NW REporter

Serving More Than 28,000 Real Estate Professionals in the Northwest June 2018

Real estate guru shares six real-estate related insights

Mortgage rates will rise, a downturn in housing is unlikely, presidential appointees will maintain a firm grip on mortgage policy, and building materials expenditures will grow. Those expectations were among insights discussed by real estate "guru" John Burns at a recent webinar.

John Burns

Burns, the founder and CEO of John Burns Real Estate Consulting in Irvine, Calif., was the featured speaker during a 30-minute investor-oriented Housing Market Outlook webinar for Bloomberg's 300,000+ subscribers. His presentation covered the impact of mortgage rates on housing, and the outlook for home building, new construction spending, and spending devoted to repairs and remodeling.

"The future is always uncertain, but investors have to have a view," stated Burns, a former senior manager at KPMG Advisory, in introducing his "most likely scenarios." That summary included:

- **Expect mortgage rates to rise to 5.1%.** The bond market is telling us that we should expect mortgage rates to gradually rise to 5.1% by 2021, so we are going with what the bond market says.
- **Look elsewhere for recession risk.** Housing is very unlikely to cause a downturn, with historically low single-family construction and tight mortgage documentation. Home prices should fall if and when another sector of the economy causes a recession. Here is a summary of a report from 15 months ago on where the Burns firm believes the risks lie.
- **Rates matter more for stock prices than for new home sales**, both according to 40+ years of history and 2018 new home sales, which are up year over year. The economy matters far more than rates. See the Burns 2017 white paper on this.
- **The president will control mortgage policy**. Presidential appointees now control policy on 71 percent of all mortgage originations, with President Trump able to replace the GSE regulator overseeing 46 percent of all mortgages when Mel Watt's term expires in January. The recent overturn of portions of Dodd-Frank gives an indication of where policy is heading.
- **Huge regional differences.** For the ultimate difference in performance during the recovery, compare and contrast the Nashville and Chicago metro areas. Fifteen (15) of the top 33 markets have now reached the mature stage of the cycle.
- **6.8 percent bull's-eye building materials forecast.** Our building materials spending forecast, which is the only one to include multifamily and rental homes, calls for solid growth the next two years. We project that slightly smaller homes, a slowing economy, and a pivot to more DIY projects will slow the robust growth rate in 2020 and later. Burns' forecasts by product and region provide better insight for specific companies.

Since launching his company in 2001 and spending the first year as a solo practitioner, John Burns has built his business to a firm with around 65 people at 17 offices in 12 states. Together, they provide a diverse array of clients with housing market insights gained from on-the-ground research. The analysis and perspective on local markets helps identify areas "that are best positioned for growth or most at risk of correcting."

John Burns Real Estate Consulting publishes a free weekly industry newsletter titled Building Market Intelligence™, as well as a number of proprietary indices, surveys, and models on various housing industry dynamics. Burns has amassed more than 680,000 Twitter followers.

LATEST NEWS RELEASE

Improving inventory creating long-awaited opportunities for buyers

KIRKLAND, Washington (June 5, 2018) – Member-brokers of Northwest Multiple Listing Service added 14,524 new listings during May, the first time that volume topped 14,000 since May 2008.

"With eyes peeled for potential shifts in a market that's felt like 'more of the same,' the recent uptick in new listings hitting the market catches my eye—the most new listings in more than a decade," commented Robert Wasser, owner/broker at Prospera Real Estate in Seattle and an officer with Northwest MLS.

Total active listings snapped a streak of 44 months of negative numbers during May when the year-over-year comparison showed an increase of 3.8 percent. That uptick marked the first time members of Northwest Multiple Listing Service reported a gain for that statistic since August 2014.

King County has more than a month's supply for the first time since September 2017, and only the third time since October 2016. For the MLS area overall, there is 1.44 months of supply. Only four counties of the 23 counties served by Northwest MLS reported having more than four months of supply, the minimum level most industry experts use as a gauge of a balanced market.

