Housing activity in Western Washington ranges from “red hot” to “slowly healing”

KIRKLAND, Wash. (May 6, 2014) – Brokers report some skittishness among both buyers and sellers, but the latest statistics from Northwest Multiple Listing Service indicate the housing market is continuing to rebound. Both the number of pending sales and the number of new listings added to inventory during April reached their highest levels in 11 months.

Closed sales of single family homes and condominiums were slightly below the year-ago volume, while the median sales price rose slightly (up about 1.9 percent).

“The residential market is red hot,” reported J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. He said multiple offers are the “norm” for new listings, with about two-thirds of homes near job centers selling in the first 30 days. That’s about twice the normal rate, according to Scott.

Many areas outside the Greater Seattle job centers also show signs of positive activity, but at a more moderate pace.

“The real estate market continues to show positive signs both locally and nationally,” stated John Deely, one of the directors of Northwest MLS.

MLS members reported 9,590 pending sales of single family homes and condominiums during April, about even with the same period a year ago when brokers tallied 9,600 mutually accepted offers. Last month’s total marks the highest level since May 2013 when the MLS reported 10,045 pending sales across its 21-county area.

Improving inventory is helping to boost sales, but MLS officials say the number of distressed sales in some areas, and shortages of the “right kinds” of inventory persist, are causing some drag on activity. Some brokers also expressed concern about the sluggish pace of new construction.

Members added 11,043 new listings to inventory during April, about 700 more than a year ago for a 6.7 percent gain. At month end, there were 21,390 listings system-wide, up nearly 7.9 percent from twelve months ago when active listings totaled 19,826.

“A lot of potential sellers who would like to move up are reluctant to list due to uncertainty that there will be something on the market they would want or be able to purchase,” said Northwest MLS director Diedre Haines. Changes in the new construction segment are also affecting activity, she suggested.

Other brokers had similar comments about current inventory.

“We are still desperate for inventory in spite of statistics indicating we have more listings,” commented MLS director Kathy Estey. Inventory is being held back because potential sellers fear they will sell their home and not find one to move into, said Estey, the managing broker at John L. Scott in Bellevue.

The result is a catch-22 situation “because nearly no one will accept a contingent offer,” according to Estey. Also, she explained, “bridge financing is scarce and risk tolerance is low” as a result of the hangover from the recession.

The imbalance between supply and demand is reflected in the market indicator known as months of supply, a ratio of active listings and sales. Industry experts say a balance occurs (favoring neither buyers nor sellers) with four-to-six months of supply. The National Association of Realtors® tends to use six months of supply as its gauge.

MLS figures show there is slightly less than 3.5 months of supply area-wide, but amounts vary widely around its service area. Eight counties are below the 6-month threshold, including three counties with less than four months of supply: King (1.74 months), Snohomish (2.47) months, and Pierce (3.6 months).

Tight inventory is creating bidding wars in some sought-after neighborhoods, resulting in some price escalation.

The median price on last month’s sales area-wide was $275,000, rising from the year-ago figure of $269,950 for a gain of nearly1.9 percent. Twelve counties reported year-over-year increases. For single family homes the median price was $287,500, up about 2.7 percent from a year ago. The median price for condos that sold last month jumped nearly 8.3 percent from a year ago, rising from $203,000 to $219,750.

In the Puget Sound region, price changes for sales of single family homes and condos were mixed. King County had the sharpest gain at 9.7 percent versus a year ago, followed by Snohomish County, up about 7.6 percent. Prices dipped slightly in Pierce County (down 0.9 percent) and were basically unchanged in Kitsap County (down 0.15 percent).

Deely, the principal managing broker at Coldwell Banker Bain in Seattle, noted a surge of sales of high-end properties in King County. His analysis of year-to-date sales shows the number of closed units is up about 25 percent, rising from 377 for the first four months of 2013 to this year's total of 473. He cites research by Core Logic that shows a correlation between million dollar homes sales and stock market gains. "We are experiencing that effect here as well," he remarked.

South Puget Sound seeing impact of distressed properties

Distressed properties are still influencing activity and prices in the South Sound, reported Dick Beeson, principal managing broker at RE/MAX Professionals in Tacoma. According to his analysis of Northwest MLS data, about 30 percent of April's sales in both Pierce and Thurston counties were distressed properties, either bank owned or short sales. He noted this appears to be more than twice the ratio in King County.

Buyers are indecisive, Beeson noted, explaining, "They can't decide if they like a bigger selection or not, especially if much of the inventory is not in the greatest physical condition, which describes many distressed properties."

