



### **Northwest MLS brokers report gains in new listings, closed sales, prices versus year ago**

KIRKLAND, Washington (October 6, 2021) – September’s housing market remained “very active” to “frenzied” around Washington state with brokers reporting year-over-year (YOY) gains in new listings, closed sales, and prices. Brokers with Northwest Multiple Listing Service also detected growing stability in the condominium market.

“Historically low interest rates continue to drive the real estate market,” remarked Dean Rebhuhn, owner at Village Homes and Properties. He also cited pent-up buyer demand, job and lifestyle changes, and inventory shortages as factors contributing to a “very active market.”

A new report from Northwest MLS shows brokers added slightly more new listings last month (11,373) than a year ago (11,210). That volume, which includes single-family homes and condominiums, nearly matched the total for August (11,437), and barely outgained the number of pending sales (11,318) for the 26 counties in the report.

Compared to the same month a year ago, pending sales slipped about 6% (11,318 versus 12,053). Despite that drop, J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, noted the number of mutually accepted offers in the Puget Sound region (King, Kitsap, Pierce and Snohomish counties) made last month the MLS’ second-best September, based on records going back to 2003. Last year’s 4-county total of 8,606 pending sales is the highest volume for that timeframe spanning nearly two decades.

“The housing market intensity for each new listing will continue its upward trajectory as the first of the year approaches,” Scott proclaimed.

Low inventory continues to pose challenges for buyers. At month end, Northwest MLS members reported 7,757 total active listings system-wide. That marked a slight improvement from August when there were 7,425 active listings, but it was a drop of nearly 14.8% from twelve months ago.

As of the end of September, there was about three weeks of supply (0.75 months), slightly better than August (0.70 months), but less than the same month a year ago (0.89 months). There has not been more than one month of supply since July 2020 when it reached 1.04 months.

Figures for single-family homes only (excluding condominiums) were more encouraging. Inventory declined only about 4% from a year ago. Seventeen counties reported YOY gains, with two others unchanged from year-ago levels.

King County, one of the exceptions, had the sharpest decline in inventory for single-family homes. The selection of single-family homes plummeted from the year-ago volume of 2,420 to 1,634 (down 32.5%).

For all counties in the report, the months of supply for the single-family component was the same as the figure for single-family homes and condos combined (0.75, or about three weeks).

“While one could expect months of supply to increase around the end of the summer, shortage of supply still remains a significant issue, indicating demand still exists in many submarkets,” observed James Young, director of the Washington Center for Real Estate Research at the University of Washington.

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Young contrasted strong price increases in nearly every “outer suburban” county along I-5 plus Kittitas County with prices in King County. He noted nearly all of the outlying counties posted YOY increases at or above 15%, while King County experienced only a single digit gain of 6.7%. Prices in Kittitas County, where destinations like Suncadia and Ellensburg are within a two-hour drive to Seattle, surged more than 26% from a year ago.

“With decreases in active listings in King and Snohomish counties, price pressure may increase in urban areas of the region as people return to the city for work,” suggested Young.

One option for those wanting to live near urban job centers in anticipation of workplace reopenings may be condos.

“I’m happy to report that the Seattle-area condominium market, which was negatively impacted by COVID-19, has stabilized, reporting consistent increases in both sales and prices,” noted Matthew Gardner, chief economist at Windermere Real Estate.

Condo inventory, however, is sparse, with the selection at about half the year-ago levels (1,078 active listings at month end versus the year-ago supply of 2,129 listings).

In King County, Northwest MLS figures for September show a 20% jump in the number of condos that closed during September compared to a year ago; within the Seattle map areas, closed sales were up more than 34%. (King County currently accounts for about 70% of condo inventory and 60% of condo closed sales.) Condo prices rose more than 8% countywide, with the Southwest and Southeast and North King areas of the county registering the strongest gains at more than 13.5% in all three sub-areas.

Condo prices in nearby counties outgained the rate in King County, as did prices system-wide, which rose 15.7% from a year ago. Kitsap prices spiked 28.5%, Snohomish prices were up 17.8% and Pierce County condo prices jumped about 16.7%.

In addition to noting improvements in the condo sector, Gardner also stated, “We continue to see a migration of buyers to suburban markets which has resulted in significant year-over-year price growth in areas such as Shoreline, Lake Sammamish, Auburn, Skyway, Woodinville, and Burien. It’s likely that buyers are drawn to these areas because housing is more affordable than in the urban neighborhoods closer to Seattle and Bellevue.”

John Deely, executive vice president of operations for Coldwell Banker Bain, also commented on condo activity, notably the 20% jump in King County sales. “This further reflects the affordability crisis in our region as residential buyers are driven to the condo market.” According to NWMLS data, a single-family home that sold in King County last month had a median selling price of \$825,600, while for condos it was \$466,501.

