



FOR IMMEDIATE RELEASE

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Northwest MLS members report 28 percent increase in pending sales from year ago

KIRKLAND, Wash. (Feb. 4, 2010) – “More certainty” and “more stability” in the market contributed to a boost in activity during January, according to officials from Northwest Multiple Listing Service. Brokers reported an increase of nearly 27 percent in pending sales (purchase offers made and accepted, but not yet closed) from December and a 28 percent jump from twelve months ago.

Two other indicators of activity fell -- inventory and sales prices. There were 3,915 fewer active listings of single family homes and condominiums in the MLS system compared to a year ago, a drop of about 10.3 percent. Sales prices area-wide for January’s closed sales declined about 4.8 percent from year-ago figures. (The NWMLS service area covers 21 counties.)

“We anticipated there would be improved sales in the first-time buyer market and are encouraged to see activity gaining ground in the higher price ranges as well,” observed NWMLS director Joe Spencer, the president and COO of John L. Scott Real Estate. He cites historically low interest rates, great affordability, and the home buyer tax credits as factors for “helping push us into a more stable market,” and noted he expects to see this momentum continue in the coming months.

NWMLS members added 11,206 new listings to inventory during January, including 9,269 single family homes and 1,937 condominiums. With those additions, the selection at month end totaled 34,256 listings, down more than 10 percent from a year ago. The inventory of single family homes shrunk 11.5 percent, while the condo selection declined by 3.7 percent.

Members tallied 5,579 pending sales during January, improving on the year-ago total by 1,226 transactions (up 28.2 percent). For the four-county Puget Sound region (King, Kitsap, Pierce and Snohomish), the number of pending sales jumped nearly 35 percent, led by King County’s increase of 47.4 percent.

Currently, there is about a 6.1 months supply (ratio of houses for sale to houses sold). Economists consider a supply of 3-to-6 months to be a balanced market.

“The market has definitely picked up, with more interest and action by buyers,” reports Dick Beeson, broker/owner of Windermere Commencement Associates in Tacoma and a member of the NWMLS board of directors. “Sellers are expecting better results this year than last year, but not necessarily higher prices,” he remarked.

The median sales price for last month’s closed sales of single family homes and condominiums combined was \$259,903, down 4.8 percent from the year-ago price of \$273,000. Compared to December, prices fell about 1.9 percent area-wide, with eight counties showing increases in sales prices. In King County, last month’s median price of \$350,000 for single family home sales was unchanged from December.

Single family homes (excluding condos) sold for a median price of \$262,500, which compares to the year-ago selling price of \$276,000, a drop of 4.9 percent.

Short sales and tax credits may be skewing some of the data, according to industry insiders.

“The short sale inventory continues to climb yet many banks are starting to get their act together and actually making it easier for agents and buyers to get faster answers to their proposed contracts,” Beeson said. “Shorter closing times are good for everyone,” he stated, while expressing ongoing concern with the role of Appraisal Management Companies. (Beeson and the National Association of Realtors® suggest Appraisal Management Companies pose potential conflicts of interest if they’re lender-owned, and say assigning appraisers to prepare reports in areas where they lack geographic know-how can yield unreliable results.) “Sales are sometimes lost because of appraisals that don’t reflect the market,” Beeson explained.

Lawrence Yun, chief economist for the National Association of Realtors, believes the tax credit is skewing market data. Commenting on NAR’s report of December activity, which showed a 10.9 percent jump in pending sales from December 2008 and 1.0 percent increase from November, Yun said “There are easily understood swings in contract activity as buyers respond to a tax credit that was expiring and was then extended and expanded.” Noting December was the fifth highest monthly tally in two years, Yun stated “These swings are masking the underlying trend, which is a broad improvement over year-ago levels.”

Beeson said the fast-approaching tax credit deadline is expected to boost activity in the next few months. “This year will be better than last because of more certainty in the market,” he remarked.

Buyers who have a contract in place to purchase a primary residence by April 30, 2010, have until June 30 to finalize the transaction to qualify for a tax credit of up to \$8,000 for first-time buyers and \$6,500 for repeat buyers.

Northwest Multiple Listing Service, owned by its member brokers, is the largest full-service MLS in the Northwest. Its membership includes more than 24,000 brokers and agents. The organization, based in Kirkland, currently serves 21 counties in western and central Washington. Ferry and Clallam counties are now included in the monthly statistical reports.

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Sources quoted (Beeson and Spencer are members of the NWMLS board of directors)
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Summary charts follow

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