



**Housing activity in Western Washington shows resiliency
as buyers, sellers and brokers adjust to COVID-19 restrictions**

KIRKLAND, Washington (June 5, 2020) – “The market has proved to be very resilient,” remarked Northwest Multiple Listing Service director Mike Larson upon reviewing the statistical report for May. “Buyers in Pierce County stepped on the gas last month after a brief, but significant, tap of the brakes in April,” added Larson, the president and designated broker at ALLEN Realtors in Lakewood.

Despite the economic downturn and disruptions stemming from the coronavirus pandemic, Northwest MLS member-brokers reported impressive improvement from April to May on some key indicators. The volume of new listings, including single family homes and condominiums, rose 29.2% and pending sales jumped more than 44% systemwide.

Not surprisingly, year-over-year comparisons showed sharp declines. The number of new listings fell nearly 33%, total active listings plummeted nearly 36%, pending sales declined 13.5%, and closed sales dropped about 35%. Prices remained in positive territory, rising about 2.3% from a year ago.

“The resiliency of the market is amazing,” remarked Dean Rebhuhn, owner of Village Homes and Properties in Woodinville. “I didn’t think I would miss open houses until they could not happen,” he said, referring to limitations on in-person interactions. “The pandemic may be causing buyers to move farther out, wanting to get some space and a useable yard.” Amenities such as parks and trails are also important in current homebuying decisions, he added.

Brokers and homebuyers alike seem to be adjusting to restrictions imposed on the real estate industry because of the coronavirus pandemic.

“The local real estate market is hot, but it looks different than it traditionally does,” remarked J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. “The constraint on available inventory makes it feel like we’re running out of homes to sell.”

Brokers added 9,871 new listings to the MLS database during May, which compares to 14,689 for the same period a year ago. At month-end the selection included 10,357 active listings; that volume was 5,766 fewer than the year ago total of 16,133.

Stated another way, at the end of May there was 1.74 months of supply across the 23 counties served by Northwest MLS. Inventory levels ranged from 1.1 months of supply in Thurston County to more than 8 months in San Juan County. Within the four-county Puget Sound region, supply ranged from 1.2 months in Pierce County to 1.74 months in King County.

Scott said buyers are “eagerly waiting for each home to come on the market with increased focus on homes in the more affordable and mid-price ranges.”

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“Anything under \$1 million is selling quickly, and most new listings coming to market are going pending in just a few days,” stated Mike Grady, president and COO at Coldwell Banker Bain. Multiple offers seem to be in play on homes in median price ranges. “We don’t think we’ll see a balancing of the market in the short term until more sellers decide to list their homes and until new construction accelerates to meet demand.” He noted activity was showing steady improvement in each passing week and month. “The stories I hear continue to be filled with improving outlooks and activity so we’re cautiously optimistic about what summer will bring.”

Larson agreed, saying “Multiple offers and waived inspections are common as we head into the prime selling season. Underwriting requirements have tightened a bit, but rates are still very low.”

Commenting on Gov. Jay Inslee’s “Stay Home, Stay Healthy” order in effect since March and the more recent “Safe Start Proclamation,” Northwest MLS director John Deely said the challenge was met with new processes and tools to help comply with social distancing and other protocols. “Brokers jumped in with both feet to produce and use a new live streamed open house feature released by the MLS in late April,” added Deely, the principal managing broker at Coldwell Banker Bain in Seattle. “Buyers could also use virtual tours to view homes, recorded virtual tours, videos, 3-D tours, drone photos and interactive floor plans,” he added.

Appointments to show properties under the limitations of a broker and one or two others (depending on the county where the property is located) “were booked solid from dawn to dusk in many areas,” according to Deely. “Multiple offers and a competitive environment prevailed through the month of May. We found many sellers accelerated their plans to sell upon hearing the forecast for an extended “stay home” order. Many buyers were impacted by layoffs or furlough and had to put their home purchase plans on hold for now.”

The NWMLS report shows 10,389 pending sales during May, improving on April’s total of 7,207 (up 44%), but down about 13.5% from the year-ago total of 12,006.

NWMLS director Frank Leach, broker/owner at RE/MAX Platinum Services in Silverdale, said sales are brisk in the \$350,000 and below range, and sales of \$1 million and up are gaining. “The tempo of the market seems to be very hot, with buyers trying to take advantage of lower interest rates, and both lenders and real estate agents scrambling to meet demand.”

