



**Northwest MLS brokers report robust activity  
amid low interest rates, tight inventory, changing lifestyles**

KIRKLAND, Washington (July 6, 2020) – Historically low interest rates and lifestyle changes are fueling housing activity around Washington state, according to Dean Rebhuhn, president of Village Homes and Properties in Woodinville. Commenting on just-released June statistics from Northwest Multiple Listing Service, he and other brokers say multiple offers are common “especially in the median price range.”

Brokers in the 23 counties that are part of Northwest MLS point to a shortage of homes as a key factor in the bidding wars. At the end of June, there was only 1.16 months of supply system-wide, which is the second lowest level in the past decade. (The lowest mark, at 1.12 months, was in December 2017.)

Not surprisingly, the supply/demand imbalance is causing prices to ratchet up. Median prices for last month’s 8,312 closed sales of single family homes and condos increased nearly 5.7% compared to a year ago, rising from \$440,000 to \$465,000. A comparison to May shows an increase of more than 3.3%.

In the four-county central Puget Sound area, year-over-year prices rose even more. Of these counties, King County had the smallest increase at nearly 5.9% (rising from \$637,675 to \$675,000). Pierce County prices jumped nearly 8.2%, from \$372,500 to \$403,000. Prices were up nearly 6.7% in Snohomish County and more than 7.7% in Kitsap County.

“Multiple offers are back with a vengeance as buyers are handicapped by having only about half the inventory of a year ago,” noted Dick Beeson, managing broker at RE/MAX Northwest in Tacoma-Gig Harbor. “The refrain, ‘Sorry to tell you, but the seller has accepted another offer,’ is heard with regularity,” he stated, adding, “If a buyer finds a home they like, it’s likely 20 other people will be vying for it, and the battle is on.”

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, noticed a major increase in sales activity intensity, which measures the percentage of homes that sell within the first 30 days of going on the market. “It’s almost as if the cupboards were bare in the more affordable to mid-price ranges where the majority of sales take place,” he remarked.

“What a difference a month makes,” exclaimed Matthew Gardner, chief economist at Windermere Real Estate. “What is abundantly clear is that the COVID-19 induced slowing in housing activity that we saw in May was not enough to freeze the Seattle housing market for very long,” he added.

Gardner described the month-over-month gains in pending sales, closed sales, and prices as “very significant” and indicators of a housing market that is “very robust.”

The new report from Northwest MLS shows last month’s volume of pending sales surged 15% from May (increasing from 10,389 to 11,916); closed sales jumped more than 39% (from 5,957 to 8,312), and month-over-month prices rose more than 3.3% (from \$449,850 to \$465,000).

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Year-over-year comparisons show pending sales increased nearly 3%, closed sales dropped about 12.3% and prices increased 5.7%.

James Young, director of the Washington Center for Real Estate Research, noted the shortage of inventory is resulting in higher prices and rising demand “in places that are more rural and popular with older people trading down.” He named Jefferson County (Port Townsend), Kittitas County (Suncadia), and Chelan County (Wenatchee and Chelan) as examples. NWMLS figures show all three areas had some of the steepest price gains coupled with rapidly shrinking supply.

“Extraordinarily low month’s supply indicates that prices may have more room to move in areas popular with people trading down or seeking more space but still close to Seattle,” suggested Young. “Mason County and Thurston County come to mind, but interestingly, several Central Washington counties had strong year-over-year price growth including Kittitas (30%), Chelan (22%) and Grant (9.4%).”

Young also noted the pre-pandemic migration patterns to outer suburbs or more rural areas appear to have accelerated now that lockdowns have eased.

Some MLS representatives who commented on June’s numbers were encouraged by listing activity. NWMLS members added 10,709 new listings last month, lagging a year ago when brokers added 11,977 new listings, but improving on May’s total by 838 listings (up 3.5%).

“In many areas we are seeing new listings making a comeback, which is a welcomed sight for buyers encountering stiff competition,” stated Scott. “As the economy continues to open up at a steady pace, we anticipate more sellers will choose to list their homes,” he added.

Gardner called the number of homes for sale “perilously low,” but said, “The month-over-month jump in new listings was encouraging but it did not help overall inventory levels as they all sold too quickly!”

