

Real estate brokers expect only a modest holiday slowdown, saying strong economy, low inventory make this year “different”

With holidays approaching, real estate brokers usually expect a slowdown as buyers and sellers shift their attention elsewhere. “This year is different,” say some industry leaders.

“Today we have one of the best markets we’ve ever seen for sellers,” observed Ken Anderson, managing broker and owner at Coldwell Banker Evergreen in Olympia. “Buyers are still surging to the market and inventory is low. It’s a very good time to sell. Owners who are eager to make the next move don’t have to wait six months or until spring to act,” added Anderson, a former board member at Northwest Multiple Listing Service.

Newly released MLS figures for October show pending sales are up 7.8 percent from a year ago, rising from 8,643 transactions to 9,317. Nearly half the counties in its service area reported double-digit gains in the number of mutually accepted offers. For the four-county Puget Sound region encompassing King, Kitsap, Pierce and Snohomish counties, Northwest MLS members tallied 6,977 pending sales, the highest October volume in a decade.

For 19 of the 23 counties in the latest MLS report the number of pending sales surpassed the number of new listings added to inventory. System-wide there were 8,094 new listings that came on the market during October, about the same as 12 months ago when members added 8,102 listings. With those additions (the fewest monthly total since February) inventory at the end of the month stood at 18,068 listings, well below the year-ago total of 23,501 for a 23.1 percent year-over-year drop.

Closed sales rose 7 percent from a year ago, increasing from 7,257 to 7,769. Last month’s total slipped below 8,000 closings for the first time since April, with some brokers citing inadequate inventory as a factor.

“Given the severe shortage of homes for sale, I’m not surprised to see that both pending and closed sales slowed down last month,” said OB Jacobi, president of Windermere Real Estate.

Broker Mike Gain agreed. “If we just had more homes to sell the number of closed units would have increased even more during October,” he stated. “Selling more homes at a faster rate than we are replenishing supply shows just how good the local real estate market really is,” remarked Gain, CEO and president of Berkshire Hathaway HomeServices Northwest Real Estate.

The MLS reported 2.33 months of supply area-wide, well below the 4-to-6 months figure many in the industry say indicates a balanced market. The months of supply figure has not been above three months since February when the figure was 3.56.

Both King and Snohomish counties had less than two months of supply. The most acute shortages are in King County with only 1.29 months of supply; Snohomish has 1.91 months of supply.

Commenting on the gap between supply and demand, MLS director George Moorhead said, "This is not sustainable and will create a market condition where buyers will overpay for a home." Moorhead, the designated broker at Bentley Properties, also commented on bidding wars. "Multiple offers are now being seen in outlying areas as buyers look farther out just to find a home that is a perfect fit while sacrificing distance to work and services." Good schools remain the highest sought-after criteria, he added.

Even with inventory shortages in some areas, strong open house traffic is expected for the coming weekend, thanks to the bye on the Seattle Seahawks schedule, suggested MLS director Frank Wilson. "A weekend without a Hawks game is good news for real estate brokers and sellers who hold open houses on Sundays, commented Wilson, the branch managing broker at John L. Scott, Inc. in Poulsbo.

Open houses for new listings draw decent traffic, Wilson reported, adding. "New listings get picked through pretty quickly, and homes that are correctly priced are selling within days, with multiple offers." He also said homes that have been on the market for more than 60 days have little traffic unless they have had a price reduction. "Some sellers are tending to overprice their homes due to all the hype."

Gain noted the Seattle area's home price gains are outpacing the nation's, earning the city No. 1 ranking on a recently released list of the hottest single-family housing markets in the U.S. He credits strong demand, rising prices, low interest rates and the area's healthy economic conditions as reasons for the strength.

"We will experience a hot housing market over the winter months," predicts J. Lennox Scott, chairman and CEO of John L. Scott, who also expects 2016 to be "another fantastic year for sales activity." Noting home sales activity is historically lower during this time of year, Scott believes activity this winter will be "red hot" in price ranges where inventory is low. He believes continued low interest rates and job growth will ratchet up demand as spring approaches.

Despite general optimism among Northwest MLS leaders, some pullback is anticipated.

Jacobi, who last month commented on the market being on the cusp of a slowdown, faults scarce inventory. "I expect this trend (of slower pending and closed sales) will likely continue through the end of the year due to the lack of available inventory for buyers." Jacobi also said appreciation may start to slow over the winter months, adding, "but overall the housing market continues to benefit from our thriving local economy."

Diedre Haines, principal managing broker-South Snohomish County for Coldwell Banker Bain, said they are noticing some slowdown, but "not as much as we've seen historically."

