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## **Home sales “chugging along,” as recovery continues, but brokers expect prices, mortgage rates to rise in 2014**

*NWMLS, KIRKLAND, WA – December 4, 2013* – Improving inventory, stabilizing prices, fewer short sales, and a healthy local economy are credited with keeping the real estate market “chugging along nicely” around western Washington, according to brokers with the Northwest Multiple Listing Service.

The latest figures from Northwest MLS show year-over-year gains in inventory (up 4.8 percent), pending sales (up nearly 1.6 percent), closed sales (up 5.3 percent) and median selling prices (up 4.86 percent).

Brokers reported 6,624 pending sales (mutually accepted offers) of single family homes and condominiums during November, improving on the year-ago total of 6,522 for a 1.56 percent increase.

Closed sales across the 21 counties in the report outgained the volume of a year ago by 283 transactions, rising from 5,333 completed sales to 5,616 for a gain of 5.3 percent.

The median selling price on last month’s closed sales increased 4.86 percent, from \$258,500 to \$271,061. The condominium portion of those sales had double-digit price gains, jumping 14.2 percent. In King County, where 60 percent of the condominium sales occurred, prices were up 17.4 percent, rising from \$204,500 to \$240,000. Snohomish County condo prices shot up 19.7 percent from twelve months ago.

For single family homes (excluding condominiums), the median sales price was \$280,000 area-wide, up about 4.1 percent. King County’s volume of closings dipped slightly compared to a year ago (down 2.9 percent), but prices increased more than 7.5 percent. The median selling price for single family homes that sold last month in King County was \$414,000; a year ago it was \$385,000.

OB Jacobi, president of Windermere Real Estate, believes the slowing pace of home prices, “is “actually a good thing,” saying, “As we saw in years past, continual double-digit price appreciation leads to boom and bust cycles that none of us want to relive.”

Similarly, fewer distressed sales bode well for the market, according to Northwest MLS director Darin Stenvers. “The real estate industry is supported by reduced rates of short sales and foreclosures, thus returning almost all markets to a healthy position for consumers. Rising home values have helped sellers who wish to avoid the long drawn-out and painful short sale process,” stated Stenvers, the office managing broker at John L. Scott in Bellingham.

In most cases Stenvers said those sellers are able to repair their credit in a short time, and maybe even re-enter the marketplace with more affordable budgets. “Foreclosures and the percent of short sales have sent a clear message to buyers that the market is stable and they can feel confident in their investments,” Stenvers suggested.

MLS director John Deely agreed. With rising prices, the number of homeowners with negative equity continues to shrink, he noted, citing data from the Case Schiller index. “Many sellers do not realize they have gained back substantial equity and that we are close to the peak values of the Seattle market,” said Deely, the principal managing broker at Coldwell Banker Bain in Seattle.

Commenting on recent activity along with expectations of a holiday season slowdown, some brokers noted there are multiple –and sometimes, unrealized –advantages to buying and selling homes as the year winds down. “Waiting will not provide much benefit,” suggested Mike Gain, CEO and president of Berkshire Hathaway HomeServices Northwest Real Estate in Seattle.

MLS director Frank Wilson agreed. He believes it will be more expensive to buy a home during 2014. “Slow but steady price appreciation, upward pressure on interest rates and increased costs of getting a loan will all work to decrease the buyer’s purchasing power,” said Wilson, the branch managing broker and Kitsap District manager for John L. Scott in Poulsbo.

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Deely attributes the threat of interest rate hikes with spurring some activity in the midst of the holidays. “In 2014 the big question is not if interest rates will rise but when. This concern appears to be encouraging buyers to continue their home search during this holiday season, defying the seasonal slowdown,” he observed.

MLS spokespeople also point to inventory shortages in some areas as another challenge for buyers.

“As we approach the holiday season when we typically experience the seasonal slowdown, the housing market is showing signs of stability and resilience,” said Gain, but added, “Even though November’s new listings were up 10.1 from a year ago, and pending sales were up 1.6 percent, the lack of inventory is holding sales down.”

Many Seattle neighborhoods are still experiencing high demand for listings, noted Gary O’Leyar, designated broker and co-owner of Prudential Signature Properties. “Although the pace of the in-city Seattle market has leveled off somewhat, we are still seeing many instances of multiple offers due to high demand in several of the most sought-after neighborhoods,” he commented.