Brokers welcomed the figures showing healthy gains in inventory, but some say they are keeping a watchful eye on rising prices and interest rates, as well as on buyer profiles, including retiring boomers.

New figures from the MLS show slight drops in both pending and closed sales, a likely consequence of persistent inventory shortages. Brokers also cite the market imbalance as a factor in rising prices: compared to a year ago, the median sales price for transactions of single family homes and condos that closed area-wide during May was $420,000, a jump of nearly 11 percent from the year ago price of $378,475.

"What we are experiencing is actually a good thing as inventory leans toward a more balanced market," remarked George Moorhead, designated broker at Bentley Properties. He also reported a shift from move-up and luxury home buyers to more first-time buyers with "a more level playing field between buyers and sellers."

Moorhead said there "never was a spring market this year" like what was experienced in the past four years. He points to rising interest rates, lack of inventory, increased home prices, frustration with presenting multiple offers without success, requirements for larger down payments, and an increase in the cost of living as reasons.

Unlike recent past years, “buyers will definitely be able to capitalize on a softer summer market this year,” according to Moorhead, who noted expired listings are on the rise.

Last month’s number of new listings was a significant gain from April when members added 11,271 new listings, a gain of nearly 29 percent.

“It’s the best time of the year for potential home buyers,” proclaimed J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. “At this time of year we always see the highest number of new listings come on the market on a monthly basis,” he explained, adding, “More new listings creates more opportunity for home buyers.”

Even with the improving inventory, today’s market “still takes instant response as sales activity remains at a frenzy level for these new listings,” Scott emphasized.

“The good news for home buyers in King County is that compared to last month, there were almost 1,000 more homes for sale,” noted OB Jacobi, president of Windermere Real Estate. “Hopefully,” he added, “this is the beginning of a trend in which we will continue to see inventory levels improve. On the flip side, home prices in the county are up 16 percent year-over-year, which, when combined with rising interest rates, is forcing some buyers to expand their search to Pierce and Snohomish counties so they can find something they can afford to buy.”

Sellers in the 23 counties served by Northwest MLS accepted offers from 12,168 buyers during May, slightly below the number from twelve months ago when pending sales totaled 12,511 (a decline of 2.7 percent). Thirteen counties reported decreases in mutually accepted offers compared to the same month a year ago, with four of them (Cowlitz, Kittitas, Okanogan, and Skagit) tallying double-digit drops.

Closed sales fell slightly, from 9,106 a year ago to 9,011, a drop of just over one percent. Ten counties reported fewer closed sales during May when compared to a year ago. A comparison to April’s completed transactions shows an increase of 1,285 transactions for a gain of 16.6 percent.

Mike Grady, president and COO of Coldwell Banker Bain, said the significant increase in inventory means a slightly easier time for buyers to locate and purchase homes “for the time being.” He said the broader selection enables more buyers to purchase homes regardless of escalating prices, slightly higher interest rates, and fewer cash sales involving Chinese nationals. Grady attributes the dip in Chinese activity to that country’s policies making it more difficult for people to take their cash out of China.

“While there is slightly more inventory available, the market time for most listings is less than a month, and multiple-offer situations occur daily even though there may only be five offers instead of 10 or more,” stated Grady.

Brokers say the continuing bidding wars are helping push prices up. Fifteen counties had double-digit price hikes for single family homes and condos (combined) from a year ago. In the four-county Puget Sound region, Snohomish County has the smallest year-over-year price gain at just under 14 percent, while Kitsap County claimed the largest jump in the region at nearly 17.2 percent.

In King County, the median sales price on all homes rose just over 16 percent, from $560,000 to $650,000. The median price for a single family home rose 14.64 percent, from $633,500 to $726,275.

The condo market showed signs of improvement with inventory growing by nearly 21.4 percent, boosted by the addition of 1,803 new listings during May (up 11.3 percent from a year ago). Even so, there is less than a month's supply system-wide.

