



FOR IMMEDIATE RELEASE  
FOR INFORMATION\*

Jan. 6, 2015

**Local real estate leader calls December “One of best on record”**

KIRKLAND, Washington (Jan. 6, 2015) – Real estate brokers around Western Washington reported a strong finish to 2015. December’s sales outpaced the same month a year ago by double digits, according to new figures from Northwest Multiple Listing Service.

“December was one of the best Decembers on record,” observed J. Lennox Scott, chairman and CEO of John L. Scott Real Estate upon reviewing the latest statistics from the listing service.

MLS members reported modest year-over-year price gains (about 5.5 percent) for homes and condominiums that sold last month compared to 12 months ago. The number of new listings added to inventory was nearly identical to activity of a year ago, but with pending sales outpacing new listings, the selection, as measured by total active inventory, dwindled by about 8 percent compared to a year ago.

Commenting on the combination of scarce inventory in some areas and expectations of rising interest rates, the head of one large real estate company advised, “Anyone thinking of buying a home should do it early in 2015!”

“Prices, interest rates, and rents will continue to rise,” stated Mike Gain, CEO and president of Berkshire Hathaway HomeServices Northwest Real Estate in Seattle. “The cost of buying a home is not determined by price alone but by price and the mortgage rate,” he explained, adding, “The longer a buyer waits, the higher the mortgage payment as prices and interest rates continue to increase.”

Many buyers appeared to heed Gain’s advice during December. MLS members reported 5,794 pending sales (mutually accepted offers) for an increase of nearly 11 percent from the year-ago total of 5,224 pendings. In the four-county Puget Sound region, brokers notched 4,410 pending sales, the highest December volume since 2005.

High-end homes are selling well, according to brokers and MLS data.

“Above the one million dollar price point in King County, we have seen back to back years of very strong sales activity,” commented Scott. Northwest MLS figures show nearly 2,000 homes priced at one million dollars and up sold in King County during 2014. That’s up more than 25 percent compared to 2013.

For more modestly priced homes, first-time and move-up buyers are taking advantage of loosening lending standards.

“It’s much easier for purchasers to qualify for a loan now than it was just a few months ago,” reported Gain. “The much needed 3 percent down payment loans are finally back for qualified purchasers,” he noted, adding, “This will allow more first-time buyers to break into homeownership.”

-more-

Northwest MLS director John Deely agreed the new low down payment loan programs and mortgage rates are a boost to activity.

“In December our brokers experienced high open house traffic and strong demand from buyers as listing inventory declined,” reported Deely, the principal managing broker at Coldwell Banker Bain in Seattle. “Buyers are determined to take advantage of the continued low interest rates and to make their move sooner rather than later,” he added.

George Moorhead, designated broker and owner at Bentley Properties, reported market activity stayed steady all the way into New Year’s. “If this level of activity continues, we will see yet another sellers’ market as inventory drops,” suggested Moorhead, who is also a member of the Northwest MLS board of directors.

MLS figures show there were 4,367 new listings added to inventory during December, about the same as a year ago when members added 4,333 homes to the selection. At month end, there were 17,659 homes and condos for sale. That’s down nearly 8.1 percent from the year-ago inventory of 19,214 active listings.

Brokers are reporting tight inventory in several neighborhoods, particularly around job centers.

“Buyers barely slowed down long enough to take a break for Christmas,” said Windermere Real Estate president OB Jacobi. “All this sales activity has eaten even further into already low inventory levels.”

MLS figures show about 2.8 months of inventory system-wide. Of the 21 counties in the monthly statistical report, King County has the tightest inventory, with only 1.4 months of supply. Snohomish County was slightly better, with about 2.2 months of supply. Six months is typically considered a healthy balance between supply and demand.

Jacobi noted many Seattle neighborhoods have less than a month’s supply, increasing the competition among buyers.

Prices climbed nearly 5.5 percent from a year ago, rising from an area-wide median selling price of \$275,000 to last month’s figure of \$290,000. That matches the price reported for October’s sales, a figure that was only surpassed in July when the median sales price overall was \$300,000.

Some MLS members, including Diedre Haines, expect similar increases this year.

“While some recent reports indicate a cooling of appreciation in 2015, unless more inventory hits the market, I anticipate the percentage increases to be about the same as 2014 due to sustained demand,” said Haines, who is Coldwell Banker Bain’s principal managing broker for South Snohomish County.