“There remains a lot of frustration with multiple offers and getting transactions to actually make it to closing,” reported Haines, a past chairman of the Northwest MLS board. She attributes failed sales to several factors including low appraisals, financing issues, and an increase in sellers and buyers not being able to come to terms on inspections.

Prices on last month’s closed sales jumped nearly 9.7 percent from a year ago. Area-wide the median price for sales of single family homes and condos that closed during October was \$318,000. That compares to a price of \$290,000 for the same month a year ago.

For single family homes (excluding condos), year-over-year prices increased nearly 8.4 percent, rising from \$299,950 to \$325,000. In King County, the median price for a single family home was \$480,000, rising 7.3 percent from the year-ago figure of \$447,250, but dropping from September’s median price of \$490,250.

“Appreciation for most of Snohomish County has continued, but not exorbitantly,” noted Haines. Prices in that county are up more than 5.8 percent from a year ago. “Modest gains in value are in reality much better for the market than the rapid gains we’ve seen in the past. For us, this means no sign of a growing bubble.”

The MLS reported strong sales in the condo segment, with both the volume and prices rising by double digits. Area-wide, closed sales rose 13.2 percent, from 990 units to 1,121. Prices surged 16.2 percent, jumping from \$228,500 a year ago to last month’s median price of \$265,500.

Condo inventory is also depleted with the number of active listings down nearly 26 percent from a year ago. MLS figures show only about 1.6 months of inventory area-wide; in King County there is less than 1.2 months of supply.

Looking ahead, Gain and many of his colleagues expect the area’s housing market will continue on a “gradual upward trend” into 2016. “As rents continue to rise, it makes buying a home more affordable than renting in many cases. It also insures that the monthly payment will remain the same as rents continue to escalate,” he stated, adding “Buying a home today is simply a smart decision for most who have the ability and resources to do so.”

Wilson said low inventory in areas like Kitsap County where his office is based will pose challenges. Inventory in that county is down nearly 30 percent from a year ago, while prices climbed more than 5.7 percent. “Some buyers are feeling beat up having to put in multiple offers or offer more than they are comfortable with,” he reported. Nevertheless, “buyers realize as we move into 2016 both prices and interest rates are likely to move upward,” he noted, adding, “We are anticipating a difficult spring market. The numbers are lining up for double-digit price increases in the first half of 2016.”

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.

Statistical Summary by Counties: Market Activity Summary – October 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	3,005	3,851	3,439	2,986	\$539,180	\$432,750	1.29	1.96
Snohomish	1,307	2,248	1,503	1,178	\$371,239	\$342,475	1.91	2.49
Pierce	1,344	2,929	1,562	1,209	\$281,563	\$251,000	2.42	3.31
Kitsap	392	888	473	422	\$320,085	\$258,500	2.10	3.34
Mason	85	447	115	105	\$205,992	\$175,000	4.26	6.11
Skagit	229	583	238	161	\$297,312	\$259,900	3.62	4.13
Grays Harbor	124	593	125	93	\$176,994	\$162,000	6.38	7.37
Lewis	93	494	104	90	\$181,101	\$160,500	5.49	7.99
Cowlitz	106	343	146	120	\$189,475	\$180,000	2.86	5.02
Grant	92	431	84	74	\$167,418	\$147,250	5.82	6.85
Thurston	421	1,041	454	406	\$264,728	\$248,005	2.56	4.05
San Juan	22	347	44	23	\$524,860	\$450,000	15.09	12.59
Island	131	496	171	142	\$375,583	\$320,250	3.49	3.79
Kittitas	68	363	94	75	\$330,138	\$256,990	4.84	7.09
Jefferson	57	283	81	57	\$337,630	\$272,500	4.96	7.64
Okanogan	42	404	36	40	\$201,581	\$176,000	10.10	15.50
Whatcom	282	1,022	333	290	\$310,836	\$278,750	3.52	5.06
Clark	39	92	52	41	\$352,141	\$299,800	2.24	2.83
Pacific	36	286	42	55	\$153,992	\$139,000	5.20	8.62
Ferry	6	61	2	2	\$125,500	\$125,500	30.50	37.00
Clallam	70	269	75	53	\$251,856	\$220,000	5.08	5.70
Chelan	83	304	77	69	\$315,435	\$280,000	4.41	8.53
Douglas	27	110	33	39	\$284,092	\$262,500	2.82	5.90
Others	33	183	34	39	\$162,551	\$143,500	4.69	8.96
MLS TOTAL	8,094	18,068	9,317	7,769	\$392,710	\$318,000	2.33	3.24

**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.

Tables continue on next page.

