

The background of the entire page is a vibrant landscape photograph. It shows a lush green valley with a calm lake in the middle ground. The foreground is filled with a field of colorful wildflowers, including yellow and purple ones. In the background, there are steep, forested mountains under a clear blue sky. The lighting suggests it might be late afternoon or early morning, with some golden light on the mountain slopes.

# THE Q1 2021 | CENTRAL WASHINGTON GARDNER REPORT



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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.

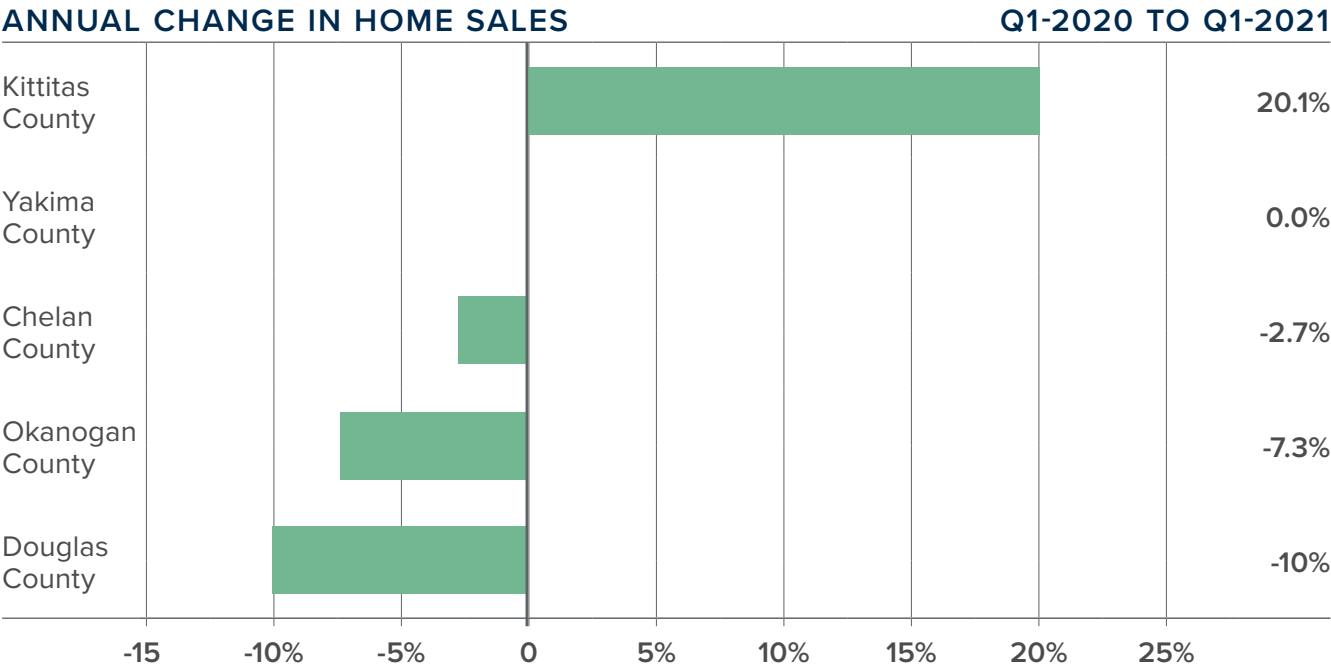
ECONOMIC OVERVIEW

Through last fall, the Central Washington region was on its way to recovering the jobs that were lost due to COVID-19, but new infections have reversed that momentum. The hardest hit sectors were retail trade and transportation; all the markets contained in this report saw employment in these sectors drop. Due to the decline in employment, I wasn't surprised to see the unemployment rate tick back up to 8.2% from the year-end level of 7.9%.

In aggregate, total employment was measured at 211,520, down from a pre-pandemic peak of 218,624. I hope that broader vaccine distribution will lead to a reopening of the local economy, which will give a much-needed boost to the area.

HOME SALES

- ▮ Sales in Central Washington were essentially static compared to the same period in 2020, with a total of 939 homes sold.
- ▮ Pending sales were 9.2% lower than in the fourth quarter of last year, suggesting that closings in the second quarter may also disappoint.
- ▮ Home sales rose in Kittitas County but were either static or fell in the rest of the region.
- ▮ Although the picture may appear somewhat bleak, I believe the primary issue has been a lack of inventory. However, the number of homes coming on the market has actually started to rise and I'm hopeful this will lead to improved sales as we move toward the summer.

