

THE Q3 2019 | CENTRAL WASHINGTON
GARDNER
REPORT

presented by



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The following analysis of the Central Washington real estate market is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.

ECONOMIC OVERVIEW

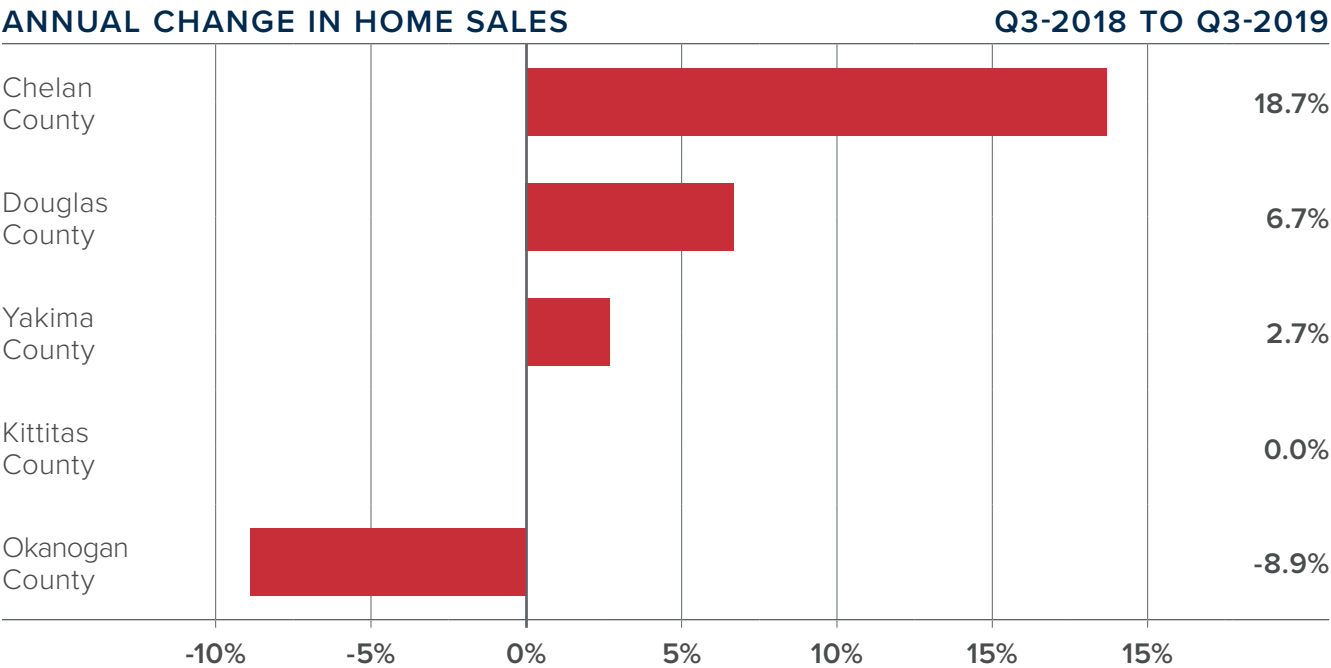
Washington State employment has softened slightly to an annual growth rate of 2%, which is still a respectable number compared to other West Coast states and the country as a whole. In all, I expect that Washington will continue to add jobs at a reasonable rate though it is clear that businesses are starting to feel the effects of the trade war with China and this is impacting hiring practices.

The state unemployment rate was 4.6%, marginally higher than the 4.4% level of a year ago.

On a seasonally adjusted basis, the counties within Central Washington added 1,514 new jobs over the past 12 months, representing a growth rate of 0.7%. The local unemployment rate rose compared to a year ago from 5.4% to 6.7%. However, a significant reason for the rise in unemployment is due to a 2% increase in the civilian labor force.

HOME SALES

- In the third quarter of 2019, home sales throughout Central Washington rose 4.3% year-over-year, with a total of 1,457 homes sold.
- Sales rose significantly in Chelan County, which saw an increase of 18.7% over the third quarter of 2018. Sales also rose in Douglas and Yakima counties, but fell in Okanogan County, though the drop was modest (-14 units).
- The number of pending home sales — an indicator of future closings — was up more than 70% compared to the second quarter, indicating that closings likely have further to rise in the final quarter of this year.
- Listing activity in the quarter was lower compared to a year ago, but there were modest increases in Chelan and Yakima counties. It's unlikely inventory levels will rise in the near term, but I do hope to see more choice in the market as we move into 2020.

