

## **Two communities in Washington among semifinalists competing for #3 million “Best Communities” prize**

Two communities in Washington – Arlington/Darrington and the Wenatchee Valley – are among 15 semifinalists in the America’s Best Communities competition in hopes of winning the \$3 million first-place prize.



Sponsors have dedicated \$10 million in prizes and other support to spark economic revitalization in small towns and rural communities across the country. The semifinalists have crafted innovative solutions designed to transform their local economies and to improve the lives and livelihoods of their citizens.

Representatives from the 15 semifinalist communities will attend the America’s Best Communities Summit April 26-27 in Durham, North Carolina, to present their proposals to a panel of expert judges and executives from the sponsoring companies and compete for additional financial support.

At the summit’s conclusion, eight communities will be named finalists and awarded \$100,000 to bring their plans to life.

In April 2017, the top three communities making the largest impact and showing the greatest potential for achieving sustainable revitalization will be selected as the grand prize winners. The first place community will receive \$3 million, the second place community \$2 million, with \$1 million to be award for third place.

Leaders from Arlington, Darrington, the Economic Alliance Snohomish County, Washington State University North Puget Sound at Everett, and the WSU Metropolitan Center for Applied Research and Extension collaborated in developing a proposal to revitalize the area devastated by the deadly Oso mudslide in March 2014.

“It is exceptionally gratifying to have the opportunity to partner with the North Stillaguamish community in such an important and meaningful endeavor,” said Bob Drewel, WSU senior advisor to interim WSU president Dan Bernardo. “The strength of this community is its people working together for each other. This work and this partnership will last.”

More than 350 communities nationwide entered the competition after its launch in 2014, with 50 of them selected as quarterfinalists. These communities received \$50,000 in seed money to develop a Community Revitalization Plan and were paired with a major Corporation that served as a strategic advisor as part of the competition’s Adopt-a-Community Program.

Frontier Communications, DISH Network, CoBank and The Weather Channel are sponsoring the contest.

“America’s Best Communities has inspired towns and cities to come together in ways we never thought possible. People from all walks of life were united by this challenge to reimagine their future and

reinvigorate their community. Already it has stimulated positive change and economic progress,” said Frontier Communications Executive Chairman Maggie Wilderotter. “Great communities don’t just happen. They are the result of people working together for the common good.”

“One in six of us calls Rural America home. These communities are the backbone of our country, but they’ve suffered from a host of challenges, from poverty to drug abuse,” said Vince Gill, spokesperson for the competition and country music legend. “America’s Best Communities has inspired new hope in rural America by providing a hand up, not a handout. It’s helping our neighbors in small communities lift themselves up by their bootstraps and live their own American dream.”

Each community’s revitalization plan may be viewed at <http://www.americasbestcommunities.com>.

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## **Brokers say home buyer frustration builds as inventory shrinks, prices rise**

[[[KIRKLAND, Washington (March 7, 2016) – Home prices in King County hit new highs in February as buyers tried to outbid each other for the sparse inventory in much of Western Washington.

“We’re in for another crazy spring real estate market,” predicts J. Lennox Scott, chairman and CEO of John L. Scott, Inc.

With the number of single family homes for sale in King County down nearly 30 percent from a year ago, prices on last month’s sales surged 19.8 percent, jumping from \$429,900 to \$514,975. Ten other counties in the 23-county area served by Northwest Multiple Listing Service also reported double-digit price gains for single family homes that sold last month, according to its latest statistics. Condo prices surged 19.6 percent.

“Buyers who are looking for houses cannot start looking at the top of their affordability range -- they should look 15 or 20 percent below their limit and be prepared to go over list price if they have any hope of success,” suggested Frank Wilson, immediate past chair of the Northwest MLS board.

Northwest MLS brokers scrambled to replenish depleted inventory as pending sales outpaced new listings, resulting in a sizeable drop in the total number of active listings by month end.

Member-brokers added 7,931 listings area-wide to inventory last month for a slight improvement from a year ago when they added 7,852 homes and condominiums to their database. At month end, they reported 12,107 active listings, a sharp drop from a year ago when there were 16,946 properties offered for sale.

Current levels of inventory translate to 2.4 months of supply, well below the four-to-six months that industry experts use to indicate a balanced market. In the four-county Puget Sound region, supply is hovering near

or below two months, with King County having the lowest level at only 1.3 months of supply. Snohomish County reported about 1.5 months, Pierce had slightly more than 2.1 months, and Kitsap County was at about 2.3 months.