Despite the relatively high proportion of distressed properties in Pierce and Thurston counties, multiple offers are occurring on "right priced, right conditioned" listings, remarked Beeson.

Commenting on the minor price drop (down 0.15 percent) compared to a year ago, Beeson believes it is due to the high number of bank owned properties and short sales that were in the mix. He indicated his analysis revealed a median price of $240,000 for non-distressed single family homes, or about 30 percent higher than the distressed component. The gaps in King County, with a smaller proportion of distressed sales, were not as pronounced.

Snohomish County hoping for more balanced market

Haines, who is Coldwell Banker Bain's regional managing broker for Snohomish County, said even though brokers there have seen "a slight increase in active listings, there are still shortages, especially in the south portion of Snohomish County." Buyers, sellers, and those in the industry "long for a more balanced market," she stated, adding, "Of course, to reach that goal, we need more inventory."

Haines said brokers in Snohomish County aren't seeing as many widespread multiple offers as during some prior periods. "Multiple offers do exist but seem to be located more in pockets within south and north Snohomish County," she reported.

Opportunities abound in Kitsap County

Most of Kitsap County continues to experience a healthy balanced market with a 4.3 month supply of inventory, said MLS director Frank Wilson. "As a result our prices are stable with plenty of opportunity for buyers who wish to move to Kitsap," he added.

Wilson also commented on multiple offers in Kitsap County where his office is located. Sales for homes priced from $200,000 to $350,000 are "pretty fast paced," he commented, often drawing multiple offers. "Bainbridge more closely resembles the Seattle market, with only about a 2.2 month supply, and thus attracts many multiple offer situations," added Wilson, the district manager and branch managing broker at John L. Scott Real Estate Poulsbo.

Slower pace of new construction and “buyer fatigue” worrying some brokers

In reviewing the latest MLS report, some brokers commented on changes affecting new construction.

“Most of the new construction we are seeing are by big builders who were able to buy up much of the foreclosed approved plats, raw land and new developments that were lost by the smaller builders during the recession,” noted Haines, a broker in Snohomish County. “The smaller plat developers and builders who are trying to recover and rebuild their business are, understandably so, a bit gun shy.”

Also, Haines continued, “We are seeing for the first time the big developers/builders utilizing in-house employees to manage and sell their plats as opposed to the historical practice of listing them through NWMLS by using traditional real estate firms and their brokers.”

Beeson also noted some “problematic” shifts in this segment. “New construction is mostly limited to a few large production builders,” he observed.

Other sources of worry for some MLS members are “buyer fatigue” and consequences of bidding wars.

“We are seeing some “push-back” by buyers who have seen prices rising so fast and are tired of competing in multiple offer situations,” reported Estey. For example, she noted, sellers sometimes set a “review date” for considering offers. Buyers preview the house but may wait to make an offer until that date passes. “In some situations the day to review comes, but offers do not. Then one or two days later, several offers materialize.” This same phenomenon took place late last spring, according to Estey.

In markets where multiple offers are common, “it is even more imperative that sellers demand that their home be exposed to the full market,” Wilson urged. Such full exposure to all MLS brokers and active buyers will help ensure sellers receive full market value, he explained.

Despite some anxiety, Beeson characterized the market as “stable and slowly healing, save new construction.” Despite a shaky start, he said he expects “a smooth real estate ride into 2015, as excitement builds in Pierce County and beyond when the men’s U.S. Open Golf Tournament will take place at Chambers Bay, a public course owned by Pierce County. Organizers project the event will have an economic impact of $144 million.

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 summaries follow.

