



**Northwest MLS brokers report mixed results for March,
but suggest “only lack of inventory is holding back sales”**

KIRKLAND, Wash. (April 3, 2014) – Northwest Multiple Listing Service brokers reported rising prices on fewer sales during March compared to a year ago, citing inventory shortages as the main reason.

Members of the MLS reported 9,183 pending sales (mutually accepted offers) during the month, about 300 fewer than the same period a year ago for a 3.2 percent drop. Compared to February, pending sales surged 26.7 percent in March, or by 1,936 transactions.

“The only thing holding back sales is the lack of inventory,” said John Deely, a member of the Northwest MLS board of directors. He said one recent listing priced at a fair market value drew more than 40 offers. “The depth of buyer demand appears to have no bottom in the most popular price ranges,” added Deely, the principal managing broker at Coldwell Banker Bain in Seattle.

Closed sales were about the same as twelve months ago – 5,753 completed transactions last month, which compares to the year-ago total of 5,745 closed sales.

The median price on last month’s sales of single family homes and condominiums that sold across the 21 counties in the MLS report increased 6 percent, rising from the year-ago figure of \$258,500 to last month’s price of \$274,000.

Adequate supply to meet demand is a continuing concern, according to Northwest MLS representatives who commented on the latest numbers. Many industry leaders expect the imbalance to persist.

“Once again we entered the year with a low inventory of homes for sale, and we believe the shortage will persist through this year and into 2015 in price ranges where 90 percent of sales activity is occurring,” said J. Lennox Scott, chairman and CEO of John L. Scott Real Estate.

MLS members added 9,598 new listings to the database during March, slightly more than a year ago when they added 9,332 new listings. While last month’s additions were about 33 percent more than February when 7,234 new listings were tallied, brisk sales meant supply remained low.

At month end, the Northwest MLS reported 19,736 active listings of single family homes and condos across its service area. That’s up about 6.7 percent from twelve months ago.

The MLS said there is about 3.6 months of supply, which is down from the end of February when the service reported about 4.6 months of supply. King County has only about 1.8 months of supply, while Snohomish County was slightly better with 2.2 months of supply.

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In general, industry analysts say four-to-six months is the supply needed for a balanced market. “We need a housing supply of over 6 months to have a generally balanced market between home buyers and sellers,” stated Lawrence Yun, chief economist and senior vice president of research at the National Association of Realtors®.

“There are many reasons potential sellers should consider selling now,” said Mike Gain, CEO and president of Berkshire Hathaway HomeServices Northwest Real Estate in Seattle. There is less competition now at the beginning of the spring selling season (usually the busiest time of the year) and interest rates are still very low but will likely rise, he noted.

“Now is a great time for move up sellers/buyers who can sell their home quickly and secure another at today’s prices and today’s lower interest rates,” Gain suggested, emphasizing, “Buying a home today is going to prove to be a smart investment in the long run.”

Commenting on March activity, OB Jacobi, president of Windermere Real Estate, said he expects market conditions of low inventory, strong competition among buyers, steadily rising prices – and rising rents – will continue in the foreseeable future. “Rents are on the rise, and when this happens, there’s often a shift where people get priced out of the rental market and move into home ownership. This leads to more demand for homes and upward pressure on prices,” he stated.

Stiff competition among buyers is creating frequent multiple offer situations, according to Gain. “We have way more people wanting to buy than we have appropriate homes to sell in the right locations and at the right prices,” he remarked, adding, “Our market is literally starving for good inventory in desirable neighborhoods.”

Gain also said there are more first-time buyers than he has seen in many years. “Many are very well qualified for a mortgage and have more than minimum down payments.” As an example, he mentioned a resale townhome listing in West Seattle with an asking price of \$439,950. Within a few days of it being listed, it had four offers, all with accelerator clauses. The property sold for \$459,950, prompting Gain to say, “It’s heartbreaking to have so many good purchasers and not enough good inventory to satisfy their needs.”

Not all markets in the MLS service area are experiencing the same pressure.