“Buyer frustration continues to build as inventory levels drop and a mixed quality of homes comes on market,” reported MLS director George Moorhead, designated broker at Bentley Properties.

The fast pace of sales combined with shrinking inventory means many areas remain in the throes of a sellers’ market, stated MLS director Bobbie Petrone Chipman.

Despite the frustration for buyers and brokers, pending sales improved on year-ago figures. Northwest MLS members reported 9,052 pending sales, up 5.3 percent from a year ago when they tallied 8,599 mutually accepted offers.

Scott described current activity as a “Pac-Man” market – “Houses are being gobbled up as soon as they come on the market,” he stated.

Seven counties, including King County, reported year-over-year declines in pending sales during February in the wake of inventory shortages. Pending sales in King County fell about 5.6 percent compared to twelve months ago. The selection in the state’s most populous county plummeted nearly 32 percent from year-ago levels while asking prices jumped about 22 percent.

“The big story this month is the nearly 20 percent jump in King County prices which has brought the median home price to an all-time high,” observed OB Jacobi, president of Windermere Real Estate. “Affordability is on the decline in King County which is part of the reason why sales of single family homes are down,” he noted, adding, “So where are those priced-out buyers going? The answer for some is condos. With the rent-versus-buy ratio at about two years, many buyers are seeing the wisdom in investing in a condo as a means to take advantage of low interest rates and get into homeownership.”

Moorhead also commented on growing demand for condos. “We have noticed increasing demand for condos and townhomes as they are becoming more affordable for first-time buyers, so this activity is drawing down that inventory too,” he reported.

Pending sales of condos increased about 4.8 percent area-wide, despite shrinking inventory. The number of active listings dropped 36.6 percent from a year ago, resulting in only 1.4 months of supply. In King County, which accounted for six of every 10 condo sales that closed last month, there is only about a month of supply. Condo prices in that county jumped 26 percent from a year ago, rising from \$257,000 to \$323,975. That compares to a median selling price of \$514,975 for single family homes that sold last month in King County.

For others, a longer commute is the ticket to homeownership.

“This is the type of market that has people who work in Seattle thinking more seriously about moving west,” suggested Wilson, the branch managing broker at John L. Scott’s Poulsbo office. “Typically people who have a Seattle area job look north or east, but with lack of inventory in those areas and prices that have gone through the roof, they are now considering a ferry commute and shopping for homes in Kitsap.” Wilson said they’re even seeing an increase of activity west of the Hood Canal Bridge with more people looking to Port Ludlow and beyond.

Pending sales in Kitsap County rose 9 percent in February compared to a year ago. Prices increased 7.7 percent year-over-year, but Wilson expects even more escalation. “It would not be unreasonable to think we might see double-digit price increases this year,” he commented.

Rapidly rising prices are worrisome to some brokers.

“In some situations sellers, in efforts to glean as much from a sale as possible, and buyers, in efforts to have their offers accepted in competitive presentations, might find themselves the subject of anecdotal stories regarding low appraisals,” noted MLS director Bobbie Petrone Chipman, principal managing broker at John L. Scott in Puyallup.

“Buyers line up at houses that are available and find themselves in bidding wars,” said Wilson. “This market squeezes all the fun out of buying a home. Prospective purchasers who are coming up short tend to be first-time buyers or those who are using anything other than cash or conventional loans,” he added.

Moorhead cautioned sellers about being overly aggressive on pricing. Sellers are pushing price harder than ever, he said, and some are missing market price, resulting in longer market times. “Buyers perceive this as ‘there must be something wrong with the home,’ especially if the home is still on the market past an offer review date that was set when the home came on the market.”

Even though the current market poses challenges, brokers remain optimistic about the market’s strength.

Mike Grady, a past chairman of the MLS board, anticipates “a long steady increase in pending sales projecting favorably into 2017.” He cited projections suggesting long-term interest rates will remain stable, job growth in the region will remain strong, and new housing starts will continue to lag behind demand as factors in his prediction. These factors “create the simple formula of high demand, low supply equaling increasing prices, creating the consumer confidence we continue to see,” stated Grady, the president and COO of Coldwell Banker Bain.

Scott also expects robust activity during 2016. “Six months ago we predicted the major decline in inventory throughout the winter months would create a more intense market starting the first of the year. It’s déjà vu all over again,” he commented.

Noting this pattern has existed for the the last three years, Scott said the current lack of inventory is taking its toll on homebuyers. “We are facing the most intense market yet.”

