

RICH KING REAL ESTATE

# WEST VALLEY LIVING



## Are We In For A Recession? Or Is A Perfect Storm On Its Way?

I constantly keep my eyes and ears open to what's happening in the marketplace. I do that because people frequently ask me, "So, what do you think, Rich—are we in for a recession in 2020?" And, "Do you think this is a good time to put my house on the market to sell?" Well, let's find out.

Matthew Gardner, Economics Professor at U of W and Windermere Chief Economist, believes that there's a chance that we'll experience a recession this year. But it won't be anything like the Great Recession of 2008 which resulted *because* of the housing market and reckless lending practices. Gardner says, "There will be a very modest two quarters of retraction, and then we'll start growing again...and it will *not* negatively impact housing prices." They'll stabilize, not grow much, but won't drop.

I'm a numbers cruncher, as I'm sure you've gathered by now if you've been reading my newsletters. Facts reduce uncertainty and even embolden. And if you take a look inside of this edition you'll see that West Valley home sales performed very well *for the 3rd straight year*. And that was despite the fact that in 2019 we experienced the lowest inventory of homes for sale in many years. Then how did 285 homes sell in our community? Here's how: 1) A glut of buyers heavily competing for medium-priced properties to occupy or for investment income; 2) steady, low mortgage interest rates (see inside for more on that); and 3) a very strong economy.

So, maybe this is the right time for you to put your house on the market for the many pent-up buyers to fight over, capitalize on the equity you've built, and upsize, downsize, or add income-producing rentals to your portfolio.

*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.*



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# LOOKING AHEAD

## 2020 Housing Market & Interest Rate Forecast

By Matt Penny

As we head into the New Year, many people are wondering if the US economy and the housing market can continue to perform like it did in 2019. In general, the economy performed exceedingly well this past year when looking at factors such as GDP, wage and job growth, unemployment rates, and home sales. Most economists would agree that in 2020 we will see similar results as in 2019. In fact, a lot of economists were worried about a looming recession in the coming years, but most professionals have dialed back the chances of that happening to under 25%.

What does this mean for the housing market, you might ask? Economists are once again forecasting a slight rise in existing home sales. For 2020, economists predict sales of existing homes to rise at just under 3%, which would mean nearly 5.5 million homes would trade hands in 2020! Home prices will continue to rise as well, especially in more affordable markets like we have here in the Inland Northwest. The new-home market was disappointing for most of 2019 due to substantial obstacles preventing builders from building. Land prices, labor and material costs, and regulatory fees make it very hard for builders to produce affordable housing. As a result, many builders are still focused on the luxury market where there are profits to be made despite high demand from entry-level buyers. Builders are aware of these obstacles and are doing their best to deliver a more affordable product. One economist I follow predicts new single-family housing starts will rise next year to 942,000 units—an increase of 6.8% over 2019 and the highest number since 2007.

Experts anticipate mortgage rates to remain low over the next two years averaging under 4% in both 2020 and 2021. These low rates will help the average homebuyer with affordability as home prices continue to rise. Many Americans have also taken advantage of today's low rates by refinancing their current mortgage. There are many reasons to consider a refinance including lowering your interest rate, reducing your monthly payment, removing mortgage insurance, consolidating debt, or taking cash out for a home improvement project. Refinancing a mortgage can be a wise financial move for many homeowners, but not every refinance makes sense. Be sure to evaluate all your options and talk to a professional before making a decision.

In conclusion, 2020 is shaping up to be another banner year for the economy and for housing. Please don't hesitate to reach out if there are any questions I can answer for you. Now, here's to another great year! Cheers!



**Matt Penny is one of Spokane's top Loan Originators with Guardian Mortgage and is a Preferred Partner with Rich King Real Estate. Contact Matt at 509-434-6626 or [MattPenny@gmc-inc.com](mailto:MattPenny@gmc-inc.com)**



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# Rich King Real Estate, LLC is Growing!

