NW REporter

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October 2017

Why Seattle builds apartments, but Vancouver, British Columbia, builds condos

It's the economy (again). That's the conclusion a think tank made after examining why Seattle builds apartments and Vancouver, British Columbia, builds condos.

"In Vancouver, apartments are saddled with an unfavorable tax code, making condos the more lucrative multi-family housing investment even despite high rental demand," wrote Margaret Morales, senior research associate at **Sightline Institute**. "In Seattle's skyrocketing rental market, one that's climbed even faster than the condo market in recent years, apartment buildings are much more financially attractive, while condos come with bigger risks and, typically, lower returns," she explained, noting Seattle's demanding quality assurance standards are also a deterrent.

In 2016 nearly 60 percent of new housing starts in the city of Vancouver were condominiums while Seattle saw no new condo buildings open. That mix is not expected to change in the near future since under 10 percent of all building slated for downtown Seattle in the next three years will be condos.

The outlook isn't entirely bleak, according to the Sightline analysis.

Condominiums are becoming more attractive investments for developers as Seattle's single-family housing market sizzles. For now, however, apartments are what builders are constructing.

Morales found a few projects in the pipeline, but overall, only about 4 percent of all new residential units built in the Emerald City during the past five years have been condos. Apartments account for more than 80 percent with the remaining units made up of single-family homes and townhomes.

Contrasting sharply with the trends in Seattle is the construction activity north of the border where 11,000 new condo and townhouse units will be offered in Vancouver's pre-sale market. Rental units accounted for less than 25 percent of that city's housing starts between 2012 and 2016, with condos representing more than half the starts. Townhomes and single-family homes made up the balance.

In the decade between 1996 and 2006, condos accounted for "a full half" of the increase in owner-occupied dwellings in greater Vancouver, according to Sightline's research. By 2011, one-third of households lived in condos.

Sightline also compared who lives in condos based on age, race and ethnic diversity.

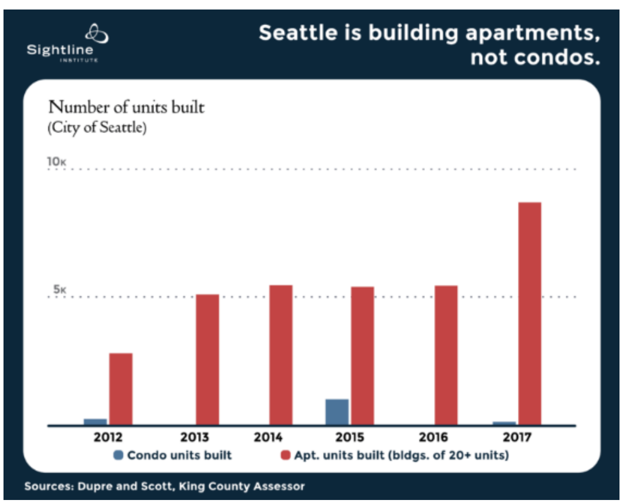
In the U.S., condos tend to appeal to buyers at two ends of the housing spectrum: first-time buyers, and seniors looking to downsize for health or family reasons. "Seattle's condominium buyers are largely of the latter sort," Morales wrote. About two-thirds of condos in metro Seattle are owner-occupied, and two of every three of these residents are aged 65 or older.

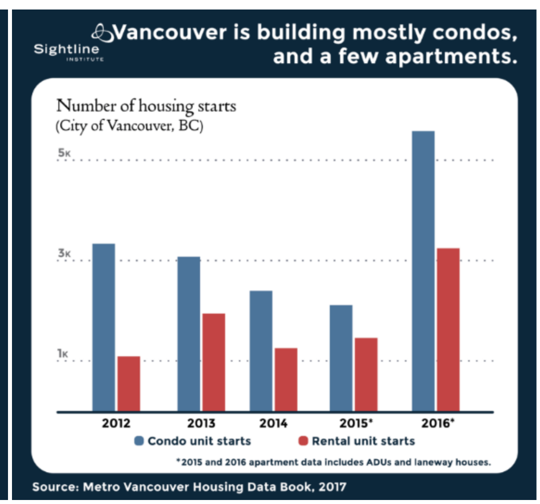
Sightline found condos are a cheaper ownership option for homebuyers in both Seattle and Vancouver. In the city of Vancouver, most condos were between one-fifth and one-third the price of typical single-family homes, based on prices reported for April 2017. The difference is smaller in Seattle. Morales reported the average condo was about two-thirds the price of the typical single-family home. She attributes the smaller gap to the limited selection and the fact that condos in the city skew toward luxury units.