Brokers reported slightly fewer pending sales and closed sales of condos. Year-over-year prices for condos system-wide rose nearly17.5 percent, from $315,000 to $370,000. In King County, which accounted for 55 percent of last month's condo sales, the median price of a condo that sold was $427,000, a $53,000 increase from a year ago.

For the luxury market close to job centers, Scott noted sales continue to be extremely strong, especially up to the $5 million price point, which he attributes in part to the year-over-year increase in luxury listings. Northwest MLS figures show sales of homes and condos priced at $1 million-plus are up nearly 27 percent from a year ago, rising from 557 sales in May 2017 to last month's total of 706.

As an aside, Grady suggested the recently enacted head tax in Seattle and retiring boomers will be worth watching. If jobs move from Seattle to the Eastside, workers may relocate as well, he speculates. Commenting on the inclination of more homeowners who are willing to list and sell at this time, he is hearing of more boomers and friends planning to move to states where housing costs less. "One good friend decided Seattle was too expensive to live in his retirement, so they're selling their 1,400 sq. ft. $600,000 home in Lynnwood and retiring in North Carolina where they purchased a 3,000 sq. ft. home for $300,000," he said adding, "It may be something to watch as our boomer population retires."

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 28,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

Statistical tables follow

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	5,251	3,562	4,176	3,194	$771,889	$650,000	1.12	0.76
Snohomish	2,157	1,421	1,833	1,427	$517,864	$478,615	1.00	0.91
Pierce	2,380	1,929	2,151	1,559	$381,352	$350,000	1.24	1.20
Kitsap	693	519	582	421	$453,922	$360,000	1.23	1.49
Mason	219	247	183	140	$275,027	$255,500	1.76	2.68
Skagit	296	392	263	196	$382,775	$348,625	2.00	1.89
Grays Harbor	213	414	185	116	$190,357	$184,500	3.57	3.49
Lewis	171	256	141	100	$244,941	$221,250	2.56	2.98
Cowlitz	191	209	189	121	$245,104	$230,500	1.73	1.56
Grant	146	279	142	110	$233,552	$213,928	2.54	3.97
Thurston	807	686	674	484	$337,100	$310,000	1.42	1.35
San Juan	70	232	40	23	$1,013,52	$666,500	10.09	9.26
Island	289	308	271	160	$455,737	$357,500	1.93	2.58
Kittitas	144	200	106	91	$446,697	$350,000	2.20	2.79
Jefferson	106	175	81	72	$354,015	$328,000	2.43	4.05
Okanogan	110	294	55	42	$219,340	$208,000	7.00	12.60
Whatcom	547	627	499	344	$400,928	$374,000	1.82	2.01
Clark	135	142	109	71	$410,107	$364,000	2.00	2.03
Pacific	105	240	83	48	$184,407	$164,085	5.00	5.27
Ferry	14	51	6	6	$188,817	$178,250	8.50	7.71
Clallam	170	237	154	114	$316,998	$288,750	2.08	3.05
Chelan	148	254	116	88	$376,848	$336,000	2.89	3.85
Douglas	80	103	70	37	$285,870	$275,000	2.78	2.42
Others	82	179	59	47	$228,453	$173,000	3.81	6.44
Total	**14,524**	**12,956**	**12,168**	**9,011**	$533,554	**$420,000**	**1.44**	**1.37**

Tables continue on next page

4-county Puget Sound Region Pending Sales (SFH + Condo combined)
(totals include King, Snohomish, Pierce & Kitsap counties)

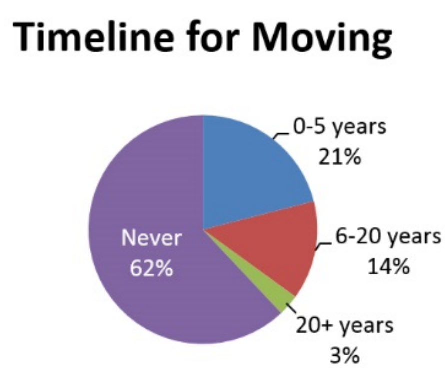
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
2001	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
2002	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
2003	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	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	4460
2018	5484	5725	7373	7565	**8742**							

Majority of homeowners plan to remodel, not move

Current homeowners—by a wide margin—say they plan to never move.

