



Northwest MLS brokers not seeing much seasonal slowdown, say buyers still need to be bold

KIRKLAND, Washington (December 6, 2021) – Historically soggy weather and the onset of holidays did not deter thousands of buyers and sellers during November, based on the latest report from Northwest Multiple Listing Service. Numbers for new listings, pending sales, and closed sales were comparable to year-ago totals, while prices rose a little more than 15%.

“The so-called seasonal slowdown normally sees serious buyers gain an advantage over casual buyers who take a break during the holidays. The difference this year is that there are fewer buyers taking a break and demand remains high,” reported Mike Larson, managing broker at Compass in Tacoma.

Northwest MLS figures show 8,571 pending sales across 26 counties last month, nearly matching the year-ago total of 8,584 mutually accepted offers. The 8,976 closed sales marked a slight improvement on twelve months ago when MLS members tallied 8,875 completed transactions (up 1.14%).

“Waived inspections and funds committed upfront in the event of a low appraisal are not as common, but sellers still have the upper hand,” according to Larson, a member of the Northwest MLS board of directors. “Buyers still need to be very bold and very intentional with their offers.”

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, echoed Larson. “Typically, we see a lull of sales activity during late fall and into early winter. While there are fewer transactions at this time of year, the intensity for each new listing going under contract is extremely high,” Scott remarked, noting there were substantially more homes going under contract (8,571) than there were new listings (6,455).

Twenty of the 26 counties in the NWMLS report added more new listings during November than a year ago, but with demand outstripping supply, inventory was meager in many areas.

Area-wide, there were 4,621 active listings of single family homes and condominiums at month end, down nearly 29% from a year ago when there were 6,505 listings. The selection at month end amounted to about two weeks of supply (0.51 months). Five counties had even less supply: Snohomish (0.24 months), Thurston (0.35) King (0.38 months), Clark (0.39) and Pierce (0.44 months).

“The pandemic continues to put pressure on home sales and prices,” stated Dean Rebhuhn, owner of Village Homes and Properties. “Historic low inventory is still influencing multiple offer situations in King, Snohomish and Pierce counties,” adding, “Increasing interest rates have not slowed the pace of sales.”

Rebhuhn also said they are seeing “accelerated activity in Kittitas and Grant counties, along with rising prices.” He noted the I-90 location of counties east of King County favor work-from-home hybrid models. “Lifestyle changes and a strong job market will continue to drive the market into 2022 and beyond.”

NWMLS board member John Deely, executive vice president of operations at Coldwell Banker Bain, observed King County prices, currently at \$740,000, have been trending downward since July when this year’s prices peaked at \$789,000. Total active listings are spiraling downward as well, with King County’s supply down 60% from a year ago, which he said “speaks to the continued inventory crunch.”

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“To put this into further perspective, King County had only 1,149 active listings at the end of November – the lowest inventory I can remember – and a 90% decrease since November 2010 when there were 11,867 active listings,” Deely commented, adding, “This is hampering existing sellers from moving up. Baby boomers find themselves in large homes and not needing the space, but they are hesitant to sell without a place to go should they want to stay in the region.”

On a brighter note, Deely said new financing options are expected to develop during 2022. He mentioned the “modern bridge loan,” which would give homeowners the ability to sell their current residence *after* they’ve found and purchased their new home.

Veteran broker Gary O’Leyar, owner of Berkshire Hathaway HomeService Signature Properties, said every year has its own market dynamics, but with seasonal similarities most years. For example, he noted within the Seattle map areas in the MLS report, “extreme appreciation has leveled off.” The Northwest MLS report shows prices within Seattle are essentially the same as a year ago: \$765,000 for November’s closed sales, compared to the year ago figure of \$760,000. Elsewhere, for example, for the Eastside and Southeast King County map areas, prices jumped more than 26% from a year ago.

O’Leyar also noted, “Given what has been the extreme shortage of inventory in the Seattle market, there is currently a seasonal market opportunity for Seattle urban shoppers for condominiums and townhomes.” His recent search for townhomes (usually classified in the MLS database as a single family dwelling) uncovered a surprising number of such listings in some Seattle neighborhoods. “Tis the season could ring true for those seeking this type of urban dwelling,” he commented.

Brokers in Kitsap County described the market there as “fast moving” with buyers vying for the limited inventory (slightly more than two weeks of supply).

“Homes are coming off the market faster than they are coming on. We have, however, seen a decrease in the number of multiple offers on new listings, and we continue to see steady open house traffic,” said Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate. “With this fast-paced market, if a seller puts their home on the market in early December when there are fewer listings but still a lot of buyers, it could likely be off the market by Christmas.”

Another broker in Kitsap County, Frank Leach, broker/owner of RE/MAX Platinum Services and a board member at Northwest MLS, agreed the market has tempered somewhat. “We’ve had a 2.45% increase in active listings, a nearly 3% increase in pending sales, and almost a 6% increase in closed sales compared to a year ago.” Also, he noted, “We have seen an increase in contingent sales.”

