

Housing activity in Western Washington shows resiliency as buyers, sellers and brokers adjust to COVID-19 restrictions

Despite the economic downturn and disruptions stemming from the coronavirus pandemic, Northwest MLS member-brokers reported impressive improvement from April to May on some key indicators. The volume of new listings, including single family homes and condominiums, rose 29.2% and pending sales jumped more than 44% systemwide.

"The resiliency of the market is amazing," remarked Dean Rebhuhn, owner of Village Homes and Properties in Woodinville. "I didn't think I would miss open houses until they could not happen," he said, referring to limitations on in-person interactions. "The pandemic may be causing buyers to move farther out, wanting to get some space and a useable yard." Amenities such as parks and trails are also important in current homebuying decisions, he added.

Brokers and homebuyers alike seem to be adjusting to restrictions imposed on the real estate industry because of the coronavirus pandemic.

"The local real estate market is hot, but it looks different than it traditionally does," remarked J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "The constraint on available inventory makes it feel like we're running out of homes to sell."

Brokers added 9,871 new listings to the MLS database during May, which compares to 14,689 for the same period a year ago. At month-end the selection included 10,357 active listings; that volume was 5,766 fewer than the year ago total of 16,133.

Scott said buyers are "eagerly waiting for each home to come on the market with increased focus on homes in the more affordable and mid-price ranges."

"Anything under \$1 million is selling quickly, and most new listings coming to market are going pending in just a few days," stated Mike Grady, president and COO at Coldwell Banker Bain. Multiple offers seem to be in play on homes in median price ranges. "We don't think we'll see a balancing of the market in the short term until more sellers decide to list their homes and until new construction accelerates to meet demand."

The NWMLS report shows 10,389 pending sales during May, improving on April's total of 7,207 (up 44%), but down about 13.5% from the year-ago total of 12,006.

NWMLS members completed 5,957 transactions during May, a slight improvement from April's total of 5,866. When compared to a year ago, however, the number of closed sales, at 9,153, marked a decline of about 35%.

The median price on last month's closed sales was \$449,950 across the NWMLS coverage area. That compares to the year-ago figure of \$440,000 an increase of about 2.3%.

Market Activity Summary for May 2020						
Single Family Homes & Condos	Listings		Pending	Closing Sales		
	New	Total		# of	Average	Median
	Listings	Active		Closings	Price	Price
King	3,585	3,467	3,358	1,988	\$739,269	\$627,000
Snohomish	1,494	1,243	1,669	920	\$532,860	\$493,000
Pierce	1,508	1,266	1,771	1,049	\$431,805	\$391,125
Total	6,587	5,976	6,798	3,957	\$567,978	\$503,708

Population growth in 2019

Population data for 2019 released Thursday by the U.S. Census Bureau shows the city of Seattle recorded its slowest growth rate of the decade last year as reported by the Seattle Times. From July 1, 2018, to July 1, 2019, Seattle had a net gain of about 11,400 people, reaching a total

population of 753,700. That pencils out to a 1.5% growth rate, a far cry from the peak year of 2016 when we grew by 3.2%, and added more than 22,000 residents. While Seattle's growth is cooling off, Redmond's is not. Last year, Microsoft's hometown grew by a whopping 6.7%. That ranks Redmond as the 10th fastest-growing city in the country for 2019, among those with a population of 50,000 or higher.

Breakouts! – Residential SOLD Average

Area (Area Code)	Average \$		2020 VS 2019
	May 2020	May 2019	
Auburn-Federal Way (110-310)	\$ 488,088	\$ 471,946	3.42%
Kent-Maple Valley (320-340)	\$ 550,999	\$ 512,384	7.54%
West Seattle (140)	\$ 678,369	\$ 754,478	-10.09%
SODO-Beacon Hill (380-385)	\$ 745,074	\$ 714,527	4.28%
E.lake-Madison-Capital Hill (390)	\$ 1,205,782	\$ 1,199,808	0.50%
Queen Anne-Magnolia (700)	\$ 1,256,320	\$ 1,192,579	5.34%
*Belltown-Downtown Seattle(701)	\$ 812,333	\$ 734,508	10.60%
Ballard-Greenlake (705)	\$ 801,902	\$ 892,594	-10.16%
North Seattle (710)	\$ 980,429	\$ 991,996	-1.17%
Shoreline/Richmond Beach (715)	\$ 832,458	\$ 727,184	14.48%
Bellevue Downtown (520)	\$ 2,449,444	\$ 3,332,638	-26.50%
Mercer Island (510)	\$ 1,687,500	\$ 2,063,641	-18.23%
Bellevue South-Newcastle (500)	\$ 1,079,318	\$ 1,076,828	0.23%
Renton Highlands-Downtown (350)	\$ 653,003	\$ 671,500	-2.75%
Microsoft-Bellevue East (530)	\$ 1,092,519	\$ 1,031,764	5.89%
Kirkland Downtown (560)	\$ 1,317,711	\$ 1,540,006	-14.43%
Redmond (550)	\$ 976,047	\$ 1,019,634	-4.27%
Issaquah-Sammamish (540)	\$ 982,291	\$ 929,425	5.69%
Juanita-Bothell-Woodinville (600)	\$ 895,763	\$ 878,057	2.02%
Bothell North-Mill Creek (610)	\$ 731,920	\$ 731,134	0.11%
Edmonds-Lynnwood (730)	\$ 645,952	\$ 631,677	2.26%
Everett-Mukilteo-Snohomish (740)	\$ 553,367	\$ 526,754	5.05%

*Condominium SOLD Median

Tight supply continues

Throughout metropolitan areas nationwide, the tight supply of for-sale homes – already constrained pre-coronavirus – is continuing.

Although the increase in purchase mortgage applications signals a rebound of home-buyer interest and record-low mortgage rates could spur that further, "steeper declines in inventory could be on the horizon if more sellers don't list homes to meet rising demand," Realtor.com said in its weekly inventory report released Thursday.

For the week ending Saturday, May 23, total inventory for sale dropped 22% year-over-year, the Realtor.com report said. That's a larger drop than prior weeks.

Weekly Primary Mortgage Market Survey® (PMMS®)				
June 10, 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

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