

REALTOR® PRESIDENT ISSUES SAFETY REPORT** Fear Cannot Threaten Dream of Home Ownership**

Most Realtors® feel safe on their jobs, even though 40 percent have found themselves in situations where they have feared for their safety or the safety of their personal information.

The vast majority of Realtors (96 percent) have never been the victim of crime, according to a new survey by the National Association of Realtors®, but many have felt threatened. Some of the most common circumstances that resulted in fearful situations were open houses, showing vacant and model homes, working with properties that were unlocked or unsecured and showing homes in remote areas.

The NAR survey asked members about their personal experiences and the safety precautions they take. Nearly half the women who responded (48 percent) said they had been in situations where they feared for their personal safety/information, yet only about one third (36 percent) had taken a self-defense class. One in five had participated in a REALTOR® safety class.

Among men, only one-fourth reported being in a situation where they feared for their safety. Compared to women, more men—43 percent—had taken a self-defense class, but fewer (12 percent) had participated in a REALTOR® safety class.

Many Realtor® associations, real estate brokerages and offices make safety resources available to agents. Eighteen percent of members have participated in safety courses provided by their Realtor® association, according to NAR research. Forty-six percent of respondents said their brokerage has standard procedures for agent safety in place, but the majority, at 54 percent, said their brokerage either had no safety measures in place or they were not aware of them.

NAR established the [Realtor® Safety Program](#) to empower and inform members of the potential risks they face in this profession and how to navigate them safely. Webinars, safety materials and tips are all made available through the program, with the entire month of September dedicated to bringing more awareness to Realtor® safety among members.

Asked about their use of self-defense weapons, men and women are equally likely to carry a weapon, but the type of weapon differs. Women prefer pepper spray by a 23%-to-4% ratio, while men favor a firearm (19% to 9%).

Despite being known for embracing technology, only 13 percent of respondents use a smart phone safety app to track their whereabouts and alert colleagues in case of an emergency. The most commonly listed apps included Life 360, iPhone Find my Phone feature, bSafe, Guardly and Google Family Locator.

Nearly 3,000 Realtors from across the U.S. participated in the survey, which was conducted at the request of 2015 NAR President Chris Polychron. The goal of the report was to measure and understand the scope of the problem so real estate professionals can develop resources, programs and technologies to keep themselves safe.

“Last year at my Inauguration, I pledged to make safety a cornerstone of my term as president. It was a priority borne out of tragedy,” Polychron explained in a note accompanying the report. (Editor’s note: the tragedy he

referenced was the murder of a fellow Arkansas Realtor®, Beverly Carter. A man and his estranged wife were arrested shortly after the attack. At a hearing in early December, both pleaded not guilty to the murder charge.)

IMPORTANT NEW FEDERAL RULES ARE COMING

Changes Affect Residential Real Estate Buyers, Sellers and REALTORS®

New federal rules are going to affect almost all residential real estate transactions where the buyer is obtaining a mortgage. The new rules take effect on August 1, 2015.

The new rules are important for buyers and sellers (and their REALTORS®) because they will likely delay the “closing” of the sale if there are last minute changes in the transaction. Two kinds of changes are especially important in this regard:

1. Changes to the Buyer’s loan (for example, changes in the lender, the interest rate, loan term, type of loan, etc.)
2. Changes in the Seller’s obligations (for example, changes to the list of items in the home that are included in the sale, required repairs or modifications to the property, etc.)

Some changes may require a new **3-day waiting period** before the sale can be closed.

And, each time there is such a change the clock may have to “start all over again” on the **3-day waiting period**.

Many, if not all, of the changes could also require the approval of the lender. That’s important because obtaining the lender’s approval could delay the closing of the transaction even further if the lender is not at the closing table with the Buyer and Seller (most lenders are not present, and many lenders are out-of-state, even when there is a local mortgage broker assisting with the Buyer's loan). It is also possible that different lenders may establish different requirements in order to ensure their business practices are sufficient to comply with federal law.

