



THE Q1 2020 | EASTERN WASHINGTON  
**GARDNER**  
REPORT

*presented by*



**Windermere**  
REAL ESTATE

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## A MESSAGE FROM MATTHEW GARDNER

Needless to say, any discussion about the U.S. economy, state economy, or housing markets in the first quarter of this year is almost meaningless given events surrounding the COVID-19 virus.

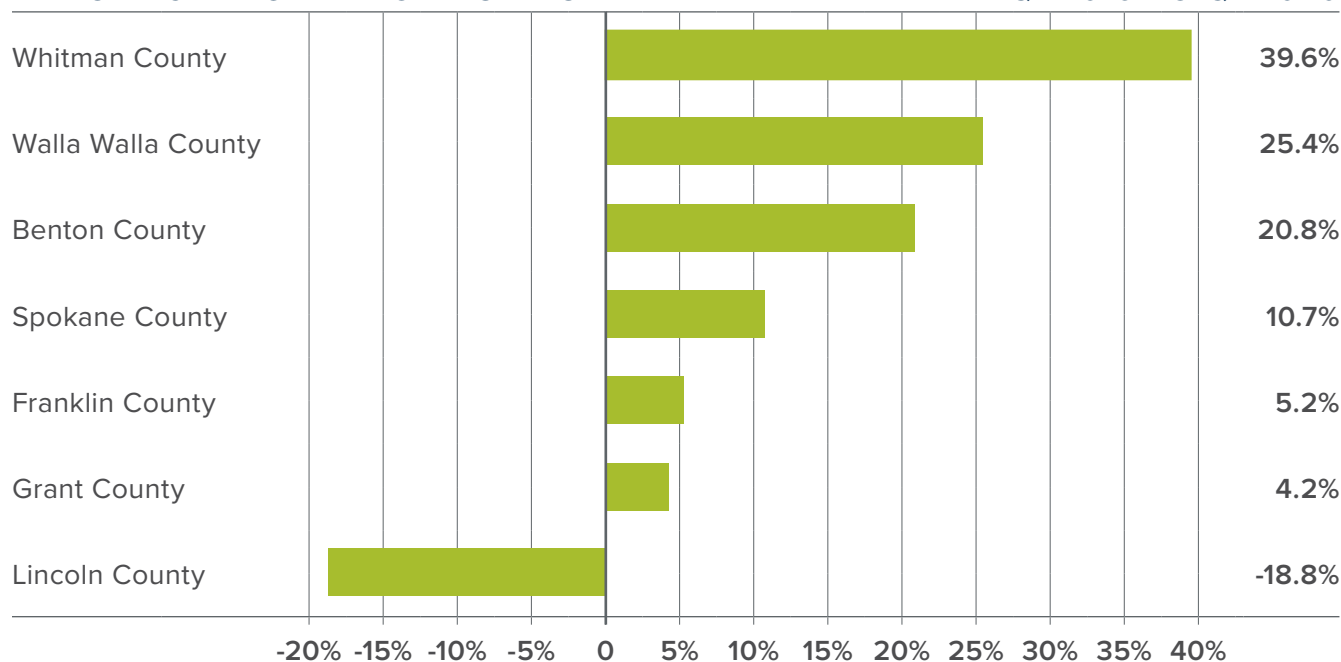
Although you will see below data regarding housing activity in the region, many markets came close to halting transactions in March and many remain in some level of paralysis. As such, drawing conclusions from the data is almost a futile effort. I would say, though, it is my belief that the national and state housing markets were in good shape before the virus hit and will be in good shape again, once we come out on the other side. In a similar fashion, I anticipate the national and regional economies will start to thaw, and that many of the jobs lost will return with relative speed. Of course, all of these statements are wholly dependent on the country seeing a peak in new infections in the relatively near future. I stand by my contention that the housing market will survive the current economic crisis and it is likely we will resume a more normalized pattern of home sales in the second half of the year.