A new survey by Bankrate found 21 percent of homeowners plan to move within five years, but a whopping 62 percent say they plan to stay put.

The Bankrate survey also revealed a strong preference for remodeling or upgrading in the next five years, rather than moving. Only 19 percent indicated they plan to move into a new home in the next five years, while 35 percent said they plan to remodel or upgrade their home.



"One of the unintended consequences of staying put in their homes is the reduced supply of homes being put on the market," says Mark Hamrick, Bankrate senior economic analyst. "This is one of the underpinnings of rising home prices, which have outpaced growth in wages by a substantial margin."

Supply continues to dwindle across the country, according to the National Association of REALTORS®, which reported total housing inventory dropped 7.2 percent from a year ago. The shortage is contributing to rising home prices. House hunters also face higher mortgage rates, noted NAR Chief Economist Lawrence Yun.

With limited options to trade up, homeowners are turning to remodeling to satisfy changing needs.

More than half (55 percent) of homeowners who participated in the 2018 Home Renovation Trend Report plan to undertake at least one project in the coming year. Kitchen remodels topped the list with 15 percent planning upgrades, followed by improvements a bathroom (13 percent) and a bedroom (9 percent). Homeowners are expected to spend nearly $340 billion on planned repairs and renovations during 2018.

Builders of California homes must include solar provisions starting in 2020

Most new housing built in California after 2020 will be required to have installed solar power under a mandate of the state's Energy Commission. The new energy efficiency standards, approved unanimously and developed with support from the California Building Industry Association, are the first in the nation to require solar.

"Adoption of these standards represents a quantum leap in statewide building standards," Bob Raymer, senior engineer of the California Building Industry Association, said before last month's vote.

"You can bet the other 49 states will be watching closely what happens," he added.

The new policy applies to single-family houses and multifamily units that are three stories or less, with some exceptions for homes that are too shady.

CBIA CEO and President Dan Dunmoyer praised commissioners and staff from the California Energy Commission for working with the building industry during the 18-month process to adopt a set of "cost-effective standards that ensures homebuyers will recoup their money over the life of the dwelling." He also described the measure as "a fair balance between reducing greenhouse gas emissions while simultaneously limiting increased construction costs."

The move is expected to cut energy use in new homes by more than 50 percent while reducing gas emissions by an amount equivalent to taking 115,000 fossil fuel cars off the road.

Although supported by a cross-section of organizations, the new mandate raised some concerns. Critics believe it could drive up the purchase price of a house by almost $10,000 to comply with solar and other energy-efficiency measures, an expense that would likely be passed on to homebuyers.

The Commission estimates residential buyers with a 30-year mortgage will pay an average of $40 more on their monthly payment, but these new homeowners will save around $80 monthly on heating, cooling, and lighting bills.

"It's a policy that very clearly is picking winners, and California would be better off focusing its efforts on the real source of the problem—greenhouse gases—rather than favoring one zero-emissions technology over others," stated Colleen Regan, Bloomberg New Energy Finance analyst. She called the decision "admirable but misguided."

CEC's lead commissioner for the energy efficiency policy area countered the critics by citing various benefits. "The buildings that Californians buy and live in will operate very efficiently while generating their own clean energy. They will cost less to operate, have healthy indoor air, and provide a platform for 'smart' technologies that will propel the state even further down the road to a low emissions future," stated Andrew McAllister of the state's primary energy policy and planning agency.

Brent Anderson, a spokesman for homebuilder Meritage Homes Corp., one of the country's largest builders, told reporters at Bloomberg News that home buyers might find it "a little distasteful to be forced to pay more for solar systems that they may not want or feel like they can't afford" with home prices having risen as much as they have, adding, "Even though, in the long term, it's the right answer."