So the following strategies may be well-advised if you are selling or buying a home:

- Make sure the Buyers and Sellers are telling their respective REALTORS® everything, and doing so immediately whenever something is changing
 - Make sure the REALTORS® for the Buyer and Seller, and the escrow company, are in constant contact regarding anything that might need to be changed, or that could delay the transaction
 - Make sure the escrow company that is handling the closing gets all documents to the Buyer and Seller for review at least 7 days in advance of the closing date, and
 - Add an additional 15 days to the closing date when the purchase and sale agreement is initially signed. (So, if these kinds of transactions have historically closed in 30 days, plan on 45 days instead. Or, if it has been 45 days previously, plan on 60 days, and write that into the purchase and sale agreement from the “get-go.”)
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In addition to the changes in the "process" and "time-requirements" for closing a residential real estate transaction, the new rules also require a brand new "**Loan Estimate**" form, and a new "**Closing Disclosure**" form to be part of the transaction. Those two new forms will replace the following forms which will no longer be required: **HUD-1**, **Good Faith Estimate** and the **Truth in Lending Disclosure**.

The federal **Consumer Financial Protection Board (CFPB)** is requiring the changes to real estate transactions in an attempt to increase transparency for consumers. The CFPB's authority for requiring the changes is part of the *Dodd-Frank Reform Act*, which was enacted by Congress on July 21, 2010, in response to the financial crisis that precipitated "The "Great Recession."

MARKET UPDATE

Early Spring Brings Bumper Crop of Homebuyers Who Face Inventory Drought

KIRKLAND, Washington (March 5, 2015) – Favorable weather and restored confidence are propelling home buying activity around Western Washington to the highest level in nearly a decade, according to Northwest Multiple Listing Service sources.

"The pent-up demand being unleashed has rocketed pending sales back to the levels of our record year in 2006," said Ken Anderson, president/designated broker at Coldwell Banker Evergreen Olympic Realty in Tumwater. Buyers have come off the sidelines, the former MLS director commented, adding "At the same time, homes for sale are near a 10-year low."

Northwest MLS figures show pending sales system-wide surged 18.7 percent in February compared to the same month a year ago, rising from 7,247 mutually accepted offers to 8,599. Twenty of the 23 counties in the service area reported double-digit increases in pending sales.

Those numbers might be even higher given the ample supply of buyers, but inventory is far from ample.

"Listings are flying off the shelf faster than allergy medicine in this early spring market," quipped MLS director Frank Wilson, the branch managing broker at John L. Scott, Inc. Poulsbo. He said the brisk activity is posing challenges for buyers. "They will probably make several offers before one is accepted and they just need to expect to be competing with others," he cautioned.

Northwest MLS broker-members added more news listings to the database during February than 12 months ago (7,852 last month versus 7,234), but the higher sales volume kept inventory levels well below year-ago totals. The MLS reported 16,946 total active listings at month end. That compares to a total of 19,273 for the same month a year ago for a drop of about 12 percent.

John Deely, principal managing broker at Coldwell Banker Bain, also commented on the imbalanced market. "The early spring weather has brought a bumper crop of buyers to a market experiencing a drought of listings." The MLS director said activity in Seattle continues to move "at the fastest pace in memory." It is not uncommon for weekend open houses to draw upwards of 100 group visits and bidding competitions, he reported. "Multiple offers rule the day, with many bids at 20 percent over well-priced properties around Greater Seattle."

For the 4,761 sales of single family homes and condominiums that closed during February, the median price was \$280,000. That reflects a gain of about 6.5 percent from the year-ago sales price of \$263,000. The volume of closed sales jumped about 13.5 percent from a year ago. Brokers reported 4,761 closed sales last month, which compares to 4,196 for the same month a year ago.

For single family homes, which accounted for 86 percent of all sales, the median price system-wide jumped about 7.4 percent, rising from \$270,000 to \$289,925.

A comparison of the four-county Puget Sound region shows single family homes in King County had the highest median price at \$429,900 (up 6 percent from a year ago), followed by Snohomish County where February's completed transactions commanded a median price of \$330,00 for a year-over-year gain of nearly 4.8 percent. Kitsap's median price was \$238,903; in Pierce it was \$233,000.

Condo prices increased 6.7 percent year-over-year, from \$215,500 to \$230,000. The total number of sales increased 6.7 percent.

"February was a very robust month," observed Gary O'Leyar, a past chairman of the Northwest MLS board. "If there is any real estate market slowdown, we're not seeing it," he said, suggesting doubters look at King County's Eastside corridor for new or newer high end homes in the \$900,000-plus price range.

Northwest MLS figures show 68 homes sold for \$900,000-plus in its Eastside segment during the first two months of 2015, outgaining the same period a year ago when brokers sold 36 such homes. "Be prepared to get in line to get into the new home pipeline," O'Leyar advised.