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	8648	8671	8620	8608	8248	7792	7179	6977		


Rules revisions, service enhancements highlight latest MLS member meetings


Like prior gatherings, the latest rounds of Northwest MLS Membership Meetings had a full agenda. These meetings, held at least twice each year, provide important updates on services, rules, governance and other topics, and also enable face-to-face interaction between MLS staff and member brokers or their branch managers.

The meetings being held during November at locations around the NWMLS 23-county service area are covering nominations for positions on the board of directors, proposed bylaws changes, recent rules revisions and a preview of forthcoming service enhancements.



Revisions affecting NWMLS Rules 2, 11, 20, 50, 86, 101, 123, 180, and 192 became effective October 28, 2015. Also revised with same effective date were rules to improve the efficiency of the discipline process.

The changes, as summarized by attorney Justin Haag, the MLS director of policy, include:

1. **Rule 2 - Floating On-Water Residences.** This rule clarifies members' ability to list and sell any interest in a floating home of "floating-on-water residence." Like other listings, NWMLS will rely upon the listing firm to determine if a certain property is eligible to be listed.
2. **Rule 11 - In-Person Offer Presentations and Delayed Showings.** This rule requires the listing member to obtain a seller's written request or use of a NWMLS form to impose restrictions on offer presentations and showings.
3. **Rule 20 - Legal Descriptions.** Under this rule, the listing member is required to attach a property's correct legal description to the listing. This description must be uploaded when the property is listed. It covers residential, condominium (legal description or declaration recording number), manufactured home, vacant land, farm and ranch, multi-family, and commercial/industrial properties.
4. **Rule 50 - Keys and Keyboxes.** This new rule provides that when previewing or showing a property with a NWMLS keybox installed, the subscriber who accesses the property must register the subscriber's key with the MLS keybox whether or not that keybox is used to gain access to the property. This enables tracking and recording all persons who access the property. Other "clean-up" revisions were also made to Rule 50 to modernize the rule's language.
5. **Rule 86 - Billing Verification Report (BVR).** Under this rule clarification, NWMLS may issue an automatic fine and suspend a member's services when a member fails to timely return a completed BVR report
6. **Rule 101 - Division of Commissions.** The selling member's share of commission must be a "bona-fide offer of compensation" under provisions of Rule 101.
7. **Rule 123 - Contingencies.** This rule, which relates to transactions involving a Buyer's Sale of Property Contingency Addendum (Form 22B) was simplified with significant revisions.
8. **Rule 180 - Information Left in Listed Properties.** Rule 180 requires subscribers to leave a business card, containing the subscriber's contact information when previewing or showing a property. It also prohibits solicitation of brokerage services on the business card and bans the listing firm from displaying solicitation information inside the listed property. This revised rule does not prohibit members from displaying such information at broker and public open houses.
9. **Rule 192(b) - License to Use Listing Data and Photos.** This rule was revised to allow NWMLS to affix a visible watermark on all photos submitted to NWMLS to allow better tracking of the use of listing data by members and third parties. It affects only listings input on or after Oct. 28, 2015.

10. **Discipline Rules - New Rule - Offer of Resolution.** In an effort to resolve more routine discipline matters more efficiently, the Discipline Rules were revised to include a new Rule, titled “Offer of Resolution.” It allows NWMLS to offer to resolve a discipline matter with the responding party prior to the matter being presented to the Disciplinary Review Panel. Resolution may be in the form of a reprimand, education, fine, a suspended fine, or any combination of these options. It further provides that NWMLS will not make an offer to resolve discipline matters that involve egregious Rule violations, novel issues, or unusual circumstances. If a member accepts the Offer of Resolution, the disciplinary action will be final.

11. All the revised rules are summarized in Legal Bulletin 206.

In addition to being briefed on rules revisions, members also considered proposed bylaws amendments. During the member meeting in Bellevue, Northwest MLS president and CEO Tom Hurdelbrink said if approved, the changes would modify the schedule for general membership meetings and the election process for directors, including allowing mail or electronic voting.

To conclude the meeting, Bob Gent the director of business development and member relations at NWMLS, provided a service update, including a new “Showing Time” service. This enhancement – customizable for every listing -- is expected to be rolled out with a soft launch in early 2016. It will be available on Matrix listings with a link, a NWMLS mobile app, and a Showing Time mobile app.

