

Home Buyers in Western Washington "hit the ground running" in January

"All indicators point to a vigorous spring market," suggested broker Dean Rebhuhn, the owner of Village Homes and Properties in Woodinville, when reviewing just-released statistics from Northwest Multiple Listing Service. The report covering 23 counties shows pending sales outgained new listings, record-low inventory that's down 33% from a year ago, and double-digit price increases.

Matthew Gardner, chief economist at Windermere Real Estate, noted home buyers did not take very much time off during the holidays. "They hit the ground running as soon as the new year kicked off."

Northwest MLS brokers added 6,517 new listings during January, a year-over-year decline of more than 8%. Pending sales (mutually accepted offers) topped new listing activity by 871 units. Brokers reported 7,388 pending sales last month, a 2.3% decline from the same month a year ago.

At the end of January, the MLS database totaled only 7,791 active listings of single family homes and condos, well-below the year-ago figure of 11,687 (down 33.3%). A check of records dating to 2005 shows the selection is at a new low level, shrinking below the previous low of 7,921 reported for February 2018.

Measured by months of supply (the ratio of active listings to closed sales), there was 1.54 months of inventory system-wide at the end of January. The selection was even more meager around Puget Sound, ranging from 1.1 months in Pierce County to about 1.3 months in King County.

J. Lennox Scott, chairman and CEO at John L. Scott Real Estate, said the surge of buyers at the start of the year is "more intense than usual." That, paired with low interest rates and extremely positive job growth, translates to rising prices and "a piping-hot market."

Scott said there is emphasis on each new listing as it comes on the market, with many homes receiving multiple offers, especially in the more affordable to mid-price ranges. He noted the luxury market is also feeling the pressure in Seattle and on the Eastside, with listings virtually sold out in the \$1 million to \$1.5 million range.

Northwest MLS members tallied 5,074 closed sales during January for a 4.3% increase from the year-ago total of 4,865. Median prices jumped 10.7% from a year ago. Last month's sales of single family homes and condominiums area-wide had a median price of \$422,750. That compares to a price of \$381,900 for the same month a year ago.

MLS director Mike Larson, president/designated broker at ALLEN Realtors in Lakewood, isn't seeing "buyers falling all over each other to get into their first home. It's more methodical," he explained, adding, "It's crazy, particularly at the entry-level price point, but not out of control crazy. I think both buyers and sellers – and industry professionals – are more reasonable, and smarter, and experienced in how to handle this type of market, and that's good."

Market Activity Summary for January 2020						
	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
Single Family						
Homes & Condos						
King	2,361	2,118	2,476	1,665	\$693,820	\$589,950
Snohomish	1,108	969	1,261	783	\$527,222	\$485,000
Pierce	1,080	966	1,270	872	\$404,819	\$375,000
Total	4,549	4,053	5,007	3,320	\$541,954	\$483,317

The homeownership rate is rising

Americans are facing challenges to homeownership, particularly with shrinking inventories of homes for sale, yet somehow more are still finding their way to becoming homeowners, according to FOX Business.

The homeownership rate rose to its highest level in six years during the fourth quarter of 2019, a newly released report from the U.S. Census Bureau shows. The percentage of Americans who own their home increased to 65.1%, the highest ownership rate since the third quarter of 2013. Homeownership rates are highest among older adults. Individuals aged 65 and older : 79%. Individuals below the age of 35: 36.5%.

Breakouts! – Residential SOLD Average

Area (Area Code)	January 2020 (King/Snohomish/Pierce County) SOLD Average		
	Average \$ Jan. 2020	Average \$ Jan. 2019	2020 VS 2019
Auburn-Federal Way (110-310)	\$ 486,805	\$ 411,227	18.38%
Kent-Maple Valley (320-340)	\$ 519,145	\$ 484,552	7.14%
West Seattle (140)	\$ 716,253	\$ 670,154	6.88%
SODO-Beacon Hill (380-385)	\$ 586,518	\$ 621,989	-5.70%
E.lake-Madison-Capital Hill (390)	\$ 1,030,527	\$ 1,181,088	-12.75%
Queen Anne-Magnolia (700)	\$ 1,113,855	\$ 1,175,597	-5.25%
*Belltown-Downtown Seattle(701)	\$ 774,062	\$ 720,986	7.36%
Ballard-Greenlake (705)	\$ 827,800	\$ 826,236	0.19%
North Seattle (710)	\$ 881,487	\$ 919,447	-4.13%
Shoreline/Richmond Beach (715)	\$ 680,091	\$ 676,818	0.48%
Bellevue Downtown (520)	\$ 2,240,879	\$ 3,005,250	-25.43%
Mercer Island (510)	\$ 1,344,091	\$ 1,563,728	-14.05%
Bellevue South-Newcastle (500)	\$ 919,271	\$ 969,590	-5.19%
Renton Highlands-Downtown (350)	\$ 630,788	\$ 529,575	19.11%
Microsoft-Bellevue East (530)	\$ 1,014,132	\$ 1,109,819	-8.62%
Kirkland Downtown (560)	\$ 1,436,580	\$ 1,315,938	9.17%
Redmond (550)	\$ 1,072,777	\$ 918,714	16.77%
Issaquah-Sammamish (540)	\$ 931,528	\$ 966,645	-3.63%
Juanita-Bothell-Woodinville (600)	\$ 803,693	\$ 849,556	-5.40%
Bothell North-Mill Creek (610)	\$ 725,861	\$ 696,798	4.17%
Edmonds-Lynnwood (730)	\$ 639,917	\$ 563,218	13.62%
Everett-Mukilteo-Snohomish (740)	\$ 509,808	\$ 464,994	9.64%

*Condominium SOLD Average

Top 10 actions that put your application at risk

1. Do not change jobs.
2. Do not buy a new vehicle.
3. Do not use credit cards excessively.
4. Do not spend money set aside for closing.
5. Do not make one late payment on anything.
6. Do not buy new furniture.
7. Do not initiate any inquiries into your credit.
8. Do not make any large deposits before talking with your loan officer.
9. Do not change bank accounts.
10. Do not co-sign for a loan for anyone.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
	30-Yr	30-Yr	15-Yr	5/1
February 11, 2020				
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	3.25%	2.75%	2.75%	3.50%
Fees & Points	*All loans are with a one point origination fee.			
APR	3.385%	3.358%	2.990%	2.880%

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