The market for waterfront homes also appears to be gaining momentum.

"This is the year for waterfront homes in Kitsap," reported Frank Wilson, noting they have been the last to recover price wise. "Values for waterfront homes were pretty flat in 2014 and they should start appreciating in 2015," he said. "In the future, buyers will say 'I wish I would have bought a waterfront home back when they were affordable.' Today they are affordable."

"Undeniably, our unusual spring-like weather has not only fueled and jump started an early allergy season, but the market as well," suggested Diedre Haines, Coldwell Banker Bain's principal managing broker for South Snohomish County. Characterizing the market as "exceedingly active," she noted garden shops, home improvement stores, furniture stores and other retailers that sell home-related items are also experiencing high levels of activity.

Dick Beeson, the principal managing broker at RE/MAX Professionals in Tacoma and a member of the Northwest MLS board of directors, believes the market is adjusting to scarce inventory and the abundance in the buyer population in the form of multiple offers and frustrated buyers and sellers. "But buyers will not be dissuaded," he believes, in part because they anticipate hikes in interest rates. "Sellers are frustrated because they can't find replacement homes. Some won't list their homes because of fear of not finding a suitable replacement," Beeson believes. "This cycle will work its way out as spring brings more inventory, hopefully, and sellers give in and say they trust there will be a home for them somewhere," Beeson stated.

Like Beeson, brokers around the Northwest MLS service area are clamoring for listings:

- "Hopefully, more potential sellers will seize this market window of opportunity as a good time to sell before the regional real estate market does finally start to level out and take a breath; which it will eventually." —Gary O'Leyar, Berkshire Hathaway HomeService Signature Properties.
 - "We desperately need inventory. Potential sellers of all shapes, sizes, price ranges and locations should be contacting their brokers and jumping off the proverbial fence." —Diedre Haines, Coldwell Banker Bain.
 - "Sellers haven't experienced a market this favorable since those frothy days (of 10 years ago). With home prices now consistently on the rise, savvy sellers looking to trade up know this is the time to make that move." —Ken Anderson, Coldwell Banker Evergreen Olympic Realty.
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“The housing market is on fire,” said J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. “Due to the backlog of buyers and shortage of homes available for sale, we are experiencing multiple offers on nearly every new listing. This is creating price appreciation where 90-plus percentage of the sales activity is taking place.”

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 23,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 23 counties in Washington state.

—Tables Follow—

Statistical Summary by Counties: Market Activity Summary – February 2015**

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	2,919	3,555	3,217	1,790	\$473,846	\$375,000	1.99	2.55
Snohomish	1,221	1,880	1,406	740	\$340,444	\$319,000	2.54	3.22
Pierce	1,220	2,836	1,475	789	\$252,792	\$233,000	3.59	4.44
Kitsap	390	830	443	228	\$287,875	\$235,000	3.64	5.10
Mason	119	464	85	64	\$167,404	\$130,700	7.25	11.50
Skagit	156	459	193	100	\$255,193	\$235,250	4.59	6.17
Grays Harbor	119	584	99	56	\$126,634	\$104,500	10.43	11.29
Lewis	114	517	99	54	\$147,446	\$149,000	9.57	13.72
Cowlitz	142	410	136	85	\$176,344	\$165,000	4.82	7.70
Grant	89	419	78	39	\$175,356	\$165,000	10.74	9.79
Thurston	402	1,050	409	243	\$229,657	\$219,500	4.32	5.45
San Juan	24	251	24	16	\$618,056	\$533,500	15.69	25.64
Island	156	475	144	87	\$296,125	\$263,000	5.46	7.18
Kittitas	84	373	67	40	\$248,437	\$225,225	9.33	7.85
Jefferson	62	300	59	40	\$274,193	\$218,500	7.50	13.16
Okanogan	28	331	31	20	\$205,586	\$156,500	16.55	13.44
Whatcom	309	938	319	196	\$281,600	\$258,759	4.79	7.52
Clark	35	86	69	32	\$240,788	\$218,500	2.69	7.36
Pacific	52	294	51	29	\$139,093	\$136,500	10.14	14.26
Ferry	2	64	4	2	\$86,100	\$86,100	32.00	17.67
Clallam	68	296	64	33	\$243,759	\$215,000	8.97	14.50
Chelan	77	248	56	34	\$298,143	\$230,000	7.29	w/Other
Douglas	37	86	36	23	\$191,708	\$185,000	3.74	w/Other
Others	27	200	35	21	\$134,761	\$117,500	9.52	15.69
MLS TOTAL	7,852	16,946	8,599	4,761	\$346,002	\$280,000	3.56	4.59

**Please note: 1) Starting January 2015, statistics for Chelan and Douglas counties appear on separate lines, instead of being part of the "Others" data. 2) Months of inventory are calculated using active listings/closed sales.