Statistical Summary by Counties: Market Activity Summary – **April 2014**

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES			*Months of Inventory	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	3,936	4,511	3,797	2,599	$485,904	$386,000	1.74	1.55
Snohomish	1,591	2,327	1,454	943	$321,536	$296,000	2.47	1.50
Pierce	1,651	3,376	1,568	948	$235,600	$215,000	3.56	3.09
Kitsap	561	1,250	506	291	$276,252	$232,950	4.30	4.94
Mason	205	618	114	74	$150,256	$147,950	8.35	11.13
Skagit	290	717	215	146	$265,083	$225,750	4.91	6.06
Grays Harbor	165	681	108	67	$124,564	$123,500	10.16	15.62
Lewis	143	578	121	60	$160,294	$157,000	9.63	9.29
Cowlitz	174	457	151	87	$169,108	$160,000	5.25	5.28
Grant	146	472	91	65	$148,938	$139,000	7.26	10.10
Thurston	520	1,194	427	275	$228,163	$214,500	4.34	3.96
San Juan	82	365	30	42	$370,733	$291,000	8.69	23.00
Island	231	690	168	95	$330,991	$270,950	7.26	8.29
Kittitas	134	396	72	56	$215,360	$196,490	7.07	7.63
Jefferson	116	362	69	40	$304,388	$308,500	9.05	11.03
Okanogan	107	405	36	15	$153,908	$90,000	27.00	26.13
Whatcom	525	1,394	329	190	$290,186	$254,000	7.34	6.15
Clark	58	162	52	37	$293,598	$241,000	4.38	2.15
Pacific	83	393	53	26	$111,515	$104,950	15.12	15.36
Ferry	11	50	5	1	$450,000	$450,000	50.00	36.50
Clallam	103	361	72	53	$195,753	$170,150	6.81	9.21
Others	211	631	152	80	$239,956	$197,750	7.89	7.78
MLS TOTAL	**11,043**	**21,390**	**9,590**	**6,190**	**$354,962**	**$275,000**	**3.46**	3.19

∗ Months of inventory are calculated using active listings divided by closed sales.

<u>4-county Puget Sound Region Pending Sales (SFH + Condo combined)</u>

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
2001	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
2002	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
2003	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
2004	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
2005	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
2006	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
2007	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
2008	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
2009	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
2010	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
2011	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
2012	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
2013	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
2014	5406	5587	7099	7325								

Household Growth Could Translate to Boosts in Homeownership Rates but Surveys Yield Conflicting Data

Housing's critical role in the U.S. economy and in communities is the focus of much of the research and analysis at Harvard University's Joint Center of Housing Studies. In addition to its signature report, *The State of the Nation's Housing*, JCHS issues projections and research findings on various housing-related concerns.

Recent reports of particular interest to residential real estate professionals discuss new household projections, a major driver of housing demand.

The JCHS 2013 household projections anticipate substantial growth in minority, senior, and single-person households in the coming decades. Minorities are expected to account for just over 76 percent of all household growth whether using low- middle- or high-projections for the 2015-2025 time period. Hispanics alone will account for 40 percent of total household growth during the same timeframe according to JCHS projections.

Growth in senior households (age 65 or older) is expected to range from 81-to-91 percent of the net change in households. Two categories of households, single-person and married-without-children will together comprise about three quarters of all household growth in the coming decade.

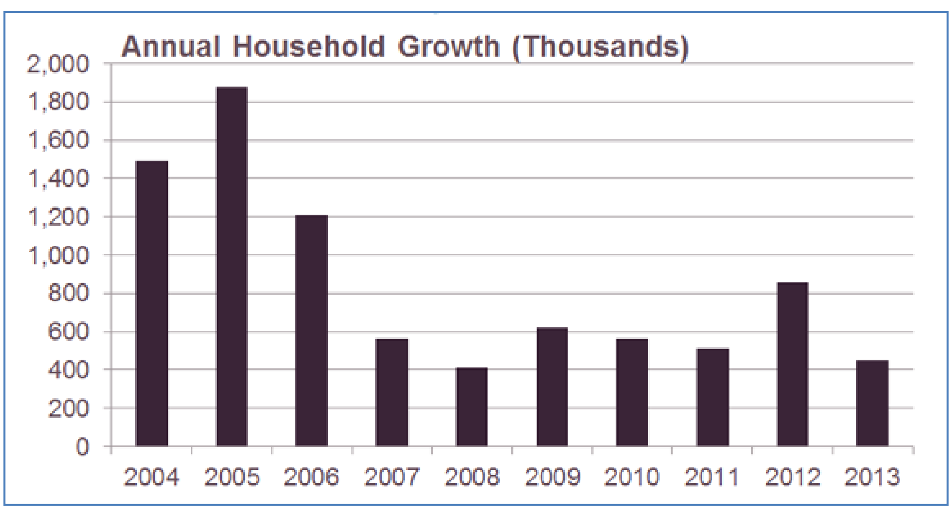
The same report includes a homeowner and renter projection scenario, with an analysis of how demographic changes in the composition of households may influence future homeownership rates.

Analysts at JCHS expect changing demographics will be a positive influence on the overall homeownership rate through about 2025. After that time, "The upward influence of the aging of the population gives way to greater downward pressure from young adult and minority household growth," the researchers stated.

Authors of the report on household growth caution the data "should be considered baseline projections and not a growth forecast." Favorable economic conditions could contribute to increased rates of household formation, while other factors could hamper economic opportunities and result in decreases.