Selling brokers and buyers can anticipate several benefits, including:

- Easy to schedule showings
- Ability to plan multiple showings and customize route
- Multiple showing carts for different clients
- Displays showing instructions
- Great time saving features
- Able to quickly respond to feedback requests

Sellers and/or listing brokers can confirm showings via email, two-way text messages, automatic phone call or a mobile app notification. It will work through the Apple Watch and integrates with Homespotter, the NWMLS mobile app.

Gent said Showing Time is a very intuitive product and is used by nearly two dozen multiple listing services elsewhere in the country. As the launch date approaches, NWMLS will be providing online training.

Lawmakers, Housing Groups Urge FHA to Ease Restrictions on Condo Financing

Bipartisan lawmakers, joined by housing groups, are urging the Federal Housing Administration to ease some of its restrictions on condo financing.

In addition to a letter signed by 54 members of Congress and directed to Housing and Urban Development Secretary Julian Castro, a bill was introduced in the House of Representatives in mid-October to force the FHA to make significant changes to its condo rules.

Called the "Housing Opportunity Through Modernization Act," H.R. 3700 would streamline certification requirements for condo projects, relax owner-occupancy requirements, and make targeted reforms to various housing programs at HUD and the U.S. Department of Agriculture Rural Housing Service (RHS). The bill also includes provisions affecting Section 8 rental assistance and public housing programs.

"FHA places significant restrictions on the purchase and sale of condominiums, even though they are often the most affordable homeownership option for first-time buyers, small families, urban and older Americans," the letter-writers said.

"Current FHA regulations prevent buyers from purchasing condominiums, harms homeowners who need to sell their condominiums, and limits the ability of condominium projects to attract resident buyers," said Chris Polychron, the chairman of the National Association of Realtors. "These provisions will ease these restrictions, opening affordable home ownership opportunities for many American families," he wrote in a letter thanking Rep. Blaine Luetkemeyer for introducing the bill. The Missouri lawmaker chairs the House Financial Services subcommittee on housing.

The NAR has been pushing FHA on many of the proposed changes for more than three years, according to staffers.

Syndicated columnist Kenneth R. Harney reported FHA-insured mortgages sometimes financed 80,000 to 90,000 condo purchases annually during the past 15 years, but noted those numbers have plummeted. Only 22,800 such loans were financed during 2014, and through August this year, condos have accounted for just 2.8 percent of FHA loan volume.

Along with NAR, the National Association of Home Builders, and advocates for public housing programs and assisted living programs have voiced support for the reforms.

Kevin Kelly, president of the National Association of Home Builders, testified that reducing the restrictions in FHA condo financing will assist first-time buyers and condo owners who want to move up to a single-family detached home. "Condominiums are critical to the natural progression of homeownership and provide affordable solutions," Kelly said in a written statement.

The Mortgage Bankers Association has not yet taken an official stance. "MBA has been in favor of a review of FHA condo rules, as many of the current rules were enacted during the crisis. We are still reviewing the specific provisions within this legislation, but the environment has changed and the rules should change accordingly," said Steve O'Connor, MBA's senior vice president of Public Policy and Industry Relations.

(Editor's note: At press time, a vote had not been scheduled.)

Americans upbeat about homeownership

More than 80 percent of Americans believe purchasing a home is a good financial decision and two-thirds of respondents in a recent survey believe now is a good time to buy a home.

Those were among the findings in this year's [National Housing Pulse Survey](#) from the National Association of REALTORS®. The survey measured consumers' attitudes and concerns about housing issues in the nation's 50 largest metropolitan statistical areas.

A growing number of renters have homeownership on their priority lists. Sixty-one percent of this cohort now says that eventually owning a home is a high personal priority, up 11 points from 2013. The number of renters who are now thinking about purchasing a home has increased since the last survey in 2013, rising from 36 percent to 39 percent.

When asked for reasons about why homeownership matters to them, respondents' answers were consistent with findings from past years. Building equity, wanting a stable and safe environment, and having the freedom to choose their neighborhood remain the top three reasons to own a home.

"Homeownership is part of the American Dream, and this survey proves that dream is alive and thriving in our communities," said NAR President Chris Polychron, executive broker with 1st Choice Realty in Hot Springs, Ark. "REALTORS® believe that anyone who is able and willing to assume the responsibilities of owning a home should have the opportunity to pursue that dream in a safe, responsible way, which is why NAR advocates homeownership issues and educating potential buyers about achieving their property investment goals."

Pollsters noted improved attitudes about the housing market compared to prior years, but also reported perceived obstacles to homeownership are mostly unchanged:

- A preponderance of respondents (79 percent) believe they could sell their home for at least its initial purchase price, a jump of 16 percentage points from 2013.
 - Forty-nine percent of respondents think activity in the housing market has increased in the past year, compared to 44 percent in 2013 and 12 percent in 2011.
-

- Eighty-nine percent expect home sales in their area to either increase or remain the same.
- Concern about foreclosures has also declined, with only 15 percent of respondents indicating that foreclosure is a major concern.

