NW REporter

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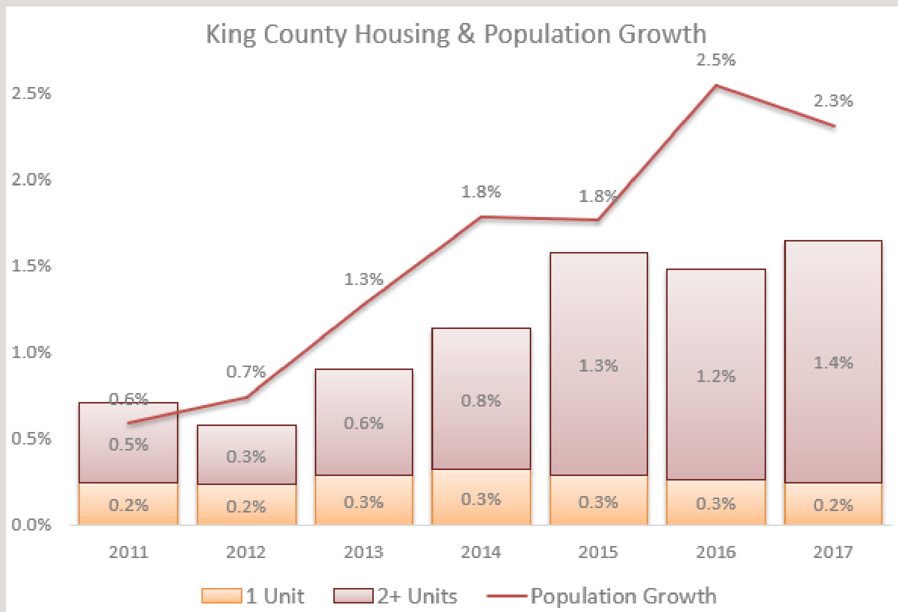
Region must play catch-up to meet housing needs

For the sixth straight year, population growth in King County, at 2.3 percent, has exceeded the creation of new housing (1.6 percent).

King County added 48,600 residents last year while housing stock grew by only 14,700 units, according to Dan Ryan of Sound Transit Blog. The 0.7 percent gap is a rough measure of the failure to create enough housing to meet needs *(see chart).*

The Regional Housing Gap

King County Housing & Population Growth



King County's population growth has consistently outpaced housing creation.
Housing is percentage of prior year total units.

Reprinted with permission from Dan J. Ryan, Seattle Transit Blog

Citing data from the State Office of Financial Management, Ryan said both Snohomish and Pierce counties appeared more balanced until 2014, "but now face heightened housing pressures as displacement of King County workers from expensive local housing markets grows."

Writing in Seattle Transit Blog, Ryan repo rted Seattle accounts for 21 percent of the region's housing stock, but only 2 percent of added single family housing since 2010. Pierce and Snohomish counties have picked up much of the slack, but they are "increasingly unable to keep up with demand."

What's more, Ryan believes Seattle is significantly out of step with comparably sized cities in producing apartments that are appropriate for larger family units. "There's not much family in multi-family," he quipped, noting "81 percent of new Seattle apartments are studios or one-bedroom."

"Single-family is not the only form of family-friendly housing, but statistically, it's been a fair proxy in this region," Ryan stated. "While it makes obvious senses for densifying Seattle to shift toward multifamily housing forms, those forms are rarely targeted to families."

For many, the shortage means more crowding, higher rents, more displacement and longer commutes.

People on the margins of the housing market may live with parents longer or share space with more roommates. Some are homeless. Many residents face higher rents or rising home prices, which may mean relocating to neighboring counties.

While Seattle is faulted for under-producing homes for families, other cities around King County lag in producing "all sorts of homes," in part due to a reluctance among both suburban cities and Seattle neighborhoods to accept growth.

"Long highway commutes are not a sustainable solution to housing deficits near job centers," Ryan wrote in his blog," adding: "That doesn't mean slowing apartment building in urban areas of neighborhood centers. There's enough demand to go around."