Hard work, extraordinary market knowledge, and exceptional service are the keys to success in the real estate industry. There are no shortcuts. And because of our work ethic, Rich King Real Estate, LLC finished #2 in Gross Commission Income (GCI) among over 150 Keller Williams agents for 2019. Key to that achievement was the diligence, attention-to-detail, and follow-through of our Transaction Manager, **Carli Riordan** (below right). Carli, a licensed Washington Realtor®, joined me the beginning of last January and has been a huge help to me by expertly handling the very busy pace of our work that comes from managing multiple simultaneous real estate transactions. Carli also coordinates our marketing campaigns.



I also want to introduce the newest addition to our team, **Kayla Golden**. Kayla just joined us and is also a licensed Washington Realtor®. Because of her warm and friendly personality coupled with her exceptional property search skills, Kayla works closely with me to help our buyer clients through the often overwhelming homebuying process. With the current low inventory of homes on the market, Kayla and I search the MLS several times a day for our clients to make sure that we're the first to show new listings to our buyers.

## How's the West Valley Market?

Following a very strong 2018 market (314 sold), West Valley performed quite well again in 2019 (285 sold) with a strong December having closed 34 transactions—second only to July for the year. And economists are optimistic that 2020 will be another strong year.

January 2019 (13)		3309 N Fowler Rd		\$263,000		7004 E Columbia Dr		\$454,000		3617 N Edgerton Rd		\$199,950		4611 N Locust Ct		\$295,000	
8416 E Black Oak Ln	\$517,000	8504 E Grace Ave	\$248,000	7306 E Columbia Dr	\$392,000	10625 E Empire Ave	\$235,000	8814 E Maringo Dr	\$1,030,000	10250 E Empire Ave	\$358,500	8814 E Maringo Dr	\$1,030,000	8710 E Liberty Ave	\$196,500	8710 E Liberty Ave	\$196,500
2511 N Dick Rd	\$208,000	7605 E Hodin Dr	\$770,000	8119 E Columbia Dr	\$300,000	3305 N Fowler Rd	\$285,000	9712 E Maringo Dr	\$280,000	7915 E Princeton Ave	\$275,000	7208 E Carlisle Ave	\$210,000	5201 N Argonne Ln, #4	\$225,000	7208 E Carlisle Ave	\$210,000
3707 N Edgerton Rd	\$131,000	9707 E Hoffman Ct	\$239,900	3507 N Edgerton Rd	\$238,000	3326 N Fowler Rd	\$357,000	3505 N Center Rd	\$130,000	2923 N Stout Rd	\$280,000	8506 E Cypress Ln	\$475,000	3425 N Dale Rd	\$177,500	8506 E Cypress Ln	\$475,000