When asked about obstacles to homeownership, perceptions are similar to previous surveys. Seventy-eight percent of respondents cite college debt and student loans as the main impediment. About the same margin of respondents (76 percent) said they have a full-time job but still did not earn enough to purchase a home. Three-fourths of respondents (74 percent) believe they lack sufficient funds for a down payment and closing costs.

Among millennials under age 35, the burden of student debt is their chief concern, with 86 percent of respondents saying it is an obstacle to homeownership. Despite voicing concern about high housing costs, millennials tended to be more upbeat about the nation's future than their older counterparts. Forty-two percent of millennials believe the country is headed in the right direction, while only 20 percent of those aged 50 or older expressed such optimism.

Survey respondents were also asked about pre-purchase counseling programs and classes. A large majority (80 percent) believe such programs are very or somewhat important. Forty-five percent of homeowners who said they did not take a counseling program said they would have participated in one had it been easily available to them.

The *2015 National Housing Pulse Survey* is conducted by American Strategies and Myers Research & Strategic Services for NAR's Housing Opportunity Program. This was the 11th Pulse Survey commissioned by NAR. The telephone survey polled 1,000 adults nationwide in the 50 most populous metropolitan statistical areas. An additional 250 interviews were conducted with millennial adults (born after 1981) from the same geography.

“Incredible Values” Await Commuters

House-hunters who are willing to commute can enjoy unprecedented price discounts according to one real estate consulting firm.

“In my 26 years in the business, the price discount available to someone who is willing to commute has never been greater,” remarked John Burns in unveiling an analysis by his colleagues at the firm he founded.

The analysts tested the “drive until you qualify” premise, based on industry thinking that home buyers will get behind the wheel and drive until they find a desirable home in their price range. One industry rule of

thumb was \$1,000 in savings per mile. “This ‘drive until you qualify’ discount far exceeds the industry rule of thumb today,” according to analysis by John Burns Real Estate Consulting.

The analysts examined data for six markets. In addition to the Greater Seattle area, those markets included Chicago, Los Angeles, Phoenix, Southwest Florida and Washington, D.C. They found the “commuter discount” occurs throughout the country.

In the Seattle area, the research showed that homes in Bellevue now exceed the prior peak by 9 percent, while homes in Renton (a longer commute to Seattle) remain about 9 percent below peak. “Homes in even more distant Tacoma remain 18 percent below peak,” they concluded.

While the closer-in locations typically recover first after a downturn, the recovery in the outlying areas is taking much longer, the Burns firm found. They also reported the price discount for those willing to commute is as big as ever.

Burns said two countervailing demographic shifts are making this trend even more interesting. They are:

- **Fewer drivers.** Only 78 percent of 20–24 year olds today drive, down from 93 percent in 1978. Noting he didn’t have the figures for older buyers, Burns commented, “Suffice it to say that more households are opting not to own a car, and Uber will likely exacerbate this trend.”
- **More telecommuters.** More than one-fourth (26 percent) of workers aged 26–45 say they telecommute, which compares to about 21 percent of those aged 46–55 and 16 percent of workers aged 56–65. “The Internet has clearly enabled more knowledge workers to live wherever they want,” Burns noted, but asked, “So why aren’t more people opting for affordable housing on the fringes?”

Possible reasons the Burns investigation identified are centered on questions about price appreciation, construction volumes, and homeownership rates.

With regard to price appreciation the analysts wonder if discounts associated with being further from job centers will return to normal, resulting in far more price appreciation in the outlying areas, or if there has been a permanent shift where homes in outlying areas will be valued at a greater than historical discount – “or is the answer somewhere in between?”

The Burns team also raised concerns about a lack of “commuter demand,” resulting in low levels of new home construction. “If a permanent shift in relative value between cities has occurred, how big are the negative implications for new home construction volumes?”

Finally, the Burns analysts also raised questions about the implications for homeownership as housing close to job centers remains quite expensive.

“Affordability still matters,” Burns believes, even though his firm’s research shows that outlying areas usually correct more in a downturn and take longer to recover, and they believe a growing percentage of people prefer (for many reasons) to live urban. “We expect more price appreciation in outlying areas than in better locations to varying degrees and with some exceptions,” he stated.

In addition to consulting services, John Burns Real Estate provides feasibility analysis, due diligence, and market research for home building and real estate clients. The firm also provides monthly forecasts of the housing market at the metro, regional, and national levels.