Instead, he believes the best answer is a mix of larger apartments, and more townhomes, and more single family detached homes on smaller lots. He also suggests the next round of comprehensive plans set higher regional targets, along with paying close attention to the full range of housing needs, and considering the recently-released 10-point action plan from the Master Builders Association of King and Snohomish Counties (*Editor's note: see report in November edition of Northwest REporter).*

LATEST PRESS RELEASE

Holiday shoppers include homebuyers, but inventory is still a challenge

KIRKLAND, Washington (December 6, 2017) – "Normal seasonal slowdowns" are reported by some real estate leaders with Northwest Multiple Listing Service, but other brokers say this holiday season is still drawing crowds at open houses along with competitive bidding in some neighborhoods.

Both inventory and pending sales dipped to their lowest levels since April, while prices still increased by double-digits in most of the 23 counties served by Northwest MLS.

MLS members reported 8,304 pending sales of single family homes and condos, a slight (1.6 percent) gain over the year-ago figure of 8,173. Last month's mutually accepted offers surpassed the number of new listings (6,098) by 2,206 properties to keep supply tight.

"Until we see a balanced rate of 4-to-5 months of supply, instead of hovering around one month, we're not likely to see much change," remarked George Moorhead, designated broker at Bentley Properties. "However," he added, "since we have seen these low inventory levels since 2013, maybe this is going to be the new normal."

Moorhead, a member of the Northwest MLS board of directors, also said this time of year is actually one of the best times to find a home. “There is less competition and sellers who list their homes at this time are usually motivated to make their move. Some of the best pricing can be attained from December through early February,” he indicated.

Buyers seem to be undeterred by winter weather, holiday festivities or other seasonal or—for the most part—political distractions.

Gary O’Leyar, designated broker/owner of Berkshire Hathaway HomeServices Signature Properties, said December “may well provide an unexpected holiday reprieve for our local, weary real estate shoppers. Combined with the seasonal pace change and real estate industry pundits’ consternation over the effect of the federal income tax bill working its way through Congress, buyers could be getting some relief.” He urged potential sellers to take note as “This could be the signal they’ve been waiting for as a good time to sell before the pending tax laws that affect real estate ownership take effect.”

For those who are both prepared and patient, OB Jacobi, president of Windermere Real Estate, said the holidays can actually be a great time to buy “because there is usually less competition and sellers are motivated to close out the year with a sale.”

More than 8,000 sellers found November to be a good time complete sales. Closed sales rose about 2.5 percent year-over-year, from 7,872 transactions to 8,068. Sales of single family homes (excluding condos) rose about 3.3 percent, but the volume of condos fell about 2.6 percent, likely due to limited selection.

“Open houses this past weekend drew strong traffic,” reported Northwest MLS chairman John Deely, principal managing broker at Coldwell Banker Bain. He said more than a hundred groups toured a condo in the Lake Union area.

“The Seattle market is inundated with technology workers, both newly relocated and those that have been renting and are ready to set down roots,” Deely noted, adding “Investors both large and small are stepping up their purchasing, signaling strong confidence in the Greater Seattle area.”

Strong demand is not confined to Seattle.

“The velocity of market means that every time a new listing is added all eyes focus like a laser beam to see what just happened,” said Dick Beeson, principal managing broker at RE/MAX Professionals in Gig Harbor. “If a worthy property comes on the market, buyers know it instantly as the information is streamed through every device known to man. Buyers step up and buy, quickly and efficiently.”

Brokers are noticing the buyers include growing numbers of millennials.

“Millennial buyers continue to enter the market but the extremely low inventory is hampering their success rate in finding and securing a purchase,” said Diedre Haines, principal managing broker-South Snohomish County at Coldwell Banker Bain in Lynnwood.

Haines said November activity started slow, but definitely picked up later in the month. “Earlier this year I feared signs that a bubble was building, but I no longer see that happening,” she stated.

"While we continued to experience more of the same in November related to a lack of inventory, we are seeing more homes sold year-to-date,” observed Mike Grady, president and COO of Coldwell Banker Bain. He noted the number of new listings in King County for November increased more than 7 percent compared to last year.

