



FOR IMMEDIATE RELEASE

April 5, 2019

Housing market rebounds from February freeze

KIRKLAND, Washington (April 5, 2019) – Both pending sales and new listing activity around Western Washington surged during March as buyers, sellers, and brokers emerged from February’s record snowfall.

Brokers added 10,516 new listings of single family homes and condos to the Northwest Multiple Listing Service inventory last month, the highest monthly volume since August 2018. Compared to the same month a year ago, new listings across the 23 counties in the report were down slightly (79 fewer units).

MLS members also reported 10,261 pending sales during the same timeframe, the highest number of mutually accepted offers since July, and nearly matching the year-ago total of 10,311.

“After the housing adjustment in 2018, this year’s spring market is back to frenzied in the more affordable and mid-price ranges,” remarked J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. Noting March is the start of the prime-time selling season, he expects this year “will be no exception.” He also commented on improved affordability from last fall’s price adjustments in the close-in job centers of Seattle and the Eastside. “This improved affordability, along with lower interest rates and very strong job growth, all point us in the right direction for red-hot acceleration again this year,” Scott stated.

Year-over-year prices area-wide were up 3.5 percent, rising from \$401,761 to \$415,950, with most counties reporting gains. King County was an exception. Prices there were flat (down 0.4 percent), slipping from the year-ago median of \$625,000 to last month’s figure of \$622,500, but rising from February’s price of \$604,000.

Compared to February, prices rose 2.2 percent system-wide. The four-county Puget Sound region had larger month-to-month increases, led by Kitsap County, up 5.9 percent from February. Prices in Snohomish County jumped nearly 5.5 percent, while King County’s median prices rose more than 3 percent when comparing February to March.

Commenting on the uptick in new listings and new sales, broker Dean Rebhuhn pointed to lower mortgage interest rates and a growing selection of properties as drivers of activity. “Well-priced properties are selling. Buyers who are getting fully underwritten loan commitments are winning the prize – the home,” stated Rebhuhn, the owner of Village Homes and Properties in Woodinville.

At month end, there were 12,017 active listings of single family homes and condos in the Northwest MLS database. That represents an increase of more than 36 percent from a year ago when there were only 8,825 active listings. Inventory more than doubled in King County compared to a year ago, rising from 2,060 active listings to 4,263 at the end of March. Nine counties reported less inventory than 12 months ago.

Even with improving inventory, there is less than two months of supply overall and in seven counties, including Pierce (1.2 months), Snohomish (1.3 months), Kitsap (1.4 months) and King (nearly 1.9 months).

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“March signaled the beginning of the annual rise in King County residential listing inventory, and this year’s active listings are building on a higher base of listings than previous years,” observed John Deely, principal managing broker at Coldwell Banker Bain in Seattle. He also noted pending sales (10,261 during March) kept pace with new listings (10,516) to slow the buildup of inventory.

“Many buyers found the increased inventory meant more choices and less competition in many market areas,” said Deely, a member of the Northwest MLS board of directors. “In core Seattle markets, new listings that are competitively priced are seeing multiple and contingency-stripped offers,” he added.

OB Jacobi, president of Windermere Real Estate, described March as an “eventful month for real estate,” as the snow finally melted and interest rates dropped, “nudging buyers off the fence and back into the market. The result was a spike in pending sales between February and March (up more than 49 percent), and a pop in price growth in several counties, suggesting we are entering an active spring market.”

Another MLS director, Meredith Hansen, attributed the downturn in last month’s closed sales to inclement weather. Tight inventory makes spring an excellent time for sellers to put their homes on the market, she suggested. “Buyers have more selection, good interest rates, and a less frenzied market to make solid decisions. Overall, I’d say it’s a win-win for both sides,” remarked Hansen, the owner/designated broker at Keller Williams Greater Seattle.

Brokers from Kitsap and South Sound markets are reporting strong activity, with pending sales outgaining new listings, and heavy traffic at open houses.

“In Kitsap County, the buyers have arrived to the market faster than sellers,” reported Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott’s Poulsbo office. “Low interest rates are giving buyers a break in house payments, which allows them to buy a little more house. Buyers have received the message about the spring market, but sellers are still waiting in the wings,” he commented.

Broker Dick Beeson said the South Sound market is somewhat of an anomaly, as prices continue to rise despite growing inventory. “Multiple offers are less frequent in this market, and, unlike 6-to-12 months ago, sellers are now agreeing to do repairs and pay buyer’s closing costs,” according to Beeson, principal managing broker at RE/MAX Northwest Realtors in Gig Harbor. “Some type of negotiation is once again prevalent in almost every sale,” he added.