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
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	8055	7546	7169	6959	6661	6469	5220	4410
2015	5791	6541										

Northwest MLS Brokers Swap 90,000 Keyboxes for Enhanced Devices

Technology is transforming many industries, with real estate being among the major ones. To accommodate expectations from members and their clients for tech-based security, convenience and accountability, the Northwest Multiple Listing Service recently replaced a tool virtually every broker uses – the keybox.

It was no small undertaking, according to Tom Hurdelbrink, the president and CEO of Northwest MLS. He said the task involved one-to-one exchanges of more than 90,000 keyboxes used by real estate brokers around the state.

The new, enhanced devices mean its mobile membership can use their Bluetooth® enabled smartphones to access properties using Bluetooth’s wireless technology or infrared signals, without needing additional hardware. The devices allow brokers to simply point and beam their electronic key to interact with the keybox and related systems.

Northwest MLS, with assistance from Supra (a UTC subsidiary), its vendor, conducted the exchange over several weeks at 21 locations. The keyboxes are used by nearly 23,000 brokers in 23 counties. Hurdelbrink said the feat



required months of planning to minimize disruption since it also affected keyboxes on active listings. Both the exchange process and the replacement devices were well-received, he reported.

The older boxes, while very secure, were about a decade old and showing signs of decreasing battery life. In addition to longer battery life, the new boxes have a larger key container for storing gate cards and keys. The replacements use Bluetooth® Low Energy technology and communicate with newer smartphones.

Supra has provided keyboxes to the real estate industry since 1955. The protective shell securely stores a seller's house key, making it easy for authorized users to access properties and for listing brokers to track activity at each home seller's property. The rugged devices have a steel shackle and include PIN-code security. Only authorized keyholders can open these boxes.

An online data record is created whenever the electronic keybox is opened so the listing broker can obtain real-time information about showings, including the name of the colleague who entered the home and the date and time of the showing. Every opening is documented both in the keybox and in the secure SupraWEB database.

Downtown Seattle Construction Boom Includes Plans for Thousands of Housing Units

In case the cranes were not convincing enough, the Downtown Seattle Association just published a report that underscores Seattle's growth spurt.

Downtown is adding approximately 25 new jobs each day and netting 24 new residents every week according Jon Scholes, DSA president and CEO. To accommodate that growth, 15 million square feet of office space is under development.

Developers are also building around 3,000 housing units at 56 residential buildings. In all, data generated by the Metropolitan Improvement District's Business Development & Market Research team for DSA shows more than 13,600 units are in some phase of the planning process. That total does not include an undetermined number of units in the Yesler-Terrace projects beyond the initial phases of that development; some officials expect the overall project may ultimately add as many as 5,000 units.

In the State of Downtown Seattle report issued in February, DSA officials said Downtown's permanent population has increased 8 percent since 2010 to 65,000 people. That number is expected to increase 10 percent within five years. About 2,700 residents are children.

Measured by households, the Downtown area of Seattle has increased 9 percent since 2010. It is expected to increase another 10 percent over the next five years.

Including vacant units, and those recently completed or undergoing renovations, Downtown Seattle now has a total inventory of nearly 12,000 condominium units and 33,000 apartment units,

Other numbers the DSA highlighted to depict Downtown dwellers:

- Families currently comprise about 17 percent of Downtown households.
- About 4 percent of the Downtown households have children.
- The population of children under age 18 living Downtown jumped 17 percent since 2010.
- Fifty-six percent of residents are male; elsewhere in the region, 50 percent of residents are male.
- Nearly two-thirds of residents are between ages 18 and 54.
- Sixty-eight percent of residents are in single-person households.
- Most households (80 percent) are renter occupied; elsewhere in the city, the figure is 41 percent.

If one word describes the housing unit of the Downtown resident, it might be "compact."

The average size of a Downtown apartment is 638 square feet. An average Downtown condo is 913 square feet. Nearly three-quarters (73 percent) of the Downtown housing inventory is either a studio or one-bedroom apartment. DSA suggested an influx of families could skew that toward larger floor plans. As an example, at Bosa Development's Insignia towers at 6th & Bell (the largest residential project under construction) 71 percent of the units are two bedrooms or larger.

