



Opportunities abound for home buyers and sellers, but brokers say “don’t delay”

KIRKLAND, Washington (August 6, 2020) – Brokers added the largest monthly number of new listings during July since May 2019, but pent-up demand from homebuyers meant inventory remained tight, according to Northwest Multiple Listing Service (NWMLS) representatives who commented on the latest housing activity report.

The Northwest MLS report for July, which covers 23 counties in Washington state, shows brokers added 12,514 new listings during July, up from the year-ago total of 11,193 for a gain of 11.8%. Pending sales jumped nearly 14%, while inventory remained well below year-ago levels (down about 39%). Measured by months of inventory, the system-wide supply slipped to about a month (1.04 months).

MLS member-brokers reported 9,840 closed sales during July, up slightly more than 3% from a year ago and the highest volume since June 2018 when they notched 10,072 completed transactions. Overall prices on those sales, which include single family homes and condominiums, jumped 12.8% from twelve months ago, rising from \$429,900 to \$484,995. Prices on single family homes (excluding condos) surged 13.6% (to \$499,950), while year-over-year (YOY) condo prices rose about 8.6% (to \$380,000).

“Opportunities abound for both buyers and sellers if they’re willing to act quickly,” said Mike Grady, president and COO of Coldwell Banker Bain in Bellevue. Interest rates at historical lows means those who are looking to purchase their first or even their second home can get much more for their money, he explained. He mentioned a broker in their Kirkland office reported her first-time homebuyer client obtained a 30-year, fixed-rate FHA secured loan “at an incredible rate of 2.25%!”

Conversely, Grady acknowledged, depleted inventory means “We are seeing multiple offers in just about every market and at every price point.” He estimates there is only about 24 days of inventory in the major population centers in King, Kitsap, Pierce, and Snohomish counties.

“We’ve seen an uptick in the number of listings in King and Snohomish counties, but it’s still well below what we need to meet the volume of buyers right now,” emphasized Matthew Gardner, chief economist at Windermere Real Estate.

NWMLS director John Deely characterized the market as being in “high gear” during July, with pent-up demand and the need for housing outweighing fears of the coronavirus. “Although new listings of single family homes in King County jumped more than 24% from a year ago, the total available inventory dropped to a 10-year low for the month,” he remarked. “Single family listings priced at or below market are receiving multiple offers with one recent Seattle listing attracting 40 offers,” reported Deely, the principal managing broker at Coldwell Bank Bain in Seattle.

“I see a lot of people who I think would otherwise be content to stay in their homes now rushing to get their homes on the market. Likewise, for buyers – particularly first-timers. It’s the fear of missing out,” stated Mike Larson, president/designated broker at ALLEN Realtors and a director at NWMLS.

-more-

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, noted that last month's pending sales in King, Snohomish, Pierce and Kitsap Counties were the best-ever for the month of July. "Sellers benefit from the highest median home prices, while buyers are taking advantage of the lowest interest rates on record. The combination of the huge backlog of home buyers and being virtually sold out of inventory makes it feel like it's a multiple-offer everything," he exclaimed, saying, "This is a historic moment in residential real estate."

An unprecedented eight counties in the NWMLS report had less than one month's supply of homes and condominiums for sale at the end of July. They included Clark, Cowlitz, Island, Kitsap, Mason, Pierce, Snohomish, and Thurston.

"Kitsap County continues to be attractive to East Puget Sound buyers as well as stay-at-home professionals," said Frank Leach, broker/owner at RE/MAX Platinum Services in Silverdale. Residents are now enjoying the speedy open-access fiber-optic connections that Kitsap PUD started installing years ago, initially to serve rural areas that lacked broadband access, according to Leach. "High speed internet access has become a definite selling point for many homes and building sites," stated Leach, who also serves as a director at NWMLS.

Leach noted July's 527 pending sales of single family homes in Kitsap County outgained new listings (508), contributing to a 37% YOY deficit in active listings (382 last month versus 606 a year ago). "As market demand continues, the median value jumped 11.7% from a year ago." MLS figures show the median price on that county's single family home sales rose from \$383,500 to \$428,193. "Buyers are frustrated with the low inventory but elated to see interest rates continuing to drop. We are seeing offers coming in well over the list price, but this may not last long as inventory continues to inch up."

"Suburban lifestyle continues to draw buyers," agreed Dean Rebhuhn, owner at Village Homes and Properties in Woodinville. "July sales suggest homes may be underpriced. With record low interest rates under 3%, buyers have increased purchasing power, but with low inventory prices continue to increase," he observed.

