

Coronavirus not slowing down Seattle region's supercharged housing market

By: Marc Stiles
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One area of slight weakness for the Puget Sound region's housing market is luxury homes. One broker said the tanking stock market is hurting this sector.

Home buyers hoping the coronavirus pandemic will cool off the Puget Sound region's red-hot housing market are out of luck.

Sale prices of lower cost and mid-range homes remain torrid, with multiple offers common. The virus has, however, altered the way sellers handle open houses, nationally but especially in Washington state, the nation's COVID-19 epicenter.

Nearly a quarter of U.S. sellers are changing how their homes are viewed, according to a new National Association of Realtors survey of its members. The percentage of sellers stopping open houses or requiring potential buyers to wash their hands and take other precautionary steps climbs to 44 percent in the Evergreen State.

In the Seattle area, some sellers no longer want to host open houses and have their brokers screen potential buyers for by-appointment showings, said [Lennox Scott](#), chairman and CEO of [John L. Scott Real Estate](#). This ensures they're dealing with either all-cash buyers or ones who have pre-qualified for mortgages.

He said his company is urging brokers to work with buyers and sellers to implement virtual-tour viewing. Broker [Heather Maddox](#) of [Windermere](#) PSR in Renton said one elderly seller has postponed marketing their home for a month to see how the pandemic shakes out.

"Just like every other industry, things are changing so quickly, but right now our market is more on fire than I've ever seen it," said Maddox, who has worked 15 years in real estate.

Especially hot is the sector of the market with homes listed for \$800,000 or less, Maddox said. She has one such listing in Kent.

"By last night it had 20 showings," she said. "People are begging me to take an offer."

One of her buyers looked for a condominium in Bellevue last weekend, and she said it "was a race against the clock to see condos before they went pending." Some units are going pending as fast as 12 hours.

One area of weakness is homes priced at \$1.2 million or more.

"Things have slowed slightly because I think many of those buyers are more reliant on the stock market," Maddox said Thursday, when the S&P plummeted 9.5 percent, the worst slide in 33 years.

The [market continues to not have enough inventory](#), Northwest Multiple Listing Service data shows. Across the four counties in the Seattle metro, the number of single-family homes for sale fell 39 percent last month compared to February 2019, while the pace of closed sales was about the same.

"This is rapidly evolving, but so far, we have seen a continuation of the robust spring market and have seen little effect on how quickly a home sells," Scott said. He added the market will know more in the coming weeks how the virus will affect the industry.

Also fueling the market are record low mortgage rates. According to Mortgage News Daily, a 30-year fixed loan is 3.5 percent.

Last week, a client of Maddox's refinanced and got a 3.1 percent rate on a 30-year fixed. On Wednesday, the rate on a 15-year mortgage was 2.5 percent.

Windermere Real Estate Chief Economist [Matthew Gardner](#) said this is making some buyers conflicted. They might want to hold off on a home purchase in light of the uncertainty caused by the virus, but they don't feel they can do so because of the low rates.

"Every situation is different, but talking to our brokers, they're saying they're getting offers left, right and center," said Gardner, who added the market "is tight and getting tighter."

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