By far, the majority of occupied housing units are rentals. Downtown comprises 42,514 occupied housing units, which is about 14 percent of the city's total number all occupied housing units. Only 18 percent of the Downtown units are owner occupied, which compares to 46 percent citywide and 54 percent in the region. (Approximately one-third of condo units are renter occupied.)

Figures in the DSA report indicate a median purchase price of \$409,500 for condos Downtown. That's about 40 percent higher than the citywide median of \$292,500 and about 55 percent more than the countywide median of \$262,900.

Between 2015 and 2017, more than 6,600 residences will be in some phase of construction, with more than 3,000 currently being built. Only two condo projects are in the mix, but more are anticipated.

Including vacant units, and those recently completed or undergoing renovations.

The DSA considers "Downtown" to be all neighborhoods from the waterfront to Capitol Hill and from Sodo to lower Queen Anne. It's 28-page *State of Downtown* report may be [downloaded](#) for free; the print version costs \$35.

SEATTLE DEVELOPER COMMITS TO FIRST LADY'S "HEALTHIER AMERICA" GOAL

Vitus Group Adds "Active Design" Elements to Affordable Housing Projects

Vitus Group, a Seattle-based developer of affordable housing, will collaborate with the Partnership for a Healthier America (PHA) and Honorary Chair First Lady Michelle Obama to create healthier communities within affordable housing complexes. It becomes one of three housing developers to commit to incorporating "active design" elements into their projects.



The pledge by Vitus, announced at PHA's Building a Healthier Future Summit in Washington, D.C. in late February, means the developer will incorporate a variety of elements to promote well-being in at least 80 percent of its future projects. Some of the key features of the Active Design concept include:

- Indoor and outdoor spaces for exercise available year-round for children, adults and seniors
- Inviting, accessible stairwells that encourage stair use
- Long term bicycle storage
- Community gardens and Community Supported Agriculture programs
- Cooking classes, exercise classes and chronic disease management seminars

The Center for Active Design, a nonprofit resource for design professionals, policy makers, real estate developers and community advocates, will independently verify the company's progress on its commitment. As part of the process and using a multi-disciplinary perspective, the Center provides recommendations for additional Active Design elements for each community.

The Vitus team has developed more than 90 properties with more than 9,000 units of tax-credit-financed affordable housing in 17 states, including Washington. Among its projects in the Seattle area is the redevelopment of Coronado Springs, a 332-unit project in White Center.

The company—a leader of smart affordable housing and a catalyst for community revitalization—both rehabilitates existing housing and creates innovative new developments from the ground up. Whenever possible, it employs the latest sustainable building methods and strives to preserve affordability in areas where it is most needed.

“We are honored to join PHA because it represents an important expansion for us as an affordable housing developer. We view our buildings as more than safe and stable homes; they also have the potential to be platforms to reach communities in need,” said Stephen Whyte, managing director of Vitus Group. “We hope that providing our residents with access to a healthier lifestyle will positively influence their everyday lives, added Whyte, the current chair of the Urban Land Institute’s Affordable/Workforce Housing Council.

In a statement announcing the Vitus commitment, PHA cited research on the importance of a healthier America. “Promotion of physical activity and health education are especially important in lower-income communities where people are at greatest risk for obesity and obesity-related diseases,” according to the PHA statement.

Seattle Ranks Among Best Cities For...

In the Downtown Seattle Association’s 2015 State of Downtown Economic Report, Seattle appeared at or near the top of several lists:

Rank	Description	Source
#1	City in U.S. to find a job	<i>Wallet Hub, 2015</i>
#1	Fastest-growing Big City in the U.S.	<i>U.S. Census Bureau</i>
#1	Highest job growth for small businesses in the U.S.	<i>Paychex/ IHS Small Business Jobs Index</i>
#1	Most “cultural” city with one cultural attraction for every 354 people	<i>Property Shark</i>
#1	Nation’s most sustainable city	<i>STAR Communities</i>
#1	Most independent coffee shops per capita	<i>Redfin</i>
#2	Best city for recent college graduates	<i>NerdWallet</i>
#2	Best city for high-tech growth	<i>Jones Lang LaSalle</i>
#3	Best market in North America for hotel property investment in 2015	<i>Urban Land Institute</i>
#4	Best market in North America for office property investment in 2015	<i>Urban Land Institute</i>
#5	Best U.S. cities for tech startups	<i>Entrepreneur.com</i>

Source: DSA 2015 State of Downtown Report

Forum to Tackle Housing Affordability in Seattle

“Priced out: The struggle for an affordable Seattle,” is the theme of a 90-minute forum being presented by *The Seattle Times*. The free, ticketed event will be held March 31 from 6:30 PM to 8 PM at Kane Hall on the University of Washington campus. Register at: seattletimes.com/livewire.