Multiple listing service figures underscore O’Leyar’s report. Most of the MLS map areas comprising Seattle show only around 1.5 months of supply – well below the 4-to-6 months many industry analysts say indicates a “balanced” market.

Tight inventory is not limited to Seattle. “Once again, this year we will be heading into the New Year with shortages and low inventory of homes for sale in the price ranges where 90 percent of the sales activity is taking place,” said Lennox Scott, chairman and CEO of John L. Scott Real Estate.

Scott and others believe sellers who are thinking of selling could benefit by listing now instead of waiting for the expected ramp-up of activity in January. “Traditionally, the number of new listings coming on the market during the holidays declines at a higher rate than buyer demand, thereby making the buyers-to-new-listings ratio advantageous for sellers.”

Mike Gain agreed, referring to a checklist his company uses that outlines advantages of listing a home during the holiday season. Among the benefits it cites are “decked halls look great,” “only serious buyers are out,” and “the process will be quicker.”

“All in all, the real estate market is chugging along nicely thanks in part to the health of our local economy,” observed Jacobi. Rising interest rates are playing a part in motivating buyers as well, he added. It’s typical to see housing sales slow during this time of year because of the holidays, he acknowledged, but even so, he said “sales are still strong.”

Wilson said Kitsap County’s momentum is “slowing a bit,” but noted cumulative figures for the year show the volume of pending sales is up 14 percent. As for prices, he seemed satisfied with Kitsap’s modest increases compared to double-digit jumps elsewhere. “We are happy to let the Seattle market steal that limelight,” he declared, noting Kitsap’s affordability advantage as a result of the differences.

Looking ahead, brokers tend to agree positive momentum will continue, but hurdles such as unrealistic sellers, new loan regulations, and threats to purchasing power remain.

“The market is poised for another solid year in 2014, but buyers are “out of breath,” said Dick Beeson, noting attention is diverted to holidays and national uncertainties. “If we could just get buyers off fences and sellers’ expectations in line with 2013 pricing not 2005, we’d be just fine,” he quipped. Beeson, the principal managing broker at RE/MAX Professionals in Tacoma, also worries about “the poor job market” in many parts of the state that aren’t faring as well as Seattle. “Without a strong job market, housing sales eventually show down,” he noted.

New loan regulations are also troublesome, according to Beeson. “If anything will kill a good market, tightening the money supply will,” he emphasized.

Asked about his projections, Wilson said he thinks 2014 will be more of the same. “We are in a familiar cycle in which buyers in 2015 will be saying...I wish I would have bought a home back in 2013.”

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O’Leyar has a similar outlook. “I think the ‘wild cards’ for the 2014 Greater Seattle real estate market will be the Federal Reserve’s policy decisions and stricter lending standards.” He believes both factors could shrink the number of buyers. He also expects a leveling off of price appreciation, but continued strong demand due to the robust nature of Puget Sound’s vibrant economy.

Stenvers expects 2014 will be another year of stabilization and recovery for home and condo sales around the Pacific Northwest, and points to upticks in new home construction and commercial leasing as positive signs for job creation.

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.

**Statistical Summary by Counties: Market Activity Summary – November 2013**

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES			MONTHS SUPPLY
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	
King	2,051	4,876	2,617	2,244	\$452,285	\$379,202	1.86
Snohomish	900	2,451	1,010	833	\$308,095	\$288,000	2.43
Pierce	1,042	3,384	1,131	878	\$226,932	\$205,000	2.99
Kitsap	289	1,356	325	255	\$279,993	\$220,000	4.17
Mason	90	650	77	59	\$206,297	\$158,000	8.44
Skagit	132	720	143	138	\$281,745	\$247,750	5.03
Grays Harbor	118	737	76	79	\$123,733	\$122,500	9.70
Lewis	99	669	83	64	\$153,627	\$140,000	8.06
Cowlitz	87	434	92	79	\$154,093	\$140,000	4.72
Grant	81	487	52	47	\$173,182	\$162,225	9.37
Thurston	301	1,176	302	262	\$235,437	\$220,000	3.89
San Juan	15	366	25	21	\$633,405	\$450,000	14.64
Island	106	661	112	99	\$321,670	\$245,000	5.90
Kittitas	58	382	63	53	\$257,200	\$206,750	6.06
Jefferson	46	385	39	49	\$283,883	\$265,000	9.87
Okanogan	26	427	35	25	\$214,150	\$169,500	12.20
Whatcom	200	1,283	236	199	\$294,779	\$260,000	5.44
Clark	50	216	42	51	\$261,352	\$242,000	5.14
Pacific	30	379	34	32	\$118,672	\$84,625	11.15
Ferry	6	64	3	2	\$106,750	\$106,750	21.33
Clallam	44	325	63	66	\$206,891	\$162,625	5.16
Others	82	633	64	81	\$220,263	\$192,000	9.89
<b>MLS TOTAL</b>	<b>5,853</b>	<b>22,061</b>	<b>6,624</b>	<b>5,616</b>	<b>\$334,831</b>	<b>\$271,062</b>	<b>3.33</b>

