



Opportunities abound for home buyers and sellers, but brokers say "don't delay"

Brokers added the largest monthly number of new listings during July since May 2019, but pent-up demand from homebuyers meant inventory remained tight, according to Northwest Multiple Listing Service (NWMLS) representatives who commented on the latest housing activity report.

The Northwest MLS report for July, which covers 23 counties in Washington state, shows brokers added 12,514 new listings during July, up from the year-ago total of 11,193 for a gain of 11.8%. Pending sales jumped nearly 14%, while inventory remained well below year-ago levels (down about 39%). Measured by months of inventory, the system-wide supply slipped to about a month (1.04 months).

MLS member-brokers reported 9,840 closed sales during July, up slightly more than 3% from a year ago and the highest volume since June 2018 when they notched 10,072 completed transactions. Overall prices on those sales, which include single family homes and condominiums, jumped 12.8% from twelve months ago, rising from \$429,900 to \$484,995. Prices on single family homes (excluding condos) surged 13.6% (to \$499,950), while year-over-year (YOY) condo prices rose about 8.6% (to \$380,000).

NWMLS director John Deely characterized the market as being in "high gear" during July, with pent-up demand and the need for housing outweighing fears of the coronavirus. "Although new listings of single family homes in King County jumped more than 24% from a year ago, the total available inventory dropped to a 10-year low for the month," he remarked.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, noted that last month's pending sales in King, Snohomish, Pierce and Kitsap Counties were the best-ever for the month of July. "Sellers benefit from the highest median home prices, while buyers are taking advantage of the lowest interest rates on record. The combination of the huge backlog of home buyers and being virtually sold out of inventory makes it feel like it's a multiple-offer everything," he exclaimed, saying, "This is a historic moment in residential real estate."

"Everyone is buying now," James Young, director at the Washington Center for Real Estate Research remarked. "With the virus and increased home working, people are able to move to suburbs and outer areas in search of value and lower population density," he added, pointing to dwindling supply in several outlying areas. "Demand will continue to far outstrip supply for a quite a while," he predicts, adding, "When you can work from home, why pay a premium to be close to the office?"

Median prices area-wide rose 12.8% from a year ago, with only two counties (Jefferson and Pacific) reporting small declines. Fourteen of the 23 counties in the report had double-digit price increases.

Market Activity Summary for July 2020						
	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
Single Family	Listings	Active	Closings	Price	Price	
King	4,680	3,877	4,277	3,420	\$807,178	\$670,000
Snohomish	1,817	1,095	1,930	1,504	\$580,727	\$546,450
Pierce	1,977	1,287	2,053	1,527	\$467,210	\$420,000
Total	8,474	6,259	8,260	6,451	\$618,372	\$545,483

Lowest average energy costs in U.S.

Washington state has the lowest average energy costs of any state in the nation, according to a newly released report. The study, by personal finance website WalletHub, found that Washington state residents spend an average of \$219 each month on energy and fuel - less than any other state. Washington state's low average energy costs are mainly due to the

cheap electricity rates here. Washington's comparatively low electrical costs more than make up for the relatively high cost of motor fuel here. Although Washington's motor fuel prices are the third-highest in the nation, residents here drive less and use more energy-efficient vehicles than most other states, bringing down the amount spent on gas and diesel.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$	Average \$	2020 VS
	July 2020	July 2019	2019
Auburn-Federal Way (110-310)	\$ 480,666	\$ 447,926	7.31%
Kent-Maple Valley (320-340)	\$ 561,750	\$ 516,936	8.67%
West Seattle (140)	\$ 734,145	\$ 689,772	6.43%
SODO-Beacon Hill (380-385)	\$ 724,252	\$ 735,117	-1.48%
E.lake-Madison-Capital Hill (390)	\$ 1,225,965	\$ 1,147,823	6.81%
Queen Anne-Magnolia (700)	\$ 1,258,073	\$ 1,177,056	6.88%
*Belltown-Downtown Seattle(701)	\$ 829,179	\$ 931,429	-10.98%
Ballard-Greenlake (705)	\$ 896,665	\$ 830,937	7.91%
North Seattle (710)	\$ 997,092	\$ 940,740	5.99%
Shoreline/Richmond Beach (715)	\$ 815,498	\$ 792,251	2.93%
Bellevue Downtown (520)	\$ 3,285,389	\$ 2,580,996	27.29%
Mercer Island (510)	\$ 2,026,042	\$ 1,977,916	2.43%
Bellevue South-Newcastle (500)	\$ 1,119,791	\$ 1,113,367	0.58%
Renton Highlands-Downtown (350)	\$ 708,106	\$ 642,072	10.28%
Microsoft-Bellevue East (530)	\$ 1,298,878	\$ 1,137,263	14.21%
Kirkland Downtown (560)	\$ 1,583,435	\$ 1,497,804	5.72%
Redmond (550)	\$ 1,038,377	\$ 1,023,656	1.44%
Issaquah-Sammamish (540)	\$ 1,027,594	\$ 960,918	6.94%
Juanita-Bothell-Woodinville (600)	\$ 888,753	\$ 909,964	-2.33%
Bothell North-Mill Creek (610)	\$ 761,489	\$ 717,282	6.16%
Edmonds-Lynnwood (730)	\$ 710,614	\$ 617,654	15.05%
Everett-Mukilteo-Snohomish (740)	\$ 607,102	\$ 546,912	11.01%

*Condominium SOLD Median

Mortgage rates trend

With most lenders still easily able to quote a 30yr fixed under 3%, mortgage rates are very low.

But relative to the recent trend and the general level of volatility, today was a bit rough. Rates rose as fast as they've risen since early June.

The bigger question is whether this rate spike is a sign of things to come or merely a normal market correction that got a bit carried away. At some point, the bond market will make a clear case for higher rates. Most agree we're probably not there yet due to economic realities as well as ongoing support from the Federal Reserve.

Weekly Primary Mortgage Market Survey® (PMMS®)				
August 13, 2020	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	2.625%	2.75%	2.250%	-
Fees & Points	*All loans are with a one point origination fee.			
APR	2.753%	3.016%	2.484%	-

**** 5/1 ARM's are not pricing right now due to liquidity issues with the Forbearance due to COVID 19

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

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