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## **Demand keeping inventory in check as buyers compete over low inventory**

KIRKLAND, Washington (July 6, 2023) – Brokers with Northwest Multiple Listing Service reported their highest volume of closed sales last month (6,842) since September 2022's total (7,504) as buyers competed for limited inventory.

The Northwest MLS report summarizing June activity showed there was about six weeks of supply (1.55 months), with twelve of the 26 counties having less than two months of inventory. Among those were King, Kitsap, Pierce and Snohomish counties, where nearly 55% of the inventory is located. Five counties reported having more than four months of supply (Columbia, Ferry, Kittitas, Okanogan, and San Juan).

The latest NWMLS report shows the number of active listings of single family homes and condominiums systemwide is down nearly 21% from June 2022 (10,607 versus 13,405). For single family homes (excluding condos), year-over-year inventory is down about 22.4%, while condo inventory declined 9.2%.

Pending sales for June totaled 7,759. That is a decline from both May's total of 8,120 (down about 4.4%) and from the year ago total of 8,937 (down about 13.2%).

Last month's 6,842 closed sales marked the largest number of closings since September, but compared to June 2022 the volume was down about 24%.

"In real estate, it is all about the supply and demand principle," said J. Lennox Scott, executive officer at John L. Scott Real Estate. "In the current housing market environment, in the more affordable and mid-price ranges where 80% of transactions are occurring, we are observing a virtually sold-out market which has been sending prices higher," Scott stated.

On a brighter note for buyers, NWMLS members added 9,481 new listings to inventory during June. That's the highest total since August 2022 when brokers replenished inventory with 9,914 new listings.

"Demand continues to keep the existing and new inventory in check as buyers compete over low inventory, driving the median price for single family homes (excluding condos) in King County to \$935,000, and approaching last year's record of \$998,888," commented John Deely, executive vice president of operations at Coldwell Banker Bain.

Deely noted King County residential properties (single family homes) have had a 19.7% increase in the median sold price year to date (YTD). "San Juan County reported a median sales price of \$1,096,000 for last month's sales – a 14.2% increase from a year ago." NWMLS statistics show that county's price for sales of single family homes has surged more than 35% since January.

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“Although at a lower velocity than previous years, low inventory and higher interest rates keep the overall market in a more balanced state as sales keep pace with new and existing inventory,” Deely remarked while noting the three most populated counties (King, Pierce and Snohomish) all maintained less than 1.5 months of inventory.

At the end of June, buyers could choose from 10,607 total active listings. Overall, that volume declined about 21% from a year ago. Eleven counties had year-over-year gains in inventory, led by Kittitas (up 45%) and Jefferson (up more than 37%).

“We have multiple open houses with many visitors every weekend,” stated JoAnna Harrison, a member of the NWMLS board of directors, commenting on activity in Chelan County, which was one of the counties that notched a year-over-year increase in total active listings, at 17%.

“Chelan County is seeing an increase in seller activity coming from the Leavenworth area due to the recent restrictions on short-term rentals.” (In May, Chelan County said no new applications for short-term rentals would be taken for the 98826 zip code area, encompassing Leavenworth, Plain and Lake Wenatchee, during the current application period ending July 31 because these areas are either over capacity or do not allow short-term rentals.)

Harrison, the managing broker at CB Cascade in Wenatchee, said finding buyers in the price point ranging from \$450,000-to-\$600,000 in the Wenatchee Valley is slowing down, but added, “We still have a large demand of buyers for the area, but they are looking for homes that are well cared for and updated.”

Dean Rebhuhn, owner at Village Homes and Properties in Woodinville, also reported “very active” open house traffic during June and the first weekend in July. “It’s going to be a hot summer sales season, with low inventory and lifestyle changes driving the market. Multiple offers over listed prices are increasing for well-priced properties.”

Seventeen counties reported a sales price to list price ratio of 99% or higher for last month’s completed transactions of single family home sales, topped by Kitsap County at 104.9%. Also surpassing the 100% ratio were Franklin, King, Pierce, Snohomish, Thurston, Jefferson, Skagit, Clark, Island and Cowlitz counties.

The median price for last month’s 6,842 closed sales was \$625,000. That is a drop of 3.85% from a year ago, but prices are up about 12.2% since January when the median price was \$557,250. Seventeen counties reported double-digit price gains since January.

“Sale prices in King and Snohomish counties rose for the fifth consecutive month and are only modestly lower than a year ago,” observed Windermere Chief Economist Matthew Gardner. “It will be interesting to see if this trend can continue given the stubbornly high mortgage rates.”

NWMLS director Frank Leach said despite YOY (year-over-year) declines in listings, sales, and prices in Kitsap County, there is pent-up demand. “We have a lot of new inventory coming online. While the spike in interest rates may have held buyers at bay, they are now coming out in droves and we are dealing with multiple offers – in many cases above list price offers with few or no concessions,” said Leach, broker/owner at RE/MAX Platinum Services in Silverdale. The number of cash transactions is also increasing, he noted.