**4-county Puget Sound Region Pending Sales (SFH + Condo combined)**

(Totals include King, Snohomish, Pierce & Kitsap counties)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2000</b>	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
<b>2001</b>	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
<b>2002</b>	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
<b>2003</b>	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
<b>2004</b>	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
<b>2005</b>	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
<b>2006</b>	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
<b>2007</b>	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
<b>2008</b>	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
<b>2009</b>	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
<b>2010</b>	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
<b>2011</b>	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
<b>2012</b>	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
<b>2013</b>	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	

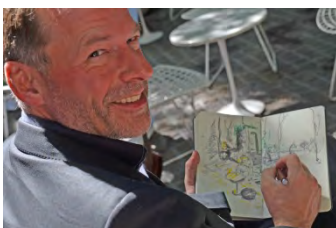
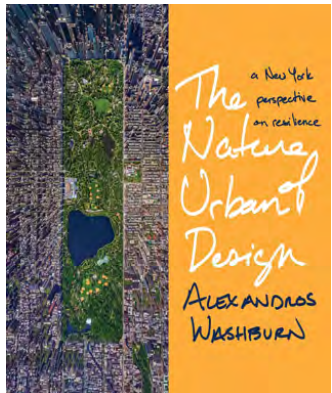
**Urban Design Key to Making Cities More Livable and Resilient**

Listening changes a city, suggests urban designer and author Alexandros Washburn, the keynote speaker at the 2013 Built Green Conference.

Known as a “big believer” that infrastructure should serve many purposes, Washburn encouraged his audience of builders, architects, Realtors® and related industry representatives to be mindful of the evolution of design, noting if you can’t design under the profit motive and politics, “projects can’t become real.”

In his recently published book *The Nature of Urban Design: A New York Perspective on Resilience*, the award-winning architect and professor draws from his experiences in government, finance and design, as well as from his perspective as a bicycle commuter and hurricane survivor. During his discussion on “what is urban design?” and its evolution, he cited significant contributions of three “great urban designers”: Frederick Law Olmstead, Robert Moses and Jane Jacobs.

Washburn urged designers to sketch scenes and impressions of best practices when conceiving projects. The global traveler takes his sketchbook whenever he journeys. Taking photos is fine, he commented, but added, “If it’s worth remembering, it’s worth drawing.”



As the chief urban designer at the New York Department of City Planning, Washburn has been at the forefront of Mayor Michael Bloomberg’s epic remaking of the city. His book incorporates personal stories, as well as case studies from cities around the world.

In one chapter, the author advocates changing cities by changing the point of view: Instead of from windshields, shift the perspective to that of a pedestrian. (“To build a great city, build a great sidewalk.”) He devotes another chapter to a case study of

High Line, the 1.5 mile long elevated greenway on Manhattan’s Lower West Side and the role planners and urban designers played in creating it.

Washburn believes infrastructure's purposes can encompass trails and parks, and also help cities become more resilient, especially in anticipation of climate changes. He is working to increase resilience in cities, both personally and professionally as he participates in the recovery effort in his Brooklyn neighborhood of Red Hook, a flood-prone zone and area hit hard by Hurricane Sandy.

During his remarks at the Built Green conference, Washburn referenced Eko-Viikki, a suburb of Helsinki, Finland, as an area that has pioneered sustainable construction techniques, including solar district heating, wind powered street lighting, and an area wide stormwater management plan. The project is part of the Sustainable Cities of Europe initiative and was the first ecological neighborhood to be built in Finland. Construction criteria included indoor environmental quality, energy usage, water consumption and waste management.

Interestingly, about 80 percent of U.S. citizens live in urbanized areas, but half would deny it, according to Washburn. He read a passage from his book, describing an individual who moved to the suburbs because he wanted to live on the frontier, and not see neighbors, yet he routinely enjoyed dining at nearby city restaurants and other urban amenities.

