

*FOR IMMEDIATE RELEASE: December 5, 2011*

### **Home sales outpace number of new listings for first time in five years**

*NWMLS KIRKLAND, WA. (Dec. 5, 2011)* – Northwest Multiple Listing Service members reported 6,103 pending sales during November, marking the seventh straight month of double-digit year-over-year increases.

Last month's total number of mutually accepted offers was 22.4 percent higher than the same month a year ago. It also marked the first month since December 2006 that the number of pending sales surpassed the number of new listings (6,043), prompting discussions of possible inventory shortages.

"As we head toward the end of the year, it's certainly good to see a healthy number of buyers relative to the available inventory for sale," said Mike Grady, president and chief operating officer of Coldwell Banker Bain. "In fact," he noted, "there are some desirable neighborhoods in urban core areas where the case could be made there are too few homes currently for sale."

At month end, there were 30,650 residential listings in the MLS inventory across 21 counties, down nearly 17 percent from a year ago. For the listing service map areas covering Seattle, the database shows a year-over-year drop of about 32 percent.

"Entering the New Year, the Seattle metro area will start off with a shortage of inventory in both the more affordable and mid-priced ranges," suggested J. Lennox Scott, CEO and chairman of John L. Scott Real Estate. He noted a high percentage of sellers are receiving offers within the first month or two of listing their homes.

Despite the smaller selection, the listings in the MLS database covering all counties span a wide price range: 400 homes are priced at \$50,000 or less and 65 residences are listed at \$5 million-plus.

For homes and condominiums that sold last month, the median selling price was \$225,000, down 10 percent from the year-ago median price of \$250,000. Single family home prices were off 8 percent from a year ago (\$234,612 versus \$255,000), while condo prices slipped more than 17 percent (\$169,000 versus \$204,500).

Brokers point to distressed properties, which tend to be deeply discounted, as a primary cause of lower prices.

Bank-owned homes continue to put downward pressure on pricing, reported Northwest MLS director Matt Deasy, general manager of Windermere Real Estate/East, Inc.

For the four-county Puget Sound region, a check of the Northwest MLS database shows more than one-fourth (26.8 percent) of the single-family homes that sold last month were classified as distressed, up from the year-ago figure of 21.9 percent.

For the MLS market overall (21 counties), the number of closed sales jumped 36.2 percent, rising from 3,583 completed transactions during November 2010 to last month's total of 4,879.

"Home prices continue to get dragged down by foreclosures and short sales, which is disappointing given how strong home sales are," said OB Jacobi, president of Windermere Real Estate. "We probably won't see drastic changes in prices until the banks work through the distressed inventory," he noted, adding, "but we expect the pace of this process to pick up over the next several months, so hopefully by this time next year we'll be singing a different tune."

Kitsap County was one of the few areas to register a price gain. The median sales price edged up slightly more than 1 percent, from \$230,000 to \$232,500. "One month does not make a trend," acknowledged MLS director Frank Wilson, while noting the change in direction to a positive number is encouraging.

Wilson, the branch managing broker at John L. Scott's Poulsbo office, expects Kitsap County will benefit from last week's surprise announcement of a contract extension between Boeing and the Machinists Union, since Kitsap often feels an echo effect of what happens on "the other side." If ratified, he said the contract "will definitely help our area (particularly the northern part) in the long run as buyers will continue to see a significant price difference between Seattle-side real estate and what they can buy in Kitsap." (According to Northwest MLS data, the median asking price on current listings of single family homes in Kitsap County is \$289,000, while in King County it is \$370,000, about 28 percent more.)

The "fantastic, recent news coming out of Boeing is going to secure thousands of jobs in the area," said J. Lennox Scott. With that news, combined with momentum from other major area employers, "we are seeing solid, renewed demand for local housing," he remarked. Job growth, historic low interest rates and an elevated number of residential investors taking advantage of favorable market conditions are contributing to "a healthy level of sales activity, one of the best in the nation."

One of the sub-markets with vigorous activity is North Seattle, reported Mike Grady. The number of homes currently in escrow nearly matches the number still available for sale, a condition not seen since the boom years of 2005 and 2006, according to his analysis. He is also encouraged by the small ratio of distressed properties. Grady said fewer than 6 percent of North Seattle properties waiting to close escrow are 'short sale' transactions, which he said is "a positive trend our brokers will be keeping a close eye on in the weeks and months ahead."

Northwest MLS director Wilson cautioned some of the statistics for November and December should be viewed "with a grain a salt." Buyers and sellers tend to think more about family time and the holidays, and sellers may choose to postpone listing their home until the New Year, or take them off the market during the holiday season, he explained.

Although some sellers, buyers and brokers "check out" during the holidays, Wilson said there is an interesting dynamic that takes place. Houses that are on the market are being looked at by more motivated buyers, buyers who are very focused, he noted. "This is an interesting dynamic that happens every year," he added.

Wilson's observation is bolstered by findings from a Realtor.com survey, which found the vast majority of respondents, 79 percent, said more serious buyers were one of the biggest benefits of listing during the holidays. Less competition was an advantage cited by 61 percent of the survey respondents. The

majority of respondents, 74 percent, said pricing a home to sell is even more important during the holidays, while an even higher number, 80 percent, said online listing photos were particularly crucial since buyers visit fewer open houses and sellers are less inclined to schedule them during the busy holiday season.

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 22,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.