

Western Washington housing market adjusting to new ways of operating

Residential real estate activity around Western Washington reflected expected declines during April with the impact of the coronavirus pandemic taking its toll. A new report from Northwest Multiple Listing Service shows year-over-year (YOY) drops system-wide in new listings, pending sales and closed sales, but prices increased nearly 6.4%.

“With the first full month of post-COVID-19 data in hand, it’s clear the Puget Sound housing market has been hit but not knocked out,” stated Windermere Chief Economist Matthew Gardener. “The normally active spring market is significantly slower than normal due to COVID-19, but it has not come to a halt,” he observed, adding, “In my opinion, it is responding to the current circumstances exactly as expected.”

The Northwest MLS report for April shows area-wide inventory fell nearly 21% from a year ago, dropping from 12,955 listings to 10,282. A comparison of the 23 counties in the report shows only four counties with YOY increases (Jefferson at 0.9%, Whatcom at nearly 6%, Douglas at 13.8% and Lewis at 17.7%), while three counties had shrinkages of around 30% or more (King at -29.6%, Clallam at -32.9% and Island at -39.2%).

The volume of new listings added during April was off 34.7% compared to the same month a year ago. Brokers added 7,641 new listings last month, down from both March when 10,291 new listings were added, and April 2019 when brokers added 11,697 new listings.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, described the market as “virtually sold out everywhere locally in the more affordable and mid-price ranges.” Commenting on the local market, he said, “We are seeing buyer demand coming forward. With historically low interest rates, the local market needs additional listings to meet pent-up demand from the backlog of buyers,” he stated.

In King County, prices rose 4% from a year ago, from \$625,000 to \$650,000. Snohomish County prices were up nearly 6% and Pierce County joined Kitsap with a double-digit gain; prices there increased from \$355,000 to \$397,750 for a 12% gain.

System-wide, prices were up about 6.4%, rising from the year-ago figure of \$424,950 to last month’s figure of \$452,030. Year-to-date prices are up nearly 9.3% compared to twelve months ago.

“Buyers are relying more and more on technology and tools to allow for virtual open houses and viewings. Social distancing, face masks, showings by appointment only and only two people in a home at a time with one of them being the broker are the new norm,” stated Frank Wilson, branch managing broker at Kitsap regional manager at John L. Scott Real Estate. He said he could imagine homeowners wanting to change their living conditions to accommodate for more room or more outdoor space. “This could well cause a shift in what buyers are looking for in the future.”

Market Activity Summary for April 2020

	Listings		Pending	Closing Sales		
	New Listings	Total Active		# of Closings	Average Price	Median Price
Single Family						
Homes & Condos						
King	2,707	3,255	2,246	2,073	\$763,176	\$650,000
Snohomish	1,224	1,243	1,130	896	\$544,392	\$507,500
Pierce	1,258	1,330	1,341	998	\$437,380	\$397,750
Total	5,189	5,828	4,717	3,967	\$581,649	\$518,417

How do you plan to use your stimulus check?

The first round of stimulus checks was expected to reach Americans on mid-April, and consumers are already making plans for how they plan to use the funds. More than one in four-or 28%-of about 1,000 Americans surveyed said they'll use their check to cover rent and mortgage costs,

according to a survey from Creditful, a personal finance resource. Millennials are most likely to use their checks for housing, the survey finds. Baby boomers, on the other hand, are more likely to use their stimulus check on groceries, health and medical supplies, and clothing. Gen Xers are the most likely to use their stimulus check on bills and utilities, savings, credit card debt, and toiletries and hygiene products, the survey finds.

Breakouts! – Residential SOLD Average

April 2020 (King/Snohomish County) SOLD Average

Area (Area Code)	Average \$		2020 VS 2019
	Apr. 2020	Apr. 2019	
Auburn-Federal Way (110-310)	\$ 481,834	\$ 431,039	11.78%
Kent-Maple Valley (320-340)	\$ 549,122	\$ 510,801	7.50%
West Seattle (140)	\$ 766,348	\$ 729,796	5.01%
SODO-Beacon Hill (380-385)	\$ 773,408	\$ 684,607	12.97%
E.lake-Madison-Capital Hill (390)	\$ 1,177,315	\$ 1,146,072	2.73%
Queen Anne-Magnolia (700)	\$ 1,204,455	\$ 1,230,592	-2.12%
*Belltown-Downtown Seattle(701)	\$ 781,783	\$ 689,974	13.31%
Ballard-Greenlake (705)	\$ 891,299	\$ 856,725	4.04%
North Seattle (710)	\$ 991,422	\$ 1,030,633	-3.80%
Shoreline/Richmond Beach (715)	\$ 790,692	\$ 806,268	-1.93%
Bellevue Downtown (520)	\$ 3,409,211	\$ 3,078,581	10.74%
Mercer Island (510)	\$ 1,688,211	\$ 1,788,183	-5.59%
Bellevue South-Newcastle (500)	\$ 1,181,700	\$ 1,091,274	8.29%
Renton Highlands-Downtown (350)	\$ 651,417	\$ 646,993	0.68%
Microsoft-Bellevue East (530)	\$ 1,143,943	\$ 1,116,189	2.49%
Kirkland Downtown (560)	\$ 1,219,804	\$ 1,530,097	-20.28%
Redmond (550)	\$ 947,477	\$ 978,132	-3.13%
Issaquah-Sammamish (540)	\$ 975,417	\$ 987,404	-1.21%
Juanita-Bothell-Woodinville (600)	\$ 905,562	\$ 843,032	7.42%
Bothell North-Mill Creek (610)	\$ 744,590	\$ 713,129	4.41%
Edmonds-Lynnwood (730)	\$ 658,610	\$ 604,078	9.03%
Everett-Mukilteo-Snohomish (740)	\$ 567,355	\$ 523,045	8.47%

*Condominium SOLD Median

COVID-19 impact on mortgages

Mortgages in forbearance as a result of COVID-19 have to be reported as “current” on credit reports.

That’s the law, as laid out in Section 4021 of the CARES Act passed by Congress at the end of March. It says servicers “shall report the credit obligation or account as current.”

But there’s a workaround that can make it difficult for people with mortgages in forbearance to get another home loan after the COVID-19 crisis is over – for as long as a year after the forbearance period ends. That can impact their ability to refinance or buy a home when times are better.

Weekly Primary Mortgage Market Survey® (PMMS®)

May 14, 2020	30-Yr FNMA	30-Yr FHA	15-Yr FNMA	5/1 ARM
Regional Breakdown				
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