For the City of New York, Washburn's work is centered on a three-part agenda: growth (fitting more people within fixed borders); sustainability (including adaptation and mitigation); and improving the quality of city life. In that city, 85 percent of buildings that will be around in 2050 are already built, he noted.

Urban projects must transfer quality, quantity, and nature through aligning politics, finance, and design, Washburn believes. "Nature is the new civic virtue" he declares.

Urban planning must be mindful of the element in what Washburn called the "policy toolkit." He drew distinctions between allowing/permitting/guiding, and incentivizing (encouraging), mandating (requiring), and removing impediments (which he admitted is his favorite).

Washburn also said his ideal is to mix economic levels in the same building. He advocates having affordable housing mixed into every building, and making public space "truly public." In New York, he said the public space is everyone's, and "when that happens you lose the prejudice."

Noted attorney and author Kevin P. Chavous praised the book for providing a unique perspective into the issue of urban design "that very few professionals can." In a review for Amazon, Chavous noted the book's outstanding photography, stunning illustrations, and phenomenal drawings. The book engages, instructs, and challenges you to understand and become a part of the urban design process, the reviewer wrote, but said its most important quality is the fact that it inspires. "And without inspiration, there are no dreams, no great ideas, no plans of action, and no change."

In an interview with *Metropolis* magazine, Washburn was asked about lessons learned from Hurricane Sandy, particularly with regard to the devastation in his own neighborhood. In his reply, he spoke of the need to redefine the "client" from the existing families of sparsely populated Red Hook to a region of a million-plus people who view Red Hook's experience as a model for their own community's rebirth.

"We'll see how government agencies can enlarge the notion of "site" from our individual row houses struggling to floodproof by ourselves into a neighborhood and even regional system of shared public spaces and resiliency projects, each designed to counter a specific threat of climate change," Washburn told the writer. Continuing, he said, "We will use tools of zoning or finance (insurance, mortgage, and taxation) positively, not punitively, to support change so that the "program" escalates from millions in public improvements to billions in private investment. Urban design is the only way I can see to achieve fundamental change."

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## **Are You Weather Ready?**

That's the question the partners of ["Take Winter by Storm"](#) asks.

What began in 1998 as a one day media event has expanded to a multi-media public awareness and safety engagement program to help citizens and businesses get prepared before bad weather strikes.



Offered in two dozen languages, the online service aims to raise community awareness of hazardous weather and to help protect lives and property. It includes one-stop tips and resources for coping with power outages, heavy rains and flooding, freezing temperatures and various other weather-related disruptions. Residents are invited to register with the Take Winter by Storm site to receive up-to-the-minute updates on alerts and closures, plus discounts on various goods and services.

Among other resources the site offers are a series of checklists, including ones for home inventory, house maintenance, family plan, and shopping, plus an emergency contact card. Also available are downloadable tips for "preparedness on a budget" and a link to the *Seattle Times* Take Winter by Storm pamphlet.

Backers of the program recommend three basic steps to prepare for hazardous weather:

- Create an emergency preparedness kit with at least a three-day supply of non-perishable food and water for your home and office. Kits prepared for vehicle road travel and winter weather evacuation go-kits are also advised.
- Make a plan and practice the plan with your family and those who depend on you.
- Stay informed and know the weather approaching so you are prepared for whatever Mother Nature throws our way.

Take Winter By Storm is a collaborative, public-private effort between King, Pierce, Snohomish and Kitsap counties, the City of Seattle, Puget Sound Energy, State Farm, National Weather Service/NOAA, American Red Cross and various local retailers.

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## **Home Inspection law - What you don't know can hurt you**

*By: Bill Robson*

### **When the truck rolls up.**

You and your buyer are excitedly waiting in the driveway. The inspector strolls up and meets you, tool bag in hand. After an introduction to your client, an inspection agreement form appears, the client signs and the inspection begins. This process has been going on for years, most of the time with little drama. Have you ever asked yourself what, if any, liability you have signed yourself up for each time an inspection takes place? Are you aware of the new Washington State laws regarding residential inspections? Has your inspector explained to you and your clients the Washington State Inspection Standards of Practices? If you answered no to these questions, rest assured, you are not alone. This article will help explain some of the basic knowledge every Real Estate Broker should understand about the inspection process.

