

Q3  
2018

# PACIFIC NORTHWEST MARKET REPORT

PUGET SOUND | SOUTHWEST WASHINGTON | OREGON





Coldwell Banker Bain is the No.1 Coldwell Banker affiliate in the world with over \$6 billion in volume in 2017, and has been helping people buy and sell homes in the Pacific Northwest since 1972. With 1,100+ brokers in 32 offices throughout Washington and Oregon, the company provides the full spectrum of services to buyers and sellers, with special expertise in the luxury realm. Additionally, the company has once again earned the national Coldwell Banker Chairman's Circle designation for outstanding

performance in volume for 2017, ranking as a No. 1 network affiliate out of 3,000 offices in 48 countries. The company also provides services in property management, commercial real estate and real estate investment, and relocation management. Coldwell Banker Bain consistently ranks among the Top 20 Real Estate Companies in the nation as cited by Real Trends and RISMedia's Real Estate. For more information, visit [coldwellbankerbain.com](http://coldwellbankerbain.com).







**BELLEVUE, WA** (October 17, 2018) – Coldwell Banker Bain, a leading provider of real estate brokerage services throughout Washington and Oregon, and a market leader in home sales in 2017,\* releases its third-quarter market report providing a variety of statistics for the sale of homes in neighborhoods and counties throughout the Puget Sound region, as well as for segments including luxury and condos. The third-quarter report reflects activity between July 1, 2018 and September 30, 2018.\*

Reflecting on the third-quarter numbers and feedback from brokers, Mike Grady, Coldwell Banker Bain President and COO, said, “We’re definitely seeing a ‘normalization’ or ‘evening out’ of the housing market in the Puget Sound region. Although it is still tilted toward sellers with

2.8 months of inventory in King County. We haven’t yet hit a ‘normal’ market (not favoring either seller or buyer) providing about 4-5 months of inventory. However, buyers are at long last now seeing properties that stay on the market for longer, and have more available listings from which to choose, especially in the Seattle and Eastside areas where available inventory over last quarter has jumped significantly. Listings that are priced appropriately are still selling quickly, and home prices are still showing appreciation of more than double the rate of inflation. Given there doesn’t appear to be an end in sight related to the region’s job growth, with employees moving here and only half as many units being built to accommodate them, we believe this market normalization will continue.”





**E.J. Bowlds**, Principal Managing Broker of the Coldwell Banker Bain of Bellevue office, said, "The velocity of the rise in prices is slowing. In some Eastside ultra-local markets, the changes in median prices year over year are flat or even down somewhat. We're now seeing buyers who are tempted to wait for prices to fall but those who need financing need to balance possible price drops with almost certain interest rate increases.

It's not all bad for sellers – those who are motivated to move up can now list their property knowing that they now will have somewhere to move to after their sale. The question for sellers may be whether to list now or wait for spring when the market is historically at its best for the year. They, too, must weigh this decision against probable rising interest rates which can limit a buyer's ability to purchase their home.

For buyers and sellers, whether to proceed with a purchase or sale, may best be resolved by lifestyle issues. If a buyer wants to buy, has a good job, plans to stay in the home they purchase for five years or more, and given the upward pressure on mortgage rates, it makes sense to buy now. For sellers, if prices do continue to moderate and if interest rates rise, selling now or no later than next spring makes the most sense."

Added Jennifer Johnsen-Cameron, Principal Managing Broker of Coldwell Banker Bain of Lincoln Square, "We are seeing less foreign money with the exception of areas like West Bellevue, and a continued influx of relocation buyers seeking the exceptional job opportunities here and we expect this to continue."





**Jennifer Johnsen-Cameron**, Coldwell Banker Bain's Vice President of Global Luxury and Principal Managing Broker of Coldwell Banker Bain of Lincoln Square, points out how selling and buying strategies are changing for this segment. "There has been much talk recently about the market softening or perhaps even retracting while in actuality we are still a strong and robustly thriving market. Prices are still appreciating, just not at the same level as they have been. Buyers were pushed to the limit over the past several years, having to compete to win no matter what cost, knowing that the likely outcome would be that the market would quickly catch up. Sellers were essentially naming their price and pricing to the top edge of their range. Skilled brokers were necessary to

negotiate the complexities and nuances of multiple offer situations which needed assurance for these sellers that the deal would actually stick when buyers felt they were overpaying, and in the end often result in buyers walking away from their earnest monies.

What sellers of luxury homes need to understand now is that a skilled broker is critical, one who can change with the market to create a longer term marketing strategy that is based on crafting an individual marketing campaign based upon their home's strengths, and targeted toward attracting the most likely buyers from local and international networks."

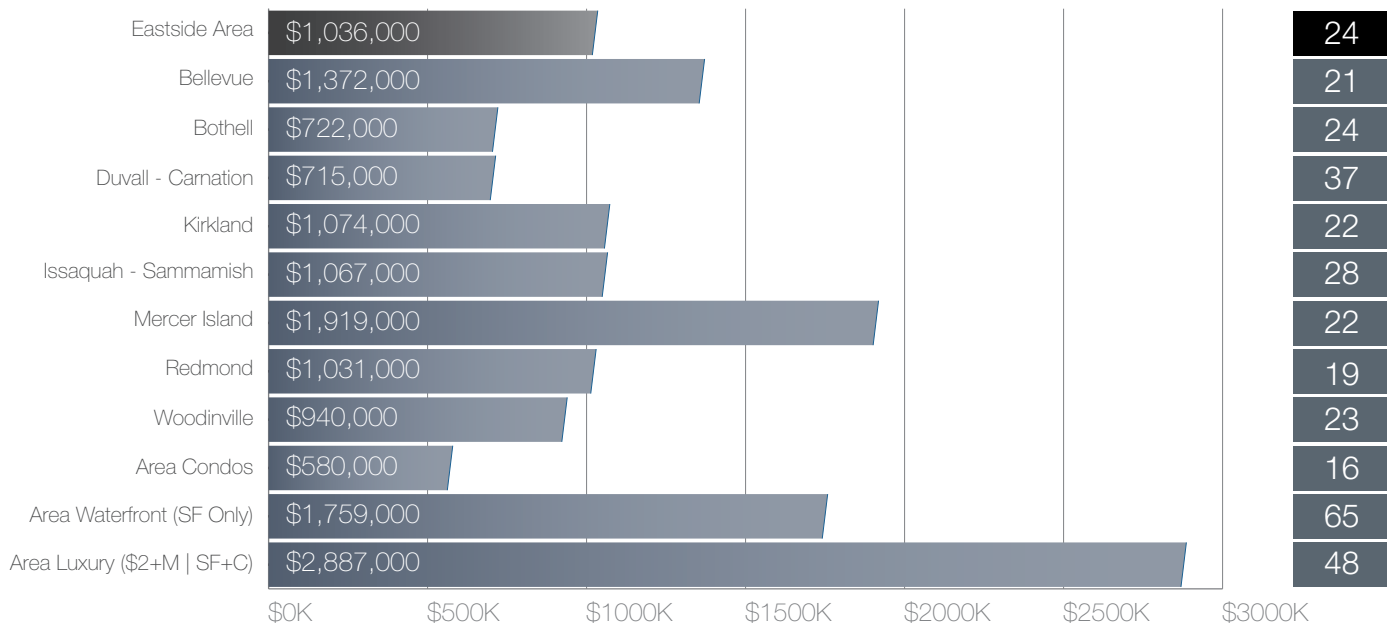


Bellevue | Bothell | Duvall - Carnation | Kirkland | Issaquah - Sammamish | Mercer Island  
Redmond | Woodinville