Builders have some options for compliance by 2020. The solar energy could be developed in the form of a solar lease or a solar purchase, with the lease cutting down on up-front costs for buyers. Alternatively, builders could develop a nearby solar farm to supply an entire community rather than installing individual solar roofs, an option that might be much more cost-effective for the builder.

Over the past five years, California added 2.3 million jobs but permitted fewer than 480,000 new residential units, or about one home per every five new workers. Other sources indicate the state adds about 80,000 homes per year, with around 15,000 having solar power in some form.

California's energy commission started raising energy efficiency requirements annually in 1978. A requirement it enacted in 2013 called for solar-ready roofs on all residential buildings. The California Building Standards Commission will need to adopt the latest rules as a formality.

"This is massive," said Morten Lund, chair of an energy storage initiative at law firm Stoel Rives LLP, in reaction to news of the mandates. "Essentially, this could turn residential solar into an appliance, like a water heater. There has always been a certain inevitability about that outcome, but this is moving faster than most of us thought likely."

The news of the solar standards triggered mixed results for publicly traded companies. Solar-related stocks surged, while shares of homebuilding companies declined.

From holes to homes: transformation underway

Billed as an environmentally-responsible project, Marquee on Meeker will reuse topsoil from the former golf course where it is situated. Image courtesy: Studio Meng Strazzara

Kent's first-of-its-kind luxury rental housing is being built on a former nine-hole par 3 golf course. Developers broke ground last month on the 24-building, 20-acre mixed use project known as Marquee on Meeker.

When completed, the development will encompass nearly 500 apartments in 21 three-story residential buildings, plus two six-story mixed use buildings, to be constructed in two phases. The first phase, slated for completion in 2020, will add 288 housing units "suitable for tenants of all ages" to the city's stock.

Street improvements valued at $2 million are anticipated. City officials say it will serve as a new western gateway to the city.

The apartments will feature high-quality finishes, lounges, decks, fitness centers and a large clubhouse with a kitchen, outdoor fireplace, barbecue areas, pool, and spa.

In a news release, Landmark Development group of Auburn and Seattle-based HAL Real Estate said mature trees will be preserved within a 200-foot natural buffer between the buildings and Green River. Describing it as an environmentally-responsible project, the building partners said they will re-use the former golf course's topsoil, which has been collected and stored. Pedestrian and bike access through the site to the Green River Trail is also planned.

“This unique community will offer future residents the best of all worlds with its urban design and suburban feel while providing unparalleled livability and convenience. The serenity of being surrounded by large open spaces, including the Riverbend Golf Course and the Green River – which offer sweeping views and access to the Green River Trail – are unlike any apartments the region currently has to offer,” said Landmark Development Group’s President, Brett Jacobsen.

Kent’s City Council voted last May to sell the property for $10.5 million to Auburn-based FNW, Inc./Landmark Development Group. Proceeds will be used in part to help eliminate the city’s enterprise golf fund debt of nearly $4 million and allow for around $6 million in capital improvements to remaining parts of the Riverbend Golf Complex, which includes an 18-hole course across the street from the new housing development, a driving range, and a pro shop.

“Marquee on Meeker is an important project for the city and a tremendous leap forward in remaking Kent’s historic main street into a living, working destination for Kent residents,” said Kurt Hanson, Director, Kent Economic and Community Development Department. “This multi-phase project brings high-quality housing to our downtown and we see it as a springboard for continued reinvestment along the corridor that will better connect residents and businesses to our historic downtown.”

Seattle among areas where house-buying power is eroding

Years of pent-up demand resulting in a supply imbalance, a long run of historically low levels of new home construction, existing owners who are increasingly reluctant to list their homes, and rising mortgage rates are creating an ultra-competitive market and in some areas, eroding purchasing power, according to First American’s Real Home Price Index (RHPI).

