



Brokers report “high velocity” market, but with hope for homebuyers

KIRKLAND, Washington (Feb. 6, 2017) – Western Washington’s “high velocity” market continued during January with the number of pending sales (7,745) outgaining the number of new listings (6,507), according to new figures from Northwest Multiple Listing Service.

“Properties are moving through the market at an unusually fast pace,” remarked John Deely, chairman of the board at Northwest MLS and the principal managing broker at Coldwell Banker Bain. “Although we have a high number of new listings, they are moving into a pending or sold status within the typical 30-day reporting period. This phenomenon causes a low active listing count,” he added.

Brokers added 6,507 new listings to inventory last month (163 fewer than during the same period a year ago), while year-over-year pending sales jumped by 492 transactions for a gain of about 6.8 percent. New listing volume was the highest monthly total since October when members added 7,591 properties.

At month-end, there were 9,752 active listings in the MLS service area, which encompasses 23 counties. That total was 2,605 fewer than the year-ago volume of 12,357, a decline of 21 percent. Only three counties (Ferry, Jefferson and Kitsap) reported improvements in the number of active listings compared to the same month last year.

Measured by months of inventory, the selection is at historic lows in many counties. At month end, there was just under 1.7 months of supply system-wide, which compares to the year-ago figure of about 2.5 months of supply. Both King and Snohomish counties have less than one month of supply.

“If home buyers were hoping that January would start to bring more balance to the housing market, they’re going to be sorely disappointed. The number of homes for sale remains at record lows, and the growth in pending sales tells us that sellers are still firmly in the driver’s seat,” said OB Jacobi, president of Windermere Real Estate.

MLS director George Moorhead echoed Jacobi, pointing to five years ago when buyers could choose from 5,378 listings of single family homes in King County versus last month’s selection of 1,569 listings. “The real question is whether there will be relief in the near future, and the unfortunate answer is no,” said Moorhead, the designated broker at Bentley Properties, citing the combination of new jobs, a shortage of new homes, and a reluctance of sellers to list their home for fear of not being able to find their next one.

Commenting on “typical seasonal and beginning of the year adjustments,” one company president said he is encouraged by new listing activity. “There is no indication that the annualized trend of shrinking active inventory will reverse itself anytime soon, but we’re seeing momentary bubbles of increased inventory for buyers currently in the market” noted Mike Grady, president and COO of Coldwell Banker Bain.

“List it and they will come” is the new mantra as new listings come on the market, commented J. Lennox Scott, chairman and CEO of John L. Scott. Despite having more sales than new listings over the past few months, Scott said there is hope for homebuyers. “As the days start getting longer the future will look brighter for the backlog of buyers waiting to find a home.” Describing February as the bridge month between winter and spring markets, Scott expects to start seeing an increase in the number of new listings.

“Buyers who are properly positioned to make quick decisions, and who have the proper negotiation tactics and guidance are finding success in this high velocity market,” Deely reported.

Not surprisingly given the imbalance in supply and demand, prices continue to rise. Last month’s median price for the 5,874 completed sales of single family homes and condominiums was \$327,175, up 9 percent from the year ago figure of \$300,000. There were 889 more closed sales in January than for the same month a year ago for a 17.8 percent increase.

Single family home prices (excluding condos) increased 9 percent, rising from \$309,950 to \$338,000. The median price for single family homes that sold in King County last month was \$525,000, up more than 6.9 percent from the year-ago sales price of \$490,970. Several outlying counties reported double-digit gains.

“The softening of single family home prices in King County over the last few months, combined with the relatively large price increase in Snohomish County (8.2 percent) suggests buyers are migrating north in order to find more affordable housing,” said Jacobi.

Brokers in Pierce and Kitsap counties also reported price hikes larger than King County’s. The median price of a single family home in Pierce County jumped nearly 11.6 percent from a year ago while the year-over-year price in Kitsap was up 9.4 percent.