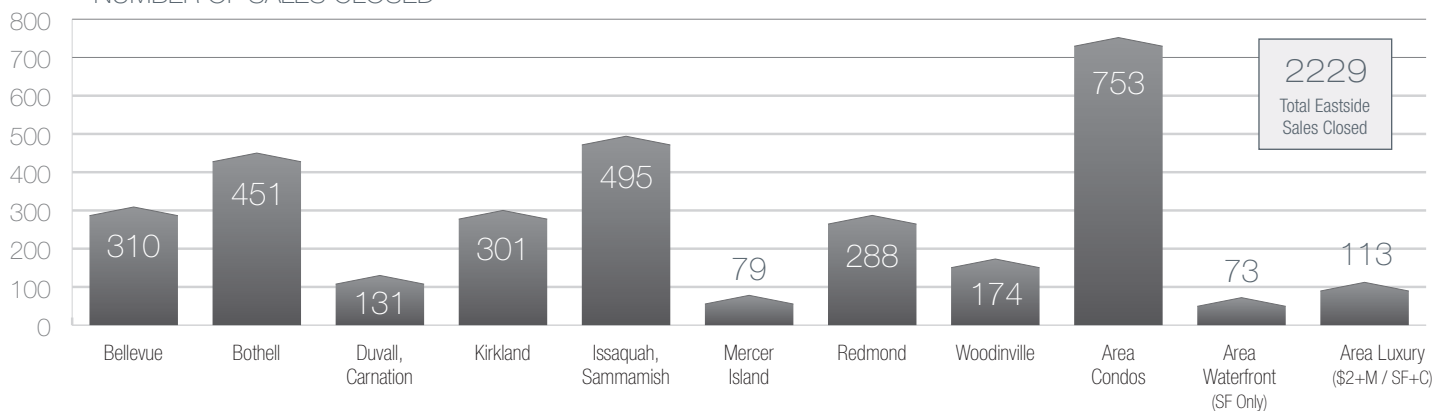
SINGLE FAMILY (SF), CONDO, WATERFRONT & LUXURY

AVERAGE SOLD PRICE (Nearest \$000)

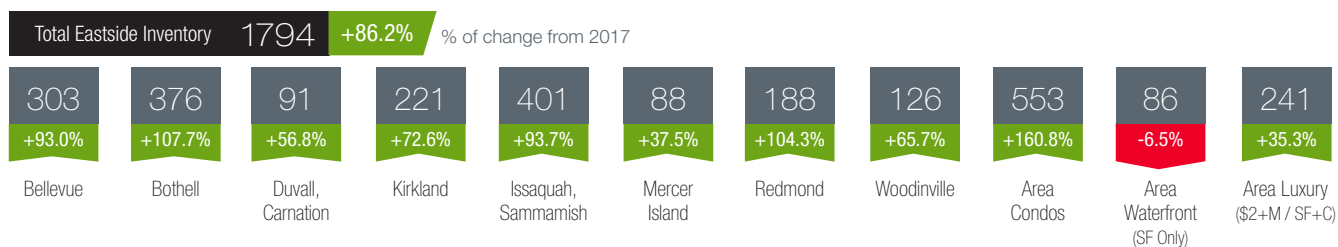
AVERAGE DOM



NUMBER OF SALES CLOSED



INVENTORY IN UNITS - 09/30/2018







**John Deely**, Principal Managing Broker for Coldwell Banker Bain's Lake Union, Madison Park and Magnolia offices, said, "Active residential listings in the Seattle market have continued to build each month this year while sold/closed properties started their decline at the end of the second quarter. This trend has caused the monthly increase of active/standing inventory while new listings coming to market also trended upward in the third quarter. These trends have resulted in the overall active inventory to surpass more than 100% of the inventory from the same time last year in over one third of the Seattle markets studied in this report.

