



FOR IMMEDIATE RELEASE

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Home buyers in Western Washington “hit the ground running” in January

KIRKLAND, Washington (February 6, 2020) – “All indicators point to a vigorous spring market,” suggested broker Dean Rebhuhn when reviewing just-released statistics from Northwest Multiple Listing Service. The report covering 23 counties shows pending sales outgained new listings, record-low inventory that’s down 33% from a year ago, and double-digit price increases.

Matthew Gardner, chief economist at Windermere Real Estate (the largest regional real estate company in the Western U.S.), noted home buyers did not take very much time off during the holidays. “They hit the ground running as soon as the new year kicked off.” (Windermere has 140 offices in the NWMLS market area.)

Rebhuhn, the owner of Village Homes and Properties in Woodinville, said new jobs, low interest rates, and lifestyle changes continue to drive the market. “Hot spot markets are experiencing multiple offers,” he reported.

Northwest MLS brokers added 6,517 new listings during January, a year-over-year decline of more than 8%. Pending sales (mutually accepted offers) topped new listing activity by 871 units. Brokers reported 7,388 pending sales last month, a 2.3% decline from the same month a year ago.

“So now we have a three month trend where we’re seeing pending transactions exceeding new listings added in all major counties in the Puget Sound region,” observed Mike Grady, president and COO of Coldwell Banker Bain. “Inventory continues to decline slowly to barely more than a month’s on hand. Our brokers are reporting it ‘feels like 2017,’ with multiple offers returning and review dates (where sellers identify a date to review all offers) being added to the mix because of the number of offers they are receiving,” he added.

At the end of January, the MLS database totaled only 7,791 active listings of single family homes and condos, well-below the year-ago figure of 11,687 (down 33.3%). A check of records dating to 2005 shows the selection is at a new low level, shrinking below the previous low of 7,921 reported for February 2018. In fact, for the 15 year span from 2005-2019 (180 months), inventory has dipped below 10,000 listings during only eight of those months.

Measured by months of supply (the ratio of active listings to closed sales), there was 1.54 months of inventory system-wide at the end of January. The selection was even more meager around Puget Sound, ranging from 1.1 months in Pierce County to about 1.3 months in King County.

“The fever in the real estate market is over the lack of inventory and competition from high buyer demand, not the flu,” said NWMLS board member John Deely, principal managing broker at Coldwell Banker Bain. Looking at the report for single family homes in King County (excluding condos), he noted the number of active listings is down nearly 44% from a year ago, while closed sales rose more than 7.1%.

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“This positive indicator reflects a continued buyer demand and underpins the new year with buyers competing over the available inventory,” he stated.

“A telling sign of the 2020 market is the tremendous open house activity,” added Deely. As examples, he said one central Seattle open house priced in the \$1.2 million range drew more than 300 visitors this past weekend, and another listing in northeast Seattle attracted more than 140 groups. “As we move toward the seasonal build-up of inventory, this early high demand and robust consumer confidence should keep last year’s shift toward a buyer’s market in check,” he suggested.

Gardner agreed. “Inventory remains tight and, unfortunately, I don’t expect much to change even as we move into the spring months when we typically see a glut of homes come on the market.” He expects a very competitive housing market this year, with home prices rising at above-average rates.

Grady echoed Gardner’s expectations. “Year over year, we see double digit median price appreciation increases in Snohomish, Pierce and Kitsap counties, with King nudging back up toward 5% over this time last year. Unless something unexpected happens to affect the local job market, there’s no reason to think now that this trend will decline.”

J. Lennox Scott, chairman and CEO at John L. Scott Real Estate, said the surge of buyers at the start of the year is “more intense than usual.” That, paired with low interest rates and extremely positive job growth, translates to rising prices and “a piping-hot market.”

Scott said there is emphasis on each new listing as it comes on the market, with many homes receiving multiple offers, especially in the more affordable to mid-price ranges. He noted the luxury market is also feeling the pressure in Seattle and on the Eastside, with listings virtually sold out in the \$1 million to \$1.5 million range.

Northwest MLS members tallied 5,074 closed sales during January for a 4.3% increase from the year-ago total of 4,865. Median prices jumped 10.7% from a year ago. Last month’s sales of single family homes and condominiums area-wide had a median price of \$422,750. That compares to a price of \$381,900 for the same month a year ago.

King County, where January’s median selling price was \$589,950, reported one of the more modest year-over-year gains at 4.4%. Other counties around Puget Sound reported double-digit increases, ranging from 11.8% in Kitsap County to 15.3% in Mason County.

“January started out with a bang! What was most noticeable is that the Greater Seattle/King County real estate market rebounded quite quickly after the end of the 2019 holiday cycle,” reported industry veteran Gary O’Leyar, pointing to year-over-year drops in inventory in the Puget Sound area and employment statistics. “Fortunately, median prices for King County for January compared to a year ago were more moderate at 4.4%, but the significantly lower inventory resulted in multiple offers last month on many of our listings,” reported O’Leyar, the broker/owner at Berkshire Hathaway HomeServices Signature Properties in Seattle.

