



FOR IMMEDIATE RELEASE

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Home buyers seeking affordability are expanding search outside Greater Seattle job centers

KIRKLAND, Washington (September 9, 2019) – Depleted inventory continues to frustrate would-be buyers in Western Washington. Many of these potential homeowners are expanding their search beyond the major job centers in King County, according to market watchers who commented on the latest statistics from Northwest Multiple Listing Service.

The MLS report summarizing August activity shows less than two months of supply system-wide, and only about 1.6 months of supply in the four-county Puget Sound region. The sparse selection is pushing up prices. For last month's sales of single family homes and condos across the 23 counties served by Northwest MLS, prices rose nearly 6.2% compared to a year ago.

“Areas immediately outside the Puget Sound region and along the I-5 corridor continue to see double-digit house price growth,” noted James Young, director of the Washington Center for Real Estate Research (WCRER) at the University of Washington. He attributes the increase to high demand in these areas “due to first-time homebuyers who struggle to afford housing in King and Snohomish counties as well as from existing homeowners cashing out of Seattle and King County.”

“While August is always a slower time for listings and sales, what is really surprising this year is the decrease in new listings taken, while pending sales increased,” observed Mike Grady, president and COO of Coldwell Banker Bain.

A comparison of year-over-year statistics for August shows the volume of new listings dropped nearly 13% system-wide and 18.5% in King County. Last month's total number of new listings (10,488) declined 6.3% from July's volume (11,193).

Brokers reported 10,602 pending sales (mutually accepted offers) during August for a 4.9% increase from a year ago. Pending sales rose nearly 6.6% in the Puget Sound region, led by Snohomish County with a gain of 15.8%. Six counties had double-digit gains while an equal number had declines.

Grady noted June and July were also lackluster this year with regard to listings “when typically they are both still fairly active coming off spring. The pending sales numbers indicate that buyers are indeed out there and willing to purchase, but there are simply not enough homes,” he commented, adding, “Everything that is listed is getting sold and fairly quickly.”

The volume of total active listings is down more than 10% from a year ago, with only four of the 23 counties in the report showing a year-over-year increase (Chelan, Grays Harbor, San Juan and Whatcom). Fourteen counties had double-digit drops. At month end there were 16,697 active listings in the MLS database, down from the year-ago total of 18,580.

MLS figures show only seven counties have more than three months of supply, with four-to-six months generally considered the volume needed for a balanced market.

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Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate in Poulsbo, also commented on depleted inventory, but expects improvement. "As we head into the fall market our listing inventory continues to lag last year's numbers, but we should see a bump in activity now that kids are back to school and vacations are over." He noted the supply crunch has led to rising values, with median prices for last month's sales in Kitsap County surging 14.2% from twelve months ago.

Multiple offers are still commonplace with many buyers walking away disappointed, according to Wilson. "Traffic is strong at open houses and our average market time is still very low for correctly priced homes," he added.

"The August numbers offered a few interesting nuggets," stated OB Jacobi, president of Windermere Real Estate. "The Seattle area housing market is still coming off the 'sugar high' that we saw last summer, but homes sales and prices are stabilizing, which is reassuring to both buyers and sellers."

Jacobi also noted buyers are drawn to areas outside King County in search of affordability. "Pierce County is now experiencing what King County did 24 months ago where a surplus of buyers and lack of supply are pushing up home prices. Snohomish County also saw a big bump with a massive 16% increase in pending sales year-over-year. This tells us the secret is clearly out that housing in the counties to the north and south of Seattle is more affordable."

The median price for the single family homes and condos that sold last month in King County was \$615,000, slightly higher than the year-ago figure of \$610,000. In Snohomish County, last month's median sales price was \$470,000, up about 1.8% from the year-ago price of \$461,832. The Pierce County price of \$369,000 is \$246,000 lower than King County. It's up 6.1% from a year ago.

