



**Brokers, home buyers welcome growing inventory  
and market returning to “some sense of normalcy”**

KIRKLAND, Washington (July 6, 2022) – Housing statistics from Northwest Multiple Listing Service for June show signs of a shifting market, creating opportunities for some buyers. Compared to a year ago, Northwest MLS (NWMLS) brokers reported a healthy jump in inventory, double-digit drops in both pending and closed sales, and the smallest year-over-year (YOY) increase in prices since June 2020.

“What the changes mean in general terms, are more houses on the market, longer market times, stabilizing home prices, fewer showings and open house visitors, fewer offers at one time, and more price adjustments,” said Frank Wilson, Kitsap regional manager at John L. Scott Real Estate.

“It’s nice to see a more balanced market for buyers,” remarked Dean Rebhuhn, owner at Village Homes and Properties in Woodinville, pointing to the increase in new listings, more price reductions, and still favorable mortgage rates as factors that are creating opportunities for buyers. “The return of financing and inspection contingencies are now the norm,” he reported.

Northwest MLS brokers added 14,223 new listings of single family homes and condos to inventory during June, up from both May, when they added 13,075 homes system-wide, and a year ago, when they added 13,111 properties to the database. Last month’s total was the highest volume of new listings since May 2019 when brokers tallied 14,689 new listings.

At the end of June there were 13,405 active listings of single family homes and condominiums in the Northwest MLS database, which includes 26 of the state’s 39 counties. That’s more than double the inventory of a year ago (6,358 listings), and the best selection since October 2019 when buyers could choose from 14,379 listings.

Both pending sales (mutually accepted offers) and closed sales declined from a year ago. MLS members reported 8,937 pending sales during June, down 27.5% from the year-ago total of 12,328, and down 3.8% from May.

Closed sales also fell from a year earlier (down about 17.2%), but last month’s total of 9,047 completed transactions nearly matched May’s volume of 9,096.

“While there was a decrease in closed and pending sales in June, there is no reason to panic as we continue to move toward a more balanced market,” said John Deely, executive vice president of operations at Coldwell Banker Bain. “Having the standing active inventory rise above the closed and pending categories in June means we are finally building inventory, which is healthy for the marketplace. It slows down the steep price appreciation we have been seeing and provides a bit more time for buyers to look at more properties.”

The latest MLS report shows area-wide prices rose about 10.4%, from a median price of \$589,000 to \$650,000. On a percentage basis, that is the smallest year-over-year (YOY) gain since June 2020 when prices rose around 5.7%.

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Seven counties had YOY price hikes of 19% or more for last month's sales of single family homes and condos: Douglas, Ferry, Jefferson, Kitsap, Lewis, Mason, and Whatcom.

San Juan County had the highest median price last month, at \$940,000, for its 25 sales of single family homes and condos.

King County had the second highest sales price last month, coming in at \$851,000. That represents a 9.1% increase from a year ago, but a slight decline (3.4%) from May's figure of \$880,000. Median prices topped \$1 million for both Vashon and the Eastside map areas, as well as for areas encompassing North Seattle and Lake Forest Park.

Prices of single family homes (excluding condos) system-wide rose about 10.5% from a year ago. Condo prices increased by a similar amount (10.2%).

Commenting on prices, Deely acknowledged they're "leveling out," but commented, "We are still not a buyer's market by far." He believes some of the slowdown in pending and closed sales is simply part of a seasonal cycle this region experiences in June and July once school is out and people begin to travel. "In fact, travel is hitting peak numbers this summer as the world continues to open," he stated.

Wilson also commented on the changing market, noting the uptick in months of supply. It reached nearly six weeks (1.48 months) by the end of June. "While we have seen an increase in market time to almost a month and a half, there is a long way to go for the market to reach a neutral level which is typically found between four and six months of inventory," he stated.

Commenting on the Kitsap market, where there is about 1.3 months of supply, Wilson said it is "nowhere close to flipping to a buyer's market," adding, "Often change is good for one group but bad for another. In this case the change is good for buyers but does not really hurt sellers. Sellers who correctly price their home in today's market are still able to get top of market prices. Buyers have more choices and may see a little bit of flexibility on price and terms from the seller."

Northwest MLS director Meredith Hansen echoed those remarks. "With higher interest rates and more inventory, we are seeing sellers becoming more flexible in what terms they will accept," reported Hansen, the founder/operating principal at Keller Williams Greater Seattle. "It is an excellent time for buyers who were discouraged in the past frenzied market to step back in and find a home," she suggested, adding, "Buyers are not waiving financing and inspections like they were prior to this market shift."

Lennox Scott, chairman and CEO of John L. Scott Real Estate, also commented on the "intensity adjustment" in the Puget Sound market, while noting sales activity remains strong. "Everything is coming together for buyers in the market, with increased selection of available listings and fewer multiple-offer situations to navigate. A strong contingent of buyers is taking note of new listings and poised to put an offer on the right home, in the right condition, at the right price."

