



Northwest MLS brokers report robust activity amid low interest rates, tight inventory, changing lifestyles

Historically low interest rates and lifestyle changes are fueling housing activity around Washington state, according to Dean Rebhuhn, president of Village Homes and Properties in Woodinville. Commenting on just-released June statistics from Northwest Multiple Listing Service, he and other brokers say multiple offers are common "especially in the median price range."

Brokers in the 23 counties that are part of Northwest MLS point to a shortage of homes as a key factor in the bidding wars. At the end of June, there was only 1.16 months of supply system-wide, which is the second lowest level in the past decade. (The lowest mark, at 1.12 months, was in December 2017.)

Not surprisingly, the supply/demand imbalance is causing prices to ratchet up. Median prices for last month's 8,312 closed sales of single family homes and condos increased nearly 5.7% compared to a year ago, rising from \$440,000 to \$465,000.

In the four-county central Puget Sound area, year-over-year prices rose even more. Of these counties, King County had the smallest increase at nearly 5.9% (rising from \$637,675 to \$675,000). Pierce County prices jumped nearly 8.2%, from \$372,500 to \$403,000. Prices were up nearly 6.7% in Snohomish County and more than 7.7% in Kitsap County.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, noticed a major increase in sales activity intensity, which measures the percentage of homes that sell within the first 30 days of going on the market. "It's almost as if the cupboards were bare in the more affordable to mid-price ranges where the majority of sales take place," he remarked.

The new report from Northwest MLS shows last month's volume of pending sales surged 15% from May (increasing from 10,389 to 11,916) and closed sales jumped more than 39% (from 5,957 to 8,312).

James Young, director of the Washington Center for Real Estate Research, noted the shortage of inventory is resulting in higher prices and rising demand "in places that are more rural and popular with older people trading down."

Rebhuhn also reported rising interest in moving to suburban neighborhoods and to Central and Eastern Washington. "The reasons are more space, lower prices, and lower taxes. They have found they can accomplish most of their work and business from home."

In a recent report, Housing Wire, a news portal for mortgage and housing professionals, indicated last week's average rate for a 30-year fixed mortgage, at 3.07%, was the lowest in a Freddie Mac data series that goes back to 1971. Its Housing Recovery Index shows Seattle is among markets showing the greatest recovery.

Market Activity Summary for June 2020						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
King	4,107	3,471	4,025	2,783	\$817,186	\$675,000
Snohomish	1,544	1,093	1,848	1,344	\$557,075	\$521,544
Pierce	1,548	1,149	1,853	1,376	\$441,949	\$403,000
Total	7,199	5,713	7,726	5,503	\$605,403	\$533,181

Spectacular Recovery

The number of Americans signing contracts to buy homes rebounded a record 44.3% in May after a record-breaking decline the previous month, as the impact of the coronavirus pandemic sidelined both buyers and sellers. Pending home sales are continuing to increase. "This has been a spectacular recovery for contract signings, and goes to show the

resiliency of American consumers and their evergreen desire for homeownership," said Lawrence Yun, NAR's chief economist. The National Association of Realtors said that its index of pending sales rose to 99.6 in May, the highest month-over-month gain in the index since its inception in January 2001.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$	Average \$	2020 VS
	June 2020	June 2019	2019
Auburn-Federal Way (110-310)	\$ 477,361	\$ 437,691	9.06%
Kent-Maple Valley (320-340)	\$ 547,977	\$ 522,852	4.81%
West Seattle (140)	\$ 752,208	\$ 718,148	4.74%
SODO-Beacon Hill (380-385)	\$ 714,326	\$ 747,223	-4.40%
E.lake-Madison-Capital Hill (390)	\$ 1,295,257	\$ 1,148,023	12.83%
Queen Anne-Magnolia (700)	\$ 1,295,261	\$ 1,203,586	7.62%
*Belltown-Downtown Seattle(701)	\$ 881,426	\$ 797,266	10.56%
Ballard-Greenlake (705)	\$ 869,175	\$ 896,757	-3.08%
North Seattle (710)	\$ 1,091,629	\$ 915,834	19.20%
Shoreline/Richmond Beach (715)	\$ 748,150	\$ 769,825	-2.82%
Bellevue Downtown (520)	\$ 3,273,050	\$ 3,573,245	-8.40%
Mercer Island (510)	\$ 1,878,074	\$ 2,236,992	-16.04%
Bellevue South-Newcastle (500)	\$ 1,031,923	\$ 1,168,827	-11.71%
Renton Highlands-Downtown (350)	\$ 661,167	\$ 629,641	5.01%
Microsoft-Bellevue East (530)	\$ 1,192,710	\$ 1,180,936	1.00%
Kirkland Downtown (560)	\$ 1,697,179	\$ 1,485,252	14.27%
Redmond (550)	\$ 931,290	\$ 918,960	1.34%
Issaquah-Sammamish (540)	\$ 1,027,775	\$ 935,904	9.82%
Juanita-Bothell-Woodinville (600)	\$ 932,832	\$ 909,488	2.57%
Bothell North-Mill Creek (610)	\$ 771,669	\$ 696,870	10.73%
Edmonds-Lynnwood (730)	\$ 643,192	\$ 680,048	-5.42%
Everett-Mukilteo-Snohomish (740)	\$ 567,906	\$ 548,832	3.48%

*Condominium SOLD Median

Area where housing markets most at risk

In a second-quarter report from ATTOM Data Solutions, it was revealed that housing markets most at risk due to the economic impact of COVID-19 are located on the East Coast. More specifically, 11 suburban counties around New York City, five around Washington, D.C. and four around Baltimore are more at risk, ATTOM said. Other states stretching from Connecticut to Florida and Illinois were home to 43 of the 50 counties most vulnerable to the economic impact of the pandemic.

West coast states had fewer counties at risk, ATTOM said. There are four western counties in California, with none in other West Coast or southwestern states, that are considered at risk.

Weekly Primary Mortgage Market Survey® (PMMS®)				
July 13, 2020	30-Yr	30-Yr	15-Yr	5/1
Regional Breakdown	FNMA	FHA	FNMA	ARM
Average Rates	2.875%	2.75%	2.500%	-
Fees & Points	*All loans are with a one point origination fee.			
APR	3.006%	3.016%	2.737%	-

**** 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

Gina Brown (NMLS#115337)
Senior Loan Officer

425-766-5408
gina@gmgloan.com
www.loansbygina.com

