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HOMES

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REAL ESTATE

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SPOKANE

REAL ESTATE NEWS

AUGUST, 2020

Spokane's numbers continue to show that we are enjoying a

Robust Real Estate Market

Before March this year, the real estate market was booming both locally and nationally. Then COVID-19 and the stay-at-home mandate disrupted everything. Although the market did significantly slow down during the shutdown, it continued to be a competitive market and home prices continued to rise. Now in August, the market not only has recovered, but home prices are higher than ever before.

Competition is fierce amongst prospective homebuyers. We are seeing heightened buyer activity both with locals upsizing/downsizing and also with many people getting away from the high cost of living in places like California, Portland, and Seattle. According to San Francisco's ABC-7 News "90-percent of the [San Francisco] workforce is working from home and people are leaving the city... Most of the city's skyscrapers sit empty. Residents, many now working from home, cite 'high prices' and 'there's nothing to do' as reasons why."¹ Spokane's favorable cost of living, four seasons, recreation, and abundance of natural beauty make it a prime destination for remote workers ready for a change.

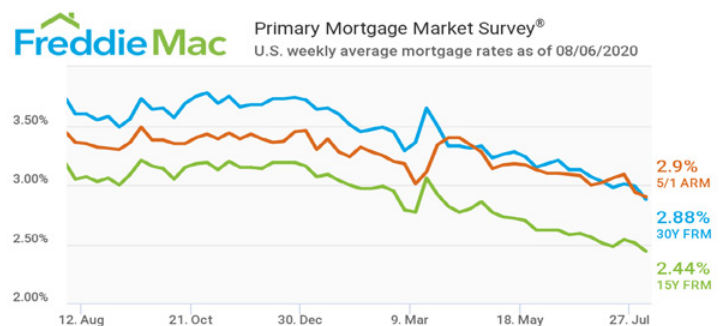
What about a recession?

Completely opposite to the crash in '08, the housing market's strong numbers are helping our economy maintain its equilibrium during all the uncertainty. Fannie Mae reports that housing continues to show remarkable strength and upwardly revised their forecasts for expected home sale volume, price growth, and new mortgage origination.² "In a remarkable show of resilience, the housing market has stared the pandemic right in the eye and hasn't blinked," said economist Matthew Speakman.³



Mortgage Interest Rates Fall to Their Lowest Rate Ever Recorded

According to Freddie Mac's latest weekly report, mortgage interest rates reached 2.88% with an average of 0.8 points—a new record low and the eighth record low so far this year. (Points are fees paid to a lender equal to 1 percent of the loan amount and are in addition to the interest rate.)



This is giving potential buyers more purchasing power and strengthening demand. Sam Khater, Freddie Mac's Chief Economist, wrote "expect rates to stay low and continue to propel the purchase market forward."⁴

These record low rates are not only fueling the housing market, they are also causing a boom in existing loan refinancing. "The continued decline in mortgage rates pushed up our refinance volume forecast by about \$100 billion," said Doug Duncan, Fannie Mae's chief economist. "At the current mortgage rate, we estimate that nearly 60% of all outstanding loan balances have at least a half-percentage point incentive to refinance."⁵

Spokane County's Numbers

Spokane's residential housing market had a strong comeback in June and remained strong through July.

Closed sales of single family homes on less than one acre (including condominiums) totaled 844 for July 2020, nearly identical to the 850 closed in July of 2019. The average sales price for closed sales was \$329,501 up 10.4% over July 2019 when the average was \$298,337. The median sales price for July was \$301,509 an increase of 11.7% over last July when the median closed sales price was \$270,000.

Year to date closed sales through July are up slightly, 4,169

compared to 4,143 through July 2019. The year to date average closed sales price through July was \$307,020 compared to \$280,236 through July last year, an increase of 9.6%. Median closed sales price through July was up 11.3%, \$287,000 v. \$257,900.

Inventory continues to tighten with only 520 properties on the market at the time of this report. This amounts to less than a three week supply of housing. New construction sales have picked up considerably and as of this report are up nearly 18% compared to last year, 567 v. 481.

Information provided by the Spokane Association of REALTORS®



Spokane Association of REALTORS® 2020 MONTHLY HOME SALES REPORT JULY



SALES HOLDING STEADY

Closed sales of single family homes on less than one acre including condos for July 2020 total 844 compared to July 2019 when the total was 850.

AVERAGE PRICE UP 10.4%

The average closed price for July 2020 was \$329,501 compared to July 2019 when the average price was \$298,337.*

MEDIAN PRICE UP 11.7%

The median closed price for July 2020 was \$301,509 compared to July 2019 when the median price was \$270,000.*

*NOTE: Does not represent home values.



INVENTORY DOWN

Inventory as of this report totaled 520 properties which represents less than a one month supply. Using the old method, inventory totaled 1,141 properties or a 1.4 months supply.

NOTE: Months supply based on closed sales for July.



DISTRESSED SALES DOWN

There were no distressed sales reported for July 2020 compared to 7 in July 2019, or less than 1%.

NOTE: Information comes from the SAR's Monthly Activity Report which looks at single family residential/ site built properties on less than one acre and condominiums.



Construction to replace the Post Street Bridge is underway and is scheduled to be completed in 2021. Photo 7/25/2020

The housing market is a bright spot in our nation's economy, but that doesn't change the fact that this ongoing pandemic has caused many of us to be severely impacted. Please continue to care for each other, support those that have lost loved ones, have lost jobs & businesses, and are struggling to get by. Shop local, and support local nonprofits that are serving the most vulnerable individuals and families in our community. Times like this remind us of our common humanity. Together, we must honor that humanity and step up to serve the greater good.

**Life is tough for
many people right
now.
Let's remember to
always be kind.**

Around Spokane

Here's a quick rundown on things happening in and around Spokane as businesses adjust and projects resume.



They're Back, Green is in Again

Lime, that is. The popular Lime Scooters are back on the streets of Spokane. The scooters and bikes were set to return to the city streets back in March. Due to the corona virus and related health concerns, their arrival was delayed and they just recently started to be placed around town in mid July. The scooters and bikes are being sanitized and cleaned on a nightly basis.



Got Chicken?

The first Chick-fil-A in Spokane is well under construction in north Spokane. Located at 9304 N. Newport Highway, the popular eatery will be a 4,800 sq. ft. building, serving their famous chicken sandwiches and lemonade refreshments. Previously the closest Chick-fil-A to Spokane was located in Moscow, Idaho!



Are You Fulfilled?

The newly constructed Amazon Fulfillment Center, located adjacent to Interstate 90 in the west Plains area is now up and running, fulfilling orders. The center located at 10010 W. Geiger Blvd. opened in June and presently employs 1,500 workers. The 640,000 sq. ft., four-story complex is the largest building in Eastern Washington.



Slow, But Steady Progress

Work continues on the North Spokane Corridor. With a projected completion date of 2029, progress is slow, but little by little, the corridor is taking shape. Attention in 2020 is being directed to the following projects:

1. Construction of the Wellesley Ave. interchange. Expected completion date: end of year 2022.
2. Paving from Columbia St. to the Spokane River. Expected completion date: end of year 2023.
3. Construct new lanes of raised freeway from Ermina to Mission. This raised "Skyway" will possibly begin late Fall-early Winter of 2020, contingent upon financing and budgetary issues. This first phase of the "Skyway" will essentially be above ground going over the existing Spokane Community College campus parking lot. From the Spokane River to the I-90 interchange the corridor will consist of above ground "Skyway" lanes.

Source: Bob Hilmes, Project Design Engineer, WSDOT Project Office