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What's in Style?

Your Style Your Dream Your Home

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NWMLS brokers report brisk activity, noting "too early to tell" if coronavirus will soften sales

"We're entering prime time for the real estate market, and more listings are on the way," stated industry veteran J. Lennox Scott, as he reviewed the latest statistical report from Northwest Multiple Listing Service. MLS figures for February show year-over-year (YOY) gains in new listings, pending sales, closed sales, and prices. Scott, the chairman and CEO of John L. Scott Real Estate, expects a bump-up in inventory during March and April, but said, "We remain virtually sold out in many areas in the more affordable and mid-price ranges."

Northwest MLS representatives who commented on last month's activity reported little impact so far from the coronavirus (COVID-19) threat.

"Historically low interest rates should help the housing market sustain strong momentum during the coronavirus outbreak," according to Scott.

Member-brokers added 7,786 new listings to the MLS database during February. That was a jump of nearly 25% from the same month a year ago when record snow hindered activity. Compared to January, last month's inventory improved by 1,269 listings for a gain of nearly 19.5%.

February's new listings (7,786) were the highest since October, but they fell short of matching demand. Brokers reported 8,355 pending sales (mutually accepted offers) for a YOY gain of more than 21%.

There is only 1.45 months of supply area-wide, according to Northwest MLS data. It is even more sparse in the four-county Puget Sound region where there is barely over a month's supply (1.1 months). Snohomish and Thurston counties are reporting less than a month (0.93) of supply.

"The Snohomish County housing market continued on a torrent pace during February," said NWMLS director David Maider. Low inventory, a return to historically low interest rates, and plenty of buyer demand are stimulating the activity, according to Maider, owner/broker at Windermere Real Estate M2 in Everett. In many cases, sellers are receiving multiple offers exceeding the asking price, he added.

Current listings are attracting brisk activity, stated John Deely, principal managing broker at Coldwell Banker Bain in Seattle. "Almost every new listing has had tremendous showing activity and multiple offers" he remarked.

Brokers say the supply-demand imbalance is contributing to rising prices.

The Northwest MLS report shows the median price system-wide for the 5,265 homes and condos that sold in February rose 9.34% from a year ago, from $407,000 to $445,000. Thirteen counties reported double-digit increases, while four counties had price drops.

Mike Grady, president and COO at Coldwell Banker Bain in Bellevue, said, "While we don't have a crystal ball for these uncertain times, I continue to believe the indicators and information I'm hearing from agents on the ground support that our market will continue strong." He believes 2020 will rival 2017 with similar short days on market, tight inventory and in many markets, a return to multiple offers.

Market Activity Summary for February 2020

Single Family Homes & Condos	Listings: New Listings	Listings: Total Active	Pending	Closing Sales: # of Closings	Closing Sales: Average Price	Closing Sales: Median Price
King	2,969	2,221	2,895	1,891	$744,141	$615,000
Snohomish	1,165	797	1,465	859	$530,188	$494,263
Pierce	1,244	958	1,351	881	$425,276	$385,000
Total	5,378	3,976	5,711	3,631	$566,535	$498,088

Fastest growing large city in the U.S.

Seattle was one of the fastest growing cities this past decade, and from 2013 to 2018, it was the fastest growing large city in the U.S., according to a recent study. Seattle had stretched by 90,731 people in that five-year span. But despite a booming tech industry and a reputation for drawing millennials, the fastest growing age group was ages 65 to 74, the study said. Large city was defined as 350,000 people or more in a city. Earlier this past month, SeattlePI published a study that stated Seattle wasn't the fastest growing overall city in Washington - in fact, it wasn't even in the top 10 of that study. Kirkland grabbed the top spot as it had a growth rate of 84.7% since 2010.

Breakouts! – Residential SOLD Average

February 2020 (King/Snohomish County) SOLD Median

Area (Area Code)	Average $ Feb. 2020	Average $ Feb. 2019	2020 VS 2019
Auburn-Federal Way (110-310)	$ 450,002	$ 387,667	16.08%
Kent-Maple Valley (320-340)	$ 528,142	$ 484,633	8.98%
West Seattle (140)	$ 677,500	$ 610,000	11.07%
SODO-Beacon Hill (380-385)	$ 595,988	$ 647,500	-7.96%
E.lake-Madison-Capital Hill (390)	$ 903,500	$ 800,000	12.94%
Queen Anne-Magnolia (700)	$ 995,000	$ 923,750	7.71%
*Belltown-Downtown Seattle(701)	$ 695,000	$ 697,000	-0.29%
Ballard-Greenlake (705)	$ 749,925	$ 760,000	-1.33%
North Seattle (710)	$ 771,000	$ 744,500	3.56%
Shoreline/Richmond Beach (715)	$ 702,450	$ 609,950	15.17%
Bellevue Downtown (520)	$ 2,660,000	$ 2,262,500	17.57%
Mercer Island (510)	$ 1,880,000	$ 1,490,000	26.17%
Bellevue South-Newcastle (500)	$ 983,000	$ 825,000	19.15%
Renton Highlands-Downtown (350)	$ 715,000	$ 645,000	10.85%
Microsoft-Bellevue East (530)	$ 980,000	$ 820,000	19.51%
Kirkland Downtown (560)	$ 1,415,000	$ 1,260,000	12.30%
Redmond (550)	$ 930,000	$ 750,000	24.00%
Issaquah-Sammamish (540)	$ 977,500	$ 857,873	13.94%
Juanita-Bothell-Woodinville (600)	$ 784,500	$ 803,725	-2.39%
Bothell North-Mill Creek (610)	$ 732,000	$ 688,136	6.37%
Edmonds-Lynnwood (730)	$ 607,000	$ 514,250	18.04%
Everett-Mukilteo-Snohomish (740)	$ 515,000	$ 456,340	12.85%

*Condominium SOLD Median

How the Federal Reserve affects mortgage rates

Consumers sometimes misunderstand how the Federal Reserve affects traditional mortgage rates. The Fed doesn't actually set mortgage rates. Instead, it determines the federal funds rate, which generally impacts short-term and variable (adjustable) interest rates.

This is the rate at which banks lend money to one another overnight to meet mandated reserve levels. When the federal funds rate increases, it becomes more expensive for banks to borrow from other banks. Traditional mortgage rates are influenced by a number of factors, including Federal Reserve monetary policy, which includes both the federal funds rate and buying and selling of government securities such as bonds.

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Weekly Primary Mortgage Market Survey® (PMMS®)				
March 19, 2020 Regional Breakdown	30-Yr FNMA	30-Yr FHA	15-Yr FNMA	5/1 ARM
Average Rates	3.875%	3.50%	3.250%	3.50%
Fees & Points	*All loans are with a one point origination fee.			
APR	4.017%	4.163%	3.496%	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