Seattle Times real estate reporter Sanjay Bhatt will moderate a discussion on the intersection of wages, policy and housing costs. Joining him will be Zillow senior economist Skylaw Olsen, SEIU president David Rolf, Redfin’s chief economist Nela Richardson and Jake McKinstry, principal with Spectrum Development Solutions.

Two groups merge to support state’s mortgage banking community

Two long established organizations that serve the lending community merged effective Feb. 1 to form the Washington Mortgage Banker Association (WMBA). The new entity combines the Seattle Mortgage Bankers Association (SMBA) and the Washington Mortgage Lenders Association (WMLA).



The union combines the strengths of the two organizations, according to WMBA president Lynne Garton. “The WMBA will offer greater support to the mortgage banking community in our state,” she said, adding, “This merger will expand our opportunities to provide education, better support charities for those in need of housing, and bring greater influence through our government affairs efforts.”

SMBA was formed in 1920 with a focus on charitable giving and education. WMLA was founded in 1959 to protect the interests of mortgage lenders statewide by advocating for prudent policies governing mortgage lending.

WMBA is an affiliate of the Mortgage Bankers Association, a national association representing the entire real estate finance industry. Its office is in Seattle.

Realtor invention leads to appearance on Shark Tank plus \$110,000 from investor

Successful Realtors, by nature, seem to be problem solvers and entrepreneurial. One Redmond Realtor recently landed an appearance on ABC’s Shark Tank and left with \$110,000 from an investor.

Naushad Ali, a full time Realtor and licensed loan officer since 2003, invented the Drain Strain, a never-clog drain stopper he created to prevent hair, jewelry and other foreign objects from clogging bathroom sinks.

The revolutionary idea came to Ali after a plumber was summoned to the home to clean out a sink’s P-trap where hair had lodged. Both his wife and daughter have long hair, so he knew the chance of repeat clog and another \$150 plumber bill was a possibility. Although he describes himself as “plumbing impaired,” he knew there had to be a more affordable solution, and one that would not involve harmful chemicals down the drain.



After conceiving the product and initial design in 2012, Ali hired a design company in Chicago to help develop the concept. That fine-tuning process took about nine months.

Fast forward to 2014 when Ali launched a crowd funding campaign, hoping to raise \$25,000. Only a fraction of his goal was raised, so he explored other avenues. The longtime “Shark Tank” fan applied to be on the show via its website, but to no avail, so he put the idea on the back burner to focus on his real estate business. (He has been recognized by Seattle Magazine as a five star agent for service and results.)

Two days before Shark Tank was scheduled to be in Seattle for local auditions, Ali learned of that 90-second opportunity during a phone conversation with his business partner from John L. Scott’s Redmond office. He made the cut, leading to the Shark Tank appearance before the wealthy tycoons.

His appearance impressed technology innovator and businessman Robert Herjavec, who offered \$110,000 in exchange for 10 percent of the company ownership.

The Drain Strain will be sold online as well as at retail outlets, including Home Depot and Lowe’s. The initial product is designed for lever actuated drain stoppers and tested to fit in more than 90 percent of household drains. A bathtub version is in development, but there are no plans to create a design for kitchen sinks since most people have garbage disposals.

BROKERAGE DESIGN

Your business plan should be a strategic spring board, not a dynamic anchor

By Jeremy Conaway

Today’s real estate industry is awash in new strategies. Franchises, brokerages, Multiple Listing Services and professional associations are all using “strategic” as their new magic word. Some of these strategies represent bold and innovative steps into a new and exciting future. Others unfortunately are just updates and recasts of what their sponsoring organization has always done in the past.

Fortunately more and more of these organizations are opting to seek outside expertise with their strategic plan document. The key differentiating factor here is the difference between acquiring assistance (an amateur commodity) and acquiring expertise, the commodity that is really needed. Not so fortunately many brokerage executives are electing to align their future potentials with individuals who have little or no experience with the concepts of strategy or are already aligned with a larger philosophical entity (e.g. a franchise) to which they have already pledged their allegiance.