Condo prices rose 5.5 percent in January compared to a year ago, increasing from \$255,750 to \$289,900. King County condo prices surged more than 9.8 percent, from \$282,250 to \$310,000.

“For buyers, it is a good news/bad news scenario in Kitsap County,” reported MLS director Frank Wilson. “More houses came on the market last month than a year ago, but pending sales surpassed that number to keep the market tight. Brokers navigated these challenges and buyers endured, “but the tightness will likely be magnified during 2017,” said Wilson, the branch managing broker at John L. Scott in Poulsbo.

Wilson said open house traffic has “started off with a bang” as more buyers have decided now is the time to buy, believing that prices will only continue to rise .” He expects escalation clauses, multiple offer situations and backup offers to “be the norm during the first quarter. The hierarchy of purchasers: cash, conventional loan, VA loan, and FHA financing will continue to be the pecking order,” he stated.

“We’re seeing the frenzy change to a fanatical desire to own a home as buyers scramble to beat increasing interest rates,” reported Moorhead. He expects the Feds to increase rates two more times between now and April, “and that will only increase buyers’ aggressive tactics to secure a home,” he suggested.

Moorhead also noted sellers are able to “get away with putting homes on the market in conditions that historically would be rejected by buyers.” Now, however, Moorhead said buyers are willing to turn a blind eye to repairs and future maintenance.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of nearly 2,100 member offices includes more than 25,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

Statistical summaries follow

Statistical Summary by Counties: Market Activity Summary – January 2017

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES			*Months of Inventory	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	2,272	1,887	2,488	2,010		\$475,000	0.94	1.41
Snohomish	999	888	1,238	938		\$380,000	0.95	1.56
Pierce	1,141	1,575	1,530	1,099		\$267,000	1.43	2.26
Kitsap	365	609	454	313		\$289,900	1.95	2.43
Mason	88	284	113	83		\$175,000	3.42	5.74
Skagit	144	329	166	139		\$294,000	2.37	4.04
Grays Harbor	139	413	139	76		\$162,450	5.43	5.56
Lewis	93	263	98	78		\$189,050	3.37	4.92
Cowlitz	72	156	114	92		\$225,500	1.70	2.62
Grant	54	298	44	52		\$182,403	5.73	10.15
Thurston	395	640	478	311		\$255,000	2.06	3.04
San Juan	19	177	24	24		\$437,000	7.38	11.95
Island	141	296	193	121		\$315,000	2.45	3.83
Kittitas	47	155	60	50		\$247,450	3.10	4.13
Jefferson	55	208	51	37		\$350,000	5.62	4.23
Okanogan	25	236	26	28		\$191,000	8.43	12.41
Whatcom	230	516	287	224		\$287,625	2.30	4.22
Clark	27	46	37	22		\$278,000	2.09	3.08
Pacific	53	187	52	32		\$128,500	5.84	6.61
Ferry	3	55	2	4		\$137,500	13.75	15.67
Clallam	67	192	76	54		\$247,500	3.56	6.24
Chelan	44	185	41	43		\$253,500	4.30	4.85
Douglas	12	56	12	21		\$245,900	2.67	3.13
Others	22	101	22	23		\$201,000	4.39	11.33
Total	6,507	9,752	7,745	5,874		\$327,175	1.66	2.48

Next page: **4-county Puget Sound Region Pending Sales (SFH + Condo combined)**

4-county Puget Sound Region Pending Sales (SFH + Condo combined)

(totals include King, Snohomish, Pierce & Kitsap counties)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
2001	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
2002	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
2003	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
2004	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
2005	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
2006	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
2007	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
2008	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
2009	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
2010	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
2011	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
2012	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
2013	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
2014	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410
2015	5791	6541	8648	8671	8620	8608	8248	7792	7179	6977	5703	4475
2016	5420	6703	8130	8332	9153	8869	8545	8628	7729	7487	6115	4727
2017	5710											

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