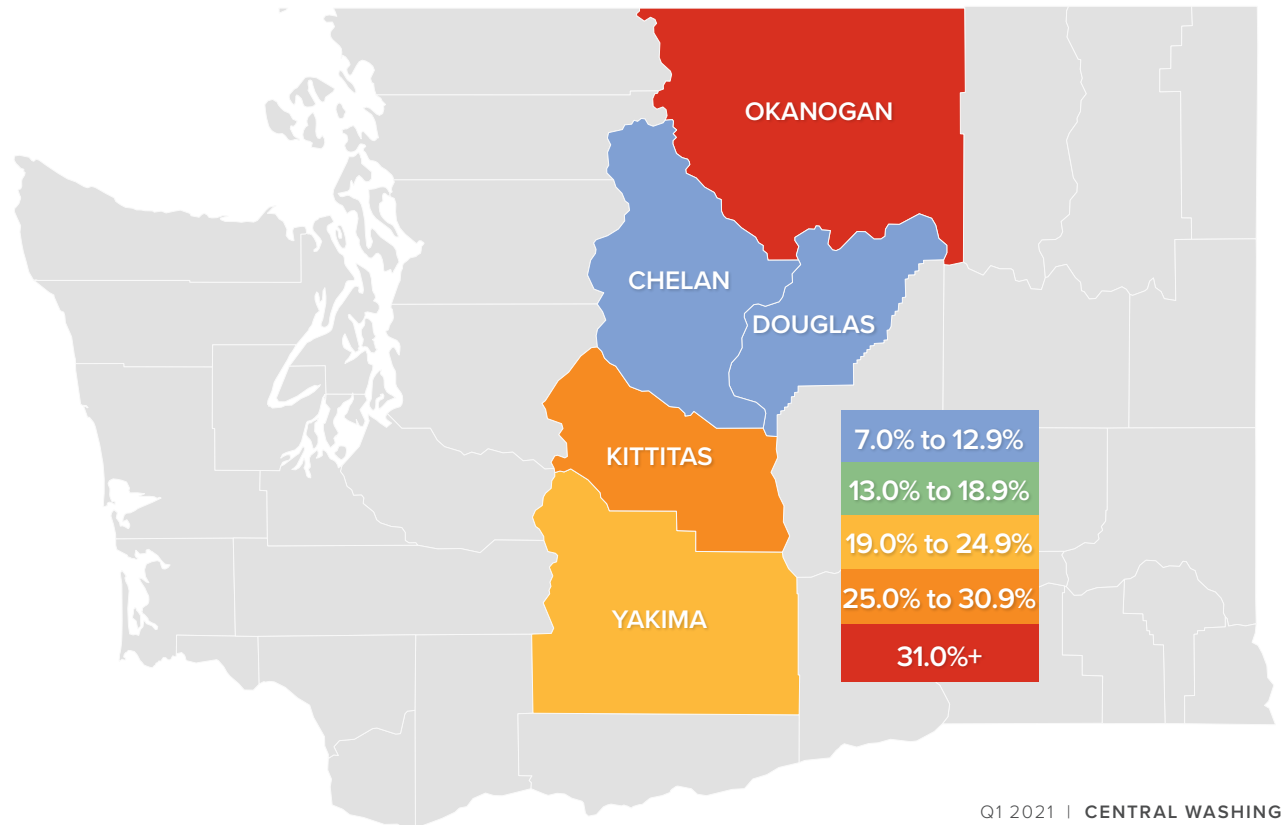
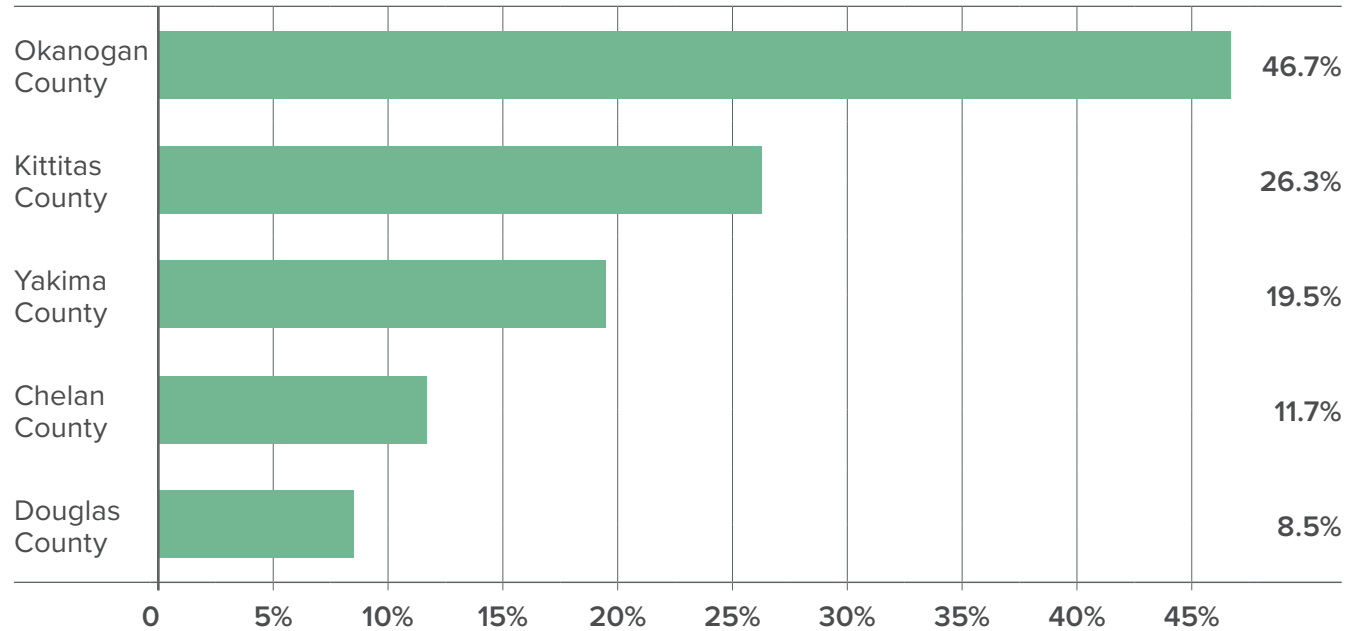