This buildup of inventory is causing longer market times

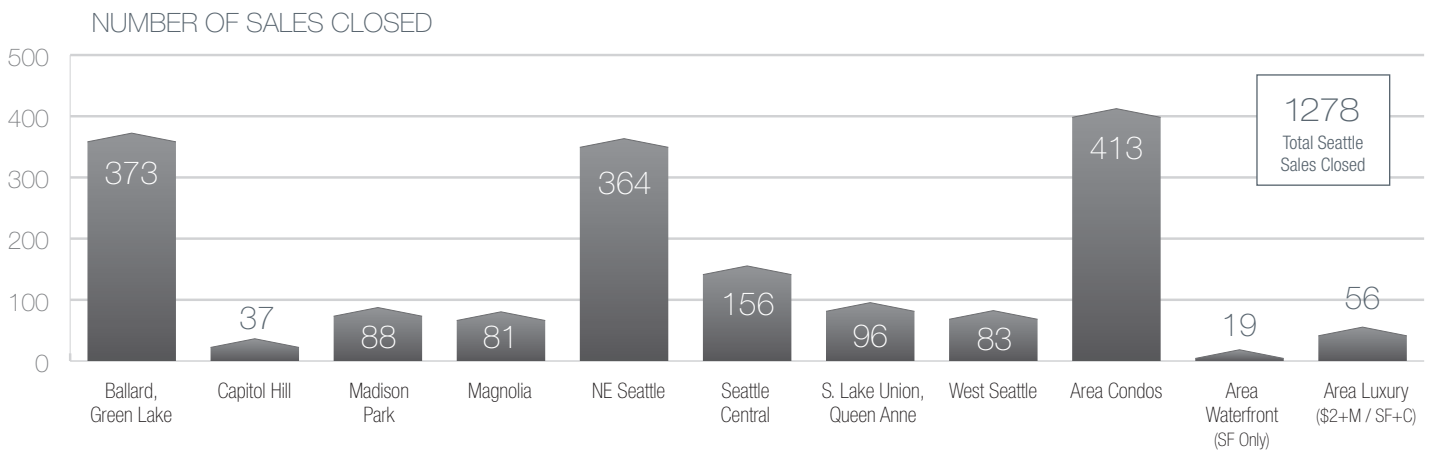
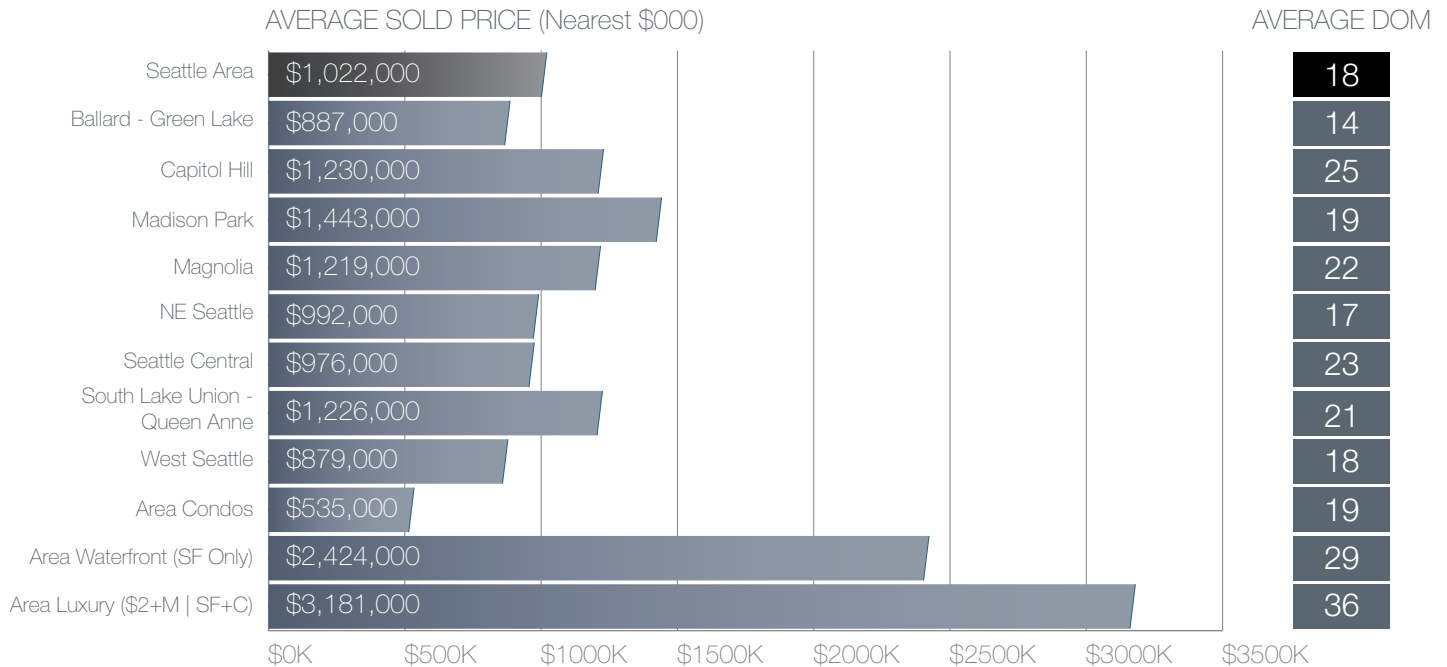
and a slowing in the rate of pricing increases. As of this report only half of the Seattle areas had an average price under \$1,000,000. With average prices near \$1,000,000 buyers are cautious of aging listings. Condos came in with an average price of just over \$500,000. The luxury market of over \$2,000,000 properties, comprised of both condos and single-family properties, had the longest market times when compared to properties with an average sales price of over \$3,000,000.

With the rapid buildup of pricing and increased inventory sellers need to be focused on proper pricing to capture the interest of buyers with more choices in today's market."



Ballard - Green Lake | Capitol Hill | Madison Park | Magnolia | NE Seattle | Seattle Central  
South Lake Union - Queen Anne | West Seattle

SINGLE FAMILY (SF), CONDO, WATERFRONT & LUXURY



