

Multiple offers are “the new normal” for housing market

KIRKLAND, Wash. (May 6, 2013) – Northwest Multiple Listing Service members notched their highest volume of new listings since June 2011, but the additions did little to ease inventory shortages. Brokers also reported the highest volume of pending sales since May 2007, along with anecdotes of bidding wars.

“Multiple offers have become the new normal,” remarked MLS director Diedre Haines, the Snohomish County regional managing broker at Coldwell Banker Bain. “We have literally gone off the charts in absorption,” she stated, adding the dip in pending sales in that county “is all due to lack of inventory.”

Haines also reported low appraisals remain a problem as appraisers struggle to keep up with the fast paced activity and increasing values.

Northwest MLS figures support Haines’ observations. Brokers added 1,349 new listings to Snohomish County inventory during April, but that activity was outpaced by sales, with members reporting 1,500 pending sales in that county, slightly less than a year ago. Prices on sales that closed during the month surged more than 16 percent.

For the MLS market system-wide, new listings, pending sales, closed sales and prices rose compared to twelve months ago, but inventory across the 21 counties dwindled.

Members added 10,351 new listings during April, improving on the year-ago figure of 9,166 for a gain of 12.9 percent. At month end, with the additions, the selection of single family homes and condominiums totaled 19,826 listings, down about 21.6 percent from the year-ago figure of 25,291.

Area-wide pending sales of single family homes and condominiums (combined) rose 9.2 percent, from 8,790 mutually accepted offers to 9,600 transactions. That total is the highest since May 2007, when members tallied 9,743 pending sales.

Closed sales for April jumped nearly 20 percent, rising from 5,177 transactions a year ago to 6,209 completed sales. Year-over-year prices on those sales climbed 12.5 percent. A year ago, the median price for single family homes and condos (combined) that sold was \$240,000. Last month, it rose to \$269,950.

Through four months, closed sales are outperforming year-ago totals for same period by nearly 3,000 transactions. Haines believes the increase is an indicator “that lending restraints are beginning to ease and there are fewer and fewer short sale transactions being processed.”

Several factors are contributing to a “recipe for a frenzied May real estate market,” suggests John Deely, another member of the Northwest MLS board of directors. “The market pace has not subsided from previous months with low inventory and low interest rates being the primary drivers,” he stated. Also fueling the frenzy is the already fast pace market, news reports touting price increases of 9-plus percent both locally and nationally, positive job growth and record highs for the stock market, noted Deely, the principal managing broker at Coldwell Banker Bain in Seattle.

Prices will continue to rise as current market conditions are sustained, predicts J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. Among the conditions he mentioned are historically low interest rates, pent up buyer demand, and a shortage of available inventory.

Scott said rising prices are prompting questions from sellers on whether now is a good time to sell. In response to such questions, he advises sellers to assess their own situation, considering their plans to purchase another home, including where and what price range.

Prices for last month’s sales of single family homes (excluding condos) rose 12 percent. Area-wide the median sales price for April was \$280,000, a \$30,000 increase from a year ago. Among the 21 counties in the MLS report, King County had highest median price for single family homes. Last month’s 2,096 closed sales had a median price of \$400,000. That’s about 11.1 percent more than the year-ago median selling price of \$360,000.

Multiple offers are more commonplace, including in Kitsap County, brokers noted, even though year-over-year prices fell slightly (2.75 percent). A full price offer with an escalation clause is not uncommon on a newly listed home that is priced right, according to Frank Wilson, Kitsap district manager and branch managing broker for John L. Scott in Poulsbo.

Buyers have to be ready to buy and have an approval in hand from their lender," suggested Wilson, who also serves as a board member for Northwest MLS. Open houses are drawing crowds, he stated, adding, "Just as sellers had to work harder to get their homes sold a few years ago, today's buyers have to work harder to succeed in this competitive market."

Whether the market becomes more balanced may depend on listings. Northwest MLS figures show every county in its service area had year-over-year gains in new listings during April. "Let's hope this is the start of a positive trend for inventory," commented Mike Grady, the president and COO of Coldwell Banker Bain, but then added, "Considering the overall market landscape, it's likely there won't be enough sellers to fill buyer demand, at least for the short term."

Gary O'Leyar, designated broker/owner of Prudential Signature Properties in Seattle, said buyers should consider altering their searching strategy, given the limited inventory. For the past six months in many neighborhoods, the supply has averaged around 1.5 months or less, often prompting bidding wars, he noted. "Despite multiple offers on any given listing, the result is only one sale," O'Leyar remarked.

O'Leyar suggested buyers look at properties that have been on the market for an extended period of time, that meet their basic requirements, but that may need some work. "Oftentimes, getting a better priced property may mean looking outside the immediate metro market and into the nearby suburban markets. The best buys are not always the properties that are newly listed," he emphasized.