“One positive note for buyers is that prices are beginning to level out and the annual trend of the market slowing down as we move into the holidays remains,” Deely commented. “Buyers should consider staying in the market, if they can, as homeowners who are selling in the last quarter of the year tend to be highly motivated. Buyers will find less competition this time of year due to inclement weather and holiday travel.”

Deely has detected rising concern among sellers over legislation affecting capital gains rates. “With legislation in the queue on the national front that could cause an increase in capital gains rates, many sellers who have been on the fence about selling are now concerned they could lose profit in their homes to taxes if they wait,” Deely reported, adding, “Of course, it’s proposed legislation and therefore unpredictable, but our clients are asking about it.”

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Rebhuhn noted some buyers are backing away from bidding wars, instead choosing to wait for the right property.

Broker Dick Beeson, in Pierce County, described the market as “brutal and unforgiving for buyers and sellers,” with “dreams being crushed on all sides. Buyers are swallowing hard and paying prices they curse, while sellers are having to move somewhere they hadn’t originally planned – be that good or bad.”

Beeson, the managing broker at RE/MAX Northwest in Tacoma-Gig Harbor, said that while inventory in some NWMLS counties appears to be improving, there are “still slim pickings,” which portends escalating prices and fierce competition among buyers.

Among Puget Sound area counties Beeson mentioned as having year-over-year gains in inventory were Kitsap, Pierce and Thurston. Even so, he emphasized, these have not yet translated into reduced prices for buyers. Improving inventory should eventually reduce the rate of future price increases, he suggested.

County	Current inventory (SFH+Condos)	YOY change in inventory (active listings)	YOY change in median sales price	Month’s supply
Kitsap	363	7.7%	18.4%	0.69
Pierce	1,112	11.1%	16.6%	0.67
Thurston	352	39.7%	20%	0.56
All 26 counties	7,757	-14.75%	14%	0.75

Beeson contends YOY rates of appreciation at 16% and higher can’t be sustained. “It will bankrupt us.”

Area-wide, the median sales price for last month’s 10,289 closed sales was \$570,000. That volume was about the same as a year ago when members notched 10,175 completed transactions. In the past twelve months, the median sales price increased \$70,050 (up 14%). A comparison of counties shows wide variation in sales prices, ranging from \$209,950 in Ferry County to \$846,500 in San Juan County.

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](http://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.

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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	3,995	2,391	3,765	3,500	\$961,790	\$745,000	0.68	1.12
Snohomish	1,651	800	1,703	1,660	\$702,514	\$650,000	0.48	0.56
Pierce	1,765	1,112	1,859	1,666	\$553,176	\$500,000	0.67	0.63
Kitsap	538	363	553	524	\$604,368	\$494,950	0.69	0.70
Mason	171	122	185	161	\$467,262	\$385,000	0.76	0.58
Skagit	228	202	221	167	\$580,064	\$500,000	1.21	0.86
Grays Harbor	190	234	225	164	\$345,022	\$320,000	1.43	1.04
Lewis	183	211	168	127	\$413,769	\$382,500	1.66	1.24
Cowlitz	189	132	189	148	\$408,362	\$370,750	0.89	0.86
Grant	161	167	174	135	\$355,121	\$331,000	1.24	1.46
Thurston	661	352	670	633	\$505,803	\$467,000	0.56	0.45
San Juan	34	83	41	28	\$1,064,700	\$846,500	2.96	2.21
Island	196	126	218	183	\$622,827	\$494,500	0.69	0.71
Kittitas	118	134	119	100	\$585,318	\$479,500	1.34	1.04
Jefferson	54	58	63	70	\$607,965	\$579,500	0.83	1.10
Okanogan	75	147	66	29	\$549,626	\$327,500	5.07	2.27
Whatcom	431	354	387	386	\$584,666	\$533,250	0.92	1.02
Clark	110	70	117	100	\$555,295	\$468,750	0.70	0.97
Pacific	76	111	81	67	\$398,293	\$345,000	1.66	1.39
Ferry	8	26	11	8	\$217,350	\$209,950	3.25	5.14
Clallam	98	108	125	114	\$505,429	\$474,500	0.95	1.12
Chelan	143	167	110	96	\$680,742	\$510,250	1.74	1.15
Douglas	97	63	77	63	\$512,346	\$425,000	1.00	0.65
*Adams	23	23	16	22	\$257,881	\$295,000	1.05	1.89
*Walla Walla	85	89	85	63	\$384,284	\$355,000	1.41	3.33
*Columbia	13	20	10	2	\$314,500	\$314,500	10.00	N/A
Others	80	92	80	73	\$401,615	\$363,000	1.26	3.88
<b>Total</b>	<b>11,373</b>	<b>7,757</b>	<b>11,318</b>	<b>10,289</b>	<b>\$706,194</b>	<b>\$570,000</b>	<b>0.75</b>	<b>0.89</b>

\*Adams, Walla Walla and Columbia counties are added as separate rows this month; previously, statistics for these counties were included in the row for "Others/Out of area."

#### **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			