## INVENTORY IN UNITS - 09/30/2018







**Stephanie Callen**, broker in CB Bain's Puyallup office, said, "As well as Pierce County did in the first and second quarters, the third quarter has not been quite as robust. More price reductions and rising interest rates have increased the inventory in Puyallup and Graham from last year by nearly 23%. Although University Place and Tacoma are still quite active with short periods on market and multiple offers, other areas like Graham are finding the need to price properly or homes there take longer to sell. Homes throughout Pierce County that are

priced properly sell quickly in the under \$350,000 range. Higher-end homes tend to take longer for right buyer to come along. Gig Harbor is also starting to experience an absorption rate that's moving from a seller's market to a neutral one. However, Point Ruston, one of Tacoma's most popular areas, has continued to grow and expand its luxury condo market activity. All in all, buyers should be relieved that it is now easier to compete for homes and Pierce County still seems to be one of the area's best kept secrets!"

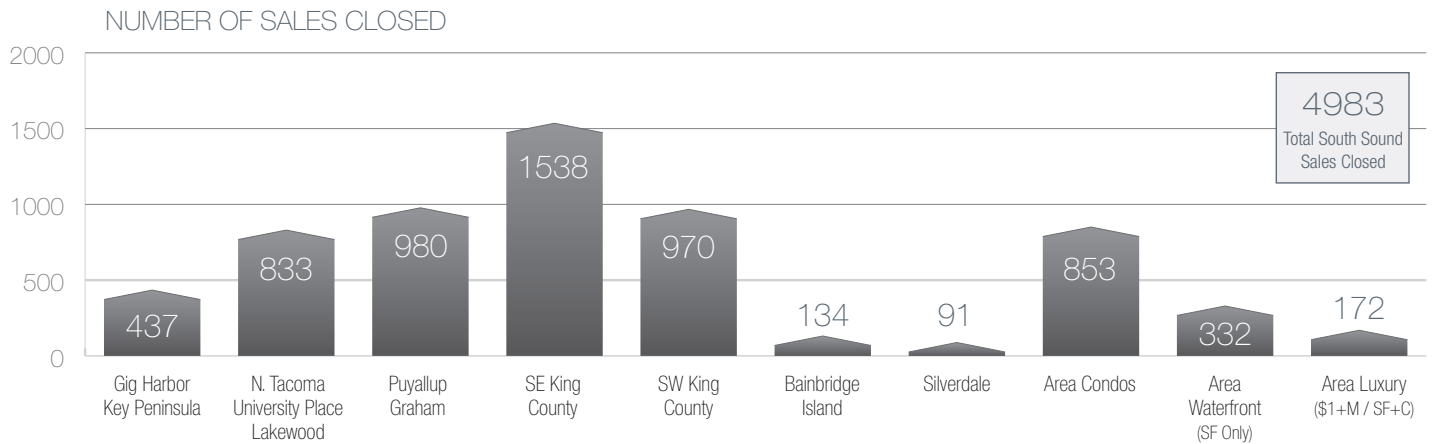
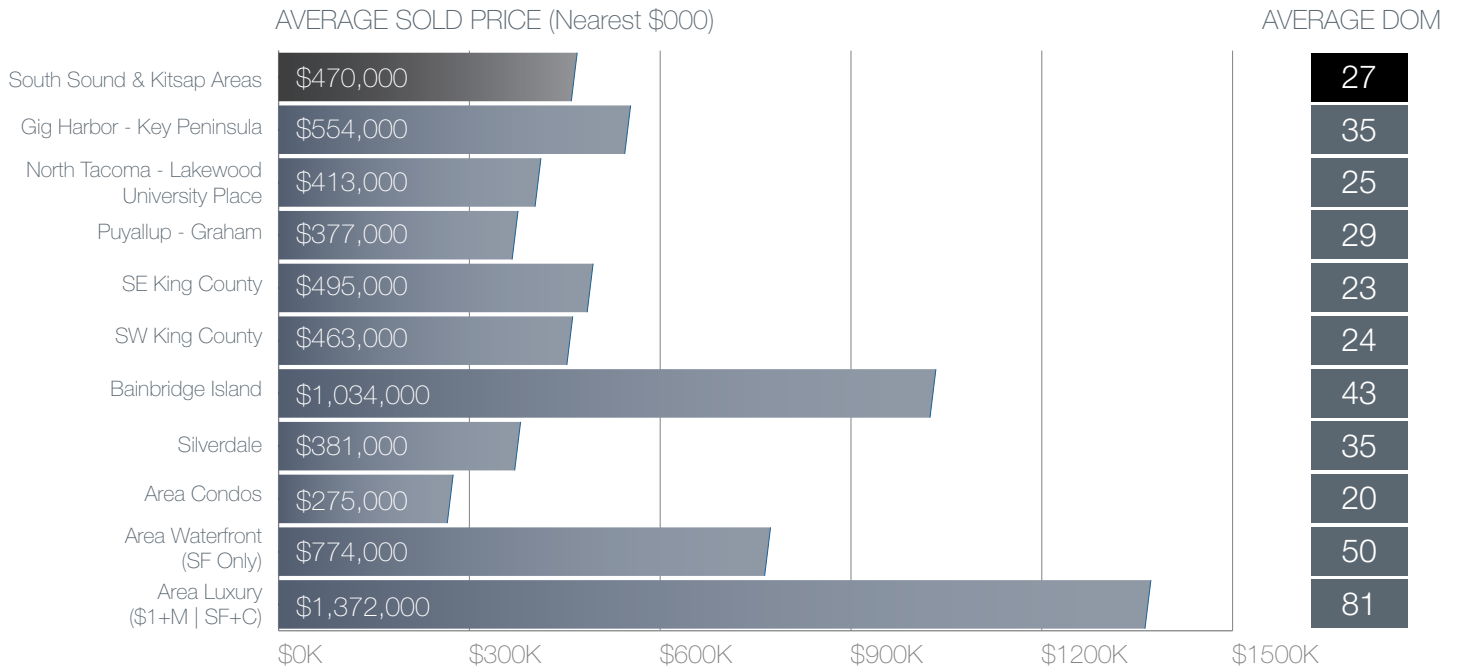