Sightline researchers also looked at what's fueling Vancouver's red-hot condo development and the barriers to building condos in Seattle. Skyrocketing rents and the Washington Condominium Act (WCA) were identified as the primary disincentives.

Several reforms could boost Seattle's condo development, the Sightline team suggests. Along with various amendments to the Condo Act, Morales listed four policy reforms to encourage condo construction:

- Cap attorney fees
- Binding arbitration (for dispute resolutions)
- Right to repairs only (for claimed defects)
- Government of HOAs





The complete report, which includes several charts and graphs, may be viewed online.

In addition to its research on housing and urbanism, Sightline dedicates resources to research, commentary and analysis on climate & energy, democracy, transportation & transit, sustainable living, economy & jobs, and other topics.

The independent, nonprofit research and communications center was founded by Alan Durning in 1993 to equip Northwest citizens and decision-makers with tools to address the region's most significant challenges. Its goal is to "promote smart policy ideas and monitor the region's progress towards sustainability."

LATEST PRESS RELEASE

MLS brokers detecting seasonal slowdown in some areas but expect price hikes to continue in much of Washington

KIRKLAND, Washington (October 5, 2017) – "October will be the best month for selection and availability until late February," proclaimed J. Lennox Scott when commenting on the latest statistics from Northwest Multiple Listing Service.

MLS figures for September show inventory reached 1.7 months of supply at the end of the month, matching the year-to-date high in February. That level is still well below the 4-to-6 months of supply that many industry analysts use as an indicator of a balanced market.

Scott said buyer intensity for new listings is higher today than a year ago. "We continue to have very strong buyer demand as the typical seasonal slowdown begins for new listings." Other industry leaders agreed seasonal adjustments are underway.

Member-brokers in the 23 counties served by Northwest MLS added 10,120 new listings to inventory during September, slightly more than the number reported for the same month a year ago (10,029). At the end of the month there were 15,888 listings of single family homes and condos in the MLS database, a drop of 12.4 percent from a year ago when buyers could choose from 18,136 listings.

"The pressure cooker for the housing market continues as the typical seasonal market comes into play for new listings coming on the market," stated Scott, the chairman and CEO of John L. Scott. He noted new listings during September and October typically shrink 30 percent – and even more during the winter months – when compared to spring and summer months.

Brokers say strong job growth statewide is fueling demand for housing. Washington has added around 83,000 new jobs from August 2016 through August 2017 (not seasonally adjusted), according to the state Employment Security Department.

Like some other months this year, pending sales last month surpassed the number of new listings, putting pressure on prices. Year-over-year median prices for homes and condos surged 12 percent.

Brokers reported 10,348 mutually accepted offers system-wide last month, about the same number as a year ago (10,370), but last month's total was the fewest pending sales since February (8,209). For the four- county Puget Sound region, members notched 7,441 pending sales. That's the third best September for this area in the past 18 years, topped only by last year's total of 7,729 and the total for August 2005 when 7,561 pending sales occurred.

Buyers may be emerging on news of slightly improving supply. “For only the second time this year the available inventory was over the one-month mark in King County,” said John Deely. “A notable number of new listings went past their offer review date, and more listings had price reductions.”

Deely, the principal managing broker at Coldwell Banker Bain, also observed a decrease in the overall number of buyers participating in multiple offer situations. “During spring and summer it was common to see numerous offers on individual listings. Now, it’s more common to see a few in multiple offer situations,” Deely remarked. “This change is a predictable seasonal adjustment as buyers and sellers enjoy the warm weather.” Nevertheless, Deely said the market “has the feel of a slightly slower pace.”

MLS director George Moorhead also commented on seasonality. “The seasonal summer market was felt stronger this year than what we have experienced in the last three years. Market indicators are showing we are plateauing into a healthier balanced market.”