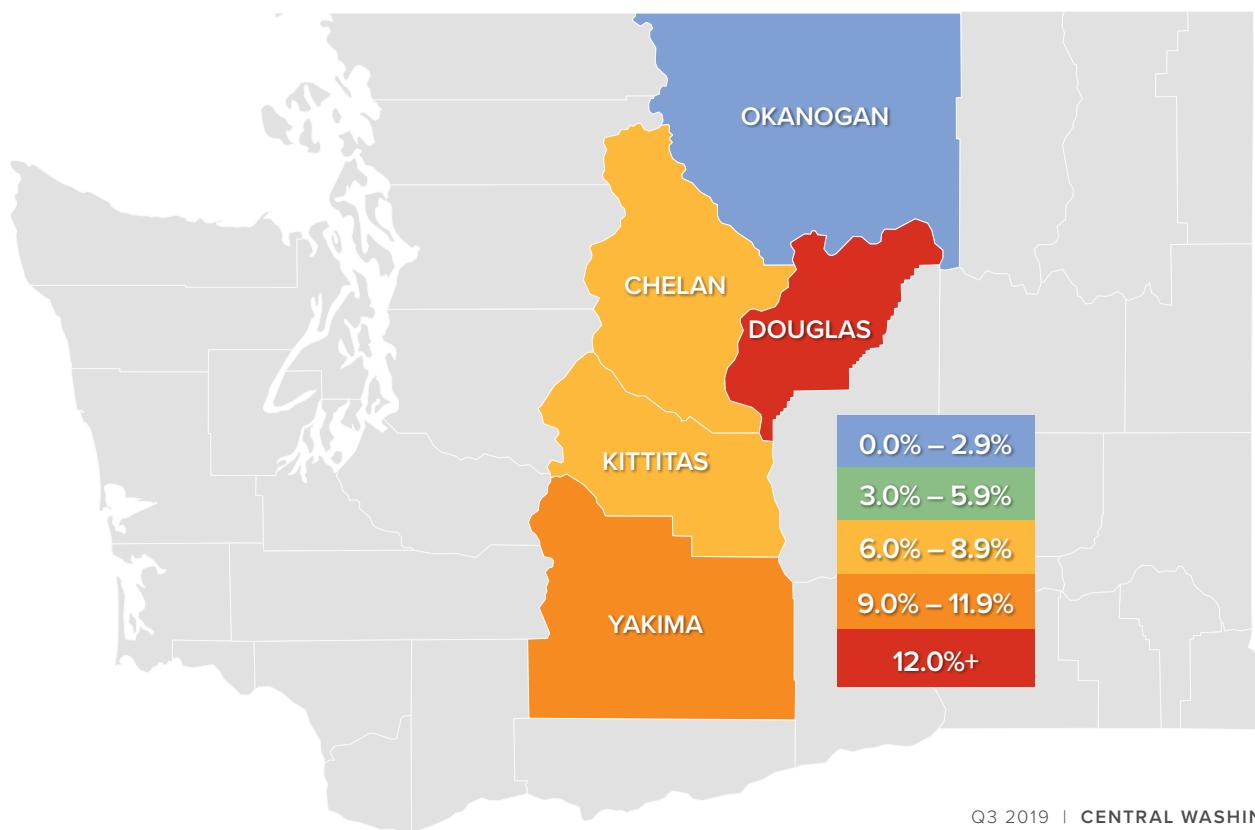
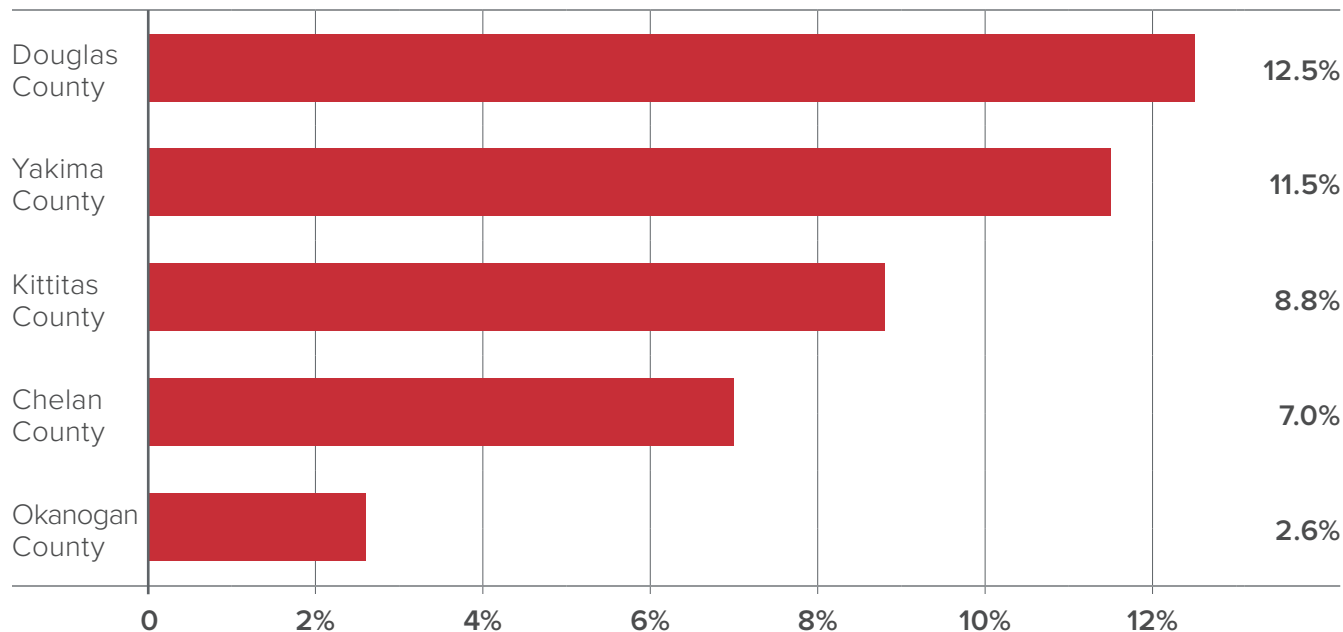


