

# APRIL MONTHLY TALKING POINTS

SEATTLE (based on Residential report):

- After remaining relatively flat thru the fall and winter, **median sold price** has gone up each month since the beginning of the year. Jan to Feb up 17% (\$790 to \$925), Feb to March up 5% (\$925 to \$970), March to April up 5% (\$970 to \$1,019).
- Percentage of **homes selling above list price** and the **amount above list price** has been rising each month this year – see below.
- **Months Supply of Inventory** is on the rise, increasing from .3 to .6. The 10 year average for months supply of inventory in April is .9

Seattle YTD 2022				
Residential Only				
	Jan	Feb	Mar	April
<b>Median Sold Price</b>	\$790,000	\$925,000	\$970,000	\$1,019,950
% change from last year	0%	16%	18%	17%
<b>Homes Sold above List</b>	35%	62%	71%	74%
<b>Amount Above List Price (Median)</b>	7%	13%	15%	16%
% of homes sold in 15 days or less	61%	86%	91%	92%
<b>Months of Inventory Available</b>	0.4	0.4	0.3	0.6

As April statistics represent a seller favored, price increasing real estate market, interest rates and prices increases have caused the monthly payment to go up 47% (\$1,745) year over year. (see table)

## COST OF WAITING A YEAR

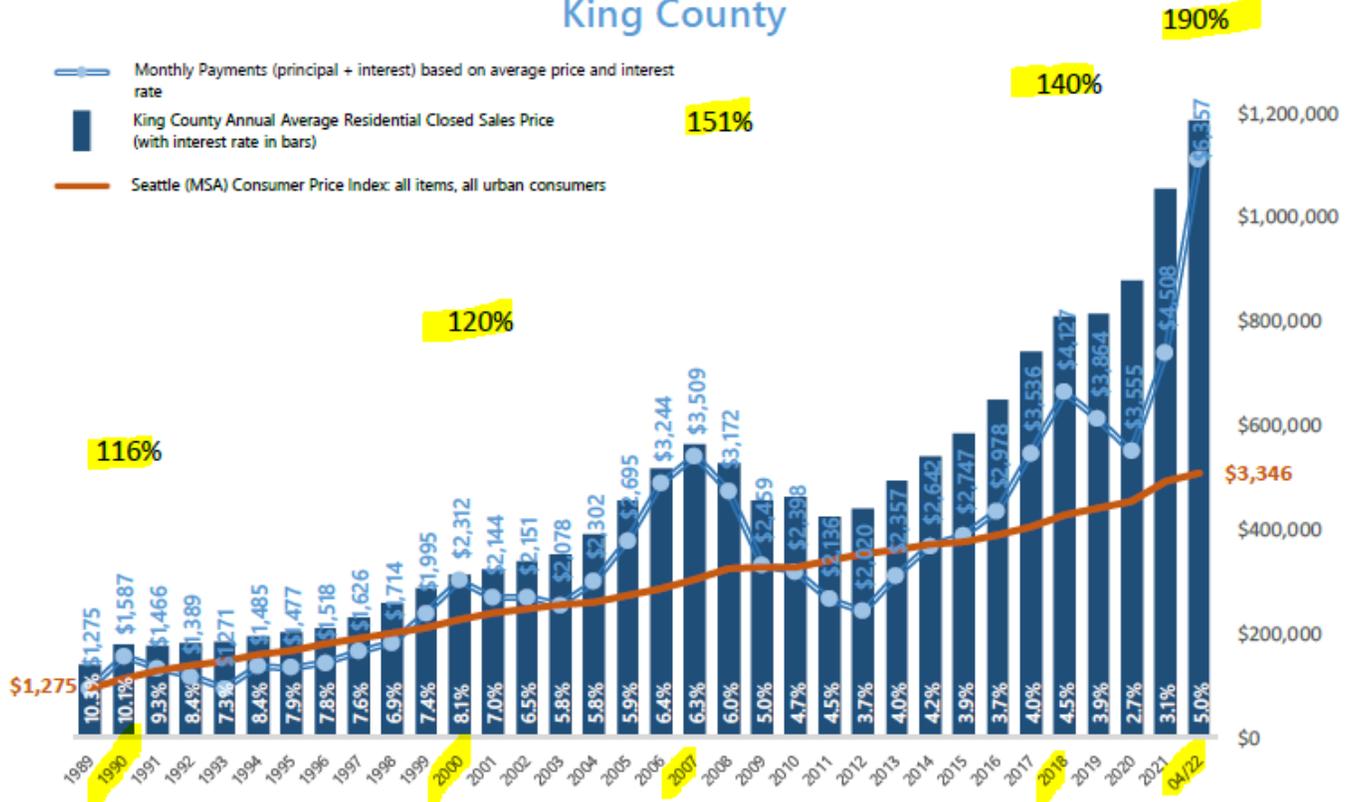
	<b>Median Price</b>	<b>Rate</b> 30-Year-Fixed	<b>P&amp;I</b> Principal & Interest
April, 2022	\$1,019,950	4.98%	\$5,463
April, 2021	\$875,000	3.06%	\$3,717
	<b>\$144,950</b>	<b>1.92%</b>	<b>\$1,745</b> Per Month
			<b>\$20,945</b> Per Year