Dick Beeson, principal managing broker at RE/MAX Professionals in Gig Harbor, described the market as “a wonderful adventure,” saying the scarce inventory “is like a dog at the door in winter. It refuses to go away till it’s fed. More houses for sale, please.” For Northwest home buyers, though, Beeson expects that won’t happen anytime soon.

“The entire region is off the charts,” remarked Mike Grady, president and COO of Coldwell Banker Bain, referencing the latest numbers from the Case-Shiller home price index. It shows Seattle area home prices have spiked 13.5 percent in the past year, well above second place Portland with its 7.6 percent average and more than twice the national average of 5.9 percent.

Northwest MLS figures show area-wide median prices are up more than 12 percent from a year ago, rising from $340,000 to $381,000. September’s figure is slightly lower than the peak reached in July when the median price across all counties was $385,000.

A snapshot of the luxury segment of homes priced at $1 million-plus further illustrates the strength of the Greater Seattle market:

Luxury Sales, Jan.-Sept., King Co. ($1M+, SFH + condo)				
Sales Price	**2017**	**2016**	**2015**	**2014**
$1 million	2,478	1,703	1266	896
$1.5 million+	699	500	392	295
$2 million+	241	209	157	117
$2.5 million+	300	215	181	135
	3,718	**2,627**	**1,996**	**1,443**
% change vs 2017		**41.53%**	**86.27%**	**157.66%**

Excluding condos, the system-wide median price for September's single family sales was $390,000. A look at the 23 counties in the report shows a wide range of median prices, from the lowest of $124,000 in Ferry County to the highest, at $625,000, in King County.

September's median price for single family homes and condos in King County, at $565,000, reflects a jump of more than 14 percent from a year ago, but it is a $20,000 decline from August (down about 3.5 percent).

"While prices for single family homes and condos were up more than 14 percent annually in King County, it's hard to ignore the $20,000 price drop between August and September," said OB Jacobi, president of Windermere Real Estate. "But if you look at the historic data more closely, it shows that prices have also dropped between August and September in five of the past six years, which points to a seasonal pattern rather than a long-term trend that we need to be concerned about."

Statistics are helpful for some uses, but may not always tell a complete story, cautioned one broker.

"In Snohomish County, we saw increases in the luxury (higher end) segment during the summer months, which of course raised both the median and average sales prices," said Diedre Haines, principal managing broker-South Snohomish County at Coldwell Banker Bain in Lynnwood. "Now we're seeing a decrease in those types of sales with more affordable homes becoming more dominant."

Haines also noted some reports encompass large geographic areas, such as Seattle, Everett, Tacoma and Bellevue. "When you drill down and localize the data, the picture may look quite different," she explained.

In Snohomish County, for example, Northwest MLS tracks statistics for six sub-areas within that county. Last month's median price for countywide sales of single family homes and condos was $430,000, but it ranged from $352,000 in the northwest segment of the county to $606,250 in the southeast portion. Year-over-year price changes ranged from an increase of just over 6 percent to more than 19 percent.

Noting King, Pierce and Snohomish counties all reported year-over-year price hikes of more than 14 percent, Grady said "This leap to new heights is based on high demand and low supply." He noted neighboring counties are feeling the pinch, with several of them reporting double-digit drops in supply.

"All indications are that sales price increases in these neighboring counties are likely to accelerate at an even faster rate," suggested Grady. In some of these counties, the median selling price is about half the price in King County. Faced with limited inventory and skyrocketing prices, some buyers are forced to broaden their search to these neighboring counties, Grady commented, adding he expects market forces will continue to fuel appreciation in housing into 2018 and beyond.

Moorhead, the designated broker and owner at Bentley Properties, said some renters who have been holding off are now becoming more active in hopes of taking advantage of longer market times and homes new to the market not receiving expected offers within the offer review date.

Despite some signs of a slowing market Moorhead said many renters remain frustrated, pointing to the $125,000 hike in King County's median price in just two years. "Some renters say it's like chasing a snowball down a hill that just keeps out of reach and continues to get larger and larger," he remarked.

