-Woodinville (600)	\$ 838,142	\$ 873,517	-4.05%
Bothell North-Mill Creek (610)	\$ 712,419	\$ 731,957	-2.67%
Edmonds-Lynnwood (730)	\$ 640,114	\$ 588,087	8.85%
Everett-Mukilteo-Snohomish (740)	\$ 534,594	\$ 496,278	7.72%

*Condominium SOLD Average

Down payment help from family and friends

Home prices are rising with no signs of slowing, and affordability is getting worse each month, causing potential homebuyers to turn to family or even friends to come up with a down payment.

The 2019 Profile of Home Buyers and Sellers report from the National Association of Realtors revealed that more than 30% of first-time homebuyers used down payment help from family and friends.

This is despite seeing lower down payments. In 2019, the median down payment was 12% for all buyers, 6% for first-time buyers and 16% for repeat buyers.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
November 8, 2019	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.625%	3.00%	3.125%	3.875%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.765%	4.587%	3.372%	3.938%

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