JCHS researchers also analyzed the most recent Housing Vacancy Survey (HVS), released earlier this year by the Census Bureau. Commenting on that much anticipated survey, Research Manager Dan McCue called the results "disappointing, if not somewhat confusing." Elsewhere in his report, he called the discrepancies in the surveys "troubling."

The HVS reported annual household growth of just 448,800 in 2013, a 48 percent drop relative to 2012. That total marked the lowest annual household growth measure since 2008, during the Great Recession.



Source: US Census Bureau, Housing Vacancy Survey

McCue described the HVS figures “puzzling,” and noted they were contrary to assorted other market indicators that had been painting a more positive picture for housing overall. Among trends he mentioned were:

The much higher 1.375 million annual growth reported in the 2013 Current Population Survey Annual Social and Economic Supplement (CPS/ASEC);

The same, steady increase in jobs in 2013 as during the previous year; and

Increased momentum in the housing market, including a further decline in vacancy rates, an increase in new home sales, and an increase in housing construction during the year.

Also concerning were fundamental differences between the CPS/ASEC and HVS estimates of households.

“With its household estimates pinned to estimates of the housing stock, the surprisingly low HVS household growth estimate may be at least in part due to overly low estimates of growth in the total housing stock,” McCue stated. He noted slow and steady rises in total housing stock estimates used by the HVS that were concurrent with the Census Bureau’s New Residential Construction surveys showing “a significant upturn” in the number of completed housing units in 2012 and 2013.

“In order for the HVS estimates of changes in the housing stock to be accurate, this would suggest a surge in demolitions that roughly offset the recent surge in new construction, which seems unlikely,” McCune remarked.

The Harvard Joint Center for Housing Studies helps leaders in government, business, and the civic sectors make decisions that effectively address the needs of cities and communities. Through research, education and public outreach programs, it advances understanding of housing issues, informs policy and helps train and inspire the next generation of housing leaders.

Home Builders Buoyed by Recovering Economy But Several Obstacles Hindering New Construction

Housing, like the economy, is recovering but the pace is hampered by a number of factors according to the chief economist for the National Association of Home Builders.

In the group’s Spring Construction Forecast Webinar held in late April, NAHB economist David Crowe said new-home sales are averaging just 8.8 percent of total home sales, about half the historical average of 16.1 percent.

NAHB expects new-home sales will climb 29 percent from 431,000 in 2013 to 557,000 this year. Single-family housing production is projected to increase 22 percent from 621,000 last year to 760,000 in 2014 and surge an additional 55 percent to 1.18 million units in 2015.

Multifamily production is expected to rise 8 percent from 308,000 in 2013 to 331,000 this year, reaching what is considered a normal level of production.

Robert Denk, NAHB’s assistant vice president for forecasting and analysis, cited a range of differences among the states in the amount of distress suffered during the recession and the progress that is being made in recovering.

On a national basis, single-family housing starts are projected to get back to 70 percent of normal production by the end of this year and 93 percent of normal by the end of 2015, Denk said. By the end of 2015, he believes the top 40 percent of states will be back to normal production levels, compared to the bottom 20 percent, which will still be below 80 percent.

Crowe expects a growing economy, pent-up demand, competitive mortgage rates and affordable home prices will keep housing on an upward trajectory through 2015. Consumer confidence is back to pre-recession levels and consumers are showing more willingness to buy bit ticket items, he added, mentioning rising sales of motor vehicles and home furnishings as indicators.

Several obstacles are hindering a more robust recovery and hurting builders' ability to meet demand. Tight consumer credit, shortages of lots and labor and price hikes for materials are among obstacles NAHB cites as impediments.

"Moreover," Crowe proclaimed, "creditworthy borrowers, particularly younger families and first-time home buyers, are having difficulties in getting home loans."

Another webinar speaker, Maury Harris, managing director and chief U.S. economist at UBS, said that financial lending institutions are sitting on a mountain of cash.

"Banks have over $2 trillion of excess reserves. That's with a "T'" he emphasized. "Banks would like to put that money to work and increase lending, which will help the economy."

Harris expects the rate of household formations will improve. "As unemployment comes down and credit availability eases, Millennials (the 25-34 age group) will feel better about their economic circumstances," said Harris. "I think we will see the shared household rate come down, less doubling up and a pickup in household formations."

Capital Gain Tax Rates

"Exchanges Defer the 3.8% Net Investment Income Tax and 20% Capital Gain Tax"

From Cris Anderson, Esq.