Builders are also frustrated, according to Moorhead. "We are hearing complaints and requests from builders to expand Growth Management Area guidelines. The massive shortage of developable land makes it more difficult to create affordable housing," he explained, adding, "It's becoming commonplace for new construction prices in Seattle and the Eastside to top a million dollars."

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of more than 2,200 member offices includes more than 26,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

Statistical Summary by Counties: Market Activity Summary – **September 2017**

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	3,856	3,693	3,514	3,262	$675,660	$565,000	1.13	1.37
Snohomish	1,594	1,850	1,614	1,466	$462,180	$430,000	1.26	1.49
Pierce	1,669	2,556	1,775	1,617	$351,306	$315,000	1.58	1.90
Kitsap	491	757	538	519	$390,946	$314,000	1.46	2.16
Mason	134	383	155	138	$249,926	$224,750	2.78	4.21
Skagit	218	508	241	184	$360,852	$326,475	2.76	2.32
Grays Harbor	140	469	176	156	$189,850	$166,475	3.01	4.43
Lewis	120	378	135	125	$205,768	$194,500	3.02	3.62
Cowlitz	145	289	186	131	$233,009	$215,000	2.21	2.31
Grant	106	345	115	82	$202,004	$195,000	4.21	4.86
Thurston	476	797	586	569	$319,956	$294,000	1.40	2.29
San Juan	25	248	55	43	$700,599	$525,000	5.77	8.31
Island	179	449	195	176	$429,647	$364,100	2.55	2.93
Kittitas	80	279	85	80	$350,436	$281,197	3.49	3.56
Jefferson	66	251	90	72	$384,262	$366,250	3.49	4.07
Okanogan	48	327	64	51	$277,790	$218,000	6.41	8.95
Whatcom	353	910	408	321	$348,362	$329,500	2.83	2.53
Clark	75	139	58	40	$362,871	$321,250	3.48	1.50
Pacific	43	245	62	53	$211,253	$165,000	4.62	5.11
Ferry	8	55	4	5	$130,200	$124,000	11.00	14.00
Clallam	120	362	126	107	$317,063	$255,000	3.38	4.13
Chelan	68	261	69	87	$365,942	$329,000	3.00	4.27
Douglas	42	100	33	33	$285,864	$275,000	3.03	2.43
Others	64	237	64	54	$207,359	$184,450	4.39	4.50
Total	**10,120**	**15,888**	**10,348**	**9,371**	**$473,598**	**$381,000**	**1.70**	**2.01**

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	5703	4475
2016	5420	6703	8130	8332	9153	8869	8545	8628	7729	7487	6115	4727
2017	5710	6024	7592	7621	9188	9042	8514	8637	7441			

Home flips in Seattle below national rate but YOY growth "somewhat concerning"

About 5.6 percent of all homes and condos sold nationwide this year during the second quarter were flipped properties, according to ATTOM Data Solutions, a multi-sourced national property database. Seattle's rate was lower.

Of the 53,638 properties analyzed, owners realized an average gross flipping profit of $67,516, which represents a 48.4 percent return on investment (ROI). Pittsburgh, PA yielded the highest ROI, at 146.6 percent, well above Baton Rouge, Louisiana, the second best ROI, where the average return was 120.3

percent. Honolulu had the lowest average return at only 17.8 percent. Other areas with the worst returns were Boise, Austin, San Jose, and San Francisco.

More than half (53 percent) of the 101 metro areas in the report posted a year-over-year increase in home flipping rates in the second quarter. Baton Rouge, Louisiana led that list (up 72 percent), followed by Rochester, NY (up 39 percent); Daphne-Fairhope-Foley, Alabama (up 29 percent); New York (up 24 percent); and Modesto, California (up 24 percent).

Flippers used financing for more than a third (35 percent) of homes flipped in Q2 2017, a nine-year high for that method. The estimated total dollar volume of financing for homes flipped during the second quarter was $4.4 billion, the highest level in nearly a decade.

About one of every four homes (25.5 percent) flipped in Q2 were sold to cash buyers and 18.2 percent were sold to buyers using FHA loans (often first-time homebuyers).