Commenting on the supply of homes in Kitsap County, Leach said builders and developers are scrambling to bring on new inventory in all sectors. He described the current inventory, with only 0.57 months of supply, as “drastically low and fueling the increase in median prices.” NWMLS figures show prices are up 13.9%. Even so, Leach described Kitsap County as “still a great value and a magnet for surrounding communities with loads of infrastructure improvements and companies moving into the area.” MLS figures show the median price in Kitsap County, at \$500,000, is about two-thirds of the median price in King County (\$740,000).

Looking at other areas, James Young, director of the Washington Center for Real Estate Research at the University of Washington, believes “the normal seasonal effects have taken hold,” but pointed to Skagit and Whatcom counties, and other areas along the I-5 corridor as areas where the “main price action” is still occurring.

“The return to these suburban areas seems to continue unabated as first-time buyers seek value and those seeking a more relaxed lifestyle are taking advantage of low interest rates,” said Young. He singled out Skagit and Whatcom counties for their large price increases, at 21.2% and 26.5%, respectively. “This may be in part due to the border reopening and possible pent-up demand from Canadian buyers.”

Area-wide, the November numbers were “pretty much what was expected with the market starting to slow as we move into the winter,” stated Matthew Gardner, chief economist at Windermere Real Estate.

Gardner commented on recent adjustments in Federal Housing Finance Agency (FHFA) limits for conforming loans (mortgages backed by Fannie Mae or Freddie Mac), which included a record 18% jump in most markets, but also an increase from \$776,250 to \$891,250 in the higher-cost tri-county area encompassing King, Pierce and Snohomish counties. “I anticipate this will be a further boost to more expensive markets.”

Looking ahead to 2022, Gardner expects the pace of appreciation “to slow significantly” from levels seen this year. “In fact, I predict single family prices will increase by around 8% in King and Snohomish counties, and by almost 11% in Pierce County. Although still well above the long-term averages, affordability issues and modestly rising interest rates will take some of the steam out of the market in 2022,” he added.

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,500 member firm offices and 32,000 brokers across Washington state, NWMLS (www.nwmls.com) is the largest full-service MLS in the Northwest. Based in Kirkland, Washington, its service area spans 26 counties, and it operates 21 local service centers.

Next page: statistical charts

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	2,068	1,149	2,791	3,045	\$946,823	\$740,000	0.93	0.38
Snohomish	951	325	1,224	1,339	\$724,822	\$658,505	0.38	0.24
Pierce	1,116	670	1,555	1,522	\$557,562	\$505,000	0.45	0.44
Kitsap	333	251	452	443	\$581,042	\$500,000	0.59	0.57
Mason	100	104	117	131	\$440,769	\$393,000	0.63	0.79
Skagit	123	129	157	157	\$596,727	\$515,000	0.64	0.82
Grays Harbor	129	197	150	166	\$355,331	\$305,000	1.27	1.19
Lewis	92	132	134	135	\$394,424	\$365,000	1.30	0.98
Cowlitz	106	97	155	130	\$384,870	\$362,000	0.75	0.75
Grant	109	153	102	134	\$352,865	\$329,211	1.22	1.14
Thurston	368	196	508	557	\$502,116	\$470,000	0.36	0.35
San Juan	24	68	23	30	\$1,551,177	\$1,152,500	2.38	2.27
Island	124	81	157	149	\$596,354	\$550,000	0.59	0.54
Kittitas	77	93	93	81	\$629,172	\$459,000	0.75	1.15
Jefferson	36	37	38	54	\$620,850	\$580,000	1.45	0.69
Okanogan	34	112	47	58	\$414,090	\$346,000	2.19	1.93
Whatcom	268	246	338	319	\$589,151	\$545,000	1.02	0.77
Clark	65	34	93	88	\$575,496	\$479,950	0.47	0.39
Pacific	26	71	49	53	\$340,481	\$330,000	1.33	1.34
Ferry	8	27	5	2	\$207,450	\$207,450	9.00	13.50
Clallam	71	75	96	111	\$457,724	\$409,000	0.75	0.68
Chelan	76	134	87	78	\$655,068	\$574,500	0.97	1.72
Douglas	35	49	57	62	\$502,214	\$429,000	1.21	0.79
Adams	15	33	17	15	\$299,207	\$265,000	2.50	2.20
Walla Walla	46	61	70	68	\$440,034	\$384,000	1.50	0.90
Columbia	3	11	7	6	\$266,416	\$278,750	5.00	1.83
Others	52	86	49	43	\$359,156	\$294,900	1.98	2.00
Total	6,455	4,621	8,571	8,976	\$700,280	\$570,000	0.73	0.51

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
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	6078	6477	5066	7297	8335	8817	9179	8606	7934	6122	4851
2021	5216	5600	8002	7716	8674	8824	8049	8586	7880	7405	6022	