Economist Gardner suggested the double-digit home price growth in Pierce County "might point to the theory that there's a COVID-induced flight from more urban markets," adding, "This also supports my forecast that home prices in Pierce County in 2020 will rise a significant 10.6% compared to 2019."

Grady suggested the median price increases of around 20% or more in counties outside of the metro job centers, including Cowlitz, Grays Harbor, Lewis, and Okanogan "show that remote work practices are having an effect, and people can now move to more rural areas and work from home."

James Young, director at the Washington Center for Real Estate Research, also commented on increased activity in areas outside of King County. "Outer areas continue to outperform. There not only appears to be a continued move to value in areas outside the Seattle region, there also appears to be a move outside the main cities."

"Everyone is buying now," Young remarked. "With the virus and increased home working, people are able to move to suburbs and outer areas in search of value and lower population density," he added, pointing to dwindling supply in several outlying areas. "Demand will continue to far outstrip supply for a quite a while," he predicts, adding, "When you can work from home, why pay a premium to be close to the office?"

Median prices area-wide rose 12.8% from a year ago, with only two counties (Jefferson and Pacific) reporting small declines. Fourteen of the 23 counties in the report had double-digit price increases.

Gardner predicts 2020 home prices will rise by 5.4% in King County and 5.8% in Snohomish County compared to 2019 due to the continued shortage of homes for sale and market demand.

King County continues to have the highest median price for homes and condos at \$670,000 (up 7.2% from a year ago), but a look at that county's 29 map areas covered in the report shows price changes ranging from an increase of 21.6% in North Seattle to a 17.4% decrease in the Bellevue area west of I-405.

Commenting on prices, Deely said properties with aggressive (over-market) pricing "are sitting idle as the current pool of savvy buyers waits for price reductions or for properly priced, new listings."

"July was great month," Grady concluded. "The trend we're seeing foretells stronger results going forward for the next three months, especially in the context of the slowdown we experienced in April and May."

Scott agreed but expects robust activity to continue for a longer period. "We anticipate the market will remain this way until at least April 2021. At that time, we believe normal seasonal patterns will emerge."

Leach reported builders are frustrated at not having the inventory to meet current demand and "tradespeople are strained to meet the construction needs." He also noted more and more buyers are making buying decisions based on virtual tours and cautioned buyers, "If you see something that piques your interest, don't delay!"

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.

###

Next page: statistical charts

For more news, visit nwmls.com and select "News & Information," (includes latest press release, statistics and *Northwest REporter*), plus the online NWMLS Media Kit.

-more-

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	4,680	3,877	4,277	3,420	\$807,178	\$670,000	1.13	1.75
Snohomish	1,817	1,095	1,930	1,504	\$580,727	\$546,450	0.73	1.57
Pierce	1,977	1,287	2,053	1,527	\$467,210	\$420,000	0.84	1.32
Kitsap	540	415	557	497	\$540,520	\$425,000	0.84	1.36
Mason	183	149	192	166	\$371,509	\$330,000	0.90	1.69
Skagit	266	255	296	215	\$470,852	\$415,000	1.19	2.02
Grays Harbor	195	232	261	147	\$285,948	\$264,900	1.58	3.13
Lewis	171	175	208	139	\$330,069	\$321,000	1.26	2.30
Cowlitz	169	132	184	137	\$336,557	\$317,500	0.96	2.14
Grant	172	170	176	127	\$283,126	\$262,364	1.34	2.03
Thurston	667	345	674	577	\$415,451	\$380,000	0.60	0.98
San Juan	55	166	66	46	\$788,199	\$639,625	3.61	10.08
Island	209	162	244	183	\$501,248	\$421,000	0.89	2.06
Kittitas	139	155	125	111	\$506,266	\$396,450	1.40	2.44
Jefferson	82	121	80	63	\$448,182	\$420,000	1.92	2.25
Okanogan	78	148	85	55	\$310,777	\$300,000	2.69	5.68
Whatcom	473	575	533	376	\$466,854	\$422,500	1.53	1.95
Clark	114	115	125	118	\$428,563	\$387,500	0.97	2.07
Pacific	90	134	100	73	\$264,032	\$205,000	1.84	3.19
Ferry	10	32	10	7	\$194,286	\$155,000	4.57	7.71
Clallam	122	158	139	107	\$365,512	\$334,500	1.48	2.69
Chelan	148	156	182	133	\$510,334	\$425,000	1.17	3.89
Douglas	80	73	97	66	\$427,633	\$380,900	1.11	2.05
Others	77	132	88	46	\$324,307	\$276,000	2.87	4.51
Total	12,514	10,259	12,682	9,840	\$590,956	\$484,995	1.04	1.76

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	5066	7297	8335	8817					

###