



**Brokers say all parties in housing transactions
need to recalibrate during shifting market**

KIRKLAND, Washington (August 4, 2022) – New statistics from Northwest Multiple Listing Service confirm reports of a shifting housing market, prompting one industry leader to suggest “all parties involved in a transaction today have to recalibrate.”

“Today’s buyers have their cups finally overflowing with options as residential inventory grows to about two months of supply,” said Dick Beeson, managing broker at RE/MAX Northwest Realtors in Gig Harbor. The MLS report summarizing July statistics show 2.01 months of inventory system wide.

Inventory of single family homes and condominiums across the 26 counties served by Northwest MLS has not exceeded two months since January 2019 when there was 2.3 months of supply.

Commenting on the “many moving parts” of the market and the need to recalibrate, Beeson said sellers “are starting to see that overpricing just ain’t in the cards right now.” He also noted buyers still have to compete with other would-be homeowners, and depending on the property, some sellers are receiving offers over their asking price. “Buyer and seller expectations have changed. It feels like things are starting to normalize a little,” Beeson remarked.

Active listings have nearly doubled from a year ago, jumping from 7,948 offerings of single family homes and condos to 15,381 (up 93.5%). The addition of 11,805 new listings during the month contributed to the boost. Compared to June, the selection expanded by 1,976 listings (up 14.7%).

Evidence of slower activity appears in the sales figures. Pending sales retreated about 24% from a year ago, dropping from 11,567 to 8,775 mutually accepted offers. The NWMLS report shows a nearly 30% year-over-year decrease in closed sales (declining from 10,919 closings to 7,645).

Despite fewer sales, prices still rose, but at a slower rate. The median price on last month’s closed sales of single family homes and condos increased 6.1% from a year ago, rising from \$589,000 to \$625,000. For single family homes only (excluding condos), prices jumped about 6.6% and condo prices gained more than 8.6%.

In the four-county Puget Sound region, price changes ranged from a gain of about 2.7% in King County (from \$789,000 to \$810,000) to a jump of nearly 12.7% in Pierce County (from \$501,500 to \$565,000). Kitsap prices rose 5.4% while prices in Snohomish County increased 9.3%.

“Buyer opportunities have returned to the Puget Sound market, including increased availability and selection of properties, as well as fewer multiple offer/premium pricing situations,” said J. Lennox Scott, chairman and CEO of John L. Scott Real Estate.

A check of Northwest MLS statistics illustrates Scott’s point. Sellers in half the 26 counties accepted full price or above asking price offers. Based on the sales price to list price ratio, sellers of homes in Thurston County received 103.1% of their listing price to top the list. The other 12 counties where homes sold at or above the list price were Chelan, Clark, Cowlitz, Franklin, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, and Whatcom.

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The market balance is favoring buyers, reported Dean Rebhuhn, owner at Village Homes and Properties in Woodinville. “After experiencing multiple offers, shrinking inventory, or not being able to include inspection or financing contingencies with their offers, buyers now have choices,” he explained.

Noting King County had about seven weeks of inventory at the end of July (1.86 months) – about double May’s supply (0.83 months) – Rebhuhn described sales as “very good,” but said savvy sellers are making certain their homes are “priced right to win the sale. Overpriced listings have missed the market.”

Lennox Scott reported some buyers around Puget Sound are experiencing “buyer gridlock,” meaning they are seeking to sell their current home before getting under contract for their next property. “Home sale contingencies are a useful tool for homeowners in similar situations during this time.”

Northwest MLS director Frank Leach, broker/owner at RE/MAX Platinum Services in Silverdale, said Kitsap County continues to be a hot market, with homes in the \$400,000-to-\$700,000 price range drawing multiple offers. “Open house traffic is increasing, and we continue to see an influx of buyers from the greater Puget Sound region and from out of state who are moving to take advantage of Kitsap’s quality of life and diverse work force.”

Like nearly every county in the Northwest MLS service area, Kitsap had fewer pending sales than a year ago (483 versus 580 for a drop of 16.7%), but compared to June, brokers reported 27 more pending sales (up 5.9%). Year-over-year prices on closed sales in Kitsap rose 5.4%, from \$507,500 to \$535,000.