Starting this month, Scott said “We’ll start to see an explosion in the amount of sales activity for the next eight months. That’s the good news. The bad news? Market conditions still require buyers to make an instant response because there are so many other hungry buyers out there.”

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of nearly 2,100 member offices includes more than 25,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in Washington state.

*Statistical Tables Follow.*

**Statistical Summary by Counties: Market Activity Summary – February 2016**

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	2,791	2,431	3,038	1,824	\$550,968	\$439,950	1.33	1.99
Snohomish	1,272	1,244	1,475	848	\$359,472	\$327,500	1.47	2.54
Pierce	1,313	1,861	1,707	866	\$277,299	\$249,250	2.15	3.59
Kitsap	407	595	483	263	\$284,632	\$253,000	2.26	3.64
Mason	121	335	126	82	\$193,179	\$171,000	4.09	7.25
Skagit	200	411	233	110	\$286,331	\$239,000	3.74	4.59
Grays Harbor	124	489	130	75	\$152,977	\$147,000	6.52	10.43
Lewis	128	385	121	58	\$166,368	\$145,482	6.64	9.57
Cowlitz	103	221	144	73	\$199,952	\$170,000	3.03	4.82
Grant	103	351	109	35	\$165,379	\$167,866	10.03	10.74
Thurston	416	752	521	263	\$254,710	\$246,000	2.86	4.32
San Juan	32	245	24	19	\$722,590	\$585,716	12.89	15.69
Island	147	322	159	92	\$305,401	\$262,500	3.50	5.46
Kittitas	72	211	81	46	\$288,381	\$229,995	4.59	9.33
Jefferson	54	200	63	28	\$312,379	\$275,750	7.14	7.50
Okanogan	35	267	30	18	\$269,416	\$233,065	14.83	16.55
Whatcom	338	792	340	174	\$312,531	\$292,000	4.55	4.79
Clark	24	65	38	26	\$305,704	\$269,500	2.50	2.69
Pacific	45	219	43	27	\$177,700	\$130,500	8.11	10.14
Ferry	8	52	2	1	\$184,000	\$184,000	52.00	32.00
Clallam	58	211	59	44	\$256,631	\$175,000	4.80	8.97
Chelan	68	230	69	30	\$291,740	\$251,000	7.67	7.29
Douglas	32	75	23	17	\$264,962	\$268,000	4.41	3.74
Others	40	143	34	10	\$166,300	\$157,000	14.30	9.52
<b>MLS TOTAL</b>	<b>7,931</b>	<b>12,107</b>	<b>9,052</b>	<b>5,029</b>	<b>\$386,327</b>	<b>\$307,777</b>	<b>2.41</b>	<b>3.56</b>

Tables continue on next page.

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

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2000</b>	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
<b>2001</b>	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
<b>2002</b>	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
<b>2003</b>	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
<b>2004</b>	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
<b>2005</b>	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
<b>2006</b>	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
<b>2007</b>	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
<b>2008</b>	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
<b>2009</b>	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
<b>2010</b>	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
<b>2011</b>	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
<b>2012</b>	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
<b>2013</b>	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
<b>2014</b>	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410
<b>2015</b>	5791	6541	8648	8671	8620	8608	8248	7792	7179	6977	5703	4475
<b>2016</b>	5420	6703										


**Study confirms link between homeownership and wealth building, even during downturns**

Homeownership as a wealth-building strategy was the subject of a paper The Harvard Joint Center for Housing Studies presented at a 2013 symposium. Now, the authors of that report revisited the topic using more recent data and lessons learned from the housing crisis.

Researchers report their updated analysis “upholds the bottom-line result from the earlier paper: that homeownership was associated with significant gains in household wealth, even when viewed across the tumultuous housing crisis period of 1999-2013.”

In the earlier paper covering the 1999-2009 time period (before the downturn), the authors reached three key conclusions:

1. Even during a time of excessive risk taking in the mortgage market and extreme volatility in house prices, large shares of owners successfully sustained homeownership and created substantial wealth in the process;
2. Renters who became homeowners and sustained it through the period had some of the largest gains in wealth; and

3. Renters who transitioned to ownership but failed to sustain it ended the study period with no less wealth than when they started.

The recently released JCHS working paper, *Update on Homeownership Wealth Trajectories Through the Housing Boom and Bust*, covers the period since 2009 through 2013. Those years include the times when house prices reached bottom (March 2011, according to CoreLogic's National Home Price Index) as well as much of the foreclosures and distressed exits from homeownership.