Seattle building one of 10 projects earning ULI Global Award for Excellence



12th Avenue Arts Building

A mixed use development in Seattle’s Capitol Hill neighborhood was one of 10 winners of the 2015 Urban Land Institute (ULI) Global Awards for Excellence. The [12th Avenue Arts](#) building, located at 12th and Pine, encompasses 88 affordable apartments serving households earning 60 percent of area median income. The apartments are fully leased.

Now in its 37th year, the ULI awards competition recognizes real estate projects that achieve a high standard of excellence in design, construction, economics, planning, and management. This year’s [winners](#)—including five in North America, three in Europe, and two in Asia—were honored in October at ULI’s fall meeting in San Francisco.

Criteria for the awards include contribution to the community, innovations, public/private partnerships, environmental protection and enhancement, response to societal needs, and financial viability. All types of projects have been recognized during the nearly 40 year history of the awards, including office, residential, recreational, urban/mixed use, industrial/office park, commercial/retail, new community, rehabilitation, and public projects and programs.

In addition to the apartments, the 12th Avenue Arts building features performing arts space, community meeting space, office space, retailers, eateries and underground parking for Seattle Police Department vehicles.

The winning building was designed by SMR Architects of Seattle and developed by Capitol Hill Housing, a public corporation organized by the City of Seattle. Since 1976, the group has served low- and moderate-income residents around the Capitol Hill neighborhood. It currently owns and maintains 47 buildings with housing for around 2,000 individuals and families.

Purposeful, generous trailblazer with passion for building community named 2016 Seattle-King County First Citizen



BELLEVUE, Washington (November 1, 2015) – One act of generosity inspired a lifetime of benevolence and a distinguished professional career for **Phyllis Campbell**, the 2016 recipient of the Seattle-King County First Citizen Award.

Campbell, the chairman, Pacific Northwest for JPMorgan Chase & Co. and former president/CEO of The Seattle Foundation, is only the fifth woman to be singled out for the prestigious award, which has been presented annually by Seattle King County REALTORS® since 1939. She will be honored at a civic banquet in Seattle on May 25, 2016.

“She is a one-of-a-kind leader who leaves strength and success in her wake,” said businessman Bill Lewis, who chaired the board of The Seattle Foundation when Campbell announced plans to end her six-year tenure there and return to banking. Under her leadership the state’s largest community foundation doubled its charitable assets, to \$600 million.

As the 78th recipient of the First Citizen Award, Campbell—the first woman to lead a Washington bank—joins an elite group of recipients whose vision, leadership, volunteerism and generosity have enhanced the region’s quality of life.

In the for-profit sector she serves as lead independent director for Alaska Air Group, and also serves on the Nordstrom, Inc. board of directors and on Toyota’s Diversity Advisory Board (DAB). She has also been a member of the boards at Joshua Green Corporation, Puget Sound Energy, and Safeco.

Previously the banking executive chaired the boards of the Greater Seattle Chamber of Commerce and the Association of Washington Business. Her commitment to education is reflected in part by her service as a WSU Regent from 1991-2003, as chair of the Seattle University Board of Trustees, and as a board member (and now an emeritus board member) for the Alliance for Education.

Campbell began her banking career in 1973 upon graduation from WSU when Old National Bank in Spokane hired her as a management trainee. Two decades later she became the first woman to lead one of Washington’s larger banks when she was named president and CEO of US Bank of Washington.

While serving on various nonprofit boards she earned praise for helping shift the paradigm for philanthropy from just check-writing to a model that focuses more on strategy and results. She is also credited with being an advocate of collaboration, an investment mentality and more innovative approaches to philanthropy.

One past president of United Way extolled Campbell for her role in chairing that nonprofit organization's 1998-1999 campaign, which raised a record-breaking \$68.6 million. "Phyllis' dedication and true desire to work in every facet of the campaign has been nothing short of remarkable," remarked Joanne Harrell.

In naming Campbell to head its Pacific Northwest division, JPMorgan Chase CEO Jamie Dimon stated "Phyllis' hard work, integrity and success in banking and philanthropy define true leadership in the community."

The First Citizen Award is the latest in a number of community and professional honors Campbell has earned. Earlier this year she received the Lifetime Achievement Award by *Seattle Business Magazine*, the Rev. Dr. Martin Luther King Jr. Vision from the Mountaintop Award, and an Outstanding 50 Asian Americans in Business Award. This month she is among 13 recipients of the *Puget Sound Business Journal* Women of Influence Award. She was the inaugural winner of the Director of the Year Award from the Pacific Northwest Chapter of the National Association of Corporate Directors. In 2006, Washington State University presented her with the Regents' Distinguished Alumnus Award, the university's highest honor granted to its alumni.