Beeson said in certain higher price ranges buyers and sellers have “almost equal footing.” He suggested it could become a buyer’s market in South Sound “when the Seattle/King County market flattens out even more and can provide homes at affordable prices so those who don’t work in high tech can afford them.”

“Areas outside of King County and along the I-5 corridor outperform as people continue to look for value outside the main urban centers,” observed James Young, director of the Washington Center for Real Estate Research at the University of Washington. He expects the spring price growth will be “solid” as long as demand remains.

“The market is highly interest rate sensitive, and this is reflected in current price trends in the region,” Young stated. “Given interest rates are now 70 basis points lower than their peak in November last year (and back down near historic lows), house prices could rise by 8.4 percent and people could keep the same mortgage repayments. This means someone who could have purchased a \$450,000 house six months ago can now purchase a house costing \$487,800 and keep the same monthly repayment, an 8.2 percent increase,” he explained.

Northwest MLS members report 6,750 completed transactions during March, a drop of about 8.3 percent from a year ago, and likely a result of February’s heavy snows that resulted in hazardous roads and kept many people housebound for several days.

“Although closed sales were down in March, we believe February’s snowy weather slowed the closing of pending transactions,” suggested Mike Grady, president and COO of Coldwell Banker Bain. “Most notably in determining the strength of our market is the ratio of new listings and pending sales, which were close, resulting in less than two months of inventory in many areas. We expect the market to continue these trends as we head into what is always the busiest time of the year.”

Scott also expects momentum to continue. “Looking ahead, more new listings are on the way, and the more affordable and mid-price ranges will see strong price appreciation this year – just not at last year’s extreme levels,” he commented.

Deely said one change from past markets is the trend of buyers who are unwilling to participate in properties with an offer review date. “This has the notable effect of fewer competing offers and an increase in properties going past their offer review date without a sale.”

Condo activity remains mostly unremarkable, although inventory is improving. Brokers added 1,487 new listings to the selection last month and reported 1,387 pending sales. Inventory at month end stood at 1,610 active listings, up more than 85 percent from a year ago. That still leaves months of supply below two months in many areas, including King (1.95 months of supply), Snohomish (1.1 months), Pierce (0.83 months), and Kitsap (1.67 months).

MLS members reported 932 closed sales of condominiums during March with a median price of \$367,150, about the same as the year-ago price of \$365,000. In King County, the median sales price for condos was \$434,000, a drop of almost 7 percent from twelve months ago.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of around 2,200 member offices includes more than 29,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

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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	4,153	4,263	3,657	2,290	\$751,693	\$622,500	1.86	0.83
Snohomish	1,623	1,435	1,680	1,107	\$513,249	\$479,995	1.30	0.67
Pierce	1,567	1,474	1,759	1,226	\$398,357	\$359,225	1.20	0.99
Kitsap	466	448	492	317	\$402,641	\$357,950	1.41	0.95
Mason	127	164	144	99	\$254,463	\$234,995	1.66	2.19
Skagit	242	351	213	136	\$429,316	\$363,950	2.58	1.92
Grays Harbor	169	303	141	107	\$226,138	\$195,000	2.83	3.50
Lewis	112	202	142	84	\$275,427	\$250,400	2.40	2.01
Cowlitz	128	169	147	134	\$277,566	\$272,250	1.26	1.40
Grant	116	212	99	63	\$210,066	\$210,500	3.37	2.66
Thurston	539	489	581	357	\$350,219	\$325,000	1.37	1.13
San Juan	37	161	23	15	\$617,087	\$577,000	10.73	8.33
Island	183	297	182	130	\$394,249	\$357,500	2.28	1.97
Kittitas	75	159	61	49	\$505,697	\$354,999	3.24	2.47
Jefferson	67	115	60	43	\$425,287	\$439,000	2.67	2.96
Okanogan	55	199	39	26	\$239,091	\$174,000	7.65	8.23
Whatcom	388	558	373	256	\$383,572	\$358,750	2.18	1.79
Clark	104	148	109	64	\$404,728	\$357,450	2.31	1.83
Pacific	52	188	65	32	\$203,605	\$195,000	5.88	5.29
Ferry	6	44	7	3	\$306,667	\$325,000	14.67	12.67
Clallam	103	225	90	66	\$307,135	\$279,500	3.41	1.70
Chelan	90	169	98	60	\$331,023	\$298,450	2.82	2.75
Douglas	58	78	50	35	\$334,334	\$321,000	2.23	2.40
Others	56	166	49	51	\$228,248	\$220,000	3.25	3.71
Total	10,516	12,017	10,261	6,750	\$520,998	\$415,950	1.78	1.20

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
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	6024	7592	7621	9188	9042	8514	8637	7441	7740	6094	4460
2018	5484	5725	7373	7565	8742	8052	7612	6893	6235	6367	5328	4037
2019	5472	4910	7588									

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