Brokers in Kitsap, Pierce and Snohomish counties also commented on January’s vigorous activity.

“The Snohomish County market is off to a brisk start fueled by lower-than-normal inventory levels and attractive interest rates,” stated David Maider, broker/owner at Windermere Real Estate/M2 in Everett. He also said open house traffic has picked up significantly, along with the frequency of multiple offers. “Buyers requiring financing to purchase are well-served to be pre-underwritten prior to submitting an offer as sellers may have a number of buyers to choose from,” he advised.

In Kitsap County, broker and NWMLS director Frank Leach is noticing house hunters from east of there moving west to more affordable communities and taking advantage of easy commutes to South Kitsap, Bremerton, Bainbridge Island and Kingston. “Rentals in Kitsap remain scarce despite new construction of many units in downtown Winslow, downtown Bremerton, and in Port Orchard,” reported Leach, broker/owner of RE/MAX Platinum Services in Silverdale.

Leach also commented on Kitsap’s inventory dropping to historical lows, with prices continuing to escalate, notably in the condominium segment. Prices on completed sales of condos in that county rose a whopping 84%, from \$198,000 to \$365,000.

“Kitsap buyers continue to be frustrated by the lack of inventory and the bidding process of trying to secure a home,” according to Leach, who is not expecting that frustration to ease. “Traffic at open houses across Kitsap remains brisk with many visitors arriving early to get in,” Leach noted, adding, “While inventory is expected to increase in the spring, the demand is here now.”

The market still very much favors sellers, said MLS director Mike Larson, president/designated broker at ALLEN Realtors in Lakewood. “But,” he commented, “they’re not as aggressive as they were a year or two ago. The urge for sellers to turn a quick profit doesn’t seem as great, and the urge for buyers to allow them to turn a quick profit isn’t as great.” Low interest rates have enabled buyers to keep up with rising housing values, he noted.

Larson isn’t seeing “buyers falling all over each other to get into their first home. It’s more methodical,” he explained, adding, “It’s crazy, particularly at the entry-level price point, but not out of control crazy. I think both buyers and sellers – and industry professionals – are more reasonable, and smarter, and experienced in how to handle this type of market, and that’s good.”

When asked about the possible impact of the coronavirus outbreak, NWMLS representatives had few comments. Economist Matthew Gardner noted the significant economic relationship between China and Washington state and indicated there could be short-term impacts on tourism, but said, “As far as housing is concerned, it’s premature to suggest this will affect our real estate market.”

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: Summary statistics

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	2,361	2,118	2,476	1,665	\$693,820	\$589,950	1.27	2.34
Snohomish	1,108	969	1,261	783	\$527,222	\$485,000	1.24	2.00
Pierce	1,080	966	1,270	872	\$404,819	\$375,000	1.11	1.81
Kitsap	290	296	345	251	\$442,282	\$380,000	1.18	1.73
Mason	84	142	87	67	\$271,776	\$253,440	2.12	2.86
Skagit	135	249	142	113	\$406,282	\$355,000	2.20	2.87
Grays Harbor	127	275	141	91	\$236,826	\$207,500	3.02	3.12
Lewis	92	195	113	87	\$276,534	\$260,000	2.24	3.82
Cowlitz	105	158	146	81	\$294,142	\$284,900	1.95	2.22
Grant	88	174	82	47	\$247,154	\$225,000	3.70	3.06
Thurston	333	267	378	298	\$381,857	\$350,000	0.90	1.91
San Juan	18	171	13	15	\$698,893	\$500,000	11.40	13.73
Island	83	171	139	94	\$415,761	\$349,500	1.82	3.36
Kittitas	44	111	52	41	\$461,824	\$339,950	2.71	3.33
Jefferson	40	98	44	27	\$422,047	\$400,000	3.63	4.96
Okanogan	24	157	31	26	\$309,954	\$181,500	6.04	6.43
Whatcom	211	467	258	218	\$401,619	\$375,000	2.14	3.02
Clark	61	89	95	60	\$398,595	\$360,200	1.48	2.42
Pacific	39	139	47	32	\$235,338	\$208,000	4.34	6.32
Ferry	5	35	3	3	\$168,333	\$175,000	11.67	14.67
Clallam	40	161	72	64	\$361,072	\$333,000	2.52	3.47
Chelan	63	176	83	59	\$395,490	\$350,000	2.98	4.72
Douglas	41	77	45	49	\$346,920	\$319,000	1.57	3.12
Others	45	130	65	31	\$295,398	\$235,000	4.19	4.74
Total	6,517	7,791	7,388	5,074	\$506,713	\$422,750	1.54	2.40

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											