The familiar adage, *"It's not how much you make, but how much you keep"* rings truer than ever for real estate investors facing today's high tax rates. Fortunately, IRC Section 1031, a provision in the tax code since 1921, provides critically needed tax relief. Reflected below is a summary of the four ways investors will generally be taxed on the sale of an investment property if they do not take advantage of Section 1031:

1. ***Depreciation Recapture:*** First, taxpayers will be taxed at a rate of 25% on all depreciation recapture.
2. ***Federal Capital Gain Taxes*****:** Next, investors owe Federal capital gain taxes on the remaining economic gain depending upon their taxable income. Investors exceeding the $400,000 taxable income threshold for single filers and married couples filing jointly with over $450,000 in taxable income will be subject to a higher 20% tax rate. The 15% capital gain tax rate generally applies to investors below these threshold income amounts.
3. ***Net Investment Income Tax Pursuant to IRC Section 1411:*** When applicable, an additional 3.8% surtax applies to taxpayers with "net investment income" who exceed threshold income amounts of $200,000 for single filers and $250,000 for married couples filing jointly. Pursuant to IRC Section 1411, "net investment income" includes interest, dividends, capital gains, retirement income and income from partnerships (as well as other forms of "unearned income").
4. ***State Taxes*****:** Last, taxpayers must also take into account the applicable state tax, if any, to determine their total taxes owed.

Despite high overall taxes owed when combining these four levels of taxation at the disposition of an investment property, one aspect of the tax code provides real estate investors with a huge tax advantage. Section 1031 allows property owners holding property for investment purposes to defer taxes that would otherwise be recognized upon the sale of investment property. Savvy investors use 1031 exchanges to deploy their investment capital into better performing investment properties.

Federal Capital Gain Tax Rates

Single Taxpayer	Married Filing Jointly	Capital Gain Tax Rate	Section 1411 Medicare Surtax*	Combined Tax Rate
$0 - $36,250	$0 - $72,500	0%	0%	**0%**
$36,250 - $200,000	$72,500 - $250,000	15%	0%	**15%**
$200,000 - $400,000	$250,000 - $450,000	15%	3.8%	**18.8%**
$400,001+	$450,001+	20%	3.8%	**23.8%**

* The 3.8% Medicare surtax only applies to "net investment income" as defined in IRC Section 1411.

For more information on §1031 tax deferred exchanges, call 1-877-909-1031 or email: cris@apiexchange.com. This information is not intended to replace qualified legal and/or tax advisors. Every taxpayer should review their specific transaction with their own legal and/or tax counsel.

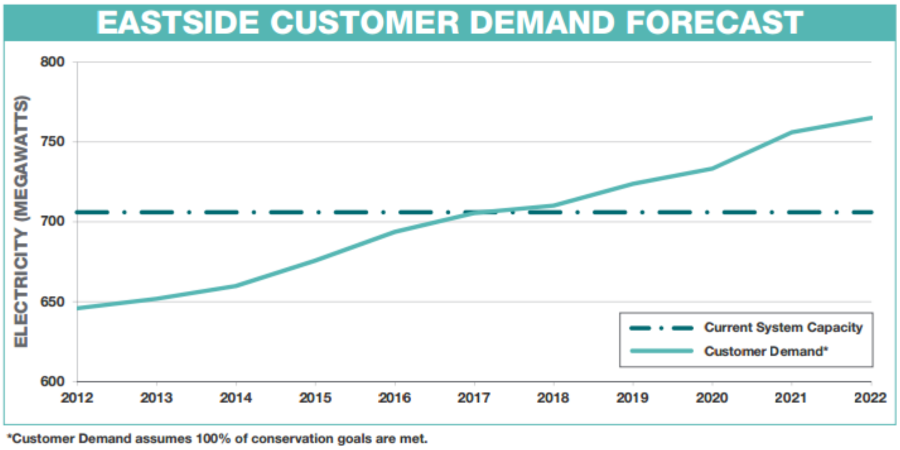
Major utility planning to add 18 miles of transmission lines on Seattle's Eastside to keep pace with robust growth

With growth studies projecting demand for reliable power on the Eastside (from Renton to Redmond), Puget Sound Energy (PSE) has embarked on a project to bring new higher capacity electric transmission to the area.

Called "Energize Eastside," the effort to upgrade the existing transmission system to assure dependable power for all Eastside communities would involve constructing around 18 miles of electric transmission lines within the state's fastest-growing region.

During a meeting with members of the SEATTLE *KingCounty* REALTORS® Governmental & Public Affairs Committee, representatives from PSE discussed plans for a "robust public engagement process" to evaluate requirements and constraints. Exact routing would be determined after the public input phase, with construction targeted to begin in 2017.

