



Northwest MLS brokers say August housing activity follows patterns of seasonal slowing

KIRKLAND, Washington (September 7, 2021) – August typically brings a dip in housing activity and this year was no different, according to representatives from Northwest Multiple Listing Service when commenting on newly-released statistics. Figures comparing July to August show month-to-month drops in new listings, total inventory, pending sales, close sales, and median prices.

“August showed a more traditional seasonal pattern with decreased activity as families took end-of-summer vacations and made back-to-school preparations,” remarked Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate.

NWMLS statistics show the volume of new listings added during August, including single family homes and condominiums, declined from both July (down 11.5%) and twelve months ago (down 4.2%). Total inventory for the 26 counties in the report also fell, shrinking about 6.6% from July and nearly 22.6% from a year ago. At month end, there were 7,425 active listings, down from the year-ago total of 9,591.

“We saw a dip in open house traffic overall, although some new listings were overwhelmed with traffic, depending on the area and the price point,” reported Wilson. “We are seeing homes stay on the market slightly longer and more instances of sellers overpricing their properties.”

John Deely, executive vice president of operations at Coldwell Banker Bain, agreed. “The continued lack of inventory indicates properties will move very quickly if priced reasonably. Even in our current hot market, pricing a property correctly has never been more important,” he emphasized.

Prices showed signs of moderating during August. The median price on the 10,571 sales that closed last month was \$579,000, a drop of \$10,000 from July. Prices did rise compared to 12 months ago, climbing from \$490,000 for an increase of about 18.2%. That year-over-year (YOY) percentage change was the smallest since February when there was a bump-up of about 15%.

Matthew Gardner, chief economist at Windermere Real Estate, suggested price cooling is in sight. He said he looks at listing prices as a leading indicator of where things are headed. “In King County, median list prices dropped from \$740,000 in July to \$729,000 in August. That would explain why the median sales price also fell modestly month-over-month. I believe this is because we are hitting a price ceiling and that the rabid pace of home price appreciation will continue to cool as we move through the rest of the year.”

Northwest MLS figures show the median list price system-wide for single family homes and condos combined, was unchanged, at \$605,000, from July to August. The asking price fell from July to August in about half the counties in the report.

“Purchasers are continuing to find mortgage interest rates below 3%, providing increased buying power,” stated Dean Rebhuhn, owner at Village Homes and Properties. He believes the historic low interest rates coupled with lifestyle changes continue to be market drivers and factors in keeping inventory at historically low levels.

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Northwest MLS figures indicate there was around three weeks of inventory (0.70 months) at the end of August. Clark, King, Kitsap, Lewis, Mason, Pierce, Snohomish, and Thurston counties had only about three weeks of inventory, with Snohomish reporting the smallest supply (0.49 months), about two weeks.

Commenting on inventory, James Young, director of the Washington Center for Real Estate Research at the University of Washington, said gains in total active inventory in several counties were mostly consistent with patterns observed all year, notably in the suburbs, the seaside, and the Olympic Peninsula. “It is not just a return to the suburbs, it is a continued return to the country as people continue to work from home.”

Several counties experienced year-over-year increases in inventory, including Chelan, Douglas, Ferry, Grays Harbor, Island, Kittitas, Lewis, Mason, Okanogan, and Thurston.

In about half the counties, the number of new listings outgained the number of pending sales. For all counties combined, last month’s total number pending sales (12,238) surpassed the number of new listings (11,437), a margin of 801 units.

“The extreme real estate market in the Puget Sound area continued during August, with strong buyer demand due to historically low interest rates and a backlog of buyers still looking for a home,” remarked J. Lennox Scott, chairman and CEO of John L. Scott Real Estate.

Scott expects the “housing market intensity for each new listing will start tightening back up again in the Puget Sound region as we start heading toward the first of the year.”

Deely said condos may be showing some signs of pent-up demand, noting closed sales were up more than 10% from a year ago, with King County sales jumping 19.9%. “Not only is there pent-up demand as some choose to move back to the city center a year after civil unrest and a pandemic, but residential buyers are finding themselves priced out of the market and are moving toward condo ownership.”

