



Northwest MLS report for March shows initial disruptions from coronavirus pandemic

KIRKLAND, Washington (April 6, 2020) – Like many sectors of the economy, residential real estate is experiencing disruption and uncertainty just when the vigorous spring market was ramping up. Not surprisingly, the March activity report from Northwest Multiple Listing Service, which covers 23 counties across Washington state, was mixed as guidelines affecting how brokers conduct business evolved.

Housing activity around Western Washington in March showed the volume of new listings added during the month surpassed February's total, as did both pending and closed sales. Year-over-year prices increased. However, commenting on the latest report, Northwest MLS brokers emphasized the numbers do not yet reflect the impact the coronavirus pandemic is having on local real estate.

"We expect that all numbers will decline in April and May as a direct result of the governor's "Stay Home" order that became effective on March 26," stated Mike Grady, president and COO at Coldwell Banker Bain. He also expects April and May will be "bridge months" before the market returns to a "more normal" activity level, "assuming we all abide by Governor Jay Inslee's directives."

Windermere Chief Economist Matthew Gardner described the numbers for March as "essentially irrelevant given the fact that the economy went into freefall during the month." He also noted that for a period, real estate was not considered to be an essential service, which he said "suggests that April's numbers will also not be an accurate representation of the market."

"The local real estate market experienced a bit of turbulence in late March as the coronavirus crisis evolved," reported J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "Following statewide orders, the market virtually paused for a few days, but began picking up after real estate guidelines were adjusted to support social distancing," he remarked.

Note to editors: On March 17, in accordance with an emergency declaration by Gov. Inslee limiting the size of public gatherings, Northwest MLS announced it was temporarily disabling the public and broker open house features in the MLS system. Following modifications made on March 28, brokers were urged to restrict in-person engagements and advised that limited personal interactions to show properties when necessary were permitted by appointment only with no more than two people, including the broker. Additionally, those two persons must strictly follow CDC (Centers for Disease Control and Prevention) social distancing guidelines. NWMLS provides ongoing updates to its members that emphasize balancing housing needs with the industry's paramount concerns for the safety of the public and preventing the spread of the virus.

"As our real estate industry has adapted to the evolving waves rippling from the COVID-19 pandemic, the response from the agents in my office has been to go slow," stated NWMLS board chairman Robb Wasser, branch manager at Windermere Real Estate/East in Bellevue. "While we have been given the latitude necessary to help clients in pending transactions get to the finish line, the recent revision from the Governor's Office allowing agents to show homes has been met with significant caution and care within my office," he added.

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“The ability to transact business at all has been facilitated and allowed with tight restrictions and major concerns,” stated Dick Beeson, managing broker at RE/MAX Northwest Realtors in Gig Harbor. “Like Interstate 5, if there’s an accident ahead, you creep along as you pass by it. The market is not totally stopped, but around half the business is on hold. And we’re creeping along right now.”

Despite limitations, Northwest MLS brokers added 10,291 new listings to the database during March, outgaining February by 2,505 listings (up 31.2%) and nearly matching the year-ago number (10,516). At the end of March, there were 9,418 active listings in the NWMLS database, a drop of nearly 22% from twelve months ago, but a gain of 23% from February. Area-wide, there was 1.4 months of supply, but it ranged from less than a month in both Snohomish and Thurston counties to more than nine months in San Juan County.

“I am enthused by the strong number of new listings and new sales,” stated Dean Rebhuhn, owner at Village Homes and Properties in Woodinville. “With low interest rates and more technology jobs, residential housing inventory will remain low and demand high,” he added. He also noted a statement by an economist at a major bank who expects demand for single family homes will remain high “as buyers will not want to be jammed together.”

Pending sales (mutually accepted offers) slowed during March, dropping about 13.5% from a year ago. Brokers reported 8,880 pending sales during the month, which compares to 10,261 for the same month a year ago. Compared to February, pendings rose by 525 transactions.

“Many buyers and sellers’ real estate needs continued despite coronavirus concerns,” reported NWMLS director John Deely. He said pressure from the short supply of listings dropped off as the “Stay Home, Stay Healthy” order was implemented, but buyers who previewed and pre-inspected properties before the order made offers in a climate of less competition. “Buyers found an opportunity to insert more standard and normal conditions in their offers, reminiscent of a slower, balanced market,” stated Deely, principal managing broker at Coldwell Banker Bain in Seattle.

“Covid-19 has put a new wrinkle in the Northwest real estate food chain. That wrinkle has produced fewer pending sales and fewer homes coming on the market, and that means buyers are taking more time to make decisions in this new environment,” said Beeson. “It also means sellers, for the first time in a long time, don’t have instantaneous offers and must exercise patience, too.”

Contrary to some areas, activity in Kitsap County has been quite brisk, according to Frank Leach, broker/owner of RE/MAX Platinum Services in Silverdale. Brokers added 516 new listings during March for an increase of 10.7% from a year ago. Compared to February, new listing activity surged 52.7%. “Inventory has increased over the past few weeks,” reported Leach, a member of the NWMLS board of directors. With 1.3 months of supply, there’s a “very competitive market in all price ranges,” he added.