Along with widening their search area, some buyers are adding a step to the process before engaging in competitive bidding. "We are seeing more and more buyers completing pre-inspections on homes they're interested in," reported MLS director Haines.

To accommodate demand, builders around the state appear to be ramping up their activity. Figures from one industry group show a surge in permit activity for January, its most current reporting period. The number of permits more than doubled from a year ago, from 969 to 2,213, according to a report from the Building Industry Association of Washington.

A comparison of permits shows a significant shift in the types of housing BIAW members plan to build. This year, the January permits were almost equally divided between single family homes (about 51.6 percent), and multi-family (about 48.4 percent). That compares to the year-ago proportion, when permits for single family homes accounted for about 77 percent of the activity.

While most of Washington is experiencing brisk activity, many areas of the country show only "modest movement," according to the National Association of Realtors®.

In a news release accompanying NAR's Pending Home Sales Index (an indicator based on contract signings), Lawrence Yun, NAR chief economist, said the market appears to be leveling off. "Contract activity has been in a narrow range in recent months, not from a pause in demand but because of limited supply. Little movement is expected in near-term sales closings, but they should edge up modestly as the year progresses," he said. "Job additions and rising household wealth will continue to support housing demand."

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 21,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington State.

Small Businesses Upping Investments in Social Media

More small businesses are investing in social media, online advertising and marketing, despite mixed results and skepticism about the return on investment, according to survey conducted in late March.

About 61 percent of small businesses reported experiencing no return on investment from their social media activities. Nevertheless, the survey by Manta, an online community for small- and medium-sized businesses (SMBs), indicated social media involvement is trending upward. Its latest survey showed a rising number of businesses (now nearly 26 percent) are devoting more resources to social media.

Of the 39 percent of businesses reporting some ROI, most (40 percent) pegged the amount in the \$100 to \$1,000 range. Thirty percent said the yield was more than \$2,000.

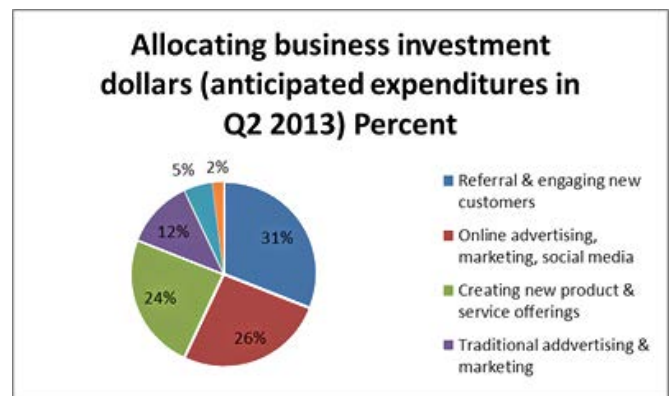
"As a highly pragmatic and time-constrained group, small business owners are strategically adopting platforms that show real results for their business," said Pamela Springer, CEO of Manta. "However, social media is not a stationary phenomenon. As SMBs shift from the experimental stage to a results-focused phase, their social media usage will evolve to maximize the value."

Owners of small businesses say they use social media with the expectation of acquiring new customers, gaining leads and referrals, and boosting awareness.

The 1,235 survey participants were also asked about intended investments for developing business.

Allocating business investment dollars *(anticipated expenditures in Q2 2013)*

Activity	Percent
Referral & engaging new customers	31%
Online advertising, marketing, social media	26%
Creating new product & service offerings	24%
Traditional advertising & marketing	12%
Hiring new staff	5%
Mobile	2%



Many businesses stated they fear losing customers if they don't interact with them on social media. About half the survey respondents said they are spending more time on social media compared to a year ago. More than one in three small business owners dedicate between one and three hours each week managing their social media channels, while 10 percent spend more than ten hours.

As more business owners increase their social media presence, they're encountering obstacles. Asked about the difficulties, 18 percent of SMBs said Facebook is the most difficult platform to maintain, followed by LinkedIn and Twitter. More than a third (36 percent) of businesses turn to online resources when they have questions about social media. A smaller percentage (22 percent) relies on their personal circles or third party experts (18 percent).

Owners of small businesses tend to be resourceful and independent when it comes to learning more about social media. Only 18 percent of SMBs ask for social media help from third-party experts, but twice as many (36 percent) turn to online resources.

[Manta](#) is the world's largest online community for promoting and connecting small business. It claims more than one million registered users and 87 million company profiles.

Green Preference Survey Reveals Most Consumers Think they Live a Green Life

Consumers believe they are educated on the value of energy-efficient home attributes and most who responded to a recent survey think they already live a green life. They also expressed confidence that green homes have enhanced value.

Researchers who conducted a Consumer Green Preferences Survey for Green Builder Media concluded consumers understand the value of energy efficiency and green upgrades, and not just because “there’s something in it for them.”