Leach also noted marketing times continue to be brisk, saying most sellers receive offers within 15 days, although he expects that to increase as inventory grows. Buyer concessions on resale homes are also on the rise, according to Leach. Builders are building “at a monumental rate” while trying to adjust to increases in mortgage rates. “We are seeing builders moving their price points down and providing incentives to buyers in closing costs and buydowns to help borrowers obtain lower interest rates.”

John Deely, executive vice president of Coldwell Bank Bain, said, “We are coming off the fevered pitch of a market that had tremendous velocity over the last few years. With listings starting to build again we are seeing a bit of a natural slowdown, yet still very much a sellers’ market.”

Industry experts consider less than four months of inventory to be a “seller’s market.” Deely noted every county in the NWMLS report except San Juan and Columbia had less than four months. All four counties in the Puget Sound region had less than 1.9 months of supply.

The good news, according to Deely, is “not only is there more inventory for buyers to view, but sellers who were on the fence about placing their home on the market, mainly because they had nowhere to go, are now seeing potential.”

Commenting on the slowing rate of price increases, Deely noted “we are not seeing median prices drop significantly. Slight seasonal decreases from May to July are typical for this time of year after the spring market, with this year further impacted in July by a heat wave and spike in travel.”

Only two counties, Ferry and Island, reported a year-over-year drop in median prices, according to the MLS report. Nine counties experienced single-digit appreciation in July compared to 12 months ago, with the remaining 15 having double-digit gains.

The latest Northwest MLS report mirrors some of the findings from the National Association of REALTORS® and its Confidence Index for June. (Figures for July are not yet available.) NAR’s data showed the average number of offers per property dipped to three from a previous high of five. Median days on the market for homes nationwide was 14, a record low. Nearly a third (30%) of buyers waived inspection and appraisal contingencies, which NAR said has held fairly steady since the start of the pandemic.

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	4,009	4,718	2,705	2,535	\$1,018,043	\$810,000	1.86	0.66
Snohomish	1,843	2,160	1,320	1,149	\$805,521	\$737,500	1.88	0.53
Pierce	1,807	2,340	1,426	1,261	\$627,212	\$565,000	1.86	0.66
Kitsap	564	711	483	391	\$650,786	\$535,000	1.82	0.87
Mason	182	282	136	114	\$521,041	\$409,500	2.47	0.74
Skagit	251	353	215	156	\$654,999	\$549,950	2.26	0.79
Grays Harbor	226	429	165	116	\$384,778	\$361,000	3.70	1.48
Lewis	182	344	125	91	\$439,130	\$405,000	3.78	1.32
Cowlitz	180	237	155	132	\$407,535	\$391,250	1.80	0.88
Grant	133	213	112	100	\$405,710	\$398,250	2.13	1.34
Thurston	571	694	502	464	\$552,507	\$500,000	1.50	0.54
San Juan	48	127	26	25	\$1,615,400	\$1,150,000	5.08	3.03
Island	229	280	207	128	\$605,331	\$534,950	2.19	0.66
Kittitas	124	217	94	84	\$833,130	\$622,475	2.58	1.35
Jefferson	82	106	70	62	\$730,445	\$698,750	1.71	1.29
Okanogan	70	171	63	46	\$490,905	\$387,450	3.72	2.40
Whatcom	568	733	361	286	\$636,468	\$582,500	2.56	0.79
Clark	103	143	96	81	\$588,003	\$530,000	1.77	0.58
Pacific	75	160	59	42	\$373,519	\$344,500	3.81	1.33
Ferry	8	31	3	10	\$207,670	\$194,500	3.10	2.60
Clallam	122	195	110	91	\$536,083	\$485,000	2.14	0.88
Chelan	166	280	122	110	\$702,389	\$614,500	2.55	1.29
Douglas	58	97	52	46	\$499,481	\$455,000	2.11	0.70
Adams	23	41	19	18	\$315,389	\$306,327	2.28	1.69
Walla Walla	71	97	68	55	\$478,327	\$417,000	1.76	0.80
Columbia	9	24	13	3	\$769,667	\$650,000	8.00	2.00
Others	101	198	68	49	\$467,819	\$391,000	4.04	1.85
Total	11,805	15,381	8,775	7,645	\$766,244	\$625,000	2.01	0.73

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	5934					

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