Leach believes this is “likely one of the best markets we have ever seen both in interest rates and affordability. People who are betting there will be a bubble burst are going to miss the market.”

NWMLS members completed 5,957 transactions during May, a slight improvement from April’s total of 5,866. When compared to a year ago, however, the number of closed sales, at 9,153, marked a decline of about 35%.

The median price on last month’s closed sales was \$449,950 across the NWMLS coverage area. That compares to the year-ago figure of \$440,000 an increase of about 2.3%.

Five of the 23 counties in the report had year-over-year price drops: Ferry (-30%), King (-2.8%), Kittitas (-2.95%), Pacific (-12.8%), and San Juan (-17.8%). The biggest increases were in Okanogan County (30.3%) and Grays Harbor County (15.7%).

“I don’t think anyone should be surprised that home prices in King County took a ‘breather’ in May,” said Matthew Gardner, chief economist at Windermere Real Estate. “Clearly COVID-19 was the cause for this drop, but I’m confident this is a temporary situation that will be reversed as King County starts to reopen, and fresher inventory comes to market.” The robust increase in listings between April and May combined with pervasively low mortgage rates “tells me prices will resume their upward trend in the coming months,” he added.

Leach said when Kitsap County moved into Phase 2 of the governor’s reopening plan, the Kitsap Department of Community Development processed over 400 permits, which he believes “is just the tip of the iceberg as builders rush to meet consumer demand. Builders are now seeing folks who commuted to work looking to purchase homes with an extra den or office as they anticipate the “work from home” aspect is here to stay.”

Grady also commented on the slight price drop in King County, saying he believes it’s a reflection of reduced activity in the luxury home market (\$2+ million), which disproportionately impacts over price averages. “This may be a reflection of a ‘wait and see’ attitude or just the uncertain times we’re in.”

Northwest MLS statistics for King County show a correlation of declining sales in the luxury market and the impact of COVID-19:

\$2 M+	2020	2019	
King County	units	units	% change
Jan	28	33	-15.15%
Feb	54	40	35.00%
Mar	78	57	36.84%
Apr	50	81	-38.27%
May	38	101	-62.38%

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: 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	3,585	3,467	3,358	1,988	\$739,269	\$627,000	1.74	1.71
Snohomish	1,494	1,243	1,669	920	\$532,860	\$493,000	1.35	1.47
Pierce	1,508	1,266	1,771	1,049	\$431,805	\$391,125	1.21	1.36
Kitsap	502	437	499	289	\$477,667	\$395,600	1.51	1.46
Mason	144	157	171	88	\$315,013	\$281,500	1.78	2.04
Skagit	224	295	263	133	\$447,664	\$400,000	2.22	2.20
Grays Harbor	147	276	184	99	\$251,946	\$239,500	2.79	3.07
Lewis	118	197	164	98	\$295,699	\$266,500	2.01	2.07
Cowlitz	139	139	157	99	\$322,830	\$295,000	1.40	1.69
Grant	132	193	160	66	\$234,746	\$241,916	2.92	2.75
Thurston	493	372	570	339	\$386,754	\$365,000	1.10	1.26
San Juan	43	195	39	24	\$630,120	\$550,500	8.13	10.35
Island	180	184	212	122	\$481,522	\$405,000	1.51	2.29
Kittitas	118	167	99	62	\$445,037	\$359,000	2.69	2.72
Jefferson	65	123	69	29	\$384,091	\$418,650	4.24	2.13
Okanogan	58	162	60	31	\$214,587	\$215,000	5.23	6.56
Whatcom	338	606	378	212	\$464,128	\$408,250	2.86	1.84
Clark	119	113	118	77	\$396,830	\$375,000	1.47	1.91
Pacific	54	122	80	38	\$238,763	\$217,950	3.21	4.93
Ferry	7	29	10	4	\$183,125	\$127,500	7.25	5.30
Clallam	98	157	99	60	\$367,301	\$337,450	2.62	2.81
Chelan	159	215	135	69	\$451,026	\$395,000	3.12	2.90
Douglas	65	103	67	34	\$400,141	\$371,750	3.03	2.20
Others	81	139	57	27	\$306,320	\$299,900	5.15	3.56
Total	9,871	10,357	10,389	5,957	\$537,803	\$449,950	1.74	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							

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