The survey was designed to understand sustainable lifestyle preferences, attitudes, behaviors, and purchasing patterns of active, healthy adults aged 35-55.

Among key findings:

- Eight of 10 respondents (84.3 percent) have a positive association with the term “green” and want to be known for having a green life.
- Six of 10 respondents (59.6 percent) think they already live a green life.
- Two-thirds of respondents (66.5 percent) say they have become more environmentally conscious over the past two years, particularly when it comes to products and systems for their homes.
- Of those who don’t think they are green enough yet, 90.4 percent of this segment report they would like to live a greener life.
- Two-thirds of respondents (66.5 percent) say they don't incorporate more sustainable ideas into their life because green products/systems are too expensive.
- A preponderance of those polled -- 85 percent -- thought highlighting the energy efficiency features of their homes would help their house sell faster, and 86.7 percent thought showcasing the durability of the products in their home would have a positive impact on the sale of their home. Nearly all respondents (93.5 percent) think the green features of homes should be listed on the REALTOR MLS.

Consumers also exhibited keen awareness of which upgrades would help the planet while saving them money. When asked how they would spend \$5,000 on their house, upgraded windows, insulation, and HVAC topped the list.

Upon analyzing the findings, the survey sponsors concluded, “These engaged and information-hungry consumers represent a prime market opportunity for manufacturers, building professionals, and environmental advocates to provide innovative solutions for improving quality of life, enhancing the health and safety of our housing stock, saving money through energy efficiency, increasing home values, reducing pollution, and mitigating environmental damage.”

Survey analysts also noted the findings dispel claims that people will only go green if there is something in it for them. When asked what is top of mind when it comes to green living, nearly four of every 10 respondents (38.9 percent) ranked “energy efficiency” as their first thought, followed closely by 30.8 percent of respondents who indicated that “leaving the world a better place for children/grandchildren/future generations” as their top concern.

[Green Builder Media](#) claims to be thought leaders and building science experts in the building industry. Based in Eastsound, Wash., the company and its New York-based magazine focus on green building and sustainable living and responsible growth. The company assists building professionals and homeowners thrive in the emerging green economy through its suite of print media, online options, demonstration homes, case studies, training and education vehicles, and live events.

NWR HOUSING WASHINGTON Conference

Leaders in Preserving, Creating Affordable Housing to Convene in Spokane for Annual Conference



Housing stakeholders will gather in Spokane in October for the 20th anniversary of the “[Housing Washington](#)” conference. The two-day forum features top-notch speakers and a cross-section of participants who support the preservation and creation of affordable housing in Washington.

Highlights during the October 7-9 event will include nationally acclaimed speakers and experts on capacity building, housing for special populations, economic policy, sustainability and other timely topics.

This year’s keynoters include professor and architect Ari Friedman, Ph.D., who will showcase his snapshot view of global housing, and Spokane native Sherman Alexie, an award-winning writer, filmmaker and performer. The program will also feature a performance by Capitol Steps, a political satire troupe, and the presentation of the 2013 Housing Awards for exceptional contributions to affordable housing.

“Housing Washington” is recognized as a leading regional resource for creating new links between housing advocates to better integrate affordable housing solutions throughout urban, suburban and rural communities.

Attendees include housing authorities, planners, architects, builders, elected officials, consumers, plus representatives from professional associations, neighborhood groups, and the lending industry.

The nationally praised conference is presented by the Washington State Housing Finance Commission and the U.S. Department of Commerce in partnership with the Washington Low Income Housing Alliance.

Registration opens in the summer, with an early-bird discount on registration fees offered until August 31. For details, visit www.wshfc.org or email conf@wshfc.org.

REALTORS’ 2012 Environmental Project Partner Earns “Green Globe” Stewardship Award

Last year’s “TREC” (The REALTORS® Environmental Council) partner, the Friends of the Cedar River Watershed (FCRW), received a Green Globe Award from King County as a leader in community stewardship.

FCRW, which multiplies hands involved in caring for natural areas by connecting volunteers with habitat restoration endeavors, was one of 12 recipients of the prestigious environmental award. Presented every two years, the award recognizes projects that excel in leadership and activities that foster stewardship.

TREC, an initiative of SEATTLE KingCounty REALTORS®, has organized an annual work party for the past six years at locations around King County. Last year’s volunteers spent a day restoring the natural area by digging invasive vegetation and planting more than 300 native trees and shrubs in the King County Parks Cavanaugh Pond Natural Area. The project helped increase biodiversity while improving riparian and salmon-spawning habitat.



Among other winners of Green Globe awards were the City of Shoreline, honored as “Leader in Pesticide Reduction” for its decade-long efforts to cut pesticide use, and Aaron Adelstein, director of the Built Green program of King and Snohomish Counties. He was honored as the “Leader in Sustainable Building.”