Area-wide, the volume of new listings added during November rose nearly 5.6 percent (from 5,776 to 6,098) compared to the same month a year ago.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, described sales activity for new listings as “extremely strong.” Despite lower overall volumes of new listings and sales, Scott said the majority of new listings are selling within their first 30 days on the market. He calculated November’s pending sales of single family homes outgained new listings by nearly 41 percent.

Despite improvements in new listings, brisk sales kept inventory well below year-ago levels. “King County is still experiencing double-digit reductions in inventory compared to this same time last year, but the shortage is even more pronounced in some outlying counties,” Grady noted, commenting “We’re not just talking about the main commuter counties.”

Significant decreases in inventory are found in Thurston (down 31 percent), Mason (down more than 26 percent), and Cowlitz (down more than 39 percent) counties. MLS figures show inventory is down more than 24 percent in Snohomish County and nearly 29 percent in Kitsap County. Across the 23 counties, it’s down about 15.9 percent.

Measured by months of supply, there is about 1.4 months of inventory overall. In King County, supply has dwindled to 0.79 months, and only slightly better, at 0.89 months, in Snohomish County.

Home values continue to escalate across the region. The system-wide median price of $379,000 was up 10.8 percent from a year ago, with 15 counties reporting even sharper gains.

In King County the median price for single family homes and condos combined jumped 15.6 percent, from $497,254 to $575,000. For single family homes (excluding condos), the median price was $630,750, up nearly 14.7 percent from last year. Condo prices surged 17.1 percent, due to a combination of depleted inventory (down 28 percent from a year ago) and higher prices for new condos. (In King County, the condo component classified as new construction that sold during November had a median price of $873,490.)

Commenting on prices, Haines emphasized wide variations are found when comparing median sales price within most counties. In Snohomish County, for example, the median price for homes and condos that sold in Mill Creek was $590,000, while in Darrington it was $191,475. Similarly, in King County, the median price for Bellevue homes and condos was $875,000; in Tukwila the sales price was $321,194. Brokers tend to concur prices may moderate in the coming year.

“Can we as an industry sustain this 10-to-15 percent increase in prices again in 2018? I don’t think so, but I don’t know,” remarked Beeson, adding, “I only know that when sellers decide to get serious and sell their home by finally setting the right price or finally improving the condition of their property to justify their price magic happens. Houses sell, people move, lives change forever.”

“Prices are expected to see some much needed slowdown in 2018 which will help bring more balance to the market,” stated Jacobi, who also believes a housing bubble is unlikely. “Rising home prices on their own don’t lead to a bubble; a number of other factors have to come into play.”

Moorhead agreed, saying he expects 2018 “will be less glamorous with 6-to-8 percent appreciation, or even a slight flattening of the market for 8-to-12 months.” Commenting on modest gains in income, at around 2.5 percent, he remarked “No wonder buyers in the market are so frustrated and willing to make significant concessions to secure their next home. It’s like chasing a train where you just cannot catch up and only the fastest can get on.”

Brokers tended to agree some of the provisions in the widely anticipated tax reform have “the potential to negatively affect home values nationwide.” Haines said a drop in sales is expected if the proposed bill as it stands is passed.

Notwithstanding the uncertainty around tax reform, Scott remains confident: “Market conditions are set for another robust market in the year 2018,” he stated.

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 tables begin on next page.

