

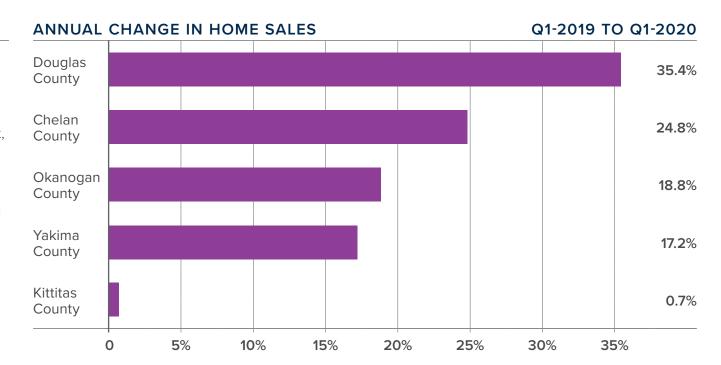
### A MESSAGE FROM MATTHEW GARDNER

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**

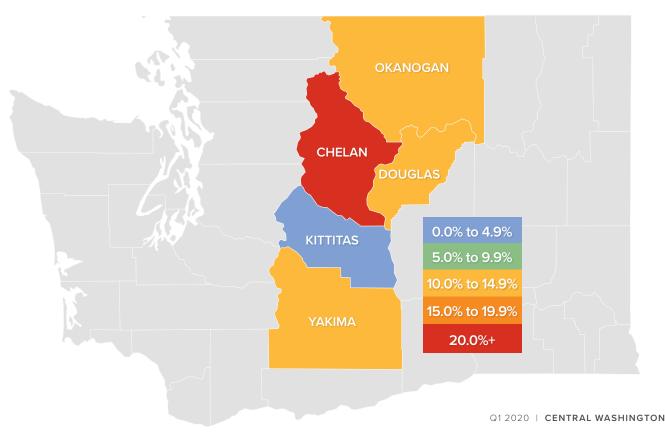
- In the first quarter of 2020, home sales throughout Central Washington rose 18% year-over-year, with a total of 910 homes changing hands.
- Sales rose in all counties covered by this report, with significant year-over-year gains seen in all but Kittitas County.
- The number of pending home sales an indicator of future closings was up more than 4% compared to the fourth quarter of 2019, indicating that closings in the second quarter could be positive despite COVID-19.
- Listing activity in the quarter was 6.5% lower than a year ago, and down more than 21% from the fourth quarter—not surprising given the current situation.



## **HOME PRICES**

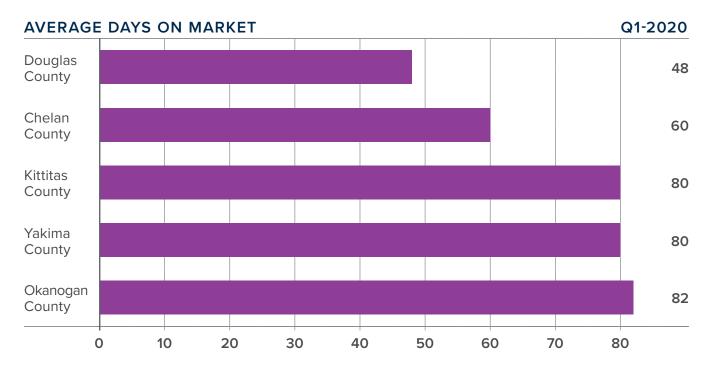
- Year-over-year, the average home price in the region rose 10.8% to \$344,552. Price growth continues to trend well above the long-term average, with limited inventory pushing prices higher.
- Notably, sale prices were 2.3% lower than in the fourth quarter of 2019. I am not concerned by this at the present time and attribute it to COVID-19.
- Prices rose in all counties contained in this report compared to the same quarter in 2019, with significant, double-digit growth everywhere other than Kittitas County.
- The takeaway from this dataset is that significant year-over-year home-price growth continued in the quarter, but we are certain to see this drop temporarily until we resume "normal" activity.





#### DAYS ON MARKET

- The average time it took to sell a home dropped 12 days compared to the first quarter of 2019.
- The average time it took to sell a home in the region was 70 days, up 2 days compared to the final quarter of 2019.
- Every county except Kittitas saw days-on-market drop from the same quarter in 2019.
- Homes sold fastest in Douglas County, where it took an average of 48 days to sell a home. The greatest drop in the time it took to sell a home was a tie between Okanogan and Douglas counties, where it took 26 fewer days than in the first quarter of 2019.



#### 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
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