



FOR IMMEDIATE RELEASE

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### **Prices Edge Up Slightly for January's Home Sales in Western Washington**

KIRKLAND, Wash. (Feb. 6, 2008) –Prices for homes that sold last month in western Washington edged up slightly from a year ago, according to new figures from Northwest Multiple Listing Service. In its recap of January activity, the MLS reported inventory, while still plentiful, reached its lowest level since April 2007 (with the exception of the holiday month of December).

Pending sales still lagged year-ago volumes and the number of listings is up about 35 percent from January 2007, but MLS directors point to several indicators of rising activity, including:

- A significant increase in open house traffic
- Higher volumes of inquiries from first-time buyers
- Financing that is both “obtainable and inexpensive”
- More multiple offer situations

One broker even described the current market as the “best buying opportunity in four or five years.”

“I have heard several reports of a dramatic increase in buyer activity,” said Pat Grimm, owner/broker of Windermere Real Estate/Capitol Hill, Inc. “Buyers are anticipating a window of opportunity where prices are low, inventory is plentiful and financing is both obtainable and inexpensive,” the MLS director noted, adding, “In Seattle, well priced and well positioned properties are getting multiple offers.”

Across the Northwest MLS service area, which encompasses 19 counties, the price on last month's closed sales of single family homes and condominiums rose 1.05 percent, from \$312,975 to \$316,250. In King County, which accounted for about four of every 10 closed sales, prices increased nearly 4 percent.

Prices for single family homes (excluding condos) rose 1.3 percent from a year ago, climbing from \$329,950 to \$334,288. In the four-county Puget Sound region, only King County notched a gain, with prices rising from the year-ago figure of \$429,495 to \$435,000, an increase of about 1.3 percent.

Condo prices showed signs of softening after registering double-digit gains during most months of 2007. For the MLS overall, the median price for last month's closed sales was \$249,950, down less than a percentage point (0.71 percent) from the year-ago figure of \$251,745. In King County, where nearly 60 percent of condo sales occurred, prices dipped 1.6 percent, from \$274,900 a year ago to \$270,500.

MLS members reported 4,499 pending sales of single family homes and condos during January, improving on December's total of 3,950 pending sales. That volume is off about 31 percent from twelve months ago when brokers notched 6,522 pending sales.

On the listing side, members added 13,186 new properties to the inventory, bringing the month-end total to 41,498. That's about 35 percent more than the selection of a year ago when there were 30,700 active listings of single family homes and condos. It also marks the lowest level since April 2007, with the exception of December, when inventory typically shrinks. (At the end of 2007, the MLS reported 38,440 active listings.)

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The number of single family homes rose about 31 percent from this time last year, while condo inventory surged about 61 percent. Of the condo listings, about one-third are newly built.

“We are starting to see more and more buyers who have been on the fence now making their move because of low interest rates, a good selection of homes, and confidence in the local economy,” remarked J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. “These buyers understand the local market and the fact that homeownership is not just a moment in time, but rather a long term investment in their future,” he emphasized.

Recent interest rates cuts by the Federal Reserve Bank and the presidential campaign may also be factors, suggests Dick Beeson, broker/owner of Windermere/Commencement Associates in Tacoma. Cutting the discount rate has helped maintain low interest rates and so has the forthcoming election, with the candidates looking to grow the economy, some by tax cuts for small business, others by rebates, he observed. Beeson added he does not expect a stimulus package to have much direct effect on the local market, other than giving a sense of positive movement.

Agents are receiving more inquiries about buying homes than in the last several months, open house traffic has increased, the mood is elevated among buyers, with both entry level and mid-range homes getting a fresh look, according to Beeson. “Homes that are “spot on” in condition and pricing are receiving offers and going to closing,” he reported.

MLS director Ken Bacon, associate broker at Windermere Real Estate/S.C.A. in Redmond, believes the Fed’s rate reduction has and will accelerate buyer interest. He attributes the recent leveling off of the Seattle area market to an exodus of investor buyers and tighter mortgage qualifying standards that eliminated many first time buyers.

“The ongoing appreciation in King County is fueled by our good job market,” Bacon commented. “This creates stability in the marketplace, changing the motive of buying to “the need for housing” and the pride of home ownership,” he stated. Attractive mortgage rates and rising rental costs could also fuel sales, he noted, while emphasizing the job element is critical.

Another Northwest MLS director, Mike Skahen, owner/broker at Lake & Co. Real Estate, also reported a “significant increase in buyer activity” since the first of the year, coupled with “very strong” open house activity, with 25 to 35 visitors common at many of them. “Listings that were sitting are now getting offers and selling, making this feel like the first truly normal market we’ve had in many years,” Skahen commented.

Having slightly lower prices in some areas, negotiable sellers and lower interest rates combined with Seattle’s strong economy are pushing buyers into action, according to Skahen. This is especially noticeable with first-time buyers looking for homes priced under \$450,000, he reported. “We just had a \$375,000 Matthews Beach listing sell well over the list price with 18 offers,” Skahen said.

Bacon expects a pick-up in activity, starting mid first quarter, with local appreciation in the range of 3 to 8 percent through 2008, depending on location. He believes location will have a growing impact on appreciation as buyers face longer and more expensive commutes. Condos will also be an attractive option, he added.

Northwest Multiple Listing Service, owned by its member brokers, is the largest full-service MLS in the Northwest. Its membership includes approximately 31,000 brokers and agents. The organization, based in Kirkland, currently serves 19 counties, mostly in western Washington, plus Grant, Kittitas and Okanogan counties in the central part of the state.

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(Statistical summaries and “sources quoted” follow)

**Statistical Summary by Counties: Market Activity Summary- Jan. 2008**

Jan. 2008 Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	4937	12,370	1681	1403	\$479,993	\$395,000
Snohomish	2239	5979	728	579	\$365,987	\$344,500
Pierce	2158	7524	659	563	\$290,236	\$260,000
Kitsap	709	2342	223	167	\$333,998	\$279,000
Mason	175	727	46	39	\$205,009	\$190,000
Skagit	257	1165	114	76	\$313,934	\$257,000
Grays Harbor	172	839	51	36	\$210,473	\$186,750
Lewis	161	664	40	42	\$197,414	\$195,500
Cowlitz	169	729	56	29	\$205,996	\$181,000
Grant	145	567	55	47	\$203,268	\$165,000
Thurston	616	1880	271	174	\$288,815	\$262,500
San Juan	29	294	12	13	\$770,269	\$675,000
Island	251	973	73	73	\$412,213	\$299,950
Kittitas	84	522	28	27	\$257,579	\$205,900
Jefferson	50	424	30	19	\$491,547	\$396,500
Okanogan	39	382	14	19	\$195,553	\$170,000
Whatcom	448	1784	237	165	\$306,308	\$256,000
Clark	191	779	69	58	\$292,291	\$276,250
Pacific	66	338	15	17	\$217,026	\$188,300
Others	290	1216	97	76	\$199,899	\$169,118
<b>MLS TOTAL</b>	<b>13,186</b>	<b>41,498</b>	<b>4,499</b>	<b>3,622</b>	<b>\$376,729</b>	<b>\$316,250</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
<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											

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*Sources quoted* (Bacon, Beeson, Grimm and Skahen are members of the NWMLS Board of Directors)

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