# Q3 2018

## SOUTH SOUND AREA

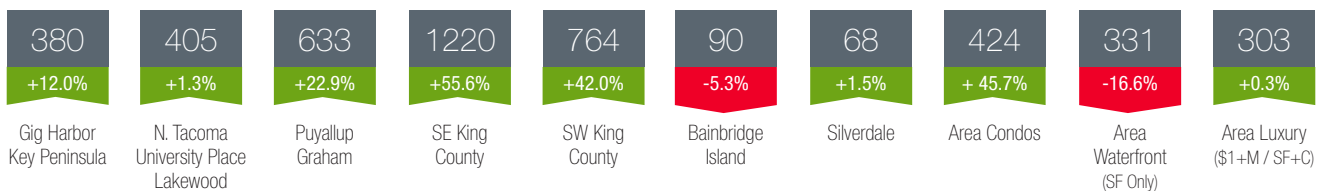
Gig Harbor - Key Peninsula | North Tacoma - Lakewood - University Place | Puyallup - Graham  
SE King County | SW King County | Bainbridge Island | Silverdale

SINGLE FAMILY (SF), CONDO, WATERFRONT & LUXURY



### INVENTORY IN UNITS - 09/30/2018

Total South Sound Inventory **3560** +27.2% % of change from 2017



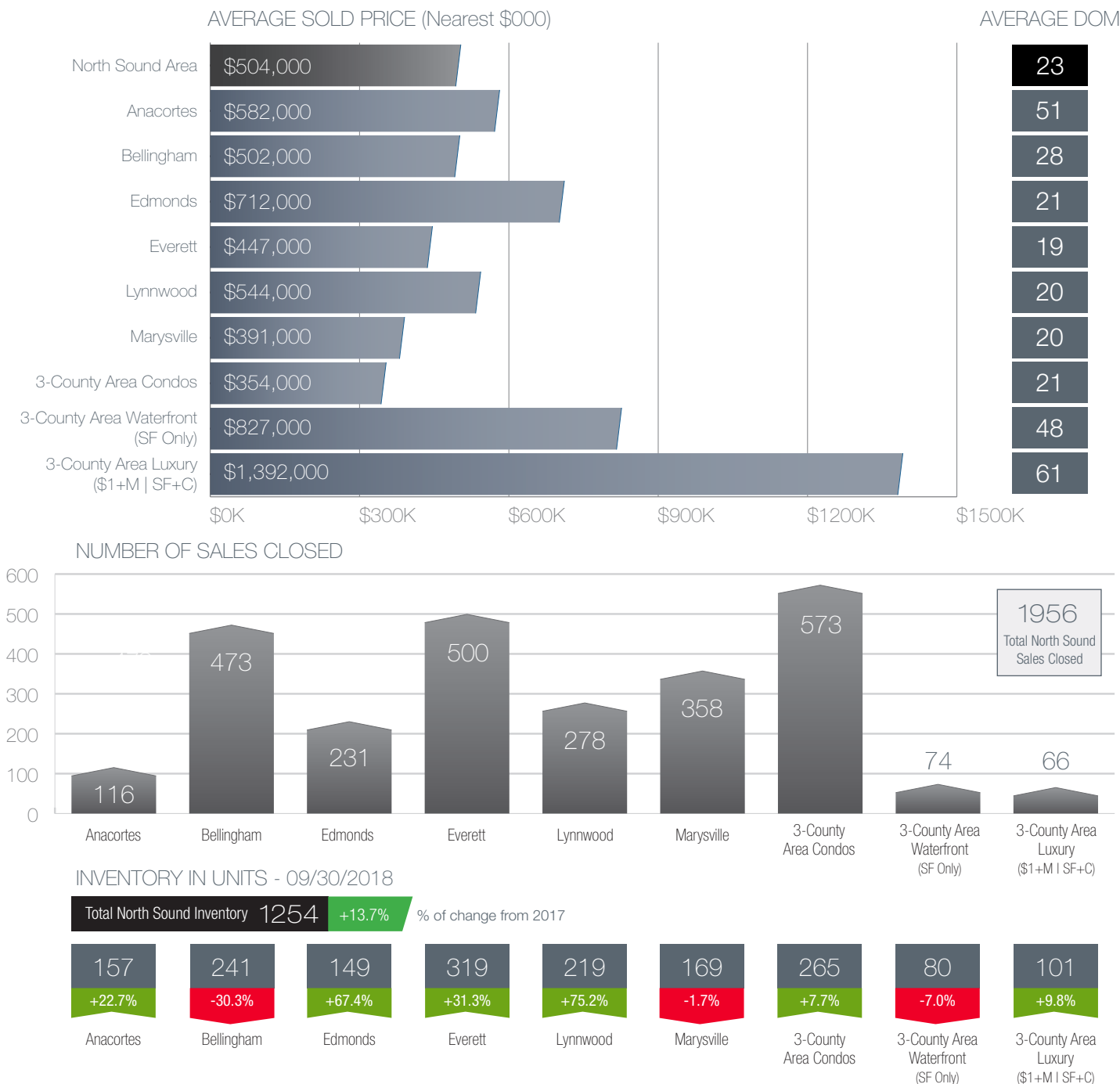




**Michelle Van Tassell**, Principal Managing Broker for Coldwell Banker Bain of Edmonds and Lynnwood offices, noted, “Snohomish County, while not experiencing quite the jump in inventory as its neighbors in King County, did post double-digit percentage inventory increases over the same quarter last year, at +31% in Everett, +67% in Edmonds, and +75% in Lynnwood. Marysville, by comparison, continued to show particularly brisk activity, with a 1.7% decrease in inventory. Despite the shift in buyer/seller activities since the spring and summer months, it remains a

market that favors sellers. Snohomish County area homes are still, on average, on the market for under one month, including condos. Even our area’s luxury properties, including single family, waterfront, and condo homes, are selling in roughly two months on average. We are encouraging sellers to be realistic about pricing considerations and proactive in preparing their homes for market. Our buyers who may have been priced out just a few months ago are finding they can take a bit more time to explore housing options, while still structuring strong offers for a competitive field.”





According to **Lana Thompson**, Principal Managing Broker of Coldwell Banker Bain of Anacortes, "The available inventory in Anacortes has increased approximately 10% over last year and the average sales price of \$579,000 is down slightly from last quarter.

Noticeable this year has been the number of buyers moving to our area from Seattle and King County. Affordability, downsizing, lack of traffic and lifestyle are the most mentioned reasons for the change. Time on market is increasing and multiple offer situations are decreasing."





**Dean Ulrich**, Principal Managing Broker of Coldwell Banker Bain of Bellingham, said “We have had another robust year locally related to increasing sales prices. Residential single family average sale price in Bellingham is up 12.4% in the last year with an average sale price of \$410,000 and for Whatcom County as a whole it is up 11.1% at \$369,000. Like the rest of the region, the average number of days on the market (DOM) for active

residential properties is increasing. For example, in Bellingham DOM is currently 73 days, whereas homes that have recently sold/closed averaged 25 days on the market, which indicates that pricing a home properly is important. On a bright note, given the high quality of life that Bellingham and Whatcom County afford, this area is a tremendous value for those with those who have location flexibility, when compared to other markets.”

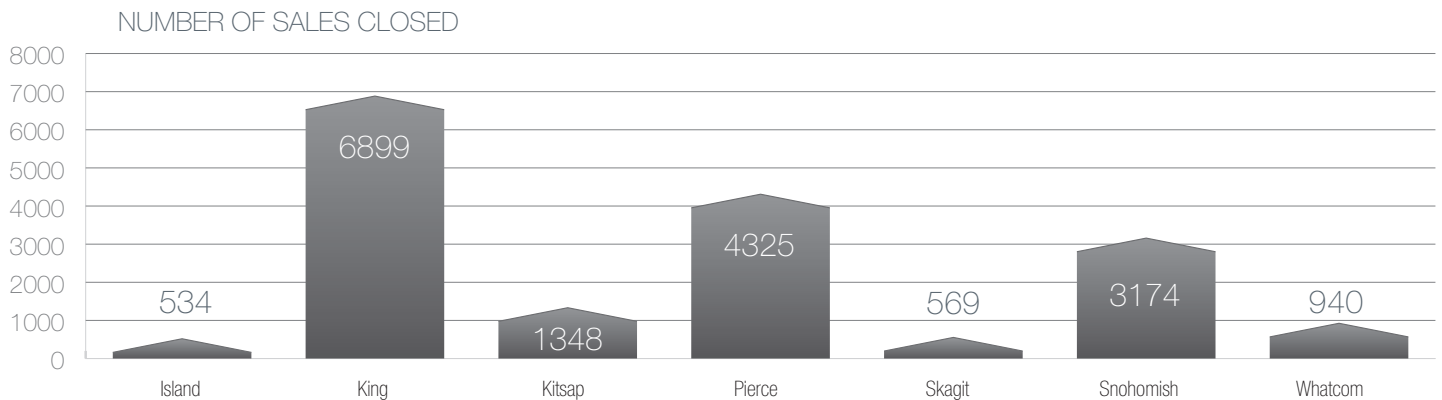


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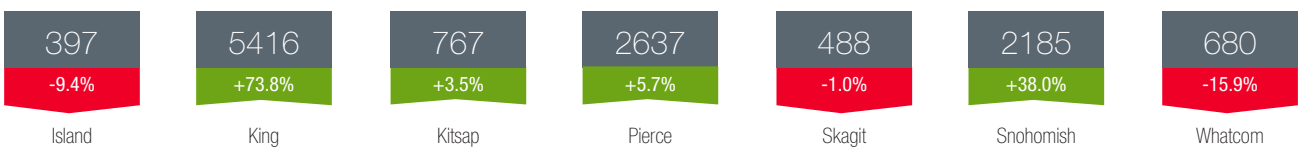
# PUGET SOUND AREA COUNTIES