### **Washington State Inspection Law – A Primer**

Not that long ago, the real estate inspection business was an unregulated industry and enforcement of the scant rules in place were few and far between. Side deals, under the table payments, and ineffective and unprofessional inspections were not that hard to find. Many inspectors were also contractors (or had deals with them), and the inspection report to the client was often provided simultaneously with a business card offering 20% off the

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work required. Qualifications for an inspector's license were minimal at best. Legal liability, when the inevitable happened, was apportioned to whoever had the worst lawyer.

In an effort to correct these and many more issues, in 2008 Washington State began the process of turning the real estate inspection industry into a licensed, regulated, professional business. Penalties that sting were implemented. A state Inspection board was created to draft and enforce laws. Strict educational and testing requirements for licensing were put in place. Once a license was obtained, continuing education was required to help ensure only professionals would be retained. By 2009 the basic framework for this new improved industry was in place. Each subsequent year, updates to the regulations were added to refine the industry and reinforce the laws.

Now that the legal standards are established, it's important for Brokers to be aware of the legal responsibilities set forth.

### **I am a Broker not a Lawyer**

Granted. Understanding Residential Inspection law should not be the direct responsibility of the real estate broker. However, when the house collapses under the first snowfall and the lawsuits start flying, ignorance will not be bliss. For that reason, it will be of benefit to every broker that works with inspectors to understand the basics of the requirements, and to understand how to select a professional inspector. Doing so, will help shield the broker from the great majority of the issues that may arise.

### **Reduce Your Liability and get Better Inspections #1**

Yes, both of these goals can be achieved. Let's review some simple actions you can take to ensure a quality inspection for your client, and reduce your liability all at the same time. Your first line of defense – hire an inspector that understands the law, and acts in accordance of it. How can you be sure that is the case?

### **6 Things Every Broker Should Know About the Inspector**

How well you know that inspector in the truck may be the difference between a poor experience and being liable for all of his (or her) mistakes. So let's review the 6 things every broker should know about that inspector and their practices.

1. Does your inspector have a valid Washington State license? This seems like a fairly obvious question, but have you asked for and recorded your inspector's license number? By law, the inspector must include the license number in any advertising, on his Inspection agreements, and in the reports generated. So ask for it. Does the inspector know the license number? If so he is comfortable with it and is used to sharing it. After you have the license number, check with the state to ensure the license is still valid. Some licenses are lapsed or even under probation. This state site provides a lookup site for inspector licenses:  
<http://www.dol.wa.gov/business/homeinspectors/hiconsumers.html>
  2. Does your inspector have current insurance for both E+O and General Liability? Are the limits high enough? There is nothing wrong with asking for a certificate of insurance. If the inspector has valid insurance he will be happy to share this information. If this discussion seems hard to have, consider what happens if the house burns down and the inspector you recommended does not have proper insurance.
  3. Does your inspector identify or provide services for items found in the inspection that are specifically prohibited by Washington law? There are many areas an inspector cannot identify or work on without the appropriate license, such as: WDO pests, asbestos abatement, mold removal, radon remediation, and environmental issues. If the inspector does identify such things without having the appropriate license, this is an indication that the laws are not understood by the inspector or worse, are being ignored. Losing deals by misidentification of pests, or having a buyer discover, after moving in, that the white wrapping on the pipes is asbestos after all, can be expensive lessons.
  4. Does your inspector offer continuing services after the inspection had been completed? If your inspector does offer to do work, or recommends work to colleagues, after an inspection, you are opening yourself up to a
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liability bombshell. Washington law says: “Not for one year after completion of the inspection repair, replace, or upgrade for compensation components or systems on any building inspected - this section applies to the inspector's firm and other employees or principals of that firm or affiliated firms. Not provide compensation, inducement, or reward directly or indirectly, to any person or entity other than the client, for the referral of business, inclusion on a list of recommended inspectors or preferred providers or participate in similar arrangements.”

5. Does your inspector provide and retain proper documentation? A valid pre-inspection agreement should be filled out and signed on every inspection. Reports should be fully inclusive and should be reviewed with the client or their agent representative before the inspection service is concluded. All inspection documentation is required to be retained for a period of 3 years after the inspection.
6. Does your inspector value and maintain the confidentiality requirements as outlined by state law? All information about the inspection, written and verbal is limited to ONLY the client unless they specifically authorize the dissemination of the information to others. This includes their own agent. This authorization by the client must be in writing and should be clearly identified in the pre-inspection agreement.