Andy Wappler, PSE's vice president of corporate affairs, said conservation alone is insufficient to meet the challenge. By investing millions of dollars in energy efficiency and renewal power programs and through partnerships with customers, enough electricity was saved to power 30,000 homes in 2012, Wappler noted. But it's not enough, he added.



Source: Puget Sound Energy

Key findings from an Eastside Needs Assessment identified the potential for risk outages that could affect more than 60,000 customers. That six-month study, conducted by the Quanta Technology engineering firm, evaluated population trends, electric load growth, economic development patterns, conservation programs, energy efficiency improvements, and other key trends.

Data from the Puget Sound Regional Council projects substantial growth around the Eastside whether measured by population, households or employment:

EASTSIDE GROWTH

	2000	2040	change	% increase
Population	430,920	667,300	236,380	54.85%
Households	169,918	280,214	110,296	64.91%
Employment	330,982	553,300	222,318	67.17%

Source: Puget Sound Regional Council

Other research shows the Bellevue-Redmond area has become a major regional economic and employment hub with 140,000 jobs and 143 corporate headquarters. The FAQ published by PSE also cites estimates from the Puget Sound Regional Council that project a 275 percent growth in the Bellevue central district by 2040.

After considering a variety of approaches to solving the imbalance between existing capacity and anticipated demand, PSE's planners, engineers and third-party experts concluded the only way to ensure meeting needs would require bringing new high capacity electric transmission lines to the Eastside.

Routing a new electric transmission line in an urban area is a challenge, Wappler told Realtors®. In trying to identify route segments, PSE is mindful of several non-electrical factors, including geographic barriers, land uses, and impacts on the environment.

Source: Puget Sound Energy

"Without substantial electrical infrastructure upgrades, tens of thousands of residents and businesses will be at risk of more frequent and longer outages," PSE states.

Realtors® and other residents are encouraged to provide input on which combination of route segments would best serve the Eastside's needs. PSE "pledges to work with property owners and residents, businesses, hospitals and electrical officials to reduce the impacts whenever possible. "

Wappler outlined a number of ways interested stakeholders could become involved, starting with visiting the project website, which may be translated into seven other languages. The site includes interactive maps and links to:

- Community Advisory Group meetings;
- Comment form, plus mail address and voice mail number for submitting comments and questions;
- Inviting PSE to give informational briefings at neighborhood or community group meetings;
- Joining a mailing list

Brokerage Design

It Was a T3 Kind of Morning

by Jeremy Conaway

It was one of those mornings that just felt different. For those among the two hundred and thirty five industry thought leaders who would be participating in the 2014 T3 conference and who were lucky enough to already be at the J.W. Marriott Resort in Las Vegas one could feel the excitement. The sun seemed to come up earlier, the golfers rushed to conquer their morning round and throughout the property there was a tension in the air. Tonight was the night. It would be one of those rare occasions where what went on in Las Vegas would not stay in Las Vegas but rather would be heard around the world of residential real estate. It was a T3 kind of morning.

For those within the readership who have not heard about T3 a bit of explanation is in order. T3 is the brainchild and personal achievement of Stefan Swanepoel, the noted industry visionary, New York Times Best Selling author, publisher of the annual Swanepoel Industry Trends Report and, most recently, creator of the already influential Swanepoel Power200 publication that chronicles, by position, the 200 most powerful individuals in the residential real estate industry. Those who have read Stefan's writings and publications understand that he doesn't mass-produce them, each is custom built by hand in his studio overlooking the unique environs of Southern California. T3 is not a conference, a meeting or even a seminar. T3 is a work of communications art that is created to deliver a unique, stimulating, enlightening and, yes, learning experience.

Over its three-day performance T3 will address, indeed intimately explore, through a fully integrated and interactive program, the issues that are powering the residential real estate industry. Perfectly orchestrated by Swanepoel's compelling and intense leadership style, over 40 highly ranked industry executives and leaders will share their perspectives, reactions and plans for the future of this vital industry. Some will provide that touch of history that makes today's events relevant. Others will share their company's current course and yet others will contribute to the event's ultimate objective, a collective vision of the industry's immediate tomorrow.

The centerpiece of the T3 experience is Swanepoel's keynote address. It is this glimpse into the convergence of current trends that sets the relevance and tone for the overall event. This author was honored to receive an advanced briefing regarding this year's amazing keynote. There is no doubt that this year's attendees will once again be required to revise and reimagine the reality of their journey forward.

