



“Aware and prepared buyers” help boost Western Washington home sales during June

KIRKLAND, Wash. (July 6, 2009) – “Encouraging” seemed to be a common response from brokers upon reviewing the June activity summaries from Northwest Multiple Listing Service. The report shows inventory continues to shrink, pending sales increased more than 19.5 percent from a year ago, and median prices system-wide are up 4.4 percent since January.

“The positive movement in our real estate market year over year is really very encouraging,” remarked Ron G. Sparks, managing vice president of Coldwell Banker Bain. Compared to 12 months ago, the Puget Sound region has nearly 7,000 fewer homes listed for sale, and nearly 1,200 more homes under contract, he noted, adding, “In anyone’s book, that’s substantial improvement.”

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, echoed those comments. “It’s encouraging to see that pending sales are at their highest since the credit bubble burst nearly two years ago,” he stated. While the median home price is down about 9.5 percent from a year ago, prices have flattened over the past seven to nine months, he noted. “This is an indication that the \$8,000 tax credit is working and the market has reactivated itself in the more affordable and mid price ranges,” Scott believes.

Northwest MLS brokers notched 7,733 pending sales of single family homes and condominiums (combined) in their 19-county market area last month. That’s a gain of 1,263 transactions from the same month a year ago, for a 19.5 percent increase. Seven counties reported jumps in pending sales of 30 percent or more: Cowlitz, Island, Kitsap, Mason, Pacific, Skagit, and Snohomish, with Kitsap County topping the list with its 55.6 percent increase.

Pending sales (offers made and accepted) in the four-county Puget Sound region (King, Kitsap, Pierce and Snohomish) rose more than 25 percent in June compared to the same month a year ago, increasing from 4,765 transactions to 5,693.

Closed sales and prices still lag a year ago, but prices are edging up since the beginning of the year. Brokers reported 5,146 closed sales of single family homes and condos during June, a dip of 4.3 percent from twelve months ago when they reported 5,379 completed transactions.

Viewed separately, the volume of closed sales of single family homes nearly equaled year-ago totals (4,463 closings last month, down from 4,516 for June 2008). Condo sales were off nearly 21 percent, dropping from 863 closings to 683.

The area-wide median price for last month’s closed sales of single family homes and condos combined was \$285,000, a drop of 9.5 percent from the year ago figure of \$314,900. In the Puget Sound region, the volume of closings nearly matched year-ago totals (3,885 versus 3,908), but prices are down about 10 percent. The median price for last month’s completed sales in the four-county area was \$305,950; a year ago it was \$340,000.

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“There is a definite upsurge in sales activity, from a pending sales perspective and a "lookers becoming buyers" perspective,” observed NWMLS director Dick Beeson. Agents are reinvigorated that buyers can and will make decisions more today than any other time over the past 12 months, according to Beeson, the broker at Windermere Real Estate/Commencement Associates in Tacoma.

Beeson believes mortgage rates remaining low, declining inventories, and the recent stretch of warm, dry weather helped spur some buyers to act. He said the "word" on the \$8,000 tax credit has finally reached the streets, as more buyers come in aware, prepared and excited about taking advantage while the advantage is available. (The federal tax credit of up to \$8,000 is available for qualified first-time home buyers purchasing a principal residence before December 1, 2009.)

House-hunters will find fewer choices than a year ago. MLS members added 11,410 listings of single family homes and condos to inventory during June, down 13.5 percent from the year-ago total of 13,187.

At month-end there were 34,278 single family homes and 7,039 condominiums offered for sale, for a total of 41,317 listings. That's down 17.6 percent from a year ago when MLS members represented sellers of 50,143 properties.

Buyers continue to look for modestly priced homes, with first-time buyers accounting for about 40 percent of today's market, according to estimates by Beeson.

Although the supply is plentiful with asking prices of current inventory ranging from \$24,000 to \$32 million, homes at the lower end of the price spectrum tend to be in short supply in some areas. In King County, for example, MLS data indicate less than 9 percent of the inventory of single family homes has an asking price under \$250,000.

For condominiums in some submarkets, brokers report projects that “demonstrate their market value” are finding success. Sam Cunningham, managing broker and partner in Realogics Brokerage, which specializes in center city condominiums, believes prices are stabilizing and consumer confidence is improving.

Cunningham reports inventory levels in the downtown Seattle market have been declining for a year and there's no new construction planned. He suggests “timing the market” for buyers may finally have more to do with preferred selection and interest rates than waiting for dramatic price drops.

MLS figures indicate the median sales price for condos that sold in Seattle's downtown core last month was \$449,450. That's down about 8 percent from a year ago, but reflects four months of steady increases.

Commenting on the MLS report, Sparks, of Coldwell Banker Bain, remarked, “If there is a downside, it might be that this improvement isn't uniform across the region.” As an example, he said his company's Lynnwood office saw year-over-year closed sales increase 144 percent, while the Gig Harbor office reported a meager 4 percent gain.

Data show some neighborhoods are rebounding faster than others, Sparks observed. “In what appears to be a transitional market, accurate neighborhood information is more critical than ever, so buyers, sellers and their agents really need to do their homework” he emphasized.

Short sales continue to be a drag on prices and source of frustration for brokers and agents, according to Beeson. A National Association of REALTORS® analysis revealed that distressed homes typically sell for 20 percent less than the normal market price, thereby drawing down the overall median price.

Many pending sales are yet to close because of short sales, which Beeson estimates take twice as long to close as a more conventional transaction. “Many pendings have to be resold because the first buyer tires of waiting for the lender’s response.”

Beeson also notes the next challenge will be reactions to the next round of foreclosed properties that are expected to come on the market in the next six months. He said there could be another dip in prices, but adds, “I think we’ve been through the worst.”

Northwest Multiple Listing Service, owned by its member brokers, is the largest full-service MLS in the Northwest. Its membership includes approximately 27,000 brokers and agents. The organization, based in Kirkland, currently serves 19 counties in western and central Washington.

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Statistical Summary by Counties: Market Activity Summary- June 2009

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	4373	13351	3042	2083	\$446,044	\$363,116
Snohomish	1730	5627	1191	745	\$317,014	\$299,000
Pierce	1668	5953	1341	798	\$258,761	\$230,000
Kitsap	522	1996	389	259	\$291,358	\$247,900
Mason	163	832	99	48	\$204,728	\$180,000
Skagit	282	1407	171	111	\$284,342	\$246,000
Grays Harbor	204	888	90	60	\$149,097	\$117,750
Lewis	154	744	81	63	\$164,823	\$164,300
Cowlitz	152	651	105	60	\$171,748	\$159,500
Grant	133	710	76	53	\$194,885	\$163,935
Thurston	500	1752	391	312	\$254,816	\$239,975
San Juan	47	509	18	15	\$547,880	\$380,000
Island	296	1244	117	81	\$284,095	\$260,800
Kittitas	140	658	50	45	\$251,043	\$225,000
Jefferson	110	614	26	25	\$232,596	\$210,000
Okanogan	73	405	31	17	\$238,829	\$200,000
Whatcom	488	2017	308	240	\$286,184	\$265,000
Clark	86	370	74	48	\$233,421	\$206,000
Pacific	58	399	33	27	\$156,298	\$126,000
Others	231	1190	100	56	\$242,779	\$243,050
MLS TOTAL	11,410	41,317	7,733	5,146	\$341,663	\$285,000

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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
2000	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
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						