Island | King | Kitsap | Pierce | Skagit | Snohomish | Whatcom

SINGLE FAMILY (SF), CONDO



INVENTORY IN UNITS - 09/30/2018 % of change from 2017



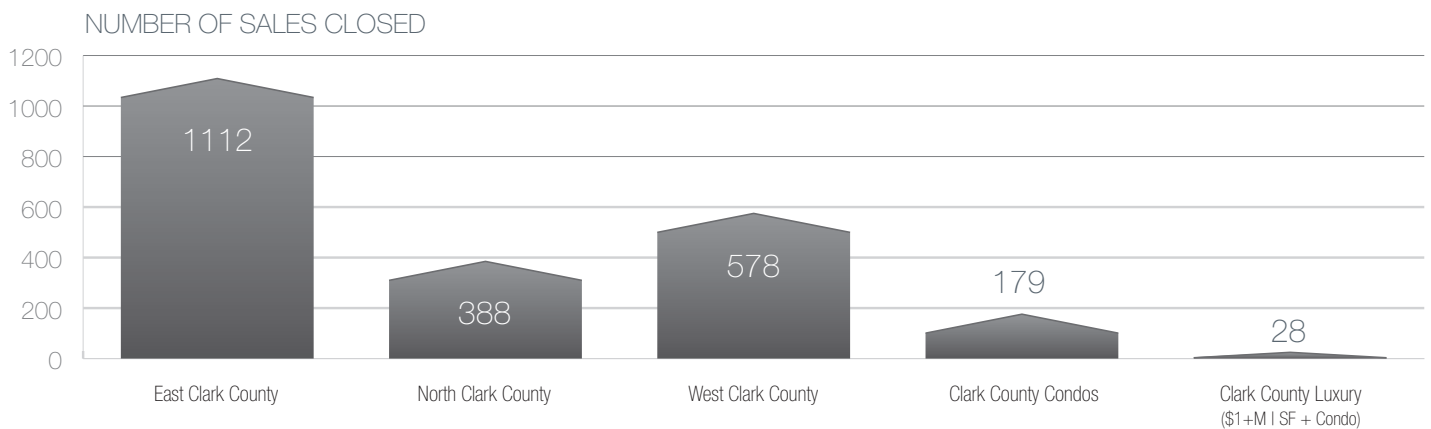
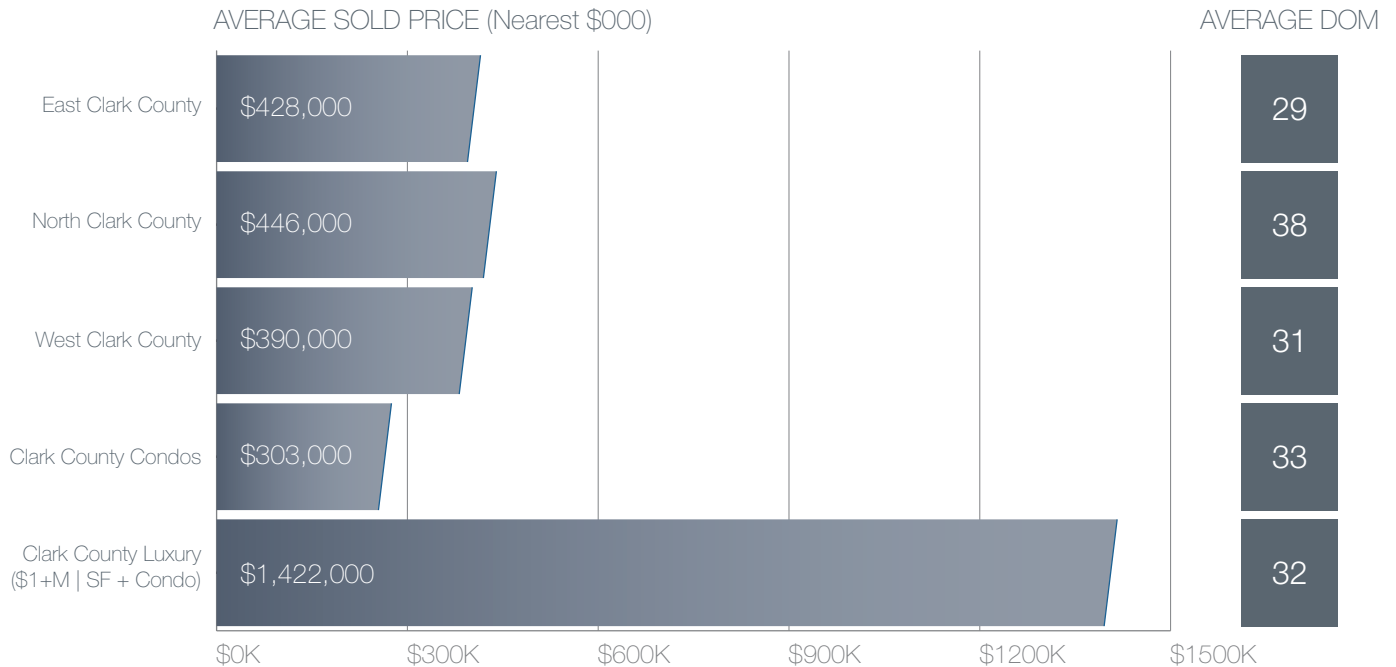




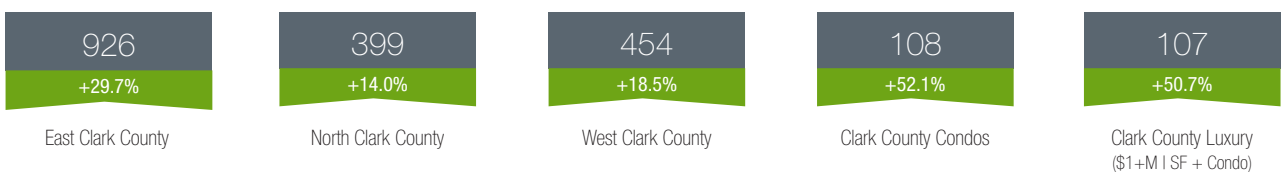
**David Knode**, Principal Managing Broker for Coldwell Banker Bain of Vancouver, said, “Clark County is still a great place to buy real estate... even though mainstream and social media seem to be like Chicken Little indicating that “the sky is falling”. Prices still rose over the last quarter, however not at the pace they did earlier in the year. Additionally, the number of pending homes and sold homes is down by small percentages