In a list of 12 cities where purchasing power is threatened, Seattle and its RHPI of 11.1 percent ranked second, behind Las Vegas, with an Index of 12.94 percent.

First American’s Real House Price Index measure price changes of single family properties throughout the U.S. adjusted for the impact of income and interest rate changes on consumer house-buying power over time and across the country at the national, state and metropolitan area level. Because the Index adjusts for house-buying power, First American Title (a leading global provider of title insurance, settlement services, and risk solutions for real estate transactions) says it is also a measure of housing affordability.

Income, mortgage rates, and an unadjusted house price index are the three key drivers of the firm’s RHPI. Incomes and mortgage rates are used to inflate or deflate unadjusted house prices to better reflect consumers’ purchasing power and capture the true cost of house.

Other cities on First American’s latest ranking of metro areas where purchasing power is in danger are Charlotte, North Carolina, at #3, followed by Jacksonville, Fla., Columbus, Ohio, Tampa, Fla., Minneapolis, Orlando, Fla., Milwaukee, Boston, Atlanta, and Cleveland (#12).

First American also publishes lists of states and metro markets with the greatest year-over-year increases and decreases in RHPI. Its website also features an interactive tool for viewing and comparing house prices and additional perspective on income and interest rate changes.

In a statement accompanying its analysis of figures for March, First American noted, “While unadjusted house prices have been on the rise since the end of 2011, nearly a seven-year run, consumer house-buying power has also increased by 14.3 percent over the same period,” adding “Even though unadjusted house prices are higher today than historically ever before, consumer house-buying power remains strong, so real house prices aren’t even close to their historical peak.”

Vulcan volunteers converge for single-day buildout of tiny houses

Five hundred volunteers convened at CenturyLink Field Event Center on May 25 to take part in “Vulcan Converge,” a day of service for employees, former Seahawks and other volunteers. Their goal was to build 30 tiny houses.

The completed houses will be donated to a tiny house village in Seattle’s Central Area for use by homeless families and individuals.

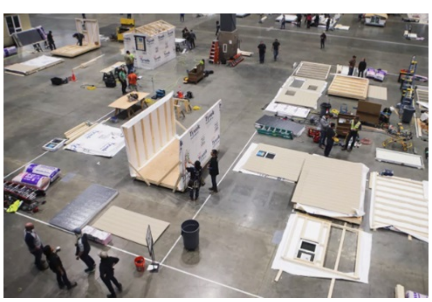
Vulcan founder-chairman and philanthropist Paul Allen, the co-founder of Microsoft (and the 2008 Seattle-King County First Citizen) contributed $75,000 to host the build-out.

The crews worked under the watchful eyes of supervisors from several general contracting companies to assemble the 96-square-foot homes. All will be wired for heat and electricity.

The new village on Yesler Way will eventually have 36 homes surrounding a common area with a kitchen, bathrooms with showers, an on-site case manager and round-the-clock security. It will be funded by the city and operated at an estimated annual cost of $300,000.

“Vulcan Converge” was held in partnership with the city of Seattle and the nonprofit Low Income Housing Institute.

View the video of the Vulcan Converge event



Photos courtesy of Vulcan Convergence

News In Brief

- **According to the *Wall Street Journal*, Mortgage financing giant Freddie Mac has announced it will offer low-cost loans to multifamily property owners who keep their buildings affordable to middle-class families.** Landlords will receive lower interest rates if they agree to make the majority of their units affordable for tenants who earn 80 percent or less of the area's median income. The units also must remain affordable for the term of the loan, which typically spans about a decade. To launch the program, Freddie will back $500 million in loans to the Bridge Investment Group, which is a landlord with a portfolio of about 30,000 apartments around the country. Bridge has pinpointed 38 metro areas across the country for investment. Freddie Mac's initiative will help the GSE meet a mandate from the Federal Housing Finance Agency to grow its lending arm to more underserved communities. Freddie backs loans for purchases of existing buildings; it does not make development loans. About two-thirds of the $73 billion of multifamily loans that Freddie purchased in 2017 went to apartments affordable to households earning less than 80 percent of their area's median income, the *Journal* reports. However, that is down from three-quarters of its loans that were allocated to such units in 2013.