Campbell holds a bachelor's degree in business administration from WSU, and an MBA from the University of Washington's Executive MBA Program. She is a graduate of the Pacific Coast Banking School at U.W., as well as Stanford University's Executive Management Program. The Issaquah resident also holds honorary doctorates from Whitworth University and Gonzaga University.

Campbell credits her grandfather and the donor of a scholarship that enabled her to attend college as being pivotal to her multi-decade roles as a mentor, volunteer, philanthropist, and civic leader. Paraphrasing her grandfather, she says, "Life is not about you. It's about being an instrument for greater things."

Although her contributions are multi-faceted, Campbell has a particular fondness for education and human services issues, attributable in part to personal experiences from when she was a high school student in Spokane. While trying to raise money to attend Washington State University, a check for \$2,500 arrived from a WSU scholarship fund aimed at low-income students. "The thing that left the impression was this person who gave back, who paid it forward," she recalls.

"I know the power of a check, the power of somebody's message, somebody paying attention," she once told a reporter.

Campbell has a proven track record of board service, both in the for profit and not-for-profit sectors. Her nonprofit boards include PATH, the US-Japan Council, and the global advisory board of Women Corporate Directors (WCD).



About the [First Citizen Award and Banquet](#)

Since its inception in 1939, the First Citizen Award continues to celebrate community leadership, volunteerism and public service. Past recipients include individuals, couples, families and organizations, hail from humanitarian groups, charitable, health and educational institutions, arts groups, environmental causes and various civic endeavors.

Starting this year, a partnership of real estate companies is joining SKCR to present the award. Organized as the Seattle First Citizen Foundation, the founding partners include John L. Scott Real Estate, RE/MAX and Windermere Real Estate.

The Seattle-King County First Citizen Award and civic banquet, believed to be this region's oldest such recognition, has no fund-raising expectation, but instead is designed solely as a not-for-profit celebration of community involvement.

Recent past recipients include last year's honoree Theodor "Ted" Baseler, CEO and president of Ste. Michelle Wine Estates, Lenny Wilkens (2013), former NBA player and coach and the founder of the Lenny Wilkens Foundation; Norman B. Rice (2012), former Seattle mayor and former CEO of The Seattle Foundation; Rotary International District 5030 (in 2012); former Seattle Mariner Jamie Moyer and his wife Karen (2011); U.S. Senator Slade Gorton (2010); and Microsoft co-founder and innovator-investor Paul G. Allen (2008).

REALTOR® Volunteers Help Clean, Restore "Untamed Corners" of 100-Year-Old Dunn Gardens



More than two dozen volunteers gathered at Seattle's historic Dunn Gardens to devote a day to removing invasive ivy, holly and blackberries and replacing the unwanted species with native plants.

The occasion marked the ninth annual TREC (The REALTORS® Environmental Council) Project, a volunteer initiative that originated with the Governmental Affairs team at the Seattle King County REALTORS®.

Under sunny skies, crews that included REALTORS®, affiliate members (who hosted lunch), outside consultants and staff worked in the vegetable garden, a ravine and other areas around the 8-acre garden. The volunteers worked under the director of grounds manager Zsolt Lehoczky and docent coordinators Bonnie Chester and July Broom.

“All gardens have their untamed corners and unruly spots,” commented Beth Weir, executive director at The Dunn Gardens, which is observing its centennial this year. “Here’s a big thank you to the energetic REALTORS® who showed up to do some cleanup and restoration in some of the not-so-well-groomed areas on the edges of Dunn Gardens.”



News In Brief

- **Fannie Mae, the mortgage finance company, will no longer require lenders to rely on collecting physical copies of pay stubs and tax data, elements traditionally has been required for a mortgage, according to a mynorthwest.com report.** The change, which will take place in mid-2016, also will allow lenders to use employment and income information from a database operated by credit bureau Equifax to verify borrowers' creditworthiness. Fannie also announced changes that could ease mortgage credit. However, borrowers who have a traditional score from Fair Isaac (FICO) will still need to meet the 620 minimum. FICO scores range from 300 to 850. Also in mid-2016, Fannie said it would mandate lenders to start collecting "trended" credit data from Equifax and TransUnion, which includes longer-term borrower credit histories. The extra information will help Fannie see if borrowers are paying off their credit card bill every month or just making the minimum payment or if they're letting balances rise. Borrowers who are making the full payment could see faster approvals and better interest rates.
- **The top reasons Americans say they want to own a home are: the opportunity to build equity, the desire for a stable and safe environment, and the freedom to choose their neighborhood.** That's according to the National Association of REALTORS® 2015 National Housing Pulse Survey, a poll of 1,000 adults nationwide in the 50 largest metro areas. According to