While Deely noted the YOY uptick in condo sales, he said some buyers are still looking to move further away from the city and employment centers. “Work from home opportunities, as well as the thought/hope that some employers will allow flexible work schedules post-COVID are driving factors,” he said, adding, “Other factors are lower taxes and overall costs in suburban areas. People are buying the maximum house they can and factoring in the variable cost of a commute. Many out-of-state buyers are not very concerned about distance from workplaces as they are accustomed to long commutes.”

In Kitsap County, the market “continues to be very hot,” with inventory remaining low, according to Frank Leach, broker/owner at RE/MAX Platinum Services. “Don’t be fooled,” he added, “Prices and interest rates are not going to stay stable for long.” He also noted rental rates continue to climb.

Leach expects an influx of people will keep moving to the Kitsap Peninsula area, including 3,000 sailors and their families who arrived in late July when the aircraft carrier USS Theodore Roosevelt shifted its homeport from San Diego to Bremerton for a planned 16-month retrofit.

Both Leach and Wilson expect home values in Kitsap County, which rose 14.7% from a year ago, will keep increasing even as builders are trying to meet demand. “Although there are affordable home options being planned for the future, those are several years away,” according to Wilson. “Affordable housing has taken a real hit over the past six or seven years with the average price far exceeding what the average income in Kitsap can afford.”

At the other end of the price spectrum, economist Gardner noted luxury home sales continue to exceed expectations, with no signs of slowing.

According to Northwest MLS statistics, nearly 15% of this year's sales (through August) commanded prices of \$1 million or more. The year-to-date total of 10,237 sales that have fetched \$1 million-plus eclipses the totals for all of 2020 when there were 8,898 such sales, as well as the entire year of 2019, when members notched a total of 6,711 sales over a million dollars.

Gardner's analysis found strong activity for luxury homes in Snohomish and Pierce counties, prompting him to say, "This tells me that there's a migration of buyers who are choosing to move away from King County and into adjacent areas where their money goes further."

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.

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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	3,774	2,268	4,027	3,680	\$968,432	\$771,750	0.62	1.16
Snohomish	1,779	813	1,910	1,658	\$719,104	\$667,410	0.49	0.69
Pierce	1,871	1,071	2,029	1,733	\$553,360	\$505,000	0.62	0.70
Kitsap	513	349	620	550	\$617,371	\$498,925	0.63	0.81
Mason	184	117	211	155	\$457,937	\$399,000	0.75	0.72
Skagit	224	176	225	192	\$581,947	\$516,653	0.92	0.95
Grays Harbor	239	255	261	170	\$348,045	\$331,750	1.50	1.14
Lewis	164	185	169	132	\$408,679	\$375,000	1.40	1.02
Cowlitz	164	103	210	145	\$402,196	\$365,000	0.71	0.86
Grant	169	161	147	118	\$337,992	\$315,000	1.36	1.42
Thurston	665	314	750	635	\$500,089	\$464,000	0.49	0.46
San Juan	41	95	37	40	\$1,115,597	\$790,000	2.38	3.00
Island	217	137	233	180	\$672,574	\$552,500	0.76	0.65
Kittitas	119	138	113	100	\$656,148	\$459,875	1.38	1.46
Jefferson	71	63	89	63	\$665,083	\$616,500	1.00	1.57
Okanogan	57	134	47	41	\$356,862	\$300,000	3.27	2.37
Whatcom	435	318	429	374	\$567,149	\$548,500	0.85	1.08
Clark	120	67	128	109	\$573,100	\$510,000	0.61	1.49
Pacific	85	100	75	52	\$339,048	\$337,000	1.92	2.04
Ferry	13	28	10	5	\$385,740	\$289,900	5.60	4.00
Clallam	144	124	141	117	\$458,414	\$413,000	1.06	1.66
Chelan	130	150	128	105	\$636,681	\$530,000	1.43	1.30
Douglas	73	49	60	51	\$637,346	\$465,000	0.96	0.94
*Adams	15	17	25	11	\$272,221	\$260,000	1.55	5.25
*Walla Walla	97	82	81	71	\$418,566	\$395,000	1.15	3.33
*Columbia	10	16	7	11	\$278,091	\$250,000	1.45	N/A
Others	64	95	76	73	\$401,768	\$347,000	1.30	2.66
Total	11,437	7,425	12,238	10,571	\$715,758	\$579,000	0.70	0.97

*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				

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