- **Zillow announced the Top 10 Most Popular Neighborhoods in our Emerald City. They determined that the most popular of them all is Laurelhurst.** Laurelhurst is not only the most popular neighborhood in Western Washington, but it's also the 10th Most Popular Neighborhood across the entire country. Our other neighborhoods that rounded off the list include: Meydenbauer, Bellevue; Westlake, Seattle; Market, Kirkland; Downtown, Seattle; Madison Park, Seattle; North Queen Anne, Seattle; Madrona, Seattle; Adelaide, Federal Way; and Hidden Valley, Bellevue.

- **California will become the first state to require all new homes to have solar power, according to the *New York Times*.** The new requirement, which was approved by a five-member California Energy Commission on Wednesday, will take effect in two years.

  California has been the first to approve such a move on a statewide scale. By 2020, builders will be required to make individual homes available with solar panels or build a shared solar-power system that could serve a group of homes. The rooftop panels can either be owned by the homeowner and rolled into the cost of the home, or leased on a monthly basis. The mandate could add up to $16,000 more to the cost of a home. But homeowners' lower energy bills will make up for the extra costs of adding solar, state officials and clean-energy advocates say. Based on a 30-year mortgage, the Energy Commission estimates that the standards will add about $40 to an average monthly payment. The commission also estimates consumers could save $80 on monthly heating, cooling, and electricity bills. California's new mandate stems from a requirement that at least 50 percent of the state's electricity needs to come from non-carbon producing sources by 2030. Solar power is becoming an increasingly important part in meeting that goal.

- WiFi hotspots make it easy to stay connected. Just remember, public WiFi is not secure, anyone can see what you're doing. That's why it's called "public" WiFi. Which is why you don't want to use it to do your banking or make purchases or any other sensitive transactions while you're on the go. I wouldn't even update my Social Media accounts this way. **To play it safe, you need to have a Virtual Private Network (VPP) on your computer or smartphone, according to komonews.com.** A VPN creates a secure, encrypted connection between your computer or smartphone and the website you're visting. No one, not even the Internet Service Provider, can see the data in that VPN tunnel as it moves back and forth. Some VPNs are free. Consumer Reports says most of these free services keep a log of your activity. They may also sell your data. That's how you're paying for the service. Security experts say it's best to pay for privacy. You can get good VPN service for about $10 a month or less. The top-rated NordVPN scored 5 out of 5 points in PC Magazine's recent tests. The editors say it's best for general purpose users. PC Magazine recommends Private Internet Access VPN for power users and TunnelBear VPN for first-time users.

- **With summer arriving and 52% of Americans reporting having unused vacation days last year, the personal-finance website WalletHub today released its report on 2018's Best & Worst Cities for Staycations.** To identify the best spots for staying local, WalletHub compared more than 180 cities across 40 key indicators of a fun-filled yet wallet-friendly staycation. The data ranges from movie and bowling costs to spas and wellness centers per capita to cost of house-cleaning services. The top five spots for staycations are: 1) Orlando, FL, 2) Honolulu, HI, 3) Chicago, IL, 4) Seattle, WA and 5) Portland, OR. To view the full report and your city's rank, please visit: https://wallethub.com/edu/best-cities-for-staycations/4341/

Calendar of Events Through July 10, 2018

Dates	Event	Time	Location	Contact
SEATTLE—King County REALTORS®				
6/19/18	Gov't Affairs Committee	10:30 am – 1:30 pm	SKCR	425-974-1011
6/20/18	Affiliate Council	1:30 pm – 2:30 pm	SKCR	425-974-1011
6/22/18	REALTOR® Advantages	9:30 am – 12:00 pm	SKCR	425-974-1011
7/4/18	Holiday—Office Closed