The keynote will examine the growing avalanche of life and business related data that has already changed the very landscape of the real estate marketplace and transaction. It will examine the convergence between the availability of this data and the ubiquitous device known as the "smart phone." In today's world over eighty percent of cell phones (AKA connected devices) are smart phones and in 2014 it is estimated that over one billion newer and even more sophisticated units will be sold to individuals across the globe. In civic generation terms this means that several billion people across the world currently have a fully functional high-speed desktop computer in their pockets, on their belts or in their purses and packs.

The keynote will consider the emerging challenge of "intelligent consumption." How does one decide how to dip their consciousness into the torrent of information in a manner that will make it useful rather than intimidating, profitable rather than overwhelming?

The industry's current love affair with "Big Data" will be dispelled by the fact that the significant compromise necessarily required by its adoption is not only unnecessary, but actually leads to the misconception that data attacks the remaining shreds of privacy as it is understood by much of our current culture. The reality is that we have the technology to incorporate "small data" which is a far more respectful and responsive solution. Through small data our environment will be able to be more creative and innovative as it advocates and supports efforts to promote individualism. Welcome to the world of a category for everyone.

From this perspective the presentation suggests that our world will move to the benefits of "crowd shaping," the ability and desire to provide a meaningful life experience for individuals within their own unique and individual space.

The presentation visits the potential downsides of society's current rush to universal data. It will point out that, in reality, we are not victims of this new order but rather willing participants who have grown increasingly addicted to its benefits and highs. It is at this point that the keynote will examine the downsides of current trends. In our culture's rush to experience the potentials and increased functionality of information infused existence, society has neglected to install gatekeepers and guardians, a flaw that will ultimately be catastrophic but survivable. Most vulnerable of these oversights will be social media.

But the focus of this presentation is on the positives and the potentials of these movements. It will suggest that moving forward both business and personal success will depend on an entities' ability to integrate, incorporate and mitigate the impacts and benefits of the new data, connectivity and collective realities, while at the same time working to mitigate their shortcomings.

The keynote will conclude with a discussion regarding the nature of the individuals who will be required to innovate and manage within the constantly changing personal and business environment created by these trends and convergences. This, after all, seems to be Swanepoel's promise. His readers, his subjects and his attendees always emerge from their experience more connected, more sensitive and more prepared to realize that which can be harvested from this amazing new world.

It is a T3 morning here in Las Vegas and for those who were lucky enough to be at the T3 Summit it will have been a life-changing experience. We are most fortunate that our industry and its leaders have the foresight and courage to embrace and explore this journey to tomorrow.

Washington retains title as most bike friendly state

Washington claimed top spot among all 50 states on a ranking by the League of American Bicyclists. That title marked the seventh consecutive year the state outscored its counterparts. Following Washington are Minnesota, Wisconsin, Delaware, Oregon and Colorado.

States were evaluated on several criteria, including legislation and enforcement; policies and programs; infrastructure and funding; education and encouragement; and evaluation and planning. Communities, businesses and universities also participate in the voluntary assessment, which includes customized feedback for each applicant and access to technical assistance.

The announcement of "most friendly bicycle state" coincided with the start of a statewide, month-long observance as Bike Month. In a proclamation commemorating the occasion, Gov. Jay Inslee said: "As a bike rider I get to see firsthand all that Washington has done to make bicycling part of a sustainable transportation system," Inslee said, in a statement, "Bicycling helps make healthy communities, healthy people and a rich quality of life. There's always more to do, but being named the most bike friendly state shows we are moving on the right path."

The nonprofit League of American Bicyclists strives to create safer roads, stronger communities, and a bicycle-friendly America. Its activities include information, advocacy and promotion of the benefits of cycling.

Seattle 2nd Among Most Pampered Pet Cities

On yet another scorecard, Seattle fared well, being named runner-up on a list of the "most pampered pet cities" in the U.S. Only Miami out-ranked Seattle.

The rankings were based on Amazon.com data on per capita sales of pet-related items, including toys, treats, grooming products, health supplies, apparel, accessories and other items.

Atlanta claimed 3rd place on the list that compared cities with more than 400,000 residents, followed by San Francisco, Portland, Oregon, Washington, D.C., Las Vegas, Austin, Tucson and San Diego.

Amazon offers a growing selection of items for dogs, cats, birds, aquatic animals, reptiles, horses and other pets. Customers who shop the pet store through smile.amazon.com can choose their favorite pet-related charitable organization and Amazon will donate 0.5% of the purchase price for tens of millions of eligible items.