“With the USS Ronald Reagan relocating to Bremerton from Japan and the recent return of the USS Nimitz after a seven-month deployment, rental housing in Kitsap County is at a premium,” according to Leach. “People are now making the move as inventory increases ever so slightly and slowly.”

Leach also reported a robust uptick in building permits, “a barometer for growth in the county,” and he expects an increase in available condominiums, noting YOY supply rose from 1.5 months to 2.33 months.

Commenting on listing activity, economist Gardner noted the number of homes for sale in the tri-county area (King, Pierce and Snohomish) jumped nearly 16.6% from May. “That said, the number of homes for sale in the Central Puget Sound area in June was down 48% from the same month in 2019 (pre-pandemic). I believe much of the reason for this is that almost 33% of in-state homeowners have mortgage rates at or below 3%, and 87% of owners have rates below 5%. There is little incentive to list your home for sale if you don’t have to,” he remarked.

Condos accounted for about 13% of last month’s activity for both total active listings and for closed sales. Brokers reported 886 completed transactions at a median selling price of \$483,500, nearly matching the year-ago price of \$485,000 for condos sales.

Of last month’s sales of single family homes (excluding condos), more than 21% commanded a price of \$1 million or more. About a third (33.4%) sold in the range of \$500,000 to \$749,999.

June 2023 sales by price range (single family homes only)

Sale Price Range	%
\$1 - \$299,999	4.57%
\$300,000 - \$499,999	23.31%
\$500,000 - \$749,999	33.43%
\$750,000 - \$999,999	17.41%
\$1,000,000 - \$2,499,999	19.45%
\$2,500,000 & higher	1.83%
<b>Total</b>	<b>100%</b>

**About Northwest Multiple Listing Service**

As the leading resource for the region’s residential real estate industry, NWMLS provides valuable products and services, superior member support, and the most trusted, current listing data and industry information for real estate professionals. NWMLS is a member-owned, not-for-profit organization with more than 2,500 member offices and 32,000 real estate brokers throughout Washington state. With extensive knowledge of the region, NWMLS operates 20 service centers and serves 26 counties, providing dedicated support to its members and fostering a robust, cooperative brokerage environment. [nwmls.com](http://nwmls.com).

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*Please see next page for statistical summaries*

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Single Fam. Homes + Condos	New Listings	Total Active Listings	# Pending Sales	# Closed Sales	Avg. Closed Price	Median Closed Price	This mo. Inventory	Same mo., yr ago
King	3,242	3,013	2,610	2,400	\$1,045,079	\$830,000	1.26	1.34
Snohomish	1,198	923	1,090	910	\$816,878	\$749,950	1.01	1.34
Pierce	1,410	1,331	1,180	1,035	\$596,159	\$531,000	1.29	1.35
Kitsap	497	536	418	400	\$698,652	\$550,666	1.34	1.28
Mason	164	234	123	113	\$457,193	\$400,000	2.07	2.03
Skagit	180	233	160	148	\$606,534	\$550,500	1.57	1.64
Grays	184	381	142	100	\$369,641	\$352,250	3.81	2.67
Lewis	145	230	102	84	\$468,758	\$415,500	2.74	2.58
Cowlitz	129	169	114	96	\$415,823	\$392,000	1.76	1.68
Grant	117	241	92	91	\$408,732	\$349,990	2.65	1.94
Thurston	497	439	451	395	\$550,981	\$514,000	1.11	1.16
San Juan	47	148	30	18	\$1,138,222	\$923,000	8.22	4.44
Island	206	252	169	135	\$657,224	\$575,000	1.87	1.46
Kittitas	138	290	75	62	\$638,804	\$529,997	4.68	2.06
Jefferson	82	133	58	52	\$645,785	\$592,975	2.56	1.83
Okanogan	77	183	57	38	\$531,763	\$540,000	4.82	2.10
Whatcom	410	597	335	287	\$621,003	\$575,000	2.08	1.72
Clark	134	143	91	73	\$627,194	\$555,000	1.96	1.79
Pacific	82	186	60	47	\$380,502	\$326,500	3.96	2.65
Ferry	9	26	6	6	\$255,750	\$277,500	4.33	3.86
Clallam	104	161	108	88	\$543,382	\$472,475	1.83	1.56
Chelan	170	289	106	96	\$674,692	\$547,500	3.01	2.45
Douglas	63	79	59	43	\$531,913	\$488,000	1.84	2.50
Adams	22	43	20	20	\$374,442	\$376,250	2.15	1.71
Walla Walla	60	118	44	61	\$511,274	\$455,000	1.93	1.62
Columbia	10	19	1	3	\$406,667	\$520,000	6.33	5.40
Others	104	210	58	41	\$439,741	\$375,000	5.12	2.79
<b>Total</b>	<b>9,481</b>	<b>10,607</b>	<b>7,759</b>	<b>6,842</b>	<b>\$774,624</b>	<b>\$625,000</b>	<b>1.55</b>	<b>1.48</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
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	6581	5208	4410	3521	2778
2023	4111	4402	4951	4966	5578	5298						

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