For all counties combined, prices are up nearly 6.2%, rising from the year-ago figure of \$405,000 to last month's figure of \$429,925. Compared to January's area-wide median price of \$381,900, prices are up nearly 12.6%. Brokers reported 9,392 closed transactions during August, a slight 1.12% improvement over the same month a year ago.

Prices for single family homes (excluding condos) rose 6% from a year ago, while condo prices ticked up by only about 2%.

Brokers expect favorable conditions for both buyers and sellers in the coming months.

"As we enter the fall housing market, both interest rates and job growth in Puget Sound are extremely positive," stated J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. Saying these are both key indicators of a strong housing market, Scott noted September and October are "historically the best for selection and availability out of the next six months," adding, "With kids back in school and summer vacations over, homeowners who wish to sell their house before the winter season will look to put their home on the market soon. Similarly, buyers can take advantage of the market timing and low interest rates in the next two months to come."

"Low interest rates, strong job creation, and lifestyle changes continue to attract buyers to the market," said Dean Rebhuhn, the owner of Village Homes and Properties in Woodinville. He also reported the move-up market is very active, while acknowledging challenges for first-time home buyers. "A challenge for them is assembling the down payment," he explained. "We are seeing FHA and VA financing being used for low and zero down mortgages. Also, family assistance is a big help." He expects "very good activity" during September and October.

With brokers anticipating solid activity in the next few months, Wilson offered advice for both sellers and buyers. Sellers need to make sure their home goes on the open market in order to be exposed to as many buyers as possible, he emphasized. "To do anything else may be leaving money on the table."

For buyers, Wilson stressed “getting all your ducks in a row. Meet with a lender for pre-approval before looking for homes, be clear as to what you can live with or without in your next home, and if at all possible, use cash or a conventional loan,” which he explained are more appealing to sellers in multiple-offer situations.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of around 2,300 member offices includes more than 29,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

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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	3,333	5,472	3,298	3,152	\$748,436	\$615,000	1.74	1.92
Snohomish	1,651	2,181	1,664	1,486	\$515,407	\$470,000	1.47	1.70
Pierce	1,763	2,146	1,862	1,606	\$405,295	\$369,000	1.34	1.70
Kitsap	466	629	521	474	\$478,917	\$394,000	1.33	1.59
Mason	188	297	170	123	\$280,440	\$266,000	2.41	2.08
Skagit	239	476	246	221	\$408,765	\$369,990	2.15	2.52
Grays Harbor	206	461	194	130	\$252,925	\$234,500	3.55	3.15
Lewis	162	276	175	104	\$281,793	\$267,750	2.65	2.97
Cowlitz	153	229	172	142	\$294,921	\$282,500	1.61	1.92
Grant	139	279	120	109	\$228,020	\$225,000	2.56	2.62
Thurston	611	606	613	581	\$373,837	\$346,000	1.04	1.45
San Juan	44	266	40	32	\$648,212	\$550,000	8.31	9.30
Island	214	398	231	188	\$448,155	\$397,000	2.12	2.17
Kittitas	105	249	120	82	\$446,905	\$372,450	3.04	2.79
Jefferson	84	160	61	66	\$439,634	\$372,000	2.42	2.66
Okanogan	64	288	57	45	\$266,047	\$250,000	6.40	7.00
Whatcom	488	814	439	367	\$434,827	\$385,000	2.22	2.03
Clark	110	214	117	106	\$388,779	\$371,000	2.02	2.27
Pacific	74	228	85	48	\$250,067	\$249,000	4.75	4.05
Ferry	4	49	10	5	\$186,400	\$215,000	9.80	6.78
Clallam	120	302	138	123	\$350,534	\$332,900	2.46	3.21
Chelan	149	345	146	93	\$496,208	\$430,000	3.71	4.10
Douglas	52	108	74	58	\$362,157	\$334,450	1.86	2.39
Others	69	224	49	51	\$275,611	\$269,000	4.39	4.09
Total	10,488	16,697	10,602	9,392	\$531,783	\$429,925	1.78	2.00

Next page: Pending Sales since 2001 (4 county Puget Sound Region)

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
2001	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
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				

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