

John L. Scott
REAL ESTATE

2021 HOUSING FORECAST

By J. Lennox Scott, Chairman & CEO

WHATCOM COUNTY



CYCLONE OF SALES ACTIVITY INTENSITY

The year 2020 brought many changes in how we live and has made many reflect on what their home means to them. In the Whatcom County area, the velocity of the housing market is in tight rotation, with the sales activity intensity for each new listing going under contract at a frenzy level and higher for most price ranges and areas.

Looking toward 2021, we anticipate the residential real estate market will continue to be very active, with additional strong buyer demand. Much of this demand comes from major metro markets as some homebuyers are able to work from home in the lifestyle/destination area of Whatcom County.

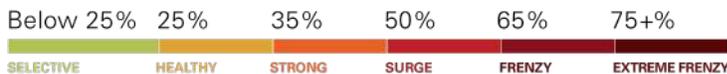


J. Lennox Scott
Chairman and CEO



2021...

SCALE: SALES ACTIVITY INTENSITY (HOMES SELLING IN THE FIRST 30 DAYS)





► **Year 2020 recap**

Fortunately, we saw a checkmark-shaped housing market recovery in the year 2020.

1st quarter (Q1): There was very strong sales activity intensity in many areas locally.

March/April: COVID-19 led us to adjust our business practices to support social distancing for buyers, sellers and agents. Additionally, home mortgage interest rates lowered.

May: The number of buyers increased to pre-COVID seasonal levels, but sellers lagged creating a virtually sold out situation.

June: Many lifestyle/destination/surrounding markets became virtually sold out as buyers were able to work from home.

Summer/Fall: All of this led to market conditions of multiple offers for each new listing in most price ranges, creating premium pricing which benefits sellers.

Additional major events in 2020 to consider:

- The inflection point in society to further support diversity, equity and inclusion.
- Natural disasters, with wildfires and smoke affecting Western states.

► **2021 forecast**



After the 2020 holiday season, a surge of buyers will come into the market on Jan. 1, 2021. However, there will be few new listings until March 2021.

We anticipate the “cyclone” of housing market sales activity intensity will continue at high velocity where about 90 percent of sales activity takes place. through April 2021. Then, sales activity intensity will probably go down one level of hotness over the summer as more listings come on the market for potential purchasers.

Throughout 2021, we will remain virtually sold out in the more affordable, mid-price ranges and into the upper end. The luxury market will be active due to the wealth effect in the economy.

The strong price appreciation we saw in 2020 will continue in 2021 as the biggest price boost will occur within the first four months of the year.

► Tips for buyers and sellers in 2021



For buyers, it's crucial to be Buyer Ready - Day ONE™. Your Broker Associate can consult with you to share strategies to win in multiple-offer situations, get pre-approved or fully underwritten through a lender, and receive instant email/text notification of newly listed properties.

Although it's a seller's market, being Market Ready - Day ONE™ as a homeowner elevates the interest of the backlog of buyers who will put an offer on your property. Our Seller Listing Launch® system combines the best in marketing and pricing strategy to help sellers obtain the best price.

► Possible headwinds in 2021



In 2021, possible headwinds include decreased affordability due to price increases, a slight interest rate increase when the economy improves, and the potential for higher taxes on the state and federal level.

“While we are very thankful for the housing recovery we have seen in 2020, we know this has been a difficult year for many, including those who have lost a loved one due to COVID-19. Our hearts go out in support of those infected with COVID-19, as well as everyone impacted by job losses or the wildfires in Western states. We hope 2021 brings healing and peace, as well as an enhanced focus on diversity, equity and inclusion.”

John L. Scott
REAL ESTATE

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