Nominees are selected by King County program managers. Recognition is based in part on demonstrated leadership in activities that foster environmental stewardship and encourage community involvement.

News In Brief ~ May 2013

- Single women make up the second largest segment of home purchases, with one out of every five homes purchases by a single woman, according to the National Association of REALTORS®. With more than 25 million single women over the age of 45 - whether never married, divorced, or widowed - it is making up a growing demographic. Some builders are reportedly adding two master bedrooms to help accommodate the 40 percent of single women who choose to have non-romantic roommates, according to AARP.
 - The Home Affordable Refinance Program - a government refinancing program for underwater homeowners - will be expanded for another two years, the Federal Housing Finance Agency announced. HARP was originally set to expire December. 31, 2013, but will now be extended to the end of 2015, according to Tom Kelly. Homeowners eligible to apply for refinancing under HARP must have a Fannie Mae- or Freddie Mac-backed mortgage that was guaranteed on or before May 31, 2009, must be current on their loan, and must have a current loan-to-value ratio more than 80 percent.
 - King, Snohomish have state’s lowest unemployment: King and Snohomish counties had the state’s lowest unemployment rates in February at 5.6 and 6.3 percent, respectively, according to data released in April by the state Employment Security Department. Both counties improved from their January rates of 6.3 percent and 7.1 percent. That put them ahead of Whitman County, which in January had Washington’s lowest rate of 5.8 percent but saw unemployment grow to 6.4 percent last month.
 - Retail sales rise 5.6% statewide: Taxable retail sales in Washington rose 5.6 percent to \$29.5 billion during the fourth quarter of 2012 compared to that period in 2011, according to the Washington State Department of Revenue. In Seattle, retail rose 6.8 percent to \$4.6 billion. Construction also rose a substantial 9.6 percent in that time frame.
 - Polygon Homes to acquire downtown Bothell development site in \$8.2 million deal: Polygon Homes could build at least 100 townhomes in downtown Bothell, city officials said in April. On Tuesday, April 16, the City Council approved a tentative agreement to sell 5.5 acres to the Bellevue-based company for \$5 million. Polygon also would have to spend more than \$3.2 million to improve roads and make other infrastructure improvements around the site that is due south of Pop Keeney Stadium.
 - Report indicates two 14-Story residential towers to be built at Bellevue Square: According to a report by The Seattle Daily Journal of Commerce Kemper Development, developer and operator of Bellevue Square, Bellevue Place and Lincoln Square, has a plan to build two 14-story residential towers and nearly 250,000 square feet of retail on the southeast corner of Bellevue Square. According to the report, Kemper Development has begun a conversation with city of Bellevue administrators regarding the plan. The publication reported that City Urban Design Planning Manager Liz Stead disclosed to the Journal, that Kemper officials had a meeting with the city last month to discuss the project.
 - Seattle moves up a bit in economic rankings: Seattle moved to No. 27 last month from No. 29 a month earlier in economic rankings of the nation's top 102 markets. According to research by On Numbers, the research division of American City Business Journals, Austin, Texas is the nation's economic
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pacesetter for the second straight month, followed by Provo, Utah. Eighteen statistical indicators are analyzed each month by the On Numbers Economic Index, which tracks conditions in the 102 major metropolitan areas with populations above 500,000.

- Land developers are selling homes faster than they can build: Land developers in the Puget Sound are now selling new homes faster than they are preparing construction-ready lots. As the housing market bottomed out and began recovering in 2012, King County's supply of vacant lots went from a 58-month supply in 2009 to a staggering 16-month supply. Replenishing the region's lot inventories will likely take a few years and could drive up home prices as competition over vacant lots gets tighter, according to the Puget Sound Business Journal.
- King County house prices jumped almost 20 percent over year: The median price of single-family homes sold in King County leapt in March to \$392,000 as buyers, many waving all-cash offers, bid up the region's tight inventory. With 40 percent fewer houses for sale than a year ago, March's median closing price was 19 percent higher than the previous March and up 7 percent from February, the Northwest Multiple Listing Service reported.

Calendar of Events

Through June 5, 2013

Dates	Event	Clock Hours	Time	Location	Contact
SEATTLE-King County REALTORS®					
5/10	New Member Orientation		9:30am-12:30pm	SKCR	425-974-1011
5/13-18	NAR Mid-Year Meetings			WA, DC	
5/21	Affiliate Council		9am-10am	SKCR	425-974-1011
5/27	Office Closed – Holiday				
6/3	SKCR Elections				
6/4	Gov't Affairs Committee		10:30am-1:30pm	SKCR	425-974-1011
6/5	First Citizen Banquet				425-974-1011
For updates visit: www.nwrealtor.com and click "events"					
SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORS®					
For updates visit: www.sccar.com and click "events"					