Many of these plan documents suffer from substance abuse. This is what occurs when the individual selected by the organization or company to facilitate their planning experience (rather than process), casually asks everyone in the organization what they think should happen, then gathers the leaders and executives together for a more intimate view, and then moves the organizational pieces forward in incremental steps so that, when executed, the organization will look exactly like it has always looked, just a year or two older. In other words, Substance Abuse in planning is what happens when the plan document reflects where the company or organization has been rather than where it wants to go. Substance Abuse is what happens when a strategic plan becomes a task list rather than an expression of strategic intent.

But interestingly enough as great a hardship as identifying an appropriate planning professional, creating an effective planning process and giving birth to an innovative business plan has become the ultimate challenge accomplishing a successful implementation process.

What are the most common oversights that brokerages and other entities make when attempting to implement their business plan? There are seven deadly crises that will terminate an effective business planning process:

- The first implementation crisis comes when the plan document itself is a task list rather than a statement of strategic intent. Task lists by their very nature do not encourage collaboration nor require synergy within the organizational team. In fact quite the opposite. Tasks lists end up being personal performances between two or three individuals on a team with little or no thought being given to the efforts or objectives of others in the process. Strategic intent driven business plans require collaboration between a wide range of implementers, leaders, executives and staff.
 - The second implementation crisis comes when the company or organization hasn't prioritized the implementation function. If the governing board doesn't care enough about the plan to sponsor it, the decision regarding its success has already been made. When an un-prioritized business plan arrives at a CEO's desk with no credentials, priorities or credible sponsorship the real message is received and it is immediately placed at the bottom of the pile.
 - The third implementation crisis comes when the company or organization hasn't funded the implementation function or coordinated it with the annual budget. When this occurs the same response happens. The plan goes to the bottom of the pile.
 - The fourth implementation crisis occurs when the planning process hasn't included sufficient time for the implementation process to mature to completion. The reason many companies and organizations are not successful with their implementation processes is that an implementation dream without funding, sponsorship or sufficient time, will always be DOA. This scenario often pleases the senior team players because all the boxes are checked, the organization can brag that it is progressive, yet nothing will change.
 - The fifth implementation crisis occurs when those involved at one level of implementation or another equate implementation with absolute obedience to the specifics of the plan. The fact is that the business plan sets a direction not a course. In today's fast moving real estate industry, firms and organizations must have and exercise the freedom to execute tactics that may not appear to be consistent with those set forth in the plan. The plan brings a strategic intent and direction to the table. What is actually being served may well vary depending upon a wide range of factors and circumstances.
 - The sixth implementation crisis occurs when those in charge of the process fail to capture the difference between the act of communicating the organization's strategic intent throughout the company, and the challenge of effectively implanting an understanding of the strategic intent in the minds of a company's important executive and staff players. Implementation must be more than merely pushing the firm in a new direction. It must effectively capture the minds, imaginations and innovative spirits of all involved. Anything else is just a rote memory exercise with only the ability to evoke short-term change.
 - The seventh implementation crisis occurs when a new Chief Elected Officer, Chief Executive Officer, or officer in charge of planning comes into power with no requirement or commitment to the Company's strategic intent as reflected in the plan. This is a very common and highly damaging planning mistake. It immediately severs the commitments of all who have been involved in the planning and/or implementation process. Those who didn't like the strategic intent adopted by the organization can now
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align with the new personality. Those who have worked hard to make implementation happen are now at risk from both an emotional and a career perspective.

The seven implementation crises discussed above occur with a level of frequency that makes them almost inevitable but not avoidable. That being the case why aren't strategic business plans being replaced with less toxic options. The fact is that the procedures which give rise to the best practices in strategic intent driven business planning are still among the most effective available to the average brokerage or organization. They still generate far more positive than negative results.

In its best iteration business plan implementation is all about marching an army towards a predetermined objective while, at the same time, taking advantage of opportunities that appear along the way to feed the troops and make the journey either less exhausting or more rewarding. The optimum success of implementation comes when everyone involved in the process understands, and at least appreciates, if not respects, the objectives and is driven to share in their success. We can do this.

