

NWMLS Brokers Say Transition to Fall Creating Opportunities for Buyers

Northwest Multiple Listing Service brokers reported year-over-year gains in pending sales, closed sales and prices, but its report summarizing September activity also showed an 18% drop in inventory compared to a year ago.

"The transition into the fall housing market creates opportunities for homebuyers," suggested J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "Although there are fewer listings than what buyers find during peak summer months, there is also less competition" for the available inventory, he added.

While the intensity of sales activity is typically lower for new listings in the fall and winter, Scott noted "It appears we are headed toward a more intense winter market than last year." He said he expects the number of unsold listings will continue to decrease once the winter "clean-up" of inventory begins.

At the end of September, MLS brokers reported 15,982 total active listings, down more than 18% from the same month a year ago when the selection totaled 19,526 listings.

"September's housing market was a bit of a roller coaster, up in certain areas and down in others," commented OB Jacobi, president of Windermere Real Estate. Within the four-county Puget Sound region, Pierce County prices rose more than 10% thanks to high demand and low inventory, he noted. "Buyers continue to be drawn to the area thanks to more affordable housing costs, but this influx is also driving up prices," he remarked.

MLS data show the median price for last month's home sales in Pierce County (\$379,950) was \$213,800 less than the median price in King County (\$593,750). A comparison of single family prices (excluding condos) reveals a \$275,500 difference between the two counties.

System-wide, prices were up 5%, rising from \$400,000 a year ago to \$420,000. The volume of closed sales increased about 4.4% from a year ago (7,962 versus 7,630).

"Home prices have stabilized, creating good opportunities for purchasers," said Dean Rebhuhn, the owner of Village Homes and Properties in Woodinville. He expects prices to stay stable through the fall and winter markets. "Continuing to drive the market are new jobs, lifestyle changes, and very low interest rates," Rebhuhn remarked.

The latest report from Northwest MLS shows pending sales were up about 9.8% from a year ago, with mutually accepted offers rising from 8,913 to 9,785. In the four-county Puget Sound region, Snohomish reported the largest gain at 18.3%.

Market Activity Summary for September 2019						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	3,525	5,431	3,151	2,506	\$725,112	\$593,750
Snohomish	1,520	2,156	1,546	1,255	\$510,601	\$470,000
Pierce	1,377	1,928	1,699	1,352	\$418,080	\$379,950
Total	6,422	9,515	6,396	5,113	\$551,264	\$481,233

Increase in home equity since 2012

People who bought homes in the Puget Sound region at the bottom of the housing market in 2012 have earned billions of dollars in home equity since then, with Tacoma leading the nation in percentage increase and Seattle coming in at No. 2 in the country in total dollar increase. The eye-popping figures are contained in a new report released by real estate brokerage Redfin.

In Seattle, the study found that the average person who bought a home in 2012 has gained \$364,000 in home equity – an increase of 461 percent. But when it comes to the percentage of home equity increase, no city in the nation could top Tacoma. The report found that those who bought a home in Tacoma in 2012 have earned a stunning 1,453 percent increase in home equity.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2019 VS 2018
	Sept. 2019	Sept. 2018	
Auburn-Federal Way (110-310)	\$ 434,885	\$ 417,039	4.28%
Kent-Maple Valley (320-340)	\$ 505,194	\$ 516,956	-2.28%
West Seattle (140)	\$ 710,336	\$ 752,138	-5.56%
SODO-Beacon Hill (380-385)	\$ 670,029	\$ 628,438	6.62%
E.lake-Madison-Capital Hill (390)	\$ 1,212,370	\$ 1,104,660	9.75%
Queen Anne-Magnolia (700)	\$ 1,015,252	\$ 1,359,569	-25.33%
*Belltown-Downtown Seattle(701)	\$ 648,636	\$ 853,665	-24.02%
Ballard-Greenlake (705)	\$ 817,657	\$ 868,035	-5.80%
North Seattle (710)	\$ 1,099,273	\$ 1,071,733	2.57%
Shoreline/Richmond Beach (715)	\$ 679,537	\$ 637,043	6.67%
Bellevue Downtown (520)	\$ 2,345,154	\$ 3,438,949	-31.81%
Mercer Island (510)	\$ 2,234,113	\$ 1,766,286	26.49%
Bellevue South-Newcastle (500)	\$ 1,086,485	\$ 1,082,068	0.41%
Renton Highlands-Downtown (350)	\$ 561,562	\$ 587,930	-4.48%
Microsoft-Bellevue East (530)	\$ 1,110,895	\$ 975,893	13.83%
Kirkland Downtown (560)	\$ 1,325,517	\$ 1,381,817	-4.07%
Redmond (550)	\$ 969,874	\$ 902,565	7.46%
Issaquah-Sammamish (540)	\$ 934,650	\$ 966,505	-3.30%
Juanita-Bothell-Woodinville (600)	\$ 881,502	\$ 840,392	4.89%
Bothell North-Mill Creek (610)	\$ 708,057	\$ 719,764	-1.63%
Edmonds-Lynnwood (730)	\$ 623,061	\$ 594,359	4.83%
Everett-Mukilteo-Snohomish (740)	\$ 534,715	\$ 495,548	7.90%

*Condominium SOLD Average

Labor costs likely to push home prices higher

New home prices have been rising since 2012. Prices in the spring of 2019 were up 2 percent compared to a year earlier, partially because of rising building costs.

The major components of building costs are those associated with purchasing and preparing a lot, acquiring permits and inspections, hiring labor and buying materials. There was a significant price run-up in the two major components of framing, lumber and steel. Lumber prices jumped 20 percent and steel prices were up 14 percent in September 2018 compared to a year earlier.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
October 11, 2019	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.50%	3.00%	3.00%	3.75%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.640%	4.587%	3.247%	3.813%

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