News In Brief

- According to Tom Kelly, information about Seattle neighborhoods is part of a new website from the Open Knowledge Foundation that organizes data from a variety of cities in 17 categories, including construction permits, crime report data, property deeds, and restaurant inspections. The new database, the U.S. City Open Data Census, aims to simplify the search for neighborhood information. An overview page provides color-coded bars to answer a variety of questions for each category in each city. All of the information on the overview page is linked, so that visitors can click on a group of bars to get more detail, then compare and contrast the data that's available on listed cities.
- Two Puget Sound communities have been named to a list of the top 10 U.S. neighborhoods that have the largest number of "green" homes, according to the *Puget Sound Business Journal.* Downtown Bellevue was fourth on the list, with 36 percent of its residential home listings having green features, and Seattle's Columbia City neighborhood was No. 8 on the list, with 30 percent of its residential listings having green features.
- A new report by RealtyTrac shows that 96 percent of the counties that the company follows are better off than they were four years ago and low inventory has helped home prices accelerate past pre-recession levels in markets such as Seattle, San Francisco, Denver and Oklahoma City. "Those rapid home price gains are causing a concerning drop in affordability rates in some cities, but home builders and homeowners with regained equity should help provide more supply to balance out many of those markets in 2014," said Daren Blomquist, vice president at RealtyTrac. However, there's a ways to go in the national housing market, with only eight percent of the 410 U.S. counties analyzed faring better than they did during the housing boom eight years ago. RealtyTrac analyzes housing market health by gauging four main categories: home price appreciation, affordability, percentage of bank-owned REO sales, and the unemployment rate.
- Consumer attitudes are reflecting greater optimism in the housing market heading into real estate's traditionally strong spring selling season, according to Fannie Mae's March 2014 National Housing Survey. In the poll of 1,000 people, 38 percent say it's a good time to sell a home, up from 26 percent a year ago. The poll also shows that 69 percent of those surveyed say it's a good time to buy, and 52 percent say it's easier today to get financing for a home. Americans also feel more confident about their personal finances: An all-time survey high of 40 percent say their personal financial situation has improved during the past year. "The housing recovery continues to proceed in fits and starts," said Doug Duncan, Fannie Mae's chief economist. "Rising mortgage rates and a lack of supply have dampened housing market momentum. However, we see several positive signs going into this year's spring home-buying season, compared with last year . . ." However, consumers' home-price expectations softened a bit in the latest survey. Slightly fewer respondents - 48 percent - said they thought home prices would rise in the next 12 months. Duncan added that most consumers continue to say the economy is on the wrong track. He expects to see a pickup in economic growth later in the year, boosting the confidence of prospective buyers and sellers.

- Bellevue has been named one of the Top 10 Best Cities for New College Grads by Livability.com, a national website that ranks quality of life and travel amenities of America's small and mid-sized cities. For this list of cities, editors looked at factors such as the number of 25- to 34-year-olds living in each city, the availability of rental properties, unemployment rates, educational attainment levels, use of public transportation and the types of jobs these places offer. They also sought out cities that cater to a younger demographic by offering lots of recreational activities, hot nightlife and a hip vibe. The top-hiring industries were also taken into account. "Businesses relocate for access to a talented workforce. But, increasingly, those young talents are choosing where to move after college based on livability," says Livability.com editor Matt Carmichael. "These 10 cities are great places for recent grads, which should put them on the radar of employers looking to expand as well." Bellevue was chosen for its lush economy and growing tech and communications industry. The city offers a high number of well-paying jobs that attract college grads, as well as highly affordable housing. The area perfectly balances urban sophistication with rugged natural beauty, giving residents an abundance of cultural and natural amenities, including more than 100 parks, a growing network of paths and bike lanes, and an assortment of entertainment venues.
- The *Puget Sound Business Journal* reported that Seattle and Bellingham are two of the "healthiest" cities in America. According to the Gallup-Healthways "Well-Being Index," "these high well-being locations tend to exhibit many shared characteristics, including lower chronic disease rates, lower incidence of obesity, more frequent exercise, less smoking, and a more positive outlook on their communities.

Calendar of Events - Through June 11, 2014

Dates	Event	Clock Hours	Time	Location	Contact
SEATTLE-*King County* REALTORS®					
5/7	Board of Directors		10:30am-1:30pm	SKCR	425-974-1011
5/12-16	NAR Meetings			WA – DC	
5/20	Affiliate Council		9am-10am	SKCR	425-974-1011
5/26	Holiday – Office Closed			SKCR	425-974-1011
6/11	First Citizen Banquet		6pm	Seattle Fairmont Hotel	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"					