



MONTHLY UPDATE

HAWKINS-POE
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Northwest MLS brokers see signs of busy spring market despite slow January. Here's what local real estate expert, Frank Hawkins of Hawkins-Poe Real Estate, Fircrest WA, along with Northwest MLS experts see regarding the February market for potential buyers and sellers.

A frigid first week of January, surges in coronavirus cases, and depleted inventory were among factors brokers from Northwest Multiple Listing Service cited for last month's slower than year-ago sales. In newly released statistics for January, the MLS reported 6,350 pending sales of single-family homes and condominiums, about 1,000 fewer the same month a year ago for a drop of 14%. The year-over-year (YOY) number of closed sales also fell by 13.8%.

When looking for some explanation, Frank Hawkins, President of Hawkins Poe, Inc. Realtors from Tacoma, Washington, offered the following options for the consumer to choose from: "Inventory Shortage, a December-January COVID breakout, Inflation, Increasing Interest Rates, cold and snowy weather - you choose. In the absence of certainty, the default position for most sellers is to stay put, do nothing, and hunker down," continued Hawkins.

Broker-members added 5,927 new listings during January, nearly 1,000 fewer than the same month a year ago, but an improvement on December's volume of 4,617. Last month's pending sales outgained new listings to further shrink inventory. At month end the selection included a meager 3,092 active listings, down more than 30% from a year ago. There is about 2.5 weeks of supply (0.61 months) across the 26 counties served by Northwest MLS. King County had the steepest drop in active listings, shrinking nearly 59% from a year ago, followed by Jefferson County, down 40%, and Snohomish County, down more than 35%.

A comparison of counties in the listing service report shows only about half of them have more than one month of supply, and these areas tend to be in more rural areas. King,

Pierce, and Snohomish counties all have less than two weeks of supply. Kitsap County is slightly better with 0.58 months.

"Strong activity along the I-5 and I-90 corridors outside of the Seattle area continues with strong double-digit price increases being recorded," noted James Young, director of the Washington Center for Real Estate Research at the University of Washington. He expects strong demand and a search for value outside of Seattle will continue to push up values. Last month's prices were up nearly 14.9% from a year ago, climbing from \$483,250 to \$555,000.

Five counties reported price gains of 30% or more, led by Okanogan at 46.3%. Other counties with price increases of at least 30% were Chelan, Kittitas, Pacific, and San Juan. Condominium prices surged nearly 21% area-wide, rising from \$359,950 to \$435,000, while the number of new listings, active listings, pending sales and closed sales all declined from the same month last year. Young said the combined price trend and activity levels suggest suburban growth should continue for a while longer as households seek lower costs and a more home-based lifestyle. "Hybrid work-from-home conditions are allowing more flexibility for buyers. Job demand and lifestyle choices continue to drive sales," concluded Hawkins.



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