Haines, a past board member at Northwest MLS, cautioned sellers about unrealistic pricing. “It is well worth repeating that if sellers are serious about getting their homes sold, it is not a good idea to ‘go fishing’ even though there may be high demand,” she advised, adding, “Buyers are serious about making a purchase, but they are in no mood to play games as they are very well educated regarding price. If the house is overpriced – even by a small amount – buyers will simply not make offers,” she emphasized while urging sellers to heed the advice of their agent.

Brokers also stressed the importance of a home’s appearance.

“Homes need to be in the best condition possible, de-cluttered, including cupboards and closets, cleaned, especially carpets and floors, freshly painted, and attractively staged,” advised Haines. “The outside appearance needs to be in top-notch condition and have the best ‘curb appeal’ possible. These factors are vitally important in obtaining the best and highest price,” she added.

Looking ahead, brokers believe many factors signal a continuing housing market recovery. For example, Mike Gain, a past chairman of Northwest MLS, points to Fannie Mae's recent National Housing Survey. Its research shows 44 percent of consumers say now is a good time to sell a house, an all-time survey high. Nearly two-thirds of survey respondents (65 percent) say now is a good time to buy. "These results and attitudes will drive a healthy housing market in 2015," Gain believes.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 21,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 23 counties in Washington state. *(Note to editors: Data for Chelan and Douglas counties will be added to future reports. For now, activity for those counties is reflected in the line for "Other" areas.)*

---

**Statistical Summary by Counties: Market Activity Summary – December 2014**

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	1,421	3,600	2,130	2,500	\$496,561	\$400,000	1.44	1.76
Snohomish	649	2,001	956	920	\$339,889	\$318,250	2.18	2.49
Pierce	819	2,961	1,018	979	\$254,715	\$225,000	3.02	3.39
Kitsap	205	893	306	324	\$287,669	\$235,000	2.76	4.73
Mason	68	466	60	75	\$174,503	\$150,375	6.21	8.40
Skagit	94	517	129	155	\$291,978	\$260,000	3.34	4.07
Grays Harbor	77	593	62	78	\$141,243	\$120,000	7.60	9.87
Lewis	79	532	79	66	\$174,361	\$167,500	8.06	9.42
Cowlitz	104	428	101	92	\$166,757	\$146,900	4.65	4.99
Grant	48	421	49	59	\$176,532	\$152,040	7.14	7.74
Thurston	262	1,018	294	292	\$250,537	\$239,975	3.49	3.81
San Juan	10	270	19	20	\$618,406	\$449,700	13.50	16.83
Island	78	489	88	121	\$304,165	\$270,500	4.04	5.04
Kittitas	56	392	47	55	\$287,043	\$224,990	7.13	6.23
Jefferson	20	319	44	48	\$292,066	\$252,750	6.65	8.63
Okanogan	30	374	29	36	\$209,544	\$213,000	10.39	11.06
Whatcom	162	1,003	203	243	\$288,458	\$265,000	4.13	5.51
Clark	39	143	37	40	\$332,239	\$227,382	3.58	5.83
Pacific	36	324	35	33	\$157,064	\$165,000	9.82	11.46
Ferry	5	71	1	3	\$95,300	\$89,000	23.67	N/A
Clallam	40	303	41	53	\$204,515	\$190,000	5.72	7.92
Others	65	541	66	92	\$278,191	\$232,250	5.88	8.22
<b>MLS TOTAL</b>	<b>4,367</b>	<b>17,659</b>	<b>5,794</b>	<b>6,284</b>	<b>\$364,141</b>	<b>\$290,000</b>	<b>2.81</b>	<b>3.36</b>

\* Months of inventory are calculated using active listings divided by closed sales.

-more-

**4-county Puget Sound Region Pending Sales (SFH + Condo combined)**

(totals include King, Snohomish, Pierce & Kitsap counties)

	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
<b>2000</b>	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
<b>2001</b>	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
<b>2002</b>	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
<b>2003</b>	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
<b>2004</b>	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
<b>2005</b>	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
<b>2006</b>	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
<b>2007</b>	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
<b>2008</b>	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
<b>2009</b>	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
<b>2010</b>	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
<b>2011</b>	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
<b>2012</b>	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
<b>2013</b>	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
<b>2014</b>	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410

###