Statistical Summary by Counties: Market Activity Summary – **November 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	2,102	2,234	2,831	2,821	$678,388	$575,000	0.79	0.96
Snohomish	924	1,100	1,332	1,237	$468,411	$429,950	0.89	1.14
Pierce	1,035	1,830	1,478	1,385	$342,173	$301,900	1.32	1.68
Kitsap	332	539	453	432	$409,085	$314,500	1.25	1.95
Mason	73	281	100	98	$247,924	$228,250	2.87	4.66
Skagit	121	393	170	157	$347,692	$317,655	2.50	2.46
Grays Harbor	107	386	134	124	$208,541	$181,000	3.11	4.29
Lewis	85	319	101	112	$235,969	$219,375	2.85	3.32
Cowlitz	101	259	151	131	$259,612	$240,000	1.98	1.50
Grant	67	278	72	84	$223,432	$199,200	3.31	5.48
Thurston	334	572	455	441	$315,687	$286,000	1.30	1.83
San Juan	20	207	29	36	$699,387	$440,500	5.75	9.14
Island	115	335	174	162	$426,685	$352,000	2.07	3.48
Kittitas	60	210	61	86	$418,104	$328,250	2.44	3.00
Jefferson	38	191	59	67	$391,140	$351,000	2.85	4.62
Okanogan	28	260	25	39	$213,951	$174,000	6.67	8.33
Whatcom	247	666	326	309	$381,093	$335,000	2.16	2.27
Clark	51	113	59	59	$393,370	$339,900	1.92	1.33
Pacific	44	207	36	38	$208,978	$137,000	5.45	5.53
Ferry	1	46	4	4	$181,100	$187,450	11.50	21.67
Clallam	66	247	107	96	$288,440	$266,162	2.57	3.12
Chelan	60	216	59	69	$423,974	$331,706	3.13	3.22
Douglas	45	111	33	32	$311,388	$287,000	3.47	3.36
Others	42	193	55	49	$240,702	$235,000	3.94	4.03
Total	**6,098**	**11,193**	**8,304**	**8,068**	**$478,446**	**$379,000**	**1.39**	**1.69**

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	7740	6094	

Publisher of loan info compares salary needed to buy homes in 50 large metropolitan areas

Homebuyers in Seattle need a salary of more than $93,000 to buy a median-priced home, according to the latest analysis by HSH.com, a publisher of mortgage and consumer loan information. That number rises to more than $109,000 if the down payment amount drops to 10 percent instead of 20 percent.

“Amid tight markets with little new supply, housing affordability continues to a spreading problem,” the authors wrote in their report comparing 50 metro markets. Researchers found a majority of markets were less expensive on a quarter-to-quarter basis, but the year-over-year comparison shows only one metro area (Hartford, CT) experienced price dip, and it was a slight -1.04 percent.

Commenting on the challenges of limited inventory and rising prices, NAR Chief Economist Lawrence Yun stated, “Affordability pressures are frustratingly occurring in places where jobs are plentiful and incomes are rising. Without a significant boost in new and existing inventory to alleviate price growth, job creation could slow in high cost areas in upcoming years if residents begin exiling to more affordable parts of the country.”

Seattle's high prices are eclipsed by six other metro areas. The most expensive market in the mix was San Jose. To afford its median priced home, reportedly $1,165,000 (compared to Seattle's $478,500), a buyer in the so-called "Capital of Silicon Valley" would need a salary of more than $216,000 to make a monthly payment of $5,044.

At the other end of the price spectrum is Pittsburgh where a mid-range home costs $146,000. Purchasers there need a salary of $35,205.

10 Most Expensive Large Metros	10 Least Expensive Large Metros
San Jose (#1)	Pittsburgh (#1)
San Francisco	Cleveland
San Diego	Indianapolis
Los Angeles	Oklahoma City
New York City	Memphis
Boston	Louisville
Seattle	Cincinnati
Washington, D.C.	Birmingham
Denver	St. Louis
Portland (#10)	Buffalo (#10)

HSH compared both quarterly and year-over-year changes and found that 34 of the 50 markets saw annual price increases of over 5 percent. San Jose topped the increases at 16.5 percent followed by Seattle (13.36 percent) and Los Angeles (10.06 percent).

The ability of a potential homebuyer to keep up with rising prices is "increasingly difficult, if not impossible," HSH noted, adding, "Just to keep pace with rising prices, year-over-year income gains needed to be in excess of about one-third of all metros, and more than 9 percent in another nine areas.

HSH noted somewhat lower mortgage rates in the third quarter, when the report was compiled, helped improve affordability, but rates will likely rise. Uncertainty around tax reform could pose further challenges, the analysts noted.