Seattle was among the top 10 metro markets with home flips purchased with financing. Colorado Springs, Colorado led that list at 68.4 percent, followed by Denver (56.1 percent); Boston (53.3 percent); Providence, Rhode Island (51.7 percent); and San Diego and Seattle, which both reported 49.0 percent. Phoenix, Minneapolis-St. Paul, San Francisco and Portland rounded out that "top 10" list.

Attom defines a home flip as "a property that is sold in an arms-length sale for the second time within a 12-month period based on publicly recorded sales deed data."

The 5.6 percent home flipping rate for Q2 was down from 6.9 percent in the previous quarter but unchanged from a year ago.

Attom analyzed data from more than 950 counties and 101 metro areas encompassing more than 80 percent of the U.S. population.

Nationwide 40.3 percent of all homes flipped in Q2 2017 were purchased as foreclosures or as bank-owned properties (REO), down from 43.3 percent in the previous quarter and down from 44.4 percent in Q2 2016. A high of 70.4 percent of homes flipped in Q1 2010 were purchased as foreclosures or as REOs.

States with the highest share of Q2 2017 home flips purchased as foreclosures or as REOs were Indiana (61.1 percent), New Jersey (60.0 percent), Maryland (59.4 percent), Illinois (52.7 percent), and Ohio (52.3 percent).

The ROI for flippers peaked at 51.1 percent in the third quarter of 2016, and marked the lowest level since Q3 2015. This year's second quarter rate (48.4 percent) slipped from the previous quarter's return of 49.0 percent and from the same period a year ago (49.6 percent).

"Home flippers are employing a number of strategies to give them an edge in the increasingly competitive environment where flipping yields are being compressed," said Daren Blomquist, senior vice president at

ATTOM Data Solutions. “Many flippers are gravitating toward lower-priced areas where discounted purchases are more readily available — often due to foreclosure or some other type of distress. Many of those lower-priced areas also have strong rental markets, giving flippers a consistent pipeline of demand from buy-and-hold investors looking for turnkey rentals.”

“In markets where distressed discounts have largely dried up, flippers are showing more willingness to leverage financing when acquiring properties, often purchasing closer to full market value and then relying more heavily on price appreciation to fuel their flipping profits,” Blomquist added.

CNBC credited home renovation televisions shows for the rise in home flipping.

One local economist, commenting on Seattle’s activity, where 5.4 percent of home sales were reported to be flipped properties, had a mixed reaction.

“It is good to see the substantial drop in Seattle-area home flipping activity in the second quarter compared to the previous quarter, but the year-over-year growth is somewhat concerning,” said Matthew Gardner, chief economist at Windermere Real Estate. “Home flipping can function to inflate home prices in a region, which as we saw in the run-up of the housing bubble, is not a good thing. That said, given the absolute number of flips relative to the total number of home sales (5.4 percent), it is not a huge cause for concern, at least not yet.”

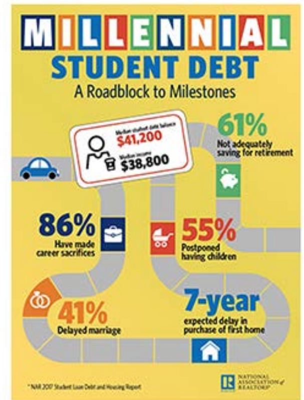
ATTOM Data Solutions is the curator of the ATTOM Data Warehouse, which blends property tax, deed, mortgage, foreclosure, environmental risk, natural hazard, health hazards, neighborhood characteristics and other property characteristic data for more than 150 million U.S. residential and commercial properties. Its data is used by businesses, consumers, government agencies, universities, policymakers and the media in multiple ways, including bulk file licenses, APIs and customized reports.

The company also powers consumer websites designed to promote real estate transparency, including RealtyTrace.com, Homefacts.com, and HomeDisclosure.com.

Millennials delaying homeownership, citing student debt

Student debt is blamed for decisions by millennials to delay buying a home and to postpone other financial decisions and life choices.

A joint study by the National Association of Realtors® and nonprofit American Student Assistance® revealed the median amount of time millennials expect to be delayed from purchasing a home is seven years; overall, 84 percent expect to postpone buying by at least three years. The new study found that only 20 percent of millennial respondents currently own a home.



