



FOR IMMEDIATE RELEASE

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

KIRKLAND, Washington (March 5, 2020) – “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.

“It’s still too early to tell if the broadening effects of the coronavirus will sideline buyers,” said Matthew Gardner, chief economist at Windermere Real Estate. “What we do know is that news of the virus led equity markets sharply lower and this caused mortgage rates to drop significantly. Therefore, the question is whether buyers will put their search on hold until the virus has abated, or if they will decide to move forward so they don’t miss out on near historic low mortgage rates,” he added.

David Maider, broker/owner at Windermere Real Estate/M2 in Everett, agreed with Gardner. “It remains to be seen if the coronavirus scare will have any impact at all on the local real estate market other than to lower interest rates,” he stated.

“While the news is full of COVID-19, the stock market correction, and an unexpected interest rate cut that didn’t impress Wall Street, the Puget Sound region’s real estate market continues to stand strong,” stated Mike Grady, president and COO at Coldwell Banker Bain in Bellevue. “Our agents aren’t yet seeing any impact on open house attendance due to the COVID-19 outbreak. We continue to be bullish on the Puget Sound economy and real estate market.”

“I haven’t noticed any decrease in open house activity or in sellers being reluctant to have buyers view their home,” reported NWMLS director Mike Larson, the designated broker at ALLEN Realtors in Lakewood.

“Short term, the coronavirus outbreak has resulted in investors turning to the bond market, which means lower interest rates and more buying power. Long-term, this virus could start to wear on overall consumer confidence, which is never good for real estate markets.”

“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%.

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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%.

Inventory remained tight. At month end, there were 7,655 active listings in the 23 counties included in the MLS report. That was a 32% drop from the year ago total of 11,275. All but two counties (San Juan and Douglas) reported declines. Thurston County had the largest year-over-year drop, at 45.7%, followed by Snohomish (down 42%) and King (down 40.7%).

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 had the distinction of having the sparsest inventory, with both areas 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.

"The spring market has arrived," exclaimed Dean Rebhuhn, owner at Village Homes and Properties in Woodinville. Multiple offers are normal in hot market areas, and many buyers are having pre-inspections before making offers to sellers, according to Rebhuhn. He said buyers are taking advantage of historically low interest rates and low down payment programs such as FHA with 3.5% down, zero down VA, and low down conventional mortgages.

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.

Deely described open house activity as "above average." More than 400 buyers previewed four listings in the past 10 days. A north King County property in the \$600,000 price range that was on the market for a week with an offer review on Tuesday had eight offers at \$100,000 over the asking price, according to Deely, a member of the Northwest MLS board of directors.

"Ultra-tight inventory is terrific news for sellers, but it creates challenges for buyers, especially move-up buyers who are selling and buying in the same market," said Larson. "Buyers who need to sell before they buy a different home are experiencing the very real dilemma of either being a contingent buyer, which no seller will even remotely consider, or of possibly being temporarily homeless if their home sells quickly and they can't find a replacement," he explained, adding, "Having a broker who can help navigate that terrain is super important."

Frank Wilson, branch managing broker at John L. Scott in Poulsbo, said buyers' pent-up demand continues to grow despite "turmoil in the marketplace, stocks riding a roller coaster, falling mortgage interest rates and shrinking inventory." He noted buyers in Kitsap County have little to choose from with YOY inventory being down about 30%. "At any given open house there is heavy traffic and most new listings that are correctly priced are receiving multiple offers," Wilson remarked.

Due to the housing shortage in Kitsap County, Wilson said some buyers are turning to alternatives, such as buying land and moving a mobile home onto it or purchasing land with the intent to build a home. "New construction cannot go up fast enough and unless it is already permitted, there would be two years' worth of studies and permitting before any nails are driven."

Grady reported similar demand in other areas. "Agents in our Kent Station office recently reported putting homes on the market and receiving multiple offers within three days," he reported. At a Bellevue listing, more than two dozen couples attended an open house this past weekend.