### HOME SALES

- Home sales throughout Eastern Washington were up 13% compared to the same quarter in 2019, with a total of 2,389 closed sales.
- During first quarter, pending home sales in the region were 18.8% higher than a year ago and 6.3% higher than in the fourth quarter of 2019. Despite these positive numbers, COVID-19 is likely to cause a drop in closed and pending transactions in the second quarter of this year.
- Sales activity dropped in the small Lincoln County, but it was only three fewer sales compared to a year ago, so I'm not concerned.
- The average number of homes for sale in the quarter was 26.8% lower than a year ago and 32.5% lower than the fourth quarter of 2019. I do not anticipate we will see any significant increases in listing activity until the second half of 2020 when, hopefully, we have returned to normal.

### ANNUAL CHANGE IN HOME SALES

Q1-2019 TO Q1-2020

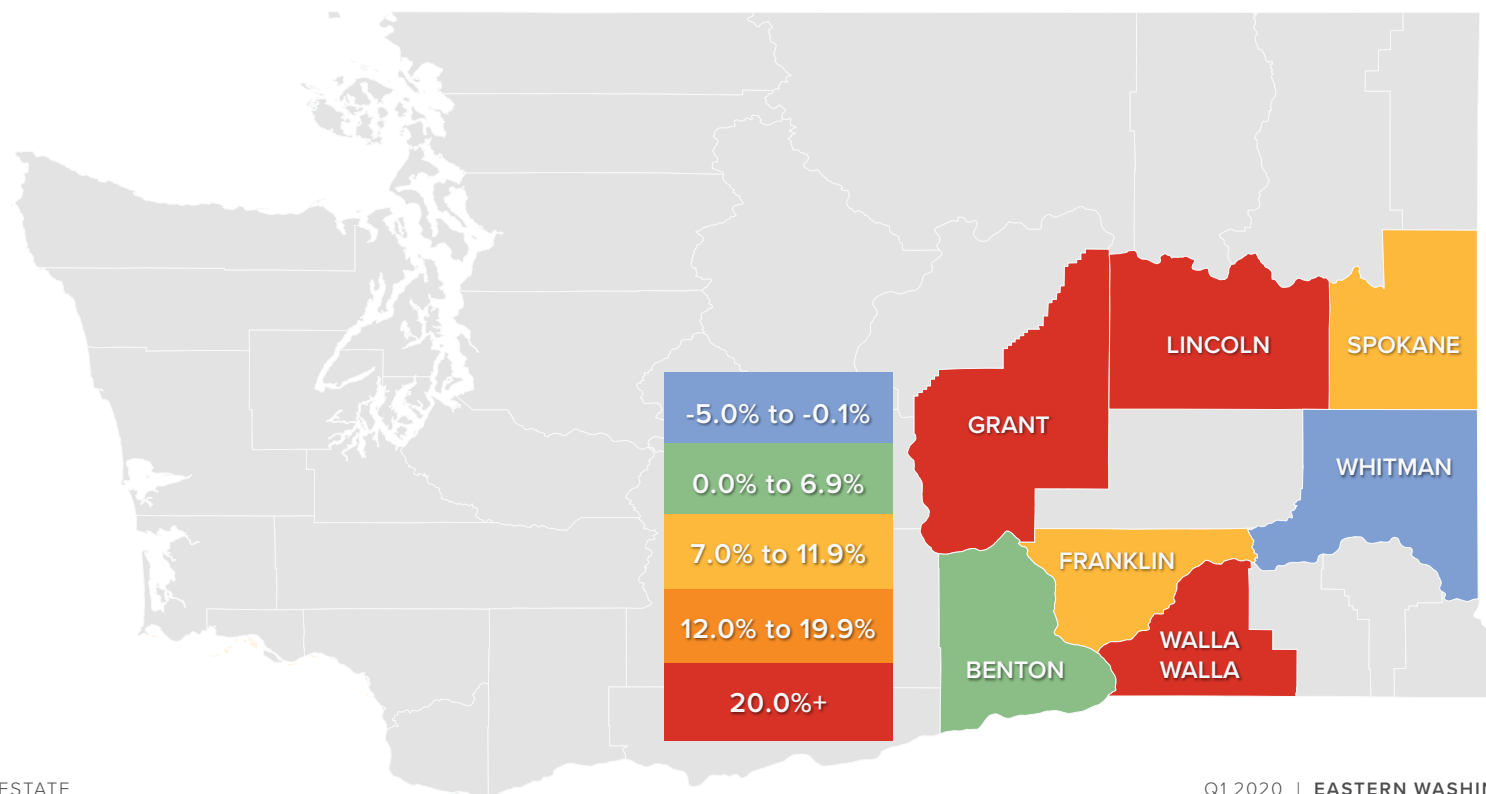
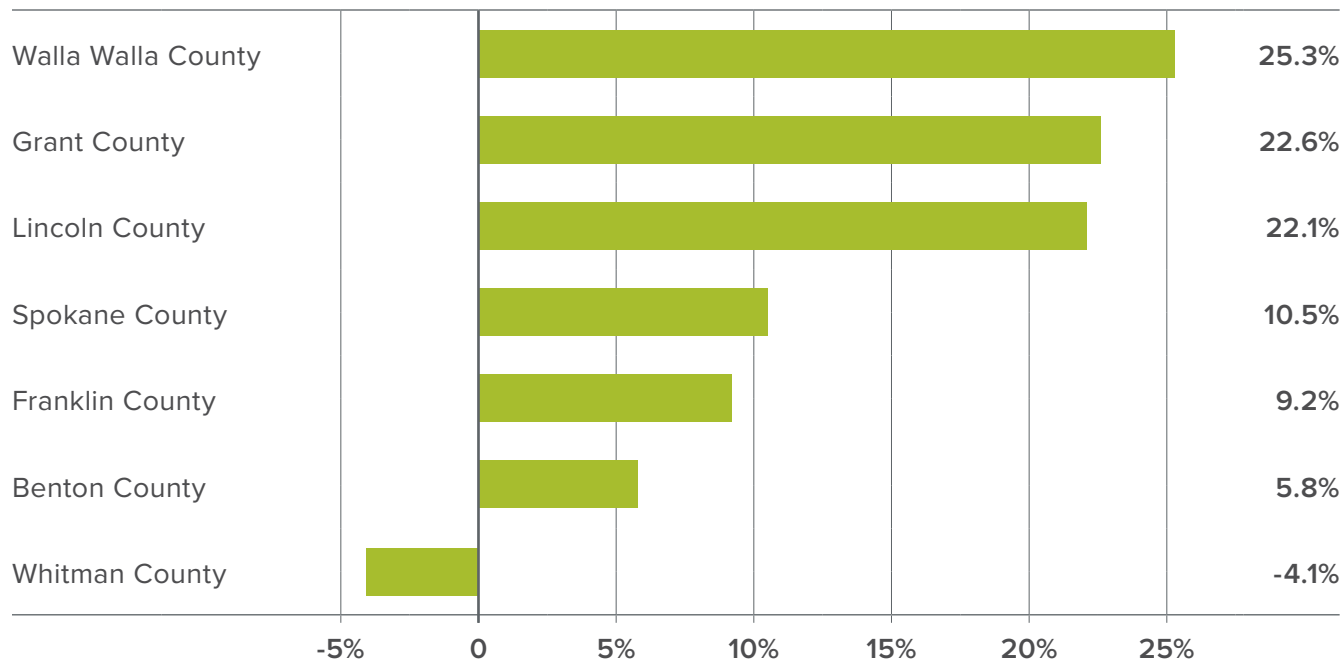


