

RICH KING REAL ESTATE

WEST VALLEY LIVING



The Question is: What's Next?

Everyone has an opinion. But when it comes to the economics of real estate, I read and listen carefully to Matthew Gardner. Gardner holds Economics degrees from Oxford and the London School of Economics, is a professor of Economics at the University of Washington, and is Chief Economist for Windermere. I bow to and repeat to others his wisdom.

In his 2020 year-in-review and 2021 forecast that was released on Dec. 8, Gardner suggests that mortgage interest rates—which have been at an all-time low—will likely bottom out this quarter, but won't rise much through 2021. That means we'll likely see mortgage rates offered between 2.80%-3.30% in the year ahead. This will continue to motivate people to leverage low interest mortgage loans to help them buy a first home, upsize, or even refinance and invest in improving their homes for their enjoyment and/or to sell at higher prices.

Home sales during 2020 nationally were up about 3.9% over 2019. But Gardner predicts that 2021 will see a further lift in sales to as much as 6.9%. Home sale *prices* increased by 7.4% nationally this year, but Gardner expects another modest increase in 2021 by 4.1%.

A big winner in 2020 was New Construction home sales which increased 21.5% over last year. Gardner is bullish on this market segment and he believes that nationally we could see yet another 18.7% increase in 2021.

Finally, despite the remarkable growth, Gardner does *not* believe that a housing bubble is forming that could burst. He states that well-qualified borrowers and homeowners with solid equity in their homes will continue to stabilize and normalize the market. So, expect another solid year ahead.

*Your home is likely the most valuable asset in your financial portfolio. Then wouldn't you want to track its growth just like you do your retirement accounts and social security benefits? Contact me and I'll set you up to receive a **complimentary** quarterly valuation of your real estate holdings. I want to be your go-to Realtor® and provide you with the most accurate and up-to-date insights and advice regarding your real estate assets.*



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Despite All the Ugly, What a Phenomenal Year!

I can't even begin to express how grateful I am to so many of you who have placed your trust in me to help you sell or buy real estate in 2020. Some of you I've known for a long, long time. But most of you had never met me before you called me and asked for my advice and then my assistance. Now, all of you aren't just my clients, we're now friends.

My colleague and Transaction Coordinator, Carli Riordan, and I met last year at about this time for a day of planning and goal-setting for 2020. Our plan obviously didn't include a contingency for how we would work around the outbreak of a global pandemic. Nobody prepares for game-changing events like that. But what we did plan for is a pervasive communication strategy that would help West Valley residents better understand the nuances of buying and selling real estate and how our firm is the most informed and capable of providing the best service possible to my fellow residents here.

Despite the challenges imposed upon us by COVID-19, Carli and I achieved some very remarkable results. We:

- Became West Valley's #1 Producers once again;
- Increased the number of transactions over 2019 (our best year) by 59% (from 37 to 59);
- More than doubled the gross volume of our sales over 2019 (from \$11.7M to \$23.6M); and
- Finished among the Top 3% of Full-time, Full-Service Producers in the Greater Spokane region (out of 2,500+ agents).

We have now established our 2021 plan for further increasing the value of the advice and first-rate services that we provide to my fellow West Valley residents and the rest of Spokane. Thank you, thank you, thank you once again for your faith and trust in us. And here's to a much better 2021!





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Each Office is Independently Owned and Operated.

West Valley Property Sales Performance Breakdown

	TOTAL SALES	AVERAGE DOM*	AVERAGE SALE PRICE	ANNUAL \$ INCREASE
Northwood Jan-Dec, 2020	105	30	\$455,515	+14.1%
Northwood Jan-Dec, 2019	78	50	\$399,214	+11.7%
Pasadena Park Jan-Dec, 2020	88	18	\$331,951	-1.9%
Pasadena Park Jan-Dec, 2019	78	37	\$338,551	+22.6%
Millwood Jan-Dec, 2020	109	14	\$270,572	+18.2%
Millwood Jan-Dec, 2019	129	26	\$228,914	+10.2%

Looking at the numbers to the left you'll see that Northwood has had two very strong years in a row. Not only is 105 sold homes this year the highest ever, homeowners have experienced very nice equity injections from double-digit market value growth 2 years in a row.

Millwood also performed quite well with a whopping 18.2% increase in average sales growth over 2019. And that's on the heels of just over 10% average sales growth between 2018-2019.

Pasadena Park properties are a bit of an enigma. After a dramatic increase in average sales from 2018-2019 (22.6%), the 88 homes that sold in 2020 actually closed at \$6,600 less on the average than in 2019. That's rather unusual.

*DOM = Days on the Market before selling

For more market information—or to discover your property's market value—contact us at 509-703-8187 today!