Commenting on its reports, the authors said, "Taken together, the study's findings of both the remarkably and persistently low wealth levels of the typical renter and the potential for wealth accumulation when homeownership is maintained underscore the need for policies both to support sustained homeownership as well as to help renters find ways to build wealth outside of homeownership."

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## One master-planned community in Washington among "top 50"

One community in Washington state, Tehaleh, made the list. The 271 sales it experienced earned that project 46th place on the rankings. Ken Perlman, a senior VP at John Burns Real Estate, said the Trilogy neighborhood at Tehaleh, which targets 55+ buyers, added to last year's strong sales.



The firm analyzed more than 230 master-planned communities across the country.

Only one other masterplan in the Pacific Northwest made the top 50 list – Villebois in Portland. Last year was the first time any master-planned communities in the Northwest made the "top 50" list.

"Limited land availability and a lengthy entitlement process add to the challenges of developed master-planned communities in the Pacific Northwest," stated Perlman. Company officials noted both projects, while unique in their own right, share an emphasis on outdoor living with elements such as trails, parks, and even farmer's markets as common themes.

Located in Bonney Lake, Tehaleh features homes by eight different builders with prices ranging from the \$200,000s to the low \$500,000s. The Newland Communities project is situated on 4,000 acres and approved for 5,900 residential units.

Of the 50 top-selling communities in the report, 17 are located in Texas. California claimed 11 top sellers, followed by Florida with four. Eleven communities exceeded 500 sales during 2015, a feat the report's authors described as a "rarely achieved industry milestone that usually requires an excellent location, thoughtful segmentation, extensive marketing, and a strong market."



## Free Tour of Green Homes returns for two dates in 2016

Record-breaking crowds are expected at the [2016 Northwest Green Home Tour](#) on April 30 and May 1.

The free educational event, produced annually by Northwest EcoBuilding Guild, showcases local, sustainable, and green new homes, remodels, and energy retrofits in the Greater Seattle area. Last year's tour drew 3,000 visitors.

The Green Home Tour features builders, contractors, suppliers, and green homeowners and facilitates interactions between building professionals and consumers.

Greenhome Solutions, Seattle's only locally owned green building supply retailer, is the presenting sponsor for the NW Green Home Tour. The family-owned business offers a showroom near the Ballard Bridge, an online store, and certified installers for all its products.

The [Northwest EcoBuilding Guild](#) is a nonprofit community of builders, designers, suppliers, homeowners, and partners concerned with ecological building in the Pacific Northwest



## VISION 2040 honors programs to improve quality of life

May 20 is the deadline to nominate projects, plans and programs for the VISION 2040 Awards, a program of the Puget Sound Regional Council. Any individual, business, agency, organization or jurisdiction may submit a nomination.

The awards recognize projects, programs or plans in King, Kitsap, Pierce or Snohomish counties that help achieve the region's growth, economic, and transportation strategy. The projects may be developed in the public or private sectors, or through public/private partnerships.

PSRC said examples of programs and plans include comprehensive or subarea plans, economic development plans, design guidelines, outreach/education efforts, transportation demand management programs, and other similar efforts.

Complete nomination details are [online](#) on the PSRC website. The awards will be presented on location throughout the summer..