### **Reduce Your Liability and get Better Inspections #2**

To reduce your liability it is important to understand what the state says **must** be included in an inspection, and what **must not** be included in an inspection. Read the Inspection Standards of Practices <http://apps.leg.wa.gov/WAC/default.aspx?cite=308-408C> for yourself. You do not need to be an expert, nor do you need to keep up with revisions. However, by taking 15 minutes and reading through the standards you will understand the basics. If you have any questions about the inspector's qualifications, you will then have a base of knowledge from which to draw.

### **Reduce Your Liability and get Better Inspections #3**

Make sure your client attends the inspection. This is not always convenient of course, but should be arraigned if at all possible. Questions and concerns can be readily addressed by the inspector if the client is there in person, and most importantly, misunderstandings can be drastically reduced if the client is on-site. Most lawsuits come about because of misunderstandings, so make sure your client has none. If your client cannot attend the inspection, make sure the inspector is willing to meet later, or at least answer any questions on the phone the client may have.

### **Reduce Your Liability and get Better Inspections #4**

Make sure your client understands what the inspection service will and won't provide. A driveway presentation by the inspector should always take place before any inspection is performed. The inspector should be willing to take all the time needed to explain what will be done and what is prohibited. The client should feel free to ask questions and they should only sign the inspection agreement when comfortable to do so. Misunderstandings are far easier to correct before the inspection begins than a month later when they have moved in.

### **Reduce Your Liability and get Better Inspections #5**

Verify that your inspection agreement is a valid, legal document. Have you ever read the agreements your clients have signed? Agreements drafted by reputable organizations such as ASHI or NAHI are easy to recognize and have been crafted by reputable lawyers. Home grown agreements may contain anything, and may not stand up in court. Know what you or your client is signing.

### **When the truck rolls away.**

You and your buyer are now excitedly talking in the driveway. The inspector has answered all your questions and has left you both with a thorough, well written report. The client understands what items need to be addressed soon and what items can wait. With a proper understanding of his dream home, the client is comfortable going forward with the purchase. That's the goal for all parties involved.

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Taking the time in advance to acquire an understanding of some basic inspection regulations and selecting a knowledgeable, professional inspector will give you the best chance of having that experience each and every time.

*Bill Robson is the owner of Clyde's Residential Inspections <http://www.clydesinspections.com>*

## **Seattle Buyers Need \$63,145 in Earnings to Buy Median-Priced Home**

Home buyers in Seattle need a salary of \$63,145.41 to buy a median-priced home in the metro area. That compares to a salary of \$22,348.03 needed to purchase the mid-priced home in Cleveland (the most affordable city on the list) and a whopping \$125,071.78 to buy a home in San Francisco (the most expensive among 25 cities in a recent survey). Seattle area buyers will also pay the second highest mortgage rate among cities in the study.

Those findings were reported by HSH.com, which analyzed 25 major metropolitan areas to compile a list of after-tax income needed to buy a home in each city.

Tim Manni, managing editor of HSH.com and author of the site's daily blog, said HSH used the National Association of Realtors' 2013 third-quarter median home prices and its average interest rates for 30-year, fixed-rate mortgages in the quarter to calculate the principal and interest payment needed. Computations were based on median prices with a 20 percent down payment and assumed a standard 28 percent "front-end" debt ratio.

### **Comparison of Selected Metro Areas: Earnings Needed to Buy a Home**

(figures rounded)

<b>Metro Area</b>	<b>Median Price of Home</b>	<b>YOY Change in Price</b>	<b>Mortgage Rate</b>	<b>Monthly Payment</b>	<b>Salary Needed</b>
Cleveland	\$127,000	6%	4.61%	\$521	\$22,348
Atlanta	\$152,300	41.8%	4.63%	\$627	\$26,863
Orlando	\$167,800	29.3%	4.64%	\$691	\$26,631
San Antonio	\$175,000	8.1%	4.71%	\$727	\$31,154
Phoenix	\$191,700	25%	4.55%	\$782	\$33,498
Chicago	\$209,000	13.3%	4.68%	\$865	\$37,078
Sacramento	\$255,900	41.8%	4.67%	\$1,058	\$45,346
Portland	\$276,200	15.5%	4.71%	1,147	\$49,170
Denver	\$286,900	10.2%	4.64%	1,182	\$50,662
<b>Seattle</b>	<b>\$354,700</b>	<b>15.9%</b>	<b>4.71%</b>	<b>1,473</b>	<b>\$63,145</b>
Boston	\$393,700	7.6%	4.57%	1,609	\$68,956
New York	\$405,400	3.4%	4.60%	\$1,663	\$71,255
Los Angeles	\$448,900	26.2%	4.63%	\$1,847	\$79,177
San Francisco	\$705,000	24.1%	4.68%	\$2,918	\$125,072