4220 N Farr Rd	\$284,900	9806 E Hoffman Ct	\$279,900	3323 N Elton Rd	\$221,000	7610 E Garnet Ln	\$355,000	8008 E Whitman Ct	\$285,000	2923 N Stout Rd	\$280,000	3425 N Dale Rd	\$177,500	4517 N Dale Rd	\$310,000	4517 N Dale Rd	\$310,000
5908 E Knox Ave	\$68,000	7315 E Marietta Ave	\$215,000	7013 E Fairmont Ln	\$377,000	9813 E Hoffman Ct	\$310,000	8722 E Woodside Ln	\$440,000	8920 E Woodruff Rd	\$239,461	4530 N Dale Ln	\$309,500	4111 N Ella Rd	\$815,000	4111 N Ella Rd	\$815,000
9107 E LaCrosse Ln	\$232,000	3105 N Park Rd	\$150,900	7119 E Fairview Ave	\$140,000	2828 N Laura Rd	\$286,500	8920 E Woodruff Rd	\$195,000	8612 E York Ave	\$220,000	4111 N Ella Rd	\$815,000	4111 N Ella Rd	\$815,000	4111 N Ella Rd	\$815,000
2011 N Laura Rd	\$192,500	8922 E Parkside Ln	\$299,900	2014 N Farr Rd	\$269,000	8422 E Liberty Ave	\$180,000	8612 E York Ave	\$220,000	8612 E York Ave	\$220,000	4315 N Ely Ct	\$335,000	10520 E Empire Ave	\$235,000	10520 E Empire Ave	\$235,000
7714 E Sapphire Ln	\$356,206	11520 E Rivercrest	\$295,000	9512 E Heroy Ct	\$260,000	4208 N Locust Rd	\$257,700	7118 E Carlisle Ave	\$300,000	7118 E Carlisle Ave	\$300,000	7307 E Euclid Ave	\$95,000	8944 E Frederick Ave	\$258,000	8944 E Frederick Ave	\$258,000
7720 E Sapphire Ln	\$399,000	8905 E Vista Park Dr	\$305,000	4512 N Hutchinson Ln	\$291,000	8624 E Montgomery Ave	\$247,200	6105 N Crestmont Ln	\$399,990	6105 N Crestmont Ln	\$399,990	7307 E Euclid Ave	\$95,000	9903 E Garland Ave	\$256,500	9903 E Garland Ave	\$256,500
7512 E Upriver Dr	\$1,200,000	8908 E Woodside Ln	\$489,900	7901 E Knox Ave	\$210,000	8614 E Parkside Ln	\$358,500	4206 N Dartmouth Ln	\$249,790	4206 N Dartmouth Ln	\$249,790	8004 E Glass Ave	\$227,000	8617 E Grace Ave	\$209,000	8617 E Grace Ave	\$209,000
2010 N Vista Rd	\$229,900			3013 N Marguerite Rd	\$254,900	7909 E Princeton Ave	\$293,650	2419 N Dick Rd	\$239,461	2419 N Dick Rd	\$239,461	8617 E Grace Ave	\$209,000	5012 N Ivy Ct	\$335,000	5012 N Ivy Ct	\$335,000
7902 E Woodland Park Dr	\$300,000			6812 E Montgomery Ave	\$230,000	7915 E Princeton Ave	\$275,000	2922 N Dora Rd	\$216,000	2922 N Dora Rd	\$216,000	5012 N Ivy Ct	\$335,000	6321 N Jensen Rd	\$391,000	6321 N Jensen Rd	\$391,000
7810 E Woodland Ridge Ln	\$370,000			2310 N Park Rd	\$167,000	2923 N Stout Rd	\$280,000	11018 E Walton Ct	\$298,000	11018 E Walton Ct	\$298,000	6321 N Jensen Rd	\$391,000	7110 E Liberty Ave	\$196,500	7110 E Liberty Ave	\$196,500