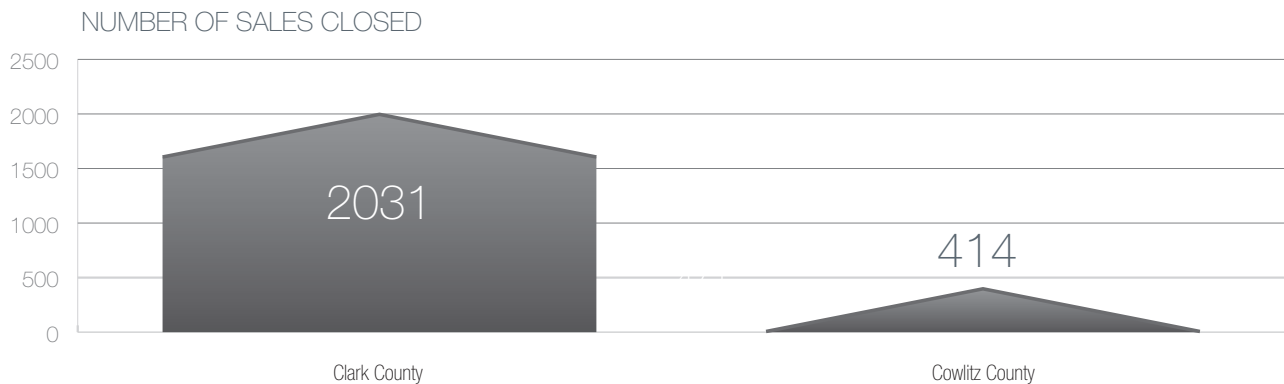
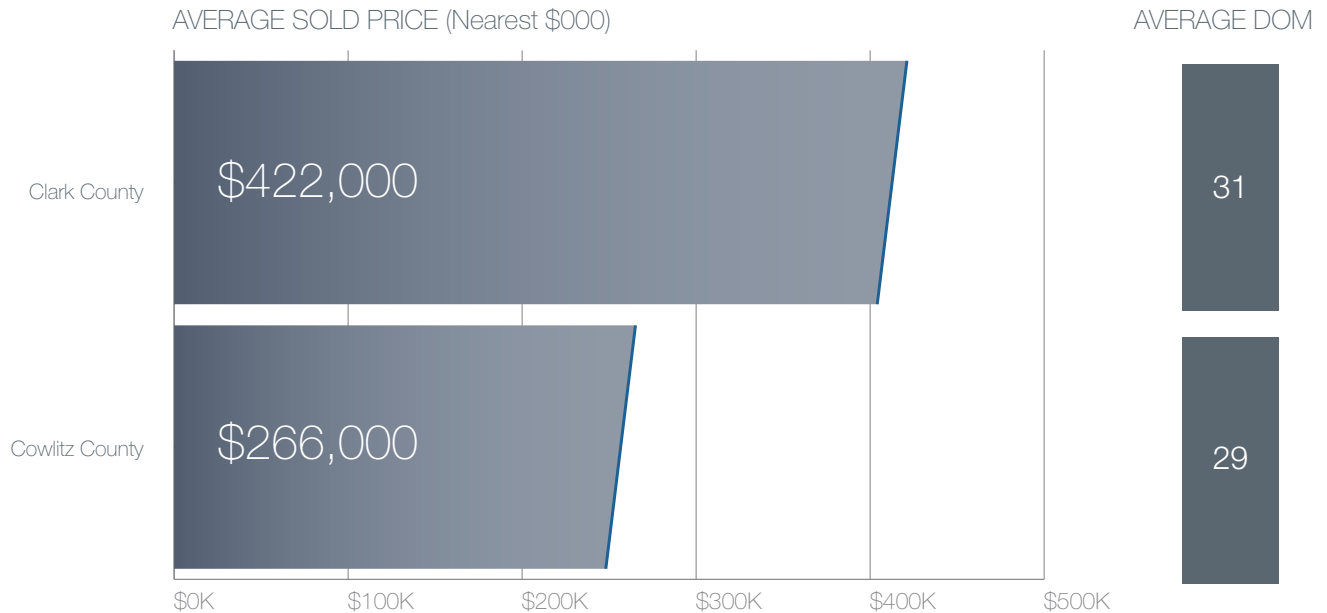
compared to last quarter. New listings on the market have also increased, which is good news for buyers. All this information tells us that buyers are being a bit pickier on the homes they buy, but they are still buying. The economy in Clark County is strong, unemployment is very low and we have people moving here in droves. This softening is a normal part of a market that is returning to normal.”





INVENTORY IN UNITS - 09/30/2018 % of change from 2017





INVENTORY IN UNITS - 06/30/2018 % of change from 2017



"I think Cowlitz county inventory will continue to creep upward as interest rates rise, thus limiting buying power. The area was growing because first-time buyers were moving here as it was affordable. While it

is still much more affordable than Clark County, limiting first time buyers will move inventory up slowly," said **Kevin Stonelake**, Principal Managing Broker for CB Bain of Longview.





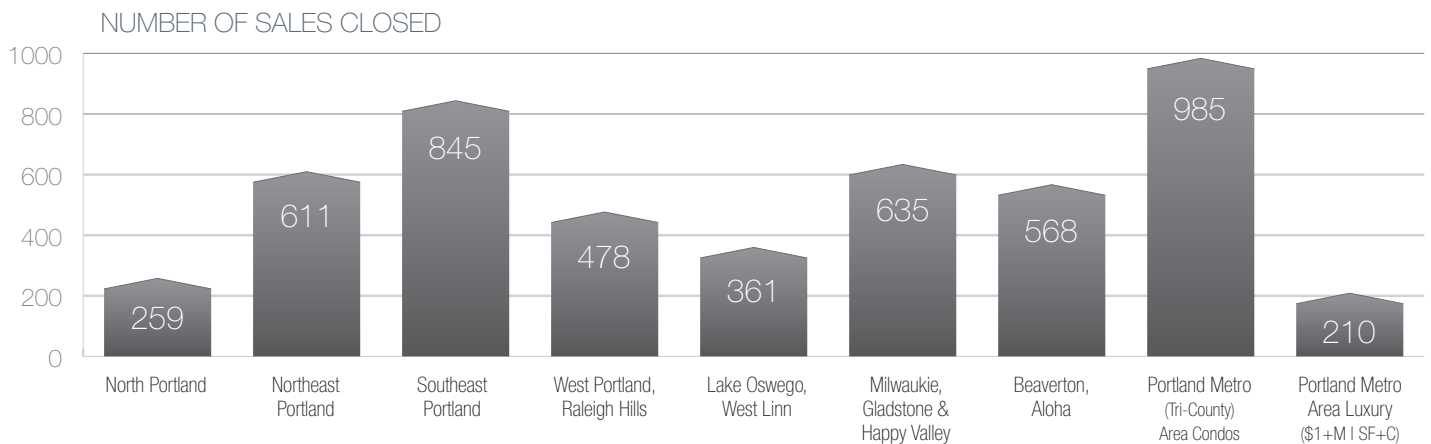
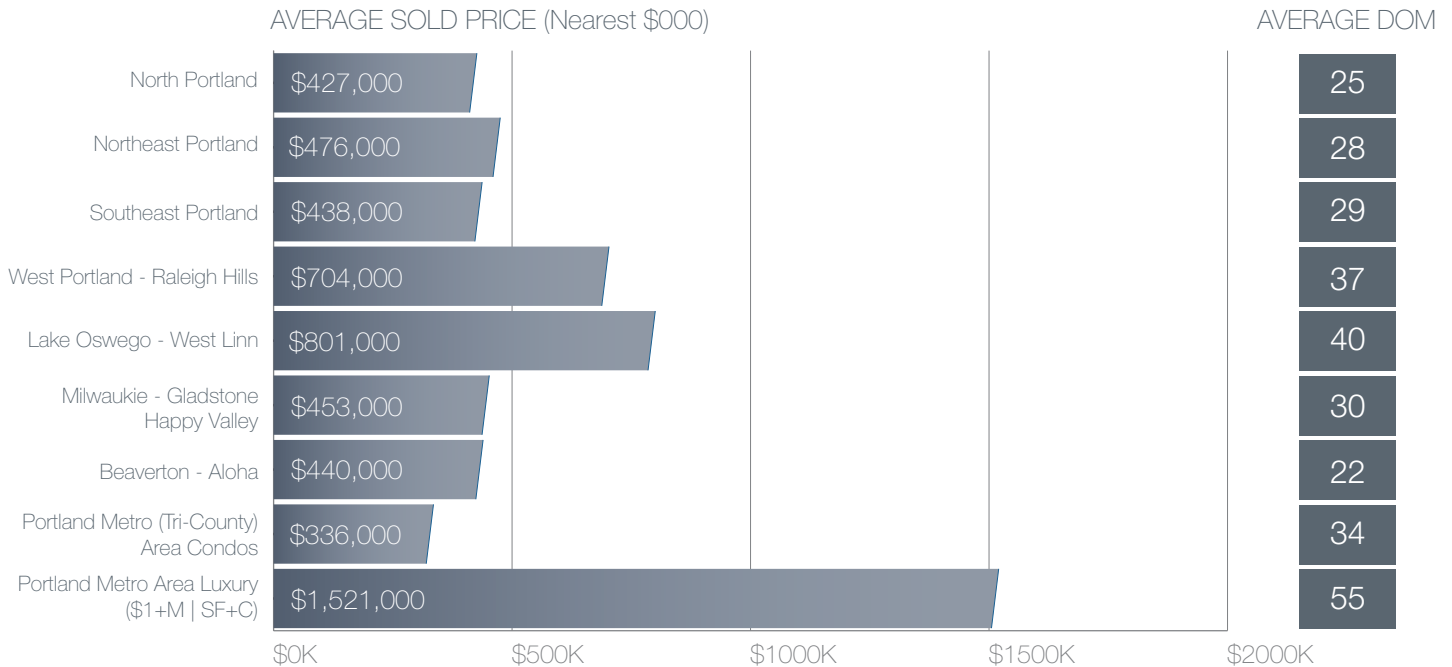
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Ward Spears, Coldwell Banker Bain's Oregon Regional Manager, said, "Over the last few months,