News In Brief

- The Puget Sound Business Journal reported that last year, the number of foreclosures in our area fell by more than 40 percent, according to RealtyTrac's year-end 2014 U.S. Foreclosure Market Report. The data indicates that foreclosures are down throughout the U.S., and that 2014 showed that foreclosure filings were almost as low as they had been in 2006.
 - According to Tom Cain of Apartment Insights, apartments in Seattle are renting for only about 8 percent more than last year. And in the final quarter of 2014, rents actually fell by \$5 and the vacancy rate rose to 4.55 percent. Cain believes that rents won't rise as much in 2015, and the vacancy rate will increase modestly as well. Vacancy rates were reported to be the lowest in the University District and Burien (2.75 percent) and highest in Ballard (10.48 percent). The average rent for new leases in apartments in King and Snohomish counties during the fourth quarter was \$1,313. Developers are expected to open thousands of new apartments during 2015.
 - According to the Seattle Times, the University of Washington, its medical complex and branch campuses generate \$12.5 billion in jobs, sales of goods and services, and other economic impacts for the state. The UW's state economic impact is larger than that of any of the other 200-plus colleges and universities that the consulting firm Tripp Umbach has ever studied.
 - Home improvement business could reach record levels this year, according to a new report from the Joint Center for Housing Studies of Harvard University. What's behind the increase? Potential trade-up buyers are fixing up their existing homes for sale, federal and state subsidies are increasing the desire for energy-efficient upgrades, and landlords are sprucing up their properties to justify raising rents, according to the report. A strengthening job market is also helping to lead more homeowners to take on home remodeling projects, following years of delaying projects. Spending on discretionary home improvement projects jumped by nearly \$6 billion between 2011 and 2013 - the first rise since 2007, according to the report. The top remodeling projects continue to target the kitchen and adding a new bathroom, but baby
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boomers also are increasingly retrofitting their homes for better accessibility and with age-in-place features. Also, more homeowners are tackling home projects centered on energy efficient upgrades, such as for windows and heating and cooling systems.

- Relationship status may affect when and where buyers purchase a home and how much they spend on a home, according to the 2014 Profile of Home Buyers and Sellers from the National Association of REALTORS®. NAR analyzed the median age, income, and size of home purchased for married couples, unmarried couples, single men, and women. Researchers found that married couples throughout the country tend to spend the most on their home purchase, averaging \$240,000. Unmarried couples average \$186,600 on their home purchase, followed by single males who spend \$173,700 and single females who spend \$153,600. Researchers also identified the following most important neighborhood features among the group:
 - Single females: convenience to friends and family
 - Single males: convenience to entertainment/leisure activities
 - Unmarried couples: affordability
 - Married couples: quality of and convenience to school district

Generation X, those born between 1965 and 1976, has had the sharpest drop in home ownership since the recession, according to U.S. Census data. Home ownership among the age group has plunged 9 percent since 1994, with researchers pointing to unemployment to blame. Although there is much talk about millennials and baby boomers in real estate, Gen X is still an important generation. As the economy continues to recover, they're re-entrance into home ownership is expected to recover as well. A report by RealtyTrac uses Census data to find which metros Gen-Xers are gravitating to, and the following metro areas have the largest bulk of Gen Xers:

1. Raleigh-Cary, N.C. : 18.54% (the percentage of the population that is Gen-X)
 2. Atlanta-Sandy Springs-Marietta, GA: 18.01%
 3. Charlotte-Gastonia-Concord, North & South Carolina: 18.01%
 4. San Jose-Sunnyvale-Santa Clara, CA: 17.94%
 5. San Francisco-Oakland-Fremont, CA: 17.58%
 6. Washington, DC-Arlington-Alexandria, VA: 17.57%
 7. Austin-Round Rock, TX: 17.50%
 8. Dallas-Fort Worth-Arlington, TX: 17.50%
 9. Bridgeport-Stamford-Norwalk, CT: 17.12%
 10. **Seattle-Tacoma-Bellevue, WA: 17.11%**
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 **Calendar of Events - Through April 7, 2015**

Dates	Event	Time	Location	Contact
SEATTLE-King County REALTORS®				
3/11/15	Board of Directors	10:30am - 1:30 pm	SKCR	425-974-1011
3/17/15	Affiliate Council	9 a.m.-10 a.m.	SKCR	425-974-1011
4/7/15	Gov't. Affairs Committee	10:30am - 1:30 pm	SKCR	425-974-1011
For updates visit: www.nwrealtor.com and click "events"				