The calculations used in the latest comparison of metro areas were based on third-quarter data from a variety of sources including the National Association of REALTORS®, Freddie Mac and the Mortgage Bankers Association of America. HSH used standard 28 percent "front-end" debt ratios and a 20 percent down payment subtracted from NAR's price data and factored in principal, interest, property tax and homeowner's insurance (PITI) in each area.

HSH has been tracking mortgage markets for more than three decades and claims to be the nation's largest publisher of mortgage and consumer loan information. It does not make or broker mortgages.

Buyers clamor for more downtown condos

Greater Seattle's pent-up demand for condominiums was underscored last month when buyers lined up for 18 hours for a pre-sale event for homes at NEXUS, a 41-story high-rise with 389 units. Eager buyers snatched up the initial release of 16 units and a subsequent release of 12 more units within hours.

To date, 90 percent of the units have been pre-sold, according to the Burrard Group of Vancouver, B.C., the developer of the new vertical community in Belltown.

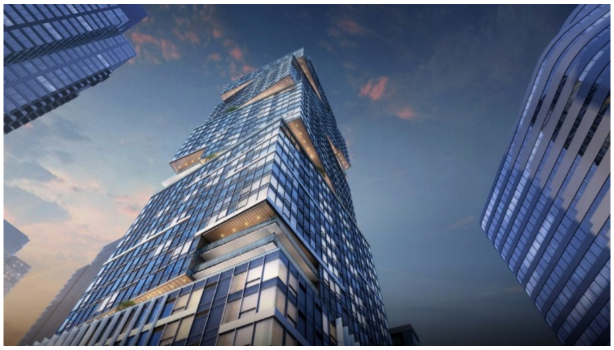


Image: NexusSeattle.com

Described as "efficiently scaled and attainably priced," the units – which won't be ready for occupancy until fall 2019 – range in size from 350 to 500 square feet. Prices range from $341,000 to $668,000, with parking stalls selling for $75,000.

Remaining units at NEXUS have 2- or 3-bedrooms and are sized from 1,022 to 2,142 square feet. These homes are priced from just under $1.2 million to $3.5 million.

Dean Jones, president and CEO of Realogics Sotheby's International Realty, estimates 85 percent of the nearly 500 new condos being built in Seattle for delivery by 2020 have been pre-sold.

Authors of Seattle Condo Review report six condo projects in Seattle and Bellevue are in the pipeline. If all the buildings get built and "are indeed sold as condominiums," 1,677 new units would come to market, according to Marco Kronen, co-author of the report.

Only 58 condos were offered for sale in the Downtown/Belltown area at the beginning of December, according to a search of the Northwest Multiple Listing Service database. Of these, about 35 percent had asking prices of $2 million or more.

New home sales reach highest mark in a decade

New home sales hit a 10-year high in October, according to a joint release of HUD (U.S. Department of Housing and Urban Development) and the Census Bureau. Sales growth occurred in all regions, led by the Northwest where they jumped 30 percent from September 2017. Sales rose 6 percent in the West.

Regionally, there was sales growth in all regions. On a year-to-date basis, home sales are up 30% in the Northeast, up 18% in the Midwest, 6% higher in the West, and up 1% in the South compared to September 2017.

Contracts for new, single-family homes for October totaled 685,000, marking the sixth month in 2017 with seasonally adjusted sales of at least 600,000 units. October's transactions were up 18.7 percent from the same month a year ago, and up 6.2 percent from September's total of 645,000.

Year-to-date figures are also outgaining 2016. New home sales through October are running 8.9 percent higher that the same 10-month period last year.

HUD and the Census Bureau also reported a 4.9 months of supply as of the end of October.

Month-over-month median prices fell by nearly $7,000, slipping from $319,700 in September to $312,800 in October. Average home prices jumped from $385,200 in September, rising to $400,200. "Managing rising construction costs in the months ahead will be a key challenge for housing affordability, as input costs increase," noted Robert Dietz, chief economist for the National Association of Home Builders.