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.

“Skagit County continues to outperform, along with other areas immediately outside the Greater Seattle area,” noted James Young, director of the Washington Center for Real Estate Research. Prices in Skagit jumped nearly 27.8%. He also mentioned Kittitas, where prices surged 21.9%. “Price movements now are more like the spring season – it looks like the groundhog was right, spring came early!”

Young also described Kitsap and Thurston counties as outperformers in the Puget Sound region, noting prices rose 16.9% and 13.1% respectively. “This is consistent with recent activity in perimeter areas as homebuyers seek value,” he suggested.

Grady 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.

Nationally, an editor with realtor.com reported the U.S. housing market is already feeling the effects of what could soon be declared a pandemic. “The already sluggish luxury real estate market has depended in recent years on an injection of Chinese buyers,” wrote Clare Trapasso in her report on coronavirus fears and possible impacts on real estate. She found that fewer Chinese buyers who account for a “significant chunk” of luxury buyers are touring properties in the U.S., thanks in part to the temporary travel ban enacted to prevent the spread of the virus.

"China has been the most important source of foreign demand for real estate," says Lawrence Yun, chief economist at the National Association of Realtors®. Wealthy Chinese buyers often purchase luxury properties, such as high-rise condos, in California and New York. "The upper-end market can expect to be softer as a result."

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,300 member firm offices and 30,000 brokers across Washington state, NWMLS (www.nwmls.com) is the largest full-service MLS in the Northwest. While based in Kirkland, Washington, its service area spans 23 counties and it operates 20 local service centers.

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Next page: Summary statistics

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	2,969	2,221	2,895	1,891	\$744,141	\$615,000	1.17	2.09
Snohomish	1,165	797	1,465	859	\$530,188	\$494,263	0.93	1.63
Pierce	1,244	958	1,351	881	\$425,276	\$385,000	1.09	1.65
Kitsap	338	303	367	229	\$467,123	\$395,000	1.32	1.93
Mason	105	128	137	59	\$305,272	\$275,000	2.17	2.62
Skagit	180	259	194	110	\$440,408	\$405,000	2.35	2.76
Grays Harbor	114	267	136	83	\$223,024	\$200,000	3.22	3.59
Lewis	110	190	129	72	\$305,513	\$277,875	2.64	2.65
Cowlitz	108	135	143	103	\$284,084	\$274,000	1.31	2.90
Grant	96	181	92	59	\$216,352	\$200,000	3.07	3.25
Thurston	412	264	442	285	\$380,993	\$364,000	0.93	1.61
San Juan	28	174	19	15	\$587,827	\$401,000	11.60	11.31
Island	131	188	129	90	\$426,163	\$372,998	2.09	3.60
Kittitas	66	111	63	36	\$478,244	\$392,475	3.08	4.08
Jefferson	46	101	47	39	\$421,210	\$376,000	2.59	3.58
Okanogan	39	153	50	23	\$221,113	\$178,000	6.65	9.19
Whatcom	283	448	320	177	\$449,799	\$405,000	2.53	2.68
Clark	69	88	83	54	\$398,744	\$382,500	1.63	2.77
Pacific	41	135	47	25	\$248,776	\$185,000	5.40	5.94
Ferry	4	32	6	1	\$200,000	\$200,000	32.00	46.00
Clallam	68	140	83	51	\$337,110	\$290,000	2.75	3.72
Chelan	66	168	68	52	\$357,873	\$311,000	3.23	4.07
Douglas	60	85	51	38	\$358,301	\$358,450	2.24	2.57
Others	44	129	38	33	\$261,596	\$240,000	3.91	4.41
Total	7,786	7,655	8,355	5,265	\$541,943	\$445,000	1.45	2.19

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
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	8090	8597	8231	7773	7345	6896	6797	5788	4183
2020	5352	6078										