



SPRING 2019

## A REFRESHING SHIFT

**Saying Hello to Q2** The recent shift to Q2 delivered the Bainbridge Island real estate market out of a sluggish first quarter. This slow start to the year was due largely to traditional seasonal market conditions but was exacerbated by the unprecedented snowstorm in February, which pushed real estate concerns down people's priority lists as we all worked to dig ourselves out.

However, March brought higher temperatures and some heat in the market. The number of under contract listings more than doubled (215.4%) from February to March. Compared to last year, this March showed an increase of 20.6% of under contract listings. Perhaps the theme for 2019 should be less "April showers bring May flowers" and more "Q1 gales bring Q2 sales!" Musings aside, it seems that April has ushered in a swing from a sellers' market to more of a balanced market. Our advice to buyers *and* sellers is to get ready for a busy phase.

**A Summer-Ready Stockpile** Relative to last year, available properties on Bainbridge are on the rise although still well below what we've seen in years past. By the end of March, there were 44.7% more properties available than at the same time last year, with a February-to-March increase of 7.8%. Contrast this with fewer property sales in March 2019 compared with the previous year as well as the previous month, and we're looking at an accumulation of inventory that's ready to fly. Those buyers with a sense of urgency now have more options. A word of caution, though: don't assume that more inventory means it's a less competitive playing field. The world of multiple offers is still very much in play.

**Seasonality and Absorption** While inventory is higher than last year, it is still below the levels we usually see this time of year. Fewer people are putting their homes up for sale and homes do sell once they hit the market. We see this in the absorption rate, which measures the rate at which available homes are sold during a given month. We saw a fairly substantial drop in absorption rate in August of last year. This led to a sustained period of 30-40% of active listings being sold on a monthly basis. However, that figure made a dramatic leap at the end of the quarter, nearly tripling from February (25.5%) to March (74.5%). This kept our inventory levels down while possibly signaling the start of a robust spring market.

**Dollars and Sense** News reporters who sensationalize the “slowing housing market” aren’t actually telling the whole story. If they did, they would also share the fact that homes continue to appreciate — just at a slightly less aggressive pace than they have in the past. Broadly speaking, we’re told we have little-to-no risk of recession in the short term. Many economists, including Windermere’s own Matthew Gardner, expect some degree of economic slowdown in 2020 but the effects should be minimal in Western Washington.

Your local Windermere agents are in the field, attuned to the realities and unique dynamics of this market. Look to them, not the 24-hour news channels, for a read on the market to ensure you get an accurate picture that can inform your buying or selling decisions. Here’s to the start of another busy summer! We look forward to spending it with you.

## Bainbridge Island New Listings, January-March 2019