The MLS report shows pending sales totaled 11,916 to outgain the 10,709 new listings. At month end, there were 9,670 active listings in the MLS database, well below a year ago when the selection included 16,680 homes and condos for a drop of 42%. June’s total also declined from May when there were 10,357 active listings.

“No wonder the number of closed sales is down – there’s hardly anything to buy,” proclaimed Beeson.

Mike Grady, president and COO of Coldwell Banker Bain, said agents are reporting a lot of interest in outlying areas such as Bellingham, Bainbridge Island, Eastern Washington, Bend, Oregon and other destinations with recreational amenities that appeal to buyers who are able to work from home or take early retirement. As inventory diminishes in those areas, Grady is hoping this trend may open up additional inventory in the Puget Sound region.

Grady also commented on the industry’s increased use of technology during “stay-at-home” directives. “Virtual transactions are becoming more common,” he stated, citing the experience of a broker at their Issaquah office. She recently handled two transactions 100% virtually with the buyers purchasing their homes without ever personally stepping inside, according to Grady.

Rebhuhn also reported rising interest in moving to suburban neighborhoods and to Central and Eastern Washington. “The reasons are more space, lower prices, and lower taxes. They have found they can accomplish most of their work and business from home.”

“If we were not amid a pandemic and the restrictions on showings and public open houses, it seems like just another summer real estate market,” said Gary O’Leyar, designated broker/owner at Berkshire Hathaway HomeServices Signature Properties in Seattle. “We continue to see price appreciation over last year as well as the all too common shortages of inventory. Buyers are wisely taking advantage of record low interest rates. Potential sellers might take note: If you have given any thought about selling, this may well be a particularly good time to do so!”

In a recent report, *Housing Wire*, a news portal for mortgage and housing professionals, indicated last week’s average rate for a 30-year fixed mortgage, at 3.07%, was the lowest in a Freddie Mac data series that goes back to 1971. Its Housing Recovery Index shows Seattle is among markets showing the greatest recovery.

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](http://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

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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	4,107	3,471	4,025	2,783	\$817,186	\$675,000	1.25	1.77
Snohomish	1,544	1,093	1,848	1,344	\$557,075	\$521,544	0.81	1.49
Pierce	1,548	1,149	1,853	1,376	\$441,949	\$403,000	0.84	1.26
Kitsap	507	390	609	414	\$521,648	\$416,944	0.94	1.41
Mason	170	133	214	152	\$347,708	\$311,000	0.88	2.14
Skagit	209	258	263	215	\$448,592	\$402,680	1.20	2.13
Grays Harbor	187	245	232	130	\$250,361	\$235,000	1.88	3.19
Lewis	142	180	191	122	\$296,744	\$279,900	1.48	2.24
Cowlitz	156	120	185	111	\$300,321	\$280,000	1.08	1.92
Grant	140	173	159	104	\$275,877	\$247,375	1.66	2.67
Thurston	511	280	656	434	\$393,823	\$370,000	0.65	1.04
San Juan	45	176	63	31	\$901,771	\$612,500	5.68	9.30
Island	182	178	207	162	\$484,620	\$399,970	1.10	1.95
Kittitas	121	146	145	89	\$551,933	\$455,000	1.64	3.14
Jefferson	71	110	83	59	\$478,659	\$443,800	1.86	3.42
Okanogan	59	145	75	39	\$307,872	\$205,000	3.72	5.28
Whatcom	438	598	453	324	\$441,164	\$400,000	1.85	1.98
Clark	112	100	146	88	\$414,513	\$397,000	1.14	2.05
Pacific	71	117	86	50	\$274,392	\$237,500	2.34	4.06
Ferry	12	31	8	3	\$116,000	\$122,500	10.33	8.67
Clallam	117	162	109	80	\$381,299	\$350,000	2.03	3.11
Chelan	134	179	170	102	\$523,845	\$460,650	1.75	3.35
Douglas	59	89	83	55	\$384,303	\$350,000	1.62	1.91
Others	67	147	53	45	\$300,971	\$262,000	3.27	3.70
<b>Total</b>	<b>10,709</b>	<b>9,670</b>	<b>11,916</b>	<b>8,312</b>	<b>\$578,194</b>	<b>\$465,000</b>	<b>1.16</b>	<b>1.76</b>

**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						

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