This cohort (generally those born in the 1980s or 1990s) also told researchers that student debt is causing them to hold back on other important personal milestones, such as adequately saving for retirement, changing careers, continuing the education, marrying, and having children.

Lawrence Yun, NAR chief economist, said the housing market's lifecycle is being disrupted by the $1.4 trillion of student debt currently being carried by U.S. households.

"The tens of thousands of dollars many millennials needed to borrow to earn a college degree have come at a financial and emotional cost that's influencing millennials' housing choices and other major life decisions," said Lawrence Yun, NAR chief economist. "Sales to first-time buyers have been underwhelming for several years now, and this survey indicates student debt is a big part of the blame. Even a large majority of older millennials and those with higher incomes say they're being forced to delay homeownership because they can't save for a down payment and don't feel financially secure enough to buy."

Yun expressed particular concern for millennials' decision to postpone saving for retirement because of their student debt. A large segment (60 percent) told researchers there were times when they were not able to make a contribution to their retirement. Nearly a third (32 percent) said at times they were able to contribute but with a reduced amount.

"Being unable to adequately save for retirement on top of not experiencing the wealth building benefits of owning a home is an unfortunate situation that could have long-term consequences to the financial well-being of these millennials," said Yun. "A scenario where only those with minimal or no student debt can afford to buy a home and save for retirement is not an ideal situation and is one that weakens the economy and contributes to widening inequality."

Survey findings underscore a need for better understanding of college costs, according to NAR and ASA. Only one-in-five borrowers indicated in the survey that they understood all of the costs, including tuition, fees and housing.

Most respondents borrowed money to finance their education at a four-year college (79 percent), and slightly over half (51 percent) are repaying a balance of over $40,000.

"Student debt is a reality for the majority of students attending colleges and universities across our country. We cannot allow educational debt to hold back whole generations from the financial milestones that underpin the American Dream, like home ownership," said Jean Eddy, president and CEO at ASA. "The results of this study reinforce the need for solutions that both reduce education debt levels for future students, and enable current borrowers to make that debt manageable so they don't have to put the rest of their financial goals on hold."

“Realtors® are actively working with consumers and policy leaders to address the growing burden student debt is having on homeownership,” President William E. Brown, a Realtor® from Alamo, California. “We support efforts that promote education and simplify the student borrowing process, as well as underwriting measures that make it easier for homebuyers carrying student loan debt to qualify for a mortgage.”

Homebuilder’s subsidiary offers student loan repayment for young homebuyers

More than eight of every ten millennials who don’t own a home (83 percent) told researchers their student loan debt affected their ability to buy. That knowledge help prompt the lending arm of a Fortune 500 homebuilder to craft a mortgage program that will help buyers of their homes pay off their student debt.

Eagle Home Mortgage, a subsidiary of Lennar Corp., will pay off as much as $13,000 in student loans for qualified borrowers purchasing a new home from Lennar. Under its Student Loan Debt Mortgage Program, the lender will direct 3 percent of the home purchase price to repay the borrower’s students loans. The 3 percent contribution would not increase the price of the home or the amount of the mortgage.

The program’s maximum loan amount is $424,100, but Lennar said in addition to the 3 percent contribution to student loan balances, buyers may also be eligible for other incentives such as credits toward closing costs. The company said the program is not intended for parents who took out loans to finance a child’s education.

The program (with certain conditions) is being rolled out on a trial basis with new Lennar homes nationwide. Its homes are found in 40 markets within 19 states, including several locations in Western Washington.

“Education is an investment in yourself and your community – and Lennar wants to help ensure that college loans don't unnecessarily stand in the way of homeownership,” stated Jon Jaffe, chief operating officer of Miami-based Lennar.

In a recent study by the National Association of Realtors® (NAR) and American Student Assistance, a nonprofit that strives to help students who want an education get one in a financially responsible way, millennial respondents described their impediments to buying a home.

Among respondents in the millennial group, only 20 percent own a home. The majority of those polled carry an average student debt of $41,200 – more than their average income of $38,800. (The average outstanding student loan balance is $26,700, according to the New York Federal Reserve.)