NAHB's analysis of the latest HUD/Census Bureau report indicates strong sales growth in the $200,000 to $300,000 prices class. Year-over-year comparisons for October show such sales surged 35 percent.

While noting inventory is relatively healthy, Dietz said more new homes are needed to meet anticipated demand.

Developers plan more apartments in downtown Seattle

A tally by *Business* Insider shows there are 65,507 apartment units in various stages of the construction pipeline in the Greater Seattle area – and that's not counting buildings with fewer than 50 units or single family homes being built as rentals.

Five factors are driving developers' decisions to continue building apartments in downtown Seattle, according to a report by Marc Stiles, real estate reporter at *Puget Sound Business Journal*.

The seemingly insatiable demand for rentals is supported by several market indicators and has helped propel the metro area's annual rent growth to second-strongest in the country, according to one report. (Another study, by Multi-Housing News, has Seattle at #6, behind Oakland/East Bay (#1), San Francisco, San Jose, Portland, and Denver).

Several demographic segments account for the demand. Data for Seattle from *RentCafe* indicates a 17 percent increase in renters under age 34 during the 2009-2015 period and a whopping 45 percent increase in senior renters. During the same period, the suburban market increased 50 percent for both families with children who rent, and the same 50 percent jump for families without children who rent.

In a report published by PSBJ in early November, Stiles cited five reasons for sustained growth for apartment projects:

1. **Metro region's job growth:** U.S. Bureau of Labor Statistics data show 8,300 jobs were added in August and 47,000 jobs were added year-over-year.
2. **Demand for office space in the city of Seattle:** Data compiled by commercial real estate broker JLL indicates 101 companies are looking for a combined 4.3 million square feet.
3. **Seller's market:** Records were shattered in October when Continental Properties' 34-story apartment building near Pike Place Market known as Tower 12 sold for $225.3 million, equal to $719,649 per unit.
4. **Region's apartment rent growth:** Rents continue to increase; researchers at Zillow report a 5.5 year- year-over rise, second-fastest in the country.
5. **Demographic shift:** Senior households are choosing to rent in growing numbers, according to RENTCafe.

Nationwide, about 2.5 million senior households joined the legion of renters from 2009-2015, according to census data crunched by RentCafe. The firm found the increase to be especially pronounced in Seattle.

Stiles noted some market-watchers believe the demand may be too optimistic. Dupre + Scott Apartment Advisors of Seattle told investors to expect the rental market to soften, citing plans to open more than 62,000 units in the next few years.

Typical home size is shrinking

New single-family homes are slightly smaller than a year ago based on third-quarter comparisons by the National Association of Home Builders. The change marks a reversal of a trend during the recovery as builders focused on the higher end of the market.

NAHB analyzes both median and average square footage using data from the Census Quarterly Starts and Completions by Purpose and Design. The association found median single-family square floor area was 2,378 (down from 2,391) while the average was 2,581 (down from 2,593).

Using a one-year moving average (a less volatile metric) the analysis shows since cycle lows the average size of new single-family homes is actually 10 percent higher (2,620 square feet), while the median is 14 percent higher, at 2,399 square feet.

Unlike single-family patterns, new multifamily apartment size is down compared to pre-recession periods. NAHB attributes the drop to a weak for-sale multifamily market and strength for rental demand.

In comments accompanying its report, NAHB noted the post-recession increase in single-family home size is consistent with the historical pattern coming out of recessions. “Typical new home size falls prior to and during a recession as home buyers tighten budgets, and then sizes rise as high-end homebuyers who face fewer credit constraints return to the housing market in relatively greater proportions.”