***Increased monthly payments and affordability (below) will be important factors to watch. Note that the Eastside is starting to show some signs of changes in their market (see Eastside Talking Points).***

The affordability table for King County on page 4 also indicates that the market could be at a peak. Median closed sales price appreciation in two years, from April 2020 to April 2022 has risen 84% or \$785,505 from \$936,995 to \$1,722,500. Interest rates during that same time have increased 50% from 3.31% to 4.98%.

# Monthly Payments Compared to Inflation Trendline

## King County



Weekly indicators can be helpful to watch for signs of changes in the market, the weekly active inventory, pending sales and months supply of inventory.

<https://www.windermerestats.com/index.php/weekly/>

Weekly pending sales have been consistent over the seven-week period. Sales were low the week ended 4/20/22 because of Bellevue and Seattle spring break.

Inventory has increased by 81 homes from 285 on 3/23/22 to 366 on 5/4/22.

### Residential Summary Page

	3/23/2022			3/30/2022			4/6/2022			4/13/2022			4/20/2022			4/27/2022			5/4/2022			7 Week Averages		
	Active	Pend	Months	Active	Pend	Months	Active	Pend	Months	Active	Pend	Months	Active	Pend	Months	Active	Pend	Months	Active	Pend	Months	Active	Pend	Months
500-600	253	191	0.3	233	173	0.3	307	163	0.4	284	187	0.4	408	147	0.6	477	208	0.5	474	198	0.6	348	181	0.4
Seattle	285	189	0.3	241	190	0.3	318	198	0.4	276	193	0.3	353	162	0.5	389	206	0.4	366	224	0.4	318	195	0.4
King	910	622	0.3	823	609	0.3	1,011	614	0.4	905	618	0.3	1,234	520	0.5	1,408	674	0.5	1,393	683	0.5	1,098	620	0.4

If the market is changing, why would a buyer buy?

- Predicting the future market is impossible....ask Wall Street.
- Market timing is difficult to impossible.
- As with any market, Buyers should:
  1. Like the location
  2. Plan on living there for at least 6 years
  3. Be able to afford the payment
- If the above three conditions are true, history supports time will take care of any market adjustments.
- It is a home first and a financial investment 2<sup>nd</sup>.
- You may actually become a Buyer instead of just making offers
- Buyers can be more selective, especially now, with the historically best three listing months (May, June and July) in front of us.
- Buyers may be able to include inspection, financing, and appraisal contingencies.

What does a changing market mean to sellers and listing brokers?

- Sellers may only get list price or less.
  - There may be more risk today to list for 20% less than value expecting an auction with multiple buyers increasing the sales price to record levels.
    - Look at your last multiple offers and remove the highest offer. What happened to the sales price? It depends on the strength of the third highest offer which will generally will set the sales price per the highest offers escalation terms.
- List price? Price low and expect multiple offers or price near value and expect fewer offers.
- Review date or not?
- Seller procured inspections available on transaction desk or upon request?
- Buyers may still see the list price as a starting place. Listing brokers may need to call encourage offers.

The best market information is from shared experiences.

Republishing from February 2022 Seattle Talking Points:

Predicting the market is difficult. The last correction was in 2018. In three years from June 2015 to June 2018 prices had risen \$237,500 or 41% from \$575,000 to \$812,500. During the same time, interest rates had increased from 3.98% to 4.57%.

Prices dropped 10% from \$830,000 (May 2018) to \$750,000 (Oct 2018) and took 22 months (October 2018 to Aug 2020) to get back to \$825,000.

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MTD % Change	YTD Summary	TT	YTD % Change
2020	Median Closed Price	719,950	730,500	790,000	815,000	765,000	800,000	805,000	825,000	820,000	800,000	820,000	799,950	0%	725,263	WA	1%
2019	Median Closed Price	711,500	730,000	752,500	754,000	784,925	781,000	755,000	760,000	750,000	775,000	735,000	727,000	-6%	720,869	WA	-6%
2018	Median Closed Price	757,000	777,000	819,500	819,000	830,000	812,500	805,000	760,000	775,000	750,000	760,000	739,000	14%	767,130	WA	16%