*Source: HSH.com (from analysis of 25 metropolitan areas)*

Manni acknowledged the calculations for salary needed to purchase the median priced home in each market as "basic, bottom-line" income needed to cover the mortgage. Realistically, income will need to be much higher, "possibly even double or triple the basic figure" to cover needed taxes, insurances and other expenses to live in the home, plus any other debts the prospective owner might have, he stated.

HSH.com® is the nation's largest publisher of mortgage and consumer loan information. The firm, in business for 30 years, does not make or broker mortgages, but instead positions itself as an objective, independent source of information about consumer loans.

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## **█ New Sensor Detects Environmental Hazards in Homes**

If home hazards are worrisome, a \$300 device known as Wally may provide some peace of mind.

When Wally starts arriving in homes in spring 2014, homeowners can expect to be alerted of water leaks or other problems needing fixing before they become major expenses or hassles. The revolutionary monitoring system is the latest innovation from SNUPI, a startup by Seattle-based entrepreneur Jeremy Jaech, who is the CEO at SNUPI (Sensor Network Using Powerline Infrastructure).

Officially known as [WallyHome](#), the ultra-low power sensor network monitors moisture, temperature and humidity changes and works in conjunction with an always-on Internet connection. It does this by bypassing traditional Wi-Fi and Bluetooth connections, instead using the copper wiring in the walls of a home as an antenna.



The product's creators say by using the existing powerline infrastructure as its wireless communication channel the system is designed to work continuously for 10 years without replacing the battery. The unit is available to consumers for a pre-order price of \$299, plus \$35 for additional sensors.

Jaech, who co-founded Aldus and Visio, said Wally's sensors are placed with appliances or in hazard-prone spaces, and paired with a hub. This hub creates a smart home platform that uses machine learning analytics and data mining to provide homeowners (no matter where they may be located), as well as people on their alert list, information about the health of their home via the Wally app and website, he explained.

"Homeowners are alerted instantly via text, push or email of water leak locations or potential hazards, such as conditions for mold," he added. The system also offers preventative maintenance tips.

Jaech, a member of the University of Washington board of regents, said his company has partnered with professors and a doctoral student at the UW and is operating with an exclusive license from the Georgia Institute of Technology and the UW.

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## **█ Facebook exposes people to news who might not otherwise get it**

Three in 10 American adults (about 30 percent) get news from Facebook, according to a survey by Pew Research Center. Of these respondents, most say they aren't going to the social media hub seeking news, but instead find it "incidentally" while on the site for other reasons.

For breaking news, Facebook has yet to become the "go to" platform: only 28 percent of Facebook news consumers say they use Facebook for breaking news. (Twitter still dominates this space.)

The vast majority of Facebook users (78 percent) say they get news while on the site for other reasons. Only 4 percent of those polled cite Facebook as the most important way they get news, but for those who tend to follow news less often overall, Facebook is a more important news source.

Researchers also found a correlation between the time spent on Facebook and the likelihood of getting news there. Two-thirds (67 percent) of those who use Facebook for at least an hour a day get news there, compared with only 41 percent of those who spend less than an hour a day on the site.

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As a group, younger adults (those ages 18-to-29) are less engaged than their elders with news on other platforms, yet they are as engaged, if not more so, with news on Facebook. Pew researchers reported this segment accounts for about 34 percent of Facebook news consumers.

Among other key findings in this report:

- **Facebook news consumers still access other platforms for news at roughly the same degree as the population overall.**
- **News consumption on Facebook does not replace other activities.** Those who consume news on Facebook are more active on the site than other users by nearly every measure.
- **Roughly half, 49%, of Facebook news consumers report regularly getting news on six or more different topics.** The most popular topic is entertainment news, followed by community news, and sports, National politics and government rank fourth.
- **Liking or commenting on news stories occurs almost as frequently as clicking on links, though back and forth discussions are less common.** About two-thirds (64%) of Facebook news consumers at least sometimes click on news links (16% do so often), while 43% post or share links themselves at least sometimes.
- **News outlets rank low in the reasons Facebook news consumers click on news links.** The biggest single reason people cite for clicking on links to news stories is interest in the topic; 70% name this as a major reason to click on news links; that the link came from a news organization they preferred is cited by just 20% as a major reason for clicking – outpacing only that the story had a lot of “likes” (13%).
- **Facebook news consumers who “like” or follow news organizations or journalists show high levels of news engagement on the site.** About a third, 34%, of Facebook news consumers have news organizations or individual journalists in their feeds. Those who do are more likely to see the site as an important way to get news than those who do not have news organizations or journalists in their feed (54% versus 38%).
- **As with U.S. adults overall, only a minority of Facebook news consumers say they prefer news that shares their point of view.** When asked about things that bother them on Facebook, twice as many Facebook news consumers are bothered when people post political statements (whether related to the news or not) than when people post opinions about something in the news (32% versus 14%).
- **Among U.S. adults, the desktop/laptop computer is still the primary way most adults access Facebook.** Fully 59% of all adult Facebook users and 53% of Facebook news consumers mostly access the site through a desktop or laptop computer rather than a mobile device such as a smartphone or tablet.
- While the primarily mobile users tend to check in more frequently, desktop users clock more total time, according to survey results.

Pew Research conducted the survey in collaboration with the John S. and James L. Knight Foundation and said it is the first analysis in a series of studies to look at the connections between social media and news consumption.

For purposes of the survey Pew researchers defined news consumers as those who answered they “ever get news or news headlines on Facebook.” News is defined as “information about events and issues that involve more than just your friends or family”

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## News In Brief

- **More than 100 forecasters said they expect the U.S. home values to end 2013 up an average of 6.7 percent year-over-year before slowing over the next five years.** The survey of 108 economists, real estate experts and investment and market strategists was sponsored by Seattle-based Zillow, Inc. and is conducted quarterly by Pulsenomics LLC. While appreciation is expected to remain strong through the remainder of this year, the pace of home value growth is predicted to slow considerably through 2018. Panelists said they expect appreciation rates to slow to roughly 4.3 percent next year, on average, eventually falling to 3.4 percent by 2018. Based on
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current expectations for home value appreciation over the next five years, panelists predicted that overall U.S. home values could exceed their May 2007 peak by the first quarter of 2018.

- The latest research on homebuyers from the National Association of Realtors shows the effects of tight mortgage lending standards on the market.** The association says that these conditions are keeping qualified buyers, especially singles and first-time buyers from home ownership. NAR's 2013 Profile of Home Buyers and Sellers is the latest release in a long-running series that dates back to 1981. Results are representative of owner-occupants and do not include investors or vacation homes. The overall market share of single buyers declined from 32 percent in 2010 to 25 percent in both 2012 and 2013. First-time home buyers slipped to a 38 percent market share in the past year from 39 percent in the 2012 study.
- A survey conducted by Fannie Mae finds that delinquent borrowers - those late on their mortgage payments and at risk of foreclosure - are still committed to the idea of home ownership, even if they are having some difficulties with it now.** Particularly in the past year, and as home prices rise, delinquent borrowers have become more upbeat about housing, the survey showed. The survey found that the majority still believe in the financial and lifestyle benefits of home ownership. Delinquent borrowers were asked if renting or home ownership was better for building wealth. Seventy-four percent said owning was better for building wealth. Approximately 70 percent said home ownership was also better for their overall tax situation. Many delinquent borrowers say they've been unsuccessful at refinancing and lowering their monthly mortgage payments. The most common barriers cited are not qualifying and not trusting lending institutions, the survey found.

**Calendar of Events - Through January 23, 2014**

Dates	Event	Clock Hours	Time	Location	Contact
<b>SEATTLE-King County REALTORS®</b>					
12/17	Affiliate Council		9am-10am	SKCR	425-974-1011
12/24-25	Holiday		Office Closed		
1/1	Holiday		Office Closed		
1/8	Board of Directors		10:30am-1:30pm	SKCR	425-974-1011
1/20	Holiday		Office Closed	SKCR	425-974-1011
1/23	Legislative Hill Day		All Day	Red Lion Hotel Olympia	425-974-1011
<b>For updates visit: <a href="http://www.nwrealtor.com">www.nwrealtor.com</a> and click “events”</b>					
<b>SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORS®</b>					
<b>For updates visit: <a href="http://www.sccar.com">www.sccar.com</a> and click “events”</b>					