## HOME PRICES

- Year-over-year, the average home price in Eastern Washington rose a significant 10.9% to \$297,590. Prices were also 0.2% higher than in the fourth quarter of 2019.
- As mentioned previously, low inventory levels are pervasive and listing activity is unlikely to rise in the near future. Low inventory tends to put upward pressure on prices but that may not be the case if homebuyers remain sidelined until they see the economy in full recovery mode.
- Prices rose everywhere but Whitman County, and all but two counties showed double-digit gains.
- The takeaway is that average home-price growth in Eastern Washington has been well above the long-term average. This may change — temporarily — until buyers can fully assess the fallout from COVID-19.

## ANNUAL CHANGE IN HOME SALE PRICES

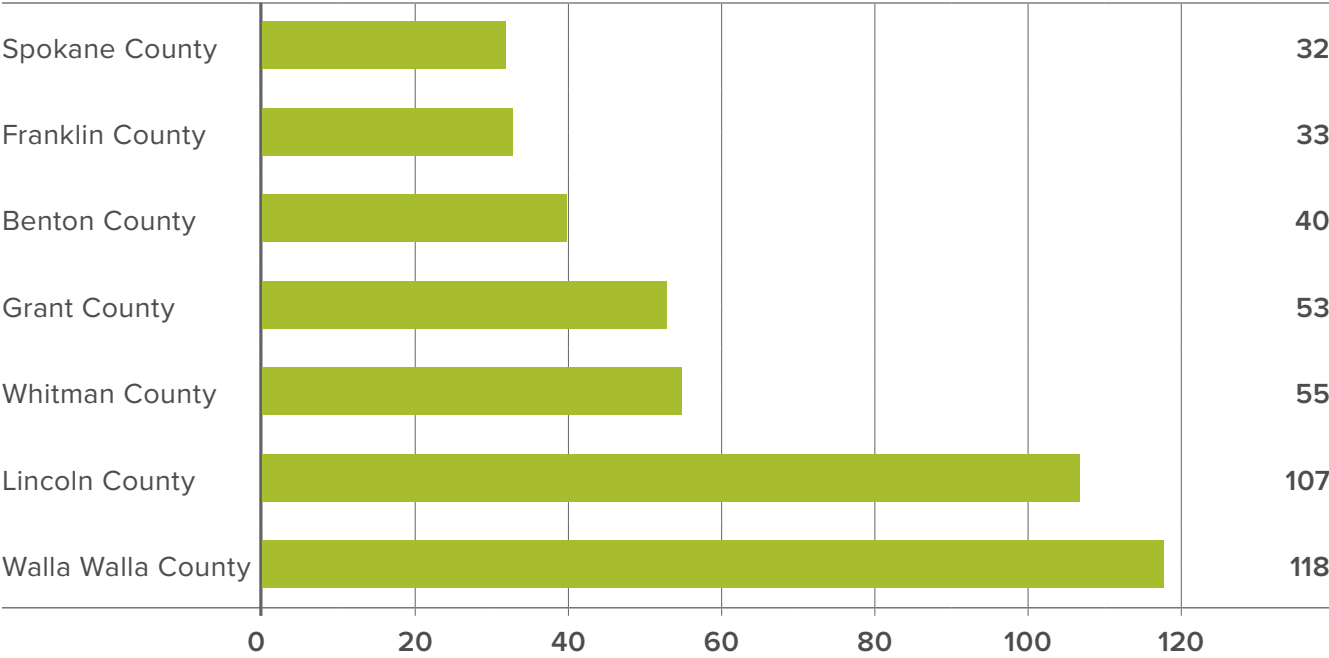
Q1-2019 TO Q1-2020



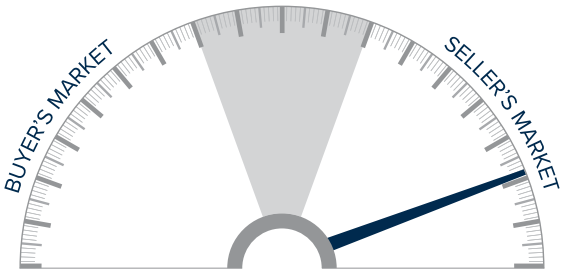
DAYS ON MARKET

- › The average time it took to sell a home in Eastern Washington in the first quarter of 2020 was 62 days.
- › During the first quarter, it took five fewer days to sell a home in Eastern Washington than it did a year ago.
- › The regional market was split: it took longer to sell homes in Lincoln, Franklin, and Walla Walla counties, but days-on-market dropped in the balance of the region.
- › It took 14 days longer to sell a home in the first quarter than it did in the final quarter of 2019.

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.

Given the current economic environment, I have decided to freeze the needle in place until we see a restart in the economy. Once we have resumed “normal” economic activity, there will be a period of adjustment with regard to housing. Therefore, it is appropriate to wait until later in the year to offer my opinions about any quantitative impact the pandemic will have on the housing market.

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.