 News In Brief

- **According to the latest America's Best Drivers Report from Allstate, Seattle ranked No. 184 in accident frequency last year of the 200 largest cities in the United States. Only 16 cities ranked lower.** Allstate based its data on claims it received from the cities and has one-tenth of the insurance market. The data shows that Seattle drivers on average are likely to have a vehicle accident once every 6.9 years, which is about 46 percent more likely than the national average. Seattle's previous ranking was No. 173. The study doesn't delve into the reasons for Seattle's bad showing, but does note that the city has a high rainy weather ranking, along with a high population density. According to Allstate, the city with the worst drivers is Boston and the city with the best drivers is Kansas City, Kan.
- **Almost half of renters surveyed by Bankrate.com say they haven't purchased a home yet because they believe their credit isn't good enough to qualify for a mortgage or they can't afford a downpayment, according to a report by mynorthwest.com.** Survey responses included comments from people who went through foreclosures, job losses, or bankruptcy filings and are fearful of a similar experience. Fear aside, many non-homeowners are under the assumption that they need a higher downpayment to purchase a house than is actually needed. About 20 percent of respondents to Bankrate's survey said they need between 11 percent to 20 percent for a downpayment, while 17 percent said they need 6 percent to 10 percent. Nearly a quarter of non-homeowners said they "don't know" how much they need for a downpayment. Only 9 percent of respondents said they could do a 1 percent to 5 percent down payment. Many non-homeowners seem to lack awareness that they can get an FHA loan with just a 3.5 percent downpayment or a conventional loan with a 3 percent downpayment.
- **WalletHub recently compared the 150 largest cities across 13 key metrics, such as sales per agent and the annual median wage of agents, to find out the best places for real estate pros to practice, and Seattle is ranked third best.** According to WalletHub, the best place to be a real estate agent is Denver, Colo. followed by (in order) Irvin, Calif., Seattle, Wash., Austin, Texas, Aurora, Colo., Portland, Ore., Indianapolis, Ind., San Francisco, Calif., Colorado Springs, Colo., Boston, Mass., Grand Rapids, Mich., Boise, Idaho, Honolulu, Hawaii, Raleigh, N.C., and Madison, Wis. Researchers found that Knoxville, Tenn. (which ranked 34 overall out of 150 cities) had the highest number of sales per agent at 120 – about 20 times more than Houston, which had the lowest at an average of 6 sales per agent. Indianapolis (which ranked number seven overall) had the highest annual median wage for real estate agents at \$105,370 – four times greater than in Wichita, Kan., which had the lowest at \$24,320, according to WalletHub's findings.
- **The state revenue forecast released in February by the Washington state Economic and Revenue Forecast Council showed that the current two-year budget that ends in the middle**

**of 2017 falls about \$78 million short of what was originally predicted.** The following budget projection shows a shortfall of \$436 million. The forecast is offset somewhat by lower projected costs related to the number of people on welfare and in nursing homes. The lowered state's revenue projections cited weak economic growth, both globally and nationally.

- Coldwell Banker Real Estate LLC announced its 2015 year-end award recipients in numerous company, office and affiliated agent categories. **Highlighted in company honors as No. 1 Affiliate Company in North America in AGC is Coldwell Banker BAIN|SEAL headquartered in Bellevue and led by Bill Riss.**
- **Last month President Obama signed into law a trade and customs bill (H.R. 644) that includes a provision permanently banning state and local taxes on Internet access.** Known as the Internet Tax Freedom Act, this provision has been a priority for NAR because the Internet has become such a vital tool for REALTORS® and for buyers and sellers of real estate. Keeping the Internet free of state and local access taxes makes it much easier to utilize this important technology. This bill does not address the unrelated issue of allowing states to require remote Internet and catalog sellers to collect sales tax from all out-of-state purchasers of goods. That bill, the Marketplace Fairness Act, passed the Senate in 2013 but since has stalled in the House.
- As reported in the *Puget Sound Business Journal*, a new study revealed that in 2015, Seattle added 78,082 jobs, a number that exceeded job growth expectations. **Seattle's job market is the fourth-hottest in the country, behind Dallas, San Jose and Los Angeles. Last year, 1,981,802 people were employed in Seattle; the city had an unemployment rate of only 4.2 percent.**
- **According to *The Seattle Times*, the federal government is offering to contribute \$1.2 billion toward Sound Transit's light-rail line from Northgate to Lynnwood,** as indicated in the president's proposed budget – just one of three huge transit gifts in the pipeline for Puget Sound travelers. The proposed First Avenue streetcar line could win another \$75 million in federal money, which places Seattle's third streetcar corridor on the political fast track. Federal funding could give an additional \$43 million toward Community Transit's Swift 2 bus-rapid line connecting Bothell, Mill Creek, Everett's McCollum Park and Paine Field.


**Calendar of Events Through March 4, 2016**

<b>Dates</b>	<b>Event</b>	<b>Time</b>	<b>Location</b>	<b>Contact</b>
<b>SEATTLE—King County REALTORS®</b>				
<b>3/9/16</b>	Board of Directors	9:3 am – 12:30 pm	SKCR	425-974-1011
<b>3/15/16</b>	Affiliate Council	9:00 – 10:00 am	SKCR	425-974-1011
<b>3/25/16</b>	Battle of the Barristers	8:30 am – 12:30 pm	SKCR	425-974-1011
<b>4/5/16</b>	Gov't. Affairs Committee	10:00 am – 1:00 pm	SKCR	425-974-1011
<b>4/11/16</b>	Affiliate Forum	8:30 am – 12:00 pm	SKCR	425-974-1011
For updates visit: <a href="http://www.nwrealtor.com">www.nwrealtor.com</a> and click "events"				