the survey, more than eight in 10 Americans say that purchasing a home is a good financial decision, and 68 percent say now is a good time to buy a home. Also, 71 percent of those surveyed also believe they could sell their house for what they paid for it, which is up 16 percentage points from 2013. There are, however, some obstacles to homeownership. Seventy-eight percent of respondents say college debt and student loans are the main barriers to them in making a home purchase affordable. Seventy-six percent of those surveyed say they have a full-time job but still do not make enough money to purchase a home, and 74 percent say they do not have enough money for a down payment and closing costs. A growing number of respondents are also concerned about climbing housing costs – 41 percent call the lack of affordable homes a “very big” or “fairly big” problem in their area – an increase of 9 percentage points from 2013.

- **Winter is on the way, and home owners should prepare their homes for the colder temperatures.** According to the National Association of Home Builders Remodelers, the following tips can help home owners protect their homes during the winter season: 1) Ensure there are no gaps in insulation or crawl spaces that expose pipes to cold air, which could put the pipes at risk of freezing and bursting, 2) Have your heating system checked by a licensed technician before cold weather requires daily use, 3) Block drafts around doors, windows and baseboards with weather stripping, window film and caulk to control heat loss, 4) Install storm doors and windows to improve energy efficiency and get rid of drafts, 5) Have chimneys cleaned by an experienced chimney sweep to prevent the risk of a fire from build up or blockages, 6) Spray door locks with powdered-graphite lubricant to prevent freezing and sticking, and 7) Set ceiling fans to rotate clockwise to force rising warm air back toward the floor.
- **About 10,000 baby boomers are retiring each day, and half of those who plan to move during retirement say they plan to downsize, according to a report printed in mynorthwest.com.** As such, millennials may find they are up against increasing competition from baby boomers for condos and apartments in urban areas. So far, the baby boomers may be winning. Baby boomers are renting apartments and buying condos at more than double the rate of their millennial children which could have big implications for cash-strapped kids who had hoped to snag affordable studios in buildings developed to house 20-somethings. Americans age 55 and older have accounted for 42 percent of the growth in renters over the past 10 years, according to Harvard University's Joint Center for Housing Studies. What's more, the wealthiest of American households comprised about one-third of new renters between 2011 and 2014. That may price out some millennials, who are still getting their start in the employment world. The cost of rent has reached a record level of \$803 a month nationwide, according to government data. The number of families who pay more than half of their income in rent is expected to increase 11 percent to 13.1 million over the next 10 years, according to Harvard University's Joint Center for Housing Studies.

- The *New York Times* recently published an article that provided 5 tips for buyers' down payment gifts in light of the fact that lenders are carefully scrutinizing such gifts.** About a quarter of first-time homebuyers use gifts from relatives to fund a down payment for a home purchase. The 5 tips that can help make things go smoother for homebuyers are: 1) Have the money come in a check or wire transfer so that it is traceable. Lenders often become cautious over cash gifts. 2) Have the giver provide the lender with a gift letter, which verifies the money is a gift, the specific amount being given, the relationship to the borrower, and that the repayment is not required. 3) It's best to deposit any gift money into the borrower's account a few month before applying for a mortgage so the lenders have fewer questions about it. 4) Consider federal gift-tax regulations: Individual gifts of more than \$14,000 for 2015 must be reported to the IRS and are subject to tax. 5) Be aware that certain types of mortgages may limit how much of a down payment you can receive as a gift. For example, with conventional loans, lenders may require at least 5 percent in the borrower's own money that is not a gift. However, Federal Housing Administration loans – which are popular among first-time homebuyers—do not have any limits on gifts and borrowers can use gifts to cover the entire down payment.

Calendar of Events Through November 4, 2015

Dates	Event	Time	Location	Contact
SEATTLE—King County REALTORS®				
11/11-16/15	NAR Annual Convention		San Diego, CA	425-974-1011
11/17/15	Affiliate Council	9:00 am – 10:00 am	SKCR	425-974-1011
11/26-27/15	Holiday—Office Close			
12/1/15	Gov't. Affairs Committee	10:30 am – 1:30 pm	SKCR	425-974-1011
12/9/15	Installation & Awards Banquet	5:30 pm – 9:00 pm	Museum of Flight	425-974-1011
For updates visit: www.nwrealtor.com and click "events"				