  

February 2019 (14)		May 2019 (23)		August 2019 (24)		October 2019 (29)		December 2019 (34)	
1621 N Center Rd	\$245,000	5201 N Argonne Ln, #5	\$194,000	8633 E Bull Pine Ln	\$259,900	7118 E Carlisle Ave	\$300,000	5409 N Ainsworth Ln	\$397,500
4806 N Emerald Ln	\$337,441	5825 N Argonne Rd	\$470,000	6905 E Carlisle Ave	\$381,000	6105 N Crestmont Ln	\$399,990	5201 N Argonne Ln, #4	\$225,000
8703 E Frederick Ave	\$146,265	2003 N Bessie Rd	\$232,500	7509 E Frederick Ave	\$460,000	4206 N Dartmouth Ln	\$249,790	7208 E Carlisle Ave	\$210,000
8304 E Lacrosse Ave	\$330,000	3209 N Bessie Rd	\$165,000	4210 N Dartmouth Ln	\$306,000	4309 N Dartmouth Ln	\$249,790	3505 N Center Rd	\$130,000
9116 E Lacrosse Ln	\$254,000	8804 E Blue Fox Ln	\$418,000	8117 E Elde Dr	\$425,000	2419 N Dick Rd	\$239,461	8506 E Cypress Ln	\$475,000
5305 N Millview Dr	\$379,950	4104 N Maringo Dr	\$298,000	7009 E Fairmont Ln	\$380,000	2922 N Dora Rd	\$216,000	3425 N Dale Rd	\$177,500
8605 E Nora Ave	\$219,000	6807 E Montgomery Ave	\$240,000	4003 N Farr Rd	\$310,000	11018 E Walton Ct	\$298,000	4517 N Dale Rd	\$310,000
2818 N Park Rd	\$272,500	2314 N Park Rd	\$243,500	8711 E Frederick Ave	\$257,000	8920 E Woodruff Rd	\$195,000	4530 N Dale Ln	\$309,500
2822 N Park Rd	\$275,000	7314 E Utah Ave	\$212,000	9614 E Heroy Ct	\$300,000	9014 E Woodside Ln	\$409,990	4111 N Ella Rd	\$815,000
5510 N Rockview Ln	\$303,000	11021 E Upriver Dr	\$275,000	8711 E Frederick Ave	\$257,000			4315 N Ely Ct	\$335,000
3214 N Sipple Rd	\$245,050	1719 N Vista Rd	\$180,000	8808 E Wellesley Ave	\$349,000			10520 E Empire Ave	\$235,000
7814 E Timber Ridge Ln	\$328,500	1918 N Vista Rd	\$186,000	5110 N Willow Rd	\$408,314			7307 E Euclid Ave	\$95,000
8233 E Upriver Dr	\$306,000	8622 E Woodland Park Dr	\$595,000	3003 N Woodruff Rd	\$195,000			8944 E Frederick Ave	\$258,000
9222 E Wabash Rd	\$383,900			9014 E Woodside Ln	\$409,990			9903 E Garland Ave	\$256,500
								8004 E Glass Ave	\$227,000
								8617 E Grace Ave	\$209,000
								5012 N Ivy Ct	\$335,000
								6321 N Jensen Rd	\$391,000
								7110 E Liberty Ave	\$196,500
								8020 E Liberty Ave	\$289,000
								2802 N Locust Rd	\$178,000
								7916 E Longfellow Ave	\$271,000
								8111 E Marietta Ave	\$224,500
								5110 N McIntosh Ct	\$373,900
								8402 E Nora Ave	\$250,000
								5104 N Riblet View Ln	\$355,000
								8611 E South Riverway Ave	\$510,000
								2002 N Vista Rd	\$193,000
								2303 N Vista Rd	\$165,500
								8512 E Walton Ave	\$282,500
								10218 E Walton Ct	\$299,900
								4802 N Willow Rd	\$435,000
								8304 E Woodland Park Dr	\$655,000
								8709 E Woodside Ln	\$640,000





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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 2019	<b>78</b>	<b>50</b>	<b>\$399,214</b>	<b>+11.7%</b>
Northwood 2018	<b>93</b>	<b>59</b>	<b>\$357,263</b>	<b>+6.6%</b>
Pasadena Park 2019	<b>78</b>	<b>37</b>	<b>\$338,551</b>	<b>+22.6%</b>
Pasadena Park 2018	<b>85</b>	<b>43</b>	<b>\$276,129</b>	<b>+11.1%</b>
Millwood 2019	<b>129</b>	<b>26</b>	<b>\$228,914</b>	<b>+10.2%</b>
Millwood 2018	<b>136</b>	<b>42</b>	<b>\$207,803</b>	<b>-0.01%</b>

Real Estate has been among the most consistently profitable investments of all time. The data to the left illustrates the excellent growth in market values in our three West Valley neighborhoods. Double-digit growth across the board in 2019 means that our investments have achieved very nice equity injections. As a result, homeowners are taking out and leveraging that equity to make home improvements that add even greater value to their homes. Still others are selling their homes and parlaying their gains into other desirable real estate investments.

And now as spring is just around the corner, we should see a steady increase of homes on the market, much to the delight of many unrewarded buyers.

\*DOM = Days on the Market

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