Expecting "much will be made of the numbers that showed a significant increase in active listings" during June, Windermere chief economist Matthew Gardner said it's important to keep things in perspective.

"The pandemic heavily influenced the housing market with inventory levels essentially drying up in 2020/2021," Gardner stated. In analyzing June's data, he noted single family home listings in the tri-county area of King, Pierce, and Snohomish counties rose more than 144% compared to a year ago. "This still represents the fourth lowest number of listings in any June for this region since 1999."

Gardner believes the market is trending back to some sense of normalcy. "The increase in listings has started to slow the rabid pace of price gains that we have experienced. This is a good thing, not a cause for concern," he emphasized.

Frank Leach, broker/owner at RE/MAX Platinum Services in Silverdale, concurred with some of Gardner's observations. "Kitsap County continues to see a robust market. Inventory is up 110% from a year ago," he exclaimed, pointing to the MLS report showing active listings soared from 288 to 606 listings. He expects the increasing supply in Kitsap County will help provide a more balanced market. Leach also noted both pending and closed sales slipped year over year, but prices surged more than 19%.

"Kitsap is in a building boom and builders are racing to meet demand," according to Leach. Open houses have resumed, but traffic "was off" at the end of June, which he suggested may be due to inclement weather and graduations. Leach also noted rents are rising across the county, pushing first-time buyers into the market. "Increasing interest rates are of some concern and buy-downs on interest rates are being used widely," he reported.

"Both rising mortgage rates and home prices hurt affordability for many buyers," stated Nadia Evangelou, senior economist and director of forecast at the National Association of Realtors, in an interview with a reporter for MarketWatch Picks. With affordability concerns and persistent inventory shortages, she said more people are renting, but rents are rising sharply.

"For institutional buyers, rising rents translate to larger profits," Evangelou explained, adding, "However, a larger market presence of institutional buyers increases market competition for first-time home buyers. Research has shown that institutional investors may be taking a significant portion of homes that would otherwise be sold to first-time and lower-income buyers."

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,600 member firm offices and 33,000 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	4,955	4,207	2,819	3,143	\$1,067,968	\$851,000	1.34	0.56
Snohomish	2,085	1,831	1,263	1,366	\$835,570	\$750,500	1.34	0.35
Pierce	2,173	1,954	1,493	1,446	\$619,791	\$560,000	1.35	0.48
Kitsap	702	606	456	475	\$727,573	\$603,025	1.28	0.54
Mason	226	237	141	117	\$503,972	\$460,000	2.03	0.72
Skagit	301	312	185	190	\$612,703	\$557,500	1.64	0.71
Grays Harbor	253	366	174	137	\$428,578	\$375,000	2.67	1.36
Lewis	205	291	134	113	\$461,009	\$450,000	2.58	1.03
Cowlitz	216	202	178	120	\$404,260	\$379,900	1.68	0.66
Grant	167	200	124	103	\$393,139	\$359,000	1.94	0.99
Thurston	762	597	569	515	\$568,633	\$520,000	1.16	0.40
San Juan	49	111	28	25	\$1,148,840	\$940,000	4.44	1.70
Island	251	259	173	177	\$744,734	\$560,000	1.46	0.61
Kittitas	158	200	111	97	\$730,566	\$520,000	2.06	0.99
Jefferson	90	97	73	53	\$745,442	\$729,000	1.83	1.11
Okanogan	94	168	69	80	\$489,260	\$373,750	2.10	1.64
Whatcom	633	608	332	353	\$676,270	\$610,000	1.72	0.77
Clark	121	134	87	75	\$621,719	\$550,000	1.79	0.54
Pacific	96	143	62	54	\$293,953	\$282,000	2.65	0.97
Ferry	11	27	13	7	\$452,829	\$425,000	3.86	2.40
Clallam	150	167	107	107	\$552,130	\$475,000	1.56	1.03
Chelan	192	247	124	101	\$738,343	\$610,000	2.45	1.24
Douglas	81	95	55	38	\$556,941	\$509,950	2.50	0.65
Adams	31	36	19	21	\$318,875	\$300,000	1.71	1.29
Walla Walla	95	107	72	66	\$504,074	\$443,771	1.62	0.67
Columbia	10	27	7	5	\$173,800	\$169,000	5.40	1.25
Others	116	176	69	63	\$475,252	\$424,900	2.79	2.13
<b>Total</b>	<b>14,223</b>	<b>13,405</b>	<b>8,937</b>	<b>9,047</b>	<b>\$801,139</b>	<b>\$650,000</b>	<b>1.48</b>	<b>0.58</b>

**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	3943
2022	4405	5560	7312	6908	7482	6031						

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