HOME PRICES

- Year-over-year, the average home price in the region rose 10.4% to \$360,903. Price growth continues to trend well above the long-term average, with limited inventory pushing prices higher.
- Prices were 16% higher than in the second quarter of this year.
- Prices rose in all counties contained in this report compared to the third quarter of 2018, with double-digit growth in Douglas and Yakima counties.
- While the area continues to experience significant home-price growth, I expect to see a slowdown as we move through the quieter winter months.

ANNUAL CHANGE IN HOME SALE PRICES

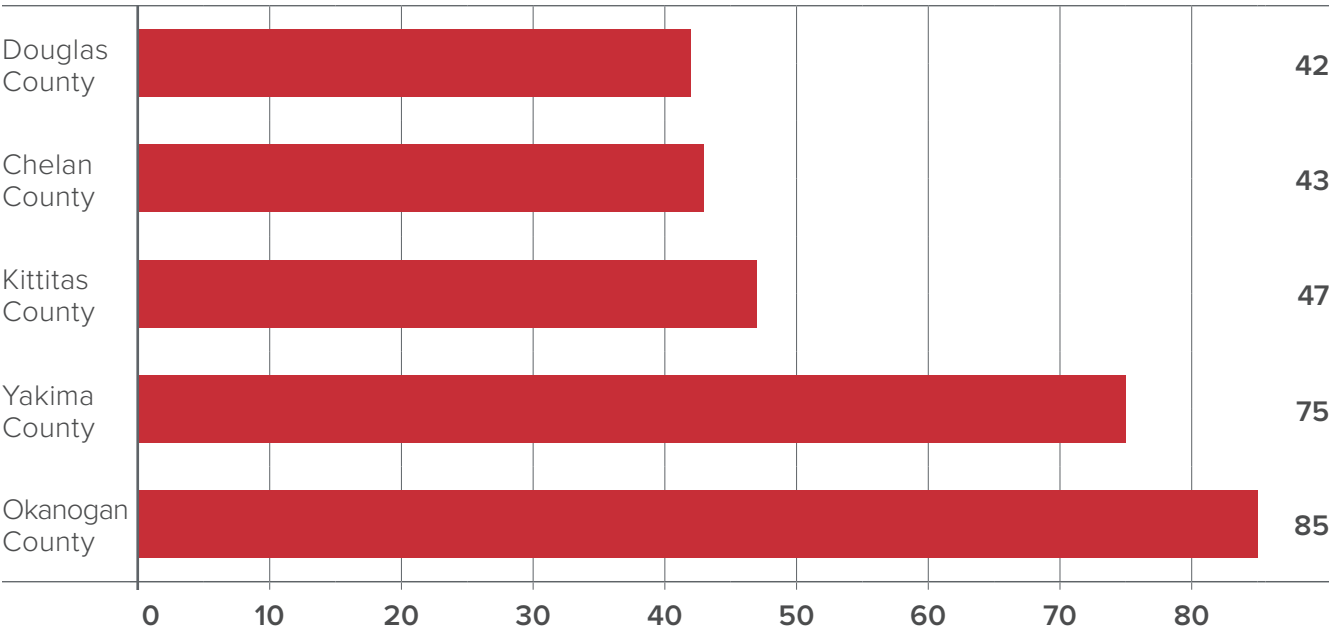
Q3-2018 TO Q3-2019



DAYS ON MARKET

- › The average number of days it took to sell a home rose three days compared to the third quarter of 2018.
- › The average time it took to sell a home in the region was 58 days, down 24 days compared to the second quarter of 2019.
- › Three markets contained in this report — Chelan, Yakima, and Douglas — saw days-on-market drop from the same quarter in 2018. The balance of the region took slightly longer to sell a home.
- › Homes sold fastest in Douglas County, where it took an average of 42 days to sell a home. The greatest drop in the time it took to sell a home was also in Douglas County, where it took 10 fewer days than in the third quarter of 2018.

AVERAGE DAYS ON MARKET



CONCLUSIONS



This speedometer reflects the state of the region’s real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors.

For the third quarter of 2019, I have moved the needle a little more in favor of sellers. Inventory levels remain low, and prices resumed their upward trajectory. This, in concert with very favorable mortgage rates, continues to bode well for home sellers.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

In addition to his day-to-day responsibilities, Matthew sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.