Leach is optimistic about how Kitsap County will fare as the COVID-19 crisis continues. “Kitsap’s unemployment rate remains relatively low with many businesses looking for employees. While we anticipate unemployment claims to spike, Kitsap will likely be on the lower end of the scale compared to most counties due to its diversity of jobs and the large government sector that works and resides here.”

Kitsap County’s number of closed sales fell 2.8% during March, one of 10 counties to report year-over-year drops. Within the Puget Sound region, only King County reported a gain; closed sales there were up about 7% from a year ago, with condo closings surging more than 20%. System-wide, closings were nearly even with a year ago (6,735 versus 6,750), a reflection of strong activity at the start of the year.

Median prices on last month’s completed transactions rose 10.3% from a year ago, increasing from \$415,950 to \$458,900. Only two counties (San Juan and Ferry) reported year-over-year price drops.

Northwest MLS representatives were generally upbeat about the adjustments being made and the prospects for recovering as brokers navigate through the crisis, although one broker noted the high-end market has been affected in a negative way.

“Some lenders pulled back from the market and more so in the upper end price range jumbo market,” Deely reported. “One lender pulled funding on fully approved jumbo loans only days from closing, leaving buyers unable to perform,” he explained, adding, “The luxury market has had a distinct drop in showing traffic as compared to other price ranges.” He also said the use of virtual showings and web site viewings “are experiencing record traffic as potential buyers utilize today’s advanced, remote viewing tools.”

“The good news is that it’s a great time now for both buyers and sellers,” said Grady. “Buyers have access to extremely low interest rates and those sellers in the market are motivated,” he explained. “For sellers, the continued low inventory and expected slowing of new listings over the next few weeks means their homes can be seen now like never before.”

Lennox Scott agreed. “With social distancing guidelines in place, buyers and sellers can take advantage of historically low interest rates in the mid-threes. With inventory shortages in many price ranges, the focus remains on each new listing. Though our business practices have adjusted, we’re seeing sales activity starting to pick back up.”

“The Puget Sound was in a strong position when COVID-19 hit and will be set to flourish again once this situation has passed,” suggested Gardner, adding, “Mortgage rates have been making some unusual moves over the past few weeks and are highly likely to retest historic lows in the next few months.”

“Real estate professionals across all markets have stepped to the plate providing resources to their clients and the public at large in a time when there is so much noise and misinformation,” noted Leach.

Veteran broker Gary O’Leyar said he has not seen anything comparable to what is currently taking place during his 45 years in real estate, but he noted there is a historical precedent. “During the Great Depression, real estate values only fluctuated by about 7% while the stock market crashed,” stated O’Leyar, the designated broker/owner at Berkshire Hathaway HomeServices Signature Properties.

“The Stay Home, Stay Healthy order truly underscores some of the most positive, basic core values and benefits of our region’s real estate,” O’Leyar believes. “Homemade”, “Home Sweet Home”, “Home is Where the Heart Is” and “There’s No Place Like Home” are just a few visceral perks as well, he suggested. “Although the stock market has certainly created and affected great wealth, real estate investment provides tangible value with shelter, comfort and places to conduct our business enterprises. The inherent benefits and qualities of real estate ensure long range value and provide tangible proof of its place in our economy as an alternative gold standard.”

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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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	3,787	2,813	3,031	2,450	\$776,296	\$645,000	1.15	1.86
Snohomish	1,542	1,060	1,421	1,083	\$544,307	\$509,130	0.98	1.30
Pierce	1,637	1,203	1,566	1,099	\$435,209	\$404,000	1.09	1.20
Kitsap	516	401	459	308	\$470,707	\$385,000	1.30	1.41
Mason	148	187	104	98	\$309,140	\$286,000	1.91	1.66
Skagit	201	279	199	141	\$446,571	\$381,500	1.98	2.58
Grays Harbor	152	290	155	109	\$216,673	\$215,000	2.66	2.83
Lewis	147	220	138	98	\$277,740	\$271,500	2.24	2.40
Cowlitz	119	135	130	112	\$301,514	\$298,000	1.21	1.26
Grant	130	215	93	75	\$237,783	\$218,000	2.87	3.37
Thurston	526	350	507	368	\$371,923	\$350,500	0.95	1.37
San Juan	44	185	32	20	\$888,800	\$495,500	9.25	10.73
Island	171	211	151	96	\$461,858	\$395,000	2.20	2.28
Kittitas	106	142	64	55	\$462,350	\$359,900	2.58	3.24
Jefferson	66	120	43	41	\$453,879	\$448,000	2.93	2.67
Okanogan	65	169	46	36	\$216,915	\$175,077	4.69	7.65
Whatcom	419	549	315	245	\$434,341	\$407,500	2.24	2.18
Clark	112	125	93	60	\$426,267	\$389,875	2.08	2.31
Pacific	51	147	56	29	\$243,057	\$229,000	5.07	5.88
Ferry	9	34	3	6	\$184,900	\$144,250	5.67	14.67
Clallam	120	164	107	67	\$382,351	\$349,900	2.45	3.41
Chelan	114	185	79	64	\$470,564	\$376,500	2.89	2.82
Douglas	63	103	46	38	\$433,529	\$355,000	2.71	2.23
Others	46	131	42	37	\$248,523	\$245,000	3.54	3.25
Total	10,291	9,418	8,880	6,735	\$561,657	\$458,900	1.40	1.78

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	6477									

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