## HOME PRICES

- Year-over-year, the average home price in Central Washington continues to trend higher, with prices up 20.8% to \$414,084.
- With signs that there are more sellers coming to market, combined with modestly rising mortgage rates, I expect to see the rapid pace of price growth start to slow, which will be good news for home buyers.
- All counties covered by this report saw prices rise significantly, with double-digit increases in all but one market.
- The takeaway is that average home-price growth in Central Washington remains well above the long-term average, but there are signs prices may experience a modest slowdown as we move through the year.

## ANNUAL CHANGE IN HOME SALE PRICES

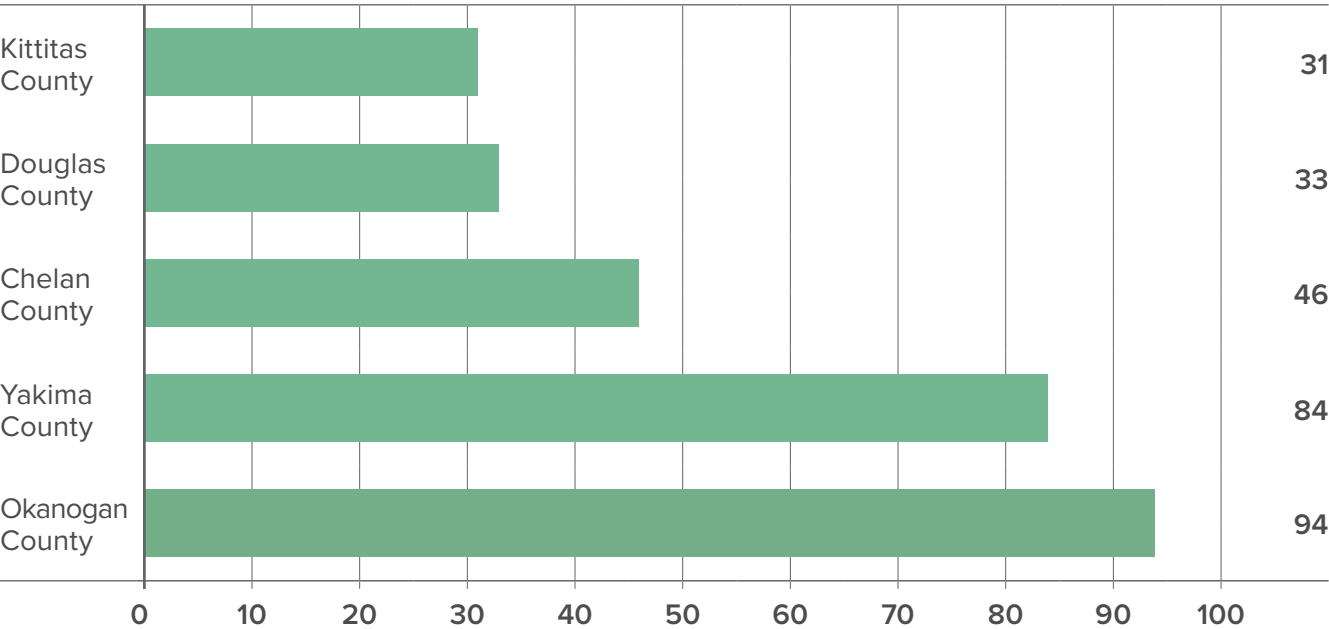
Q1-2020 TO Q1-2021



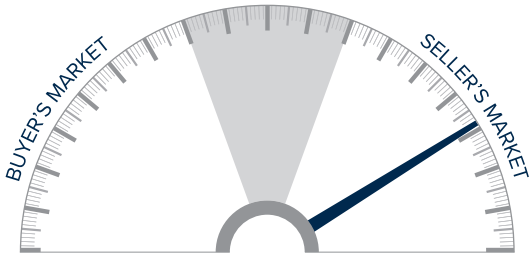
DAYS ON MARKET

- › The average time it took to sell a home in Central Washington in the final quarter of 2021 was 57 days.
- › During the fourth quarter, it took 13 fewer days to sell a home in Central Washington than it did a year ago.
- › Three counties saw the length of time it took to sell a home drop compared to a year ago, but Okanogan and Yakima saw market time rise 13 days and 1 day, respectively.
- › It took nine more days to sell a home in the first quarter than it did in the fourth quarter of 2020.

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.

With signs of more listings coming online, the frenetic housing market may cool, but I do not see it contracting further. Though it remains a seller’s market, I have decided to leave the needle in the same position as it was at the end of 2020.

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.