Millennials expect to postpone buying a home for a median time of seven years, with 84 percent saying they’ll defer for at least three years.

"Americans are more burdened than ever by student loans, with $1.3 trillion in outstanding student loans spread out among 42 million borrowers," Jimmy Timmons, president of Eagle Home Mortgage, said in a release. "Our program is designed to relieve some of that burden and remove that barrier to owning a home."

Earlier this year, Fannie Mae unveiled a significant expansion of its student loan cash-out refinance program, an option that expands on a program it introduced about a year ago with SoFi. Fannie Mae has also introduced new policies to help borrowers with student loan debt get qualified for mortgage loans.

Grant funds research on smart-home tools for extending age-in-place possibilities

Research funded by a new grant from the National Institute of Nursing Research (NINR) has the potential to extend the ability of older adults to age in place, according to an inter-professional team of scientists.

The $1.77 million grant will fund a five-year "clinician-in-the-loop" project conducted by three Washington State University professors with nursing, technology engineering, and psychology backgrounds. They will remotely monitor the health and safety of elderly citizens.

The trio of scientists will design and pilot test smart home sensors to automatically identify health events in the homes of adults with chronic conditions. The health monitoring and assessment technology, coupled with the judgment and experience of health-care clinicians, will enable automated health assessments.

As sensors record information, a health-care professional will identify data that's relevant to a person's health and safety; engineers will then create computer algorithms to recognize meaningful behavioral patterns.

The research has the potential to provide dramatic benefits, according to a statement from WSU. Through real-time assessment and intervention, scientists believe smart-home technologies can extend the functional independence of an aging society while reducing caregiver burden and improving quality of life.

- The new grant builds on innovative pilot work conducted by the three grant recipients, who include:
- Roschelle "Shelly" Fritz, assistant professor in the College of Nursing in Vancouver;
- Diane Cook, the Huie-Rogers chair professor in the School of Electrical Engineering & Computer Science;
- Maureen Schmitter-Edgecombe, the Herbert L. Eastlick professor in the Department of Psychology.

Cook and Schmitter-Edgecome have worked to develop a health-assistive smart home that uses intelligent algorithms capable of detecting and labeling—with over 98 percent accuracy—more than 40 normal activities of daily living and behavior patterns for older adults.

Fritz previously conducted research at Touchmark on South Hill where, with support from that retirement community's foundation, she deployed five health-assistive smart homes. She is evaluating the clinical relevance of raw sensor data so the intelligent algorithms can be trained to detect health changes in older adults with multiple chronic conditions.

Research under NINR's new grant, which started on Aug. 1, will again be conducted at the Touchmark retirement community. Funding for a nursing Ph.D. student to work as a research assistant with a nine-month tuition waiver and stipend is included in the grant.

NINR is one of 27 Institutes that comprise the National Institutes of Health. Its mission is to promote and improve the health of individuals, families, communities, and populations.

Glum or glad? WalletHub analyzed us

Be glad you don't live in West Virginia. People there are unhappy, according to a study by WalletHub. Its "happiness" research determined Minnesota is the happiest state in America while residents of the Mountain State are the most miserable. Washington ranked 16th among the 50 states.

WalletHub used three key dimensions (emotional & physical well-being, work environment, and community & environment) and 28 key metrics, which were weighted, to rank the states.

In topping the chart, Minnesota had a total score of 70.81, and ranked 5th in both the "emotional and physical well-being" and "work environment" criteria, and 3rd in the "community & environment" category. (A score of 100 represented maximum happiness.)

By comparison, Washington had a total score of 60.35, and ranked 25th for "emotional and physical well-being." That state fared better for work environment (5th) and in the community & environment category (15th). It was third overall for sports participation, behind Colorado and Oregon.

First place rankings in each of the categories were:

- Hawaii – Emotional & Physical Well-being
- Utah – Work Environment
- Utah – Community & Environment

In a statement announcing the results of the Happiness States survey, a spokesman for WalletHub said people determine their own happiness. "How content we are with life is not only and always a matter of perspective. And it's certainly not about beauty, power or wealth – at least, not beyond an annual income of $75,000. Where we choose to live can also influence our level of happiness," explained Richie Bernardo, senior writer at the website that functions as an "artificially intelligent financial advisor."

