

RICH KING REAL ESTATE

WEST VALLEY LIVING



This Market is Still Not Normal

Every single day I come across at least one person who asks me about the health of our current real estate market and what the near future holds. Most people recognize that what we've experienced over the past 6 months have been nothing short of bizarre: Record-low listings on the market, record high numbers of buyers shuffling through homes, multiple complicated and creative offers, and unexpectedly high purchase prices.

While we are witnessing a bit of a "softening" of late as compared to the onslaught from April through June, this market still isn't back to the "normal" pre-pandemic numbers from 2015-2019. In May a \$350,000 listing would typically get 15-20 showings over a weekend that produced 9-10 offers with a winning offer \$50,000 over list price. Today we're more likely to see 7-10 showings over a weekend, 2 offers, and an accepted offer \$15,000 over list price.

Mortgage rates are also a signal that we're not yet back to normal. In the 1990s the average rates were 8.12%. In the 2000s the average rates were down to 6.29%. The 2010s were around 4.09%. As of today (9/10/21), the average mortgage rate stands at 2.87%, just hundredths of a percentage point of the all-time historic low. Those rock bottom rates are allowing buyers to buy a lot more for their loan dollars, so there are still far more buyers out there than there are sellers.

The number of days-on-market also tells a story. It gives us an indication of how hot a market is and how quickly homes are selling. Prior to the outbreak of the pandemic, the average days a home was on market before receiving an offer was 35. Today it's only 17. So, it's still a hot market out there. Not as rabid as earlier months showed, but still in favor of sellers.

*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.*



Rich King

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Welcome Aboard!

Rich King Real Estate is very pleased to welcome **Colby Rasmussen** to our organization as a full-time licensed real estate agent for the state of Washington. Her title is Assistant & Transaction Coordinator.

Coming from the Insurance industry as well as working in Home Design, attention to detail is one of Colby's greatest strengths. Her blend of creativity and ability to streamline processes suit her role as a Transaction Coordinator perfectly. Colby's love for building relationships and serving others make her a perfect fit for Rich King Real Estate.



Colby has her hands in almost every aspect of the business to include client, business partner and social media communications, activity management, CRM management, and most importantly—assisting Rich King with Transaction Coordination from the moment a contract is signed to closing and the transfer of keys to the new owners. Welcome Colby!

Low Appraisal Averted

In this sellers market where competing offers have tended to be higher than their list price, a low appraisal is always likely to rear its ugly head. As a result, the sellers might have to drop their price to the appraised value, or the buyers might be required to make up the difference by coming up with more cash, or the transaction falls apart and the sellers are left with having to put their house back on the market once again with a question mark over the property.

I know West Valley property values. I've lived in this community for 27 years and I've studied the market intensely.

Last week one of my listings received a low appraisal for—get this—\$75,000 below our list price and \$85,000 below the buyers' offer price that we had accepted. Wow! Really? That's a *huge* miss! Now this low appraisal had transaction termination written all over it. So, I got to work.

I spent several hours over the weekend pulling comps from all sales reaching back 6 months, analyzing their advantages and disadvantages compared to my listing, and studied their tax assessed values versus their sales prices to look for patterns. We then submitted that data to the lender. And for the second time in Northwood over the past 5 years, because of my data, the lender threw out the appraisal and we sold at full price. That, my friends, is why market knowledge is crucial.



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Each Office is Independently Owned and Operated.

West Valley Property Sales Performance Breakdown

	TOTAL SALES	AVERAGE LIST PRICE	AVERAGE SALE PRICE	LIST TO SALE %
Millwood May-Aug, 2021	40	\$286,140	\$305,222	+6.7%
Millwood Jan-April, 2021	33	\$322,323	\$333,819	+3.6%
Pasadena Park May-Aug, 2021	35	\$387,616	\$403,900	+4.2%
Pasadena Park Jan-April, 2021	28	\$465,642	\$467,561	+0.4%
Northwood May-Aug, 2021	29	\$550,240	\$571,030	+3.8%
Northwood Jan-April, 2021	24	\$535,000	\$547,963	+2.4%

In this graph I usually compare the current calendar year with the past year. But since this year has been the craziest I've ever experienced, I thought I would reveal some interesting numbers that illustrate the difference between the first 4 months of 2021 and the last 4.

Northwood homes increased in sales price from May-Aug over Jan-Apr by just over \$23,000. They also received almost 4% more than their asking prices.

Pasadena Park home sale prices have really increased over the past year or so. However, interestingly they dropped in average price by 15.8% from May-Aug.

Millwood homes also dropped in average sales price by almost \$29,000, but they still for 6.7% more than list price.

I'm looking forward to what's next!

For more market information—or to discover your property's current market value—contact us at

509-703-8187 today for a FREE, no obligation analysis!