“Despite low inventory and falling market time, our prices are still flat overall in Kitsap County,” said Frank Wilson, Kitsap district manager and branch managing broker at John L. Scott Real Estate Poulsbo.

Wilson noted distressed properties (short sales or bank acquired homes) are still a factor. “Those home owners are now renting and most will not be able to buy again for a few years as they get the credit ding of a short sale or repossession behind them.”

As these sidelined buyers reenter the market, Wilson expects inventory will drop lower and prices will rise. Qualified purchasers who are thinking about buying “should take advantage of the stay of rate increases,” he suggested, referring to statements by Federal Reserve Chairwoman Janet Yellen, who made assurances earlier in the week that the Fed intends to keep interest rates low for now.

Pending sales in Kitsap County were about even with a year ago, while 12 of the 21 counties in the MLS system reported declines.

The condominium component ended on a positive note during March, with pending sales rising nearly 7.9 percent from a year ago. MLS members reported 1,345 pending sales, up from the year-ago total of 1,247.

Closed sales rose 2.4 percent, but prices on those sales jumped 14.7 percent. The median sales price on last month's condo sales was \$220,000, up from twelve months ago when it was \$191,750.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 21,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.

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Sources quoted * denotes current member, Northwest MLS Board of Directors

- *John Deely, principal managing broker, Coldwell Banker Bain, Seattle..... 206.283-5200
- Mike Gain, CEO/president, Berkshire Hathaway HomeServices Northwest Real Estate, Seattle 206.938-6880
- OB Jacobi, president, Windermere Real Estate, Seattle 206.660-5727
- J. Lennox Scott, chairman and CEO, John L. Scott Real Estate, Issaquah..... 206.972-1040
- *Frank Wilson, Kitsap district manager and branch managing broker, John L. Scott Real Estate Poulsbo... 360.779-7555

Statistical summaries follow.

Statistical Summary by Counties: Market Activity Summary – February 2014

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	3,475	4,191	3,621	2,297	\$462,644	\$378,000	1.82	1.62
Snohomish	1,378	2,105	1,481	949	\$311,314	\$295,000	2.22	1.58
Pierce	1,568	3,200	1,563	919	\$240,707	\$222,950	3.48	2.96
Kitsap	452	1,170	434	259	\$287,163	\$225,000	4.52	5.23
Mason	141	579	104	68	\$161,860	\$134,000	8.51	9.83
Skagit	227	644	200	116	\$271,083	\$232,975	5.55	6.13
Grays Harbor	148	631	119	85	\$122,228	\$102,000	7.42	14.94
Lewis	122	576	119	72	\$139,201	\$129,750	8.00	9.98
Cowlitz	152	447	112	74	\$157,019	\$142,650	6.04	4.24
Grant	130	424	110	59	\$150,344	\$135,000	7.19	10.25
Thurston	447	1,092	420	246	\$230,026	\$222,250	4.44	4.00
San Juan	91	312	41	25	\$480,060	\$400,000	12.48	20.60
Island	214	616	148	93	\$287,363	\$243,299	6.62	8.29
Kittitas	104	341	57	42	\$238,481	\$220,000	8.12	8.02
Jefferson	76	333	47	38	\$284,347	\$264,500	8.76	8.83
Okanogan	59	348	24	18	\$151,989	\$147,000	19.33	20.24
Whatcom	396	1,216	311	217	\$268,731	\$239,950	5.60	6.55
Clark	59	149	78	42	\$268,791	\$245,000	3.55	2.16
Pacific	95	367	42	26	\$164,920	\$139,000	14.12	13.48
Ferry	2	50	0	1	\$82,500	\$82,500	50.00	36.00
Clallam	93	352	58	37	\$212,228	\$182,000	9.51	8.28
Others	169	593	94	70	\$216,926	\$177,000	8.47	8.36
MLS TOTAL	9,598	19,736	9,183	5,753	\$339,466	\$274,000	3.43	3.22

* Months of inventory are calculated using closed sales divided by active listings.

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