News In Brief

- **Researchers at the University of Minnesota have been working on measuring transit access to jobs as part of their “Access Across America” project to identify the top regions where jobs are within reach for transit riders.** Using detailed data on population, employment, and transit schedules, the rankings with how many jobs residents can typically access via bus or train in a given amount of time. The more jobs are within reach of more people in less time, the better a region’s ranking will be. The top ten metro areas with best job accessibility by transit are: 1) New York, 2) San Francisco, 3) Chicago, 4) Washington, DC, 5) Los Angeles, 6) Boston, 7) Philadelphia, **8) Seattle,** 9) San Jose, and 10) Denver.
- **State revenues have increased by $319 million for the current two-year state budget,** which is now projected to be about $44.4 billion, according to the Office of Financial Management. The state is projected to have nearly $2.8 billion in reserves by the end of the biennium. Legislative leaders in the House and Senate will release their budget proposals during the 60-day legislative session that begins in January.

- **Seattle's income tax on wealthy households failed its first legal test, with a King County Superior Court ruling that the measure is illegal.** The city intends to appeal the decision directly to the State Supreme Court. The Seattle City Council unanimously voted to approve of the measure, which would impose a 2.25 percent tax on total income above $250,000 for individuals and above $500,000 for married couples filing together provided that they reside in Seattle. The city estimates it would raise about $140 million a year.

- **Consumer sentiment in November cooled from a 13-year high while remaining at levels that signal Americans will open their wallets for holiday purchases, according to a University of Michigan survey.** The consumer-sentiment index fell to 98.5 from 100.7 in October. While confidence in both consumers' current financial situation and their expectations eased, sentiment still matches the second-highest level since 2004. Survey respondents voiced more certainty about the outlook for incomes, employment and inflation.

- **F5 Networks signed a lease last spring for 28 floors (516,000 square feet) in the Mark, a new 48-floor office and hotel edifice in downtown Seattle.** According to the *Seattle Times*, the deal capped a hunt for a new headquarters that in 2019 will provide the company with room to grow and its employees with nearby transit, restaurants and other amenities.

- **According to the Federal Reserve Bank of New York, Americans are running up their credit cards, taking out more auto loans and borrowing more to purchase homes and pay for college.** Total household debt reached a record high of nearly $13 trillion in the July-September quarter. The steady rise in household debt suggests Americans are more confident about the economy and their own finances. So far, Americans' finances are in much better shape than a decade ago. Just 3.2 percent of household debt is 90 days or more overdue, down from a peak of 8.7 percent in 2010. However, auto loans have jumped 45 percent in the past four years, and more Americans are falling behind. Nearly 4 percent of car loans are 90 days or more overdue, up from 2.8 percent a decade ago (still below the 5.27 percent peak seven years ago).

- U.S. home prices rose at the fastest pace in more than three years in September, lifted by a record-low supply of houses for sale. Seattle posted the highest year-over-year increase, topping all other cities by a hefty margin. The Standard & Poor's CoreLogic Case-Shiller national home price index released late November rose 6.2 percent in September from a year earlier, the largest gain since June 2014. In 13 of the 20 cities tracked by the index, yearly price gains in September were faster than in August. The number of homes for sale in September was the fewest for that month on records dating back to 2001, according to the National Association of Realtors. And home builders aren't yet putting up enough new homes to reduce the supply crunch. Seattle, Las Vegas and San Diego reported the highest year-over-year gains. Home prices jumped 12.9 percent in Seattle, 9 percent in Las Vegas and 8.2 percent in San Diego. Las Vegas, one of the hardest-hit cities in the housing bust, has been making a comeback since prices bottomed out in 2012. Unemployment is low and the economy is growing at a solid clip, fueling demand for homes. Mortgage rates also remain historically low, with the average rate on a 30-year mortgage below 4 percent. Yet Americans are remaining in their homes longer, according to a recent survey by the Realtors. Many are reluctant to sell because there are so few other homes to buy.

Calendar of Events through January 10, 2018

Dates	Event	Time	Location	Contact
SEATTLE—*King County* REALTORS®				
11/15/17	Affiliate Council	1:30 pm – 2:30 pm	SKCR	425-974-1011
12/22-25	Holiday – Office Closed			
1/1/18	Holiday – Office Closed			
1/10/18	Board of Directors	9:30 am – 12:30 pm	SKCR	425-974-1011
For updates visit: **www.nwrealtor.com** and click “events”				