we're seeing a gradual shift from a strong seller's market to a more balanced market. In fact, the months of inventory according to RMLS is now 3.1 months, a level we haven't seen since January of 2015, but that is hardly cause for concern. There remains plenty of examples of multiple offers and quick sales, but in almost all instances these are homes that are well located and in good condition. Now that buyers are being a little more selective, much greater care needs to be placed in to preparing a home for sale. Home sellers should consult with an experienced agent they trust in order to prepare their home as economically as possible."

Beaverton - Aloha | Lake Oswego - West Linn | Milwaukie - Gladstone - Happy Valley | North Portland  
Northeast Portland | Southeast Portland | West Portland - Raleigh Hills

SINGLE FAMILY (SF), CONDO, & LUXURY



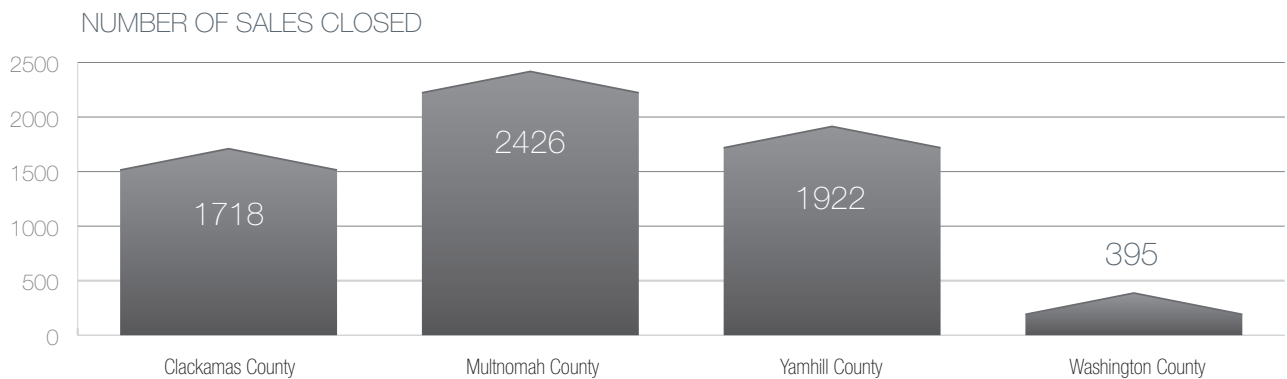
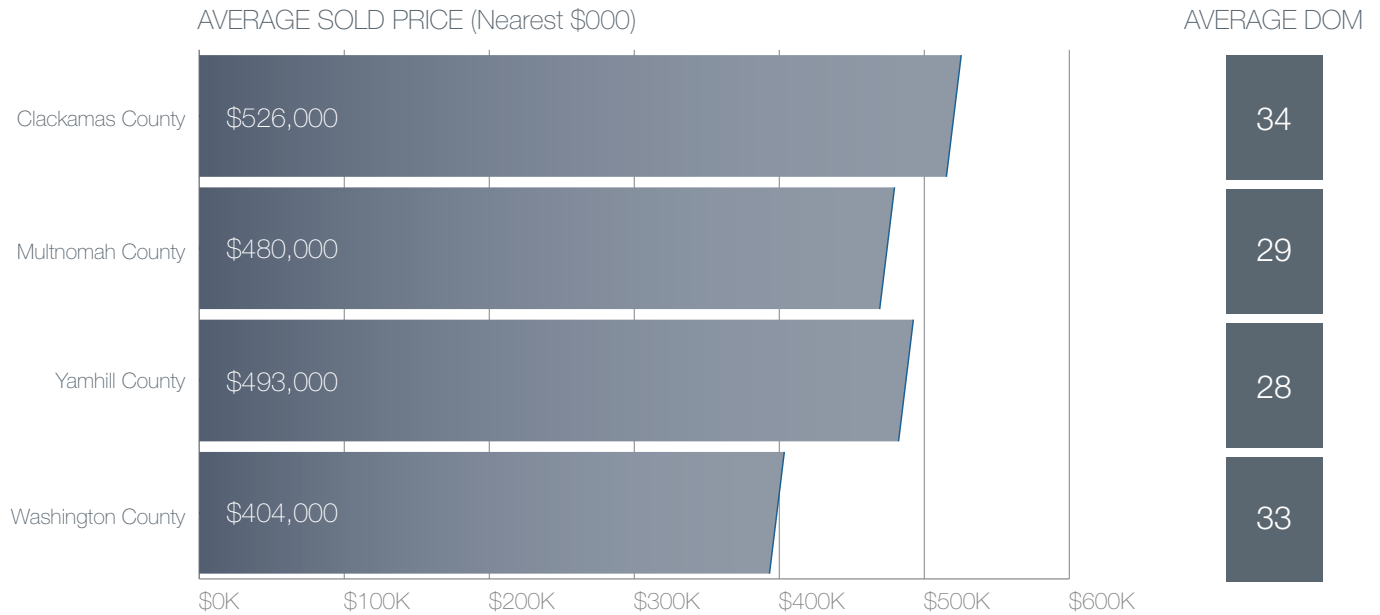
INVENTORY IN UNITS - 09/30/2018 % of change from 2017



**Ward Spears**, Principal Managing Broker of the CB Bain of Lake Oswego office, said, "While the real estate market in the communities that surround Lake Oswego remain friendly to well-prepared sellers, we have seen a little softening from the feverish pace of the

recent past. In part, this can be attributed to seasonality, historically home buyers who are concerned about closing before the school year begins prefer to not wait until the last minute to decide on a home and move in before the start of the school year."





INVENTORY IN UNITS - 09/30/2018 % of change from 2017







\*Information and statistics derived by CB Bain from the Northwest Multiple Listing Service (NWMLS) each quarter. Statistics not compiled or published by the NWMLS.