Rounding out the top five happiest states (following Minnesota) were Utah, Hawaii, California and Nebraska.

The unhappiest states were Arkansas, Alabama, Louisiana, Oklahoma and, at #50, West Virginia.

Washington finished ahead of #17 Idaho and #32 Oregon.

In addition to its own research, WalletHub used data from more than a dozen sources including the U.S. Census Bureau, Bureau of Labor Statistics, Center for Disease Control and Prevention, and Gallup-Healthways.

News In Brief

- **Washington state's unemployment rate ticked up slightly to 4.6 percent.** According to the latest numbers released recently by the Employment Security Department, August's rate increased from July's 4.5 percent. Meanwhile, the state gained 2,000 jobs. The biggest job growth was seen in retail trade, up 1,900. The largest losses were seen in government, down 2,900 jobs, and other services, which dropped 1,100. Job gains and losses are estimates based on a survey by the U.S. Bureau of Labor Statistics. The unemployment rate counts the percentage of people who are unemployed and actively looking for work, and doesn't include those who have stopped looking for work. The national unemployment rate was 4.4 percent in August. The rate in the Seattle-Bellevue-Everett area increased to 3.7 percent in August from 3.5 percent in July.

- **The mayor of the small Snohomish County town of Sultan has been picked to fill a vacancy in the state House of Representatives.** The Daily Herald reported that Carolyn Eslick will represent the 39th legislative district, which includes swaths of Snohomish, Skagit and King counties. Arlington Republican John Koster resigned from his seat in August to lead the County Roads Administration Board, which distributes gas tax dollars for road projects across the state. Elected officials from three counties picked Eslick, the Republican Party's third-ranked nominee for that seat. The party's top pick was former state lawmaker Elizabeth Scott, of Monroe, who served two terms in the House. Eslick will serve through the 2018 election.

- **Projected revenue for the state of Washington has increased by about $288 million through the middle of 2019.** Numbers released last month by the Office of Financial Management show the state's revenue collection will be up, partly because the state's economy performed better than expected in June. Total revenue generated for the state's general fund budget for 2017-2019 is predicted to be about $44 billion. In June lawmakers approved a two year, $43.7 billion state operating budget. It spends $1.8 billion on K-12 public schools over the next two years. That investment is part of a $7.3 billion hike over four years designed to satisfy a state Supreme Court ruling that the state had not adequately funded basic education. The budget also adds $618 million for public employee collective bargaining and pay and $102 million in mental health spending.

- **Seattle has a nationwide reputation for being Coffee Town USA, and now a study confirms we're worthy of the crown.** WalletHub researched 14 indicators of "coffee lover-friendliness" among the top 100 cities in the U.S. and found Seattle tops the charts, just edging our Northwest neighbor Portland, which posted a strong No. 2 showing. San Francisco, New York and Los Angeles rounded out the Top 5 while Laredo, Texas ranked last in the study. Seattle scored particularly well in the category "Most Affordable Coffee Shops, Coffee Houses & Cafes Rated 4.5+ stars per Capita", tying with San Diego, San Francisco and Portland for tops in the nation. Keeping with the "scoring well in the per capita categories", Seattle finished first among coffee and tea manufacturers per capita. In the more oddball categories, Seattle was 5th among cities who Googled "coffee". We fared the worst in "average price per pack of Coffee" which at $5.61 ranked 77th, and the average price of a Cappuccino at $4.04, ranking 69th.

Calendar of Events through November 9, 2017

Dates	Event	Time	Location	Contact
SEATTLE—*King County* REALTORS®				
10/11-13/17	WR Leadership Conference		Leavenworth, WA	425-974-1011
10/17/17	Affiliate Council	9:30 am-10:30 am	SKCR	425-974-1011
10/19/17	REALTOR® Advantages	9:30 am – 12:30 pm	SKCR	425-974-1011
11/9/17	Affiliate Forum	8:30 am – 12:00 pm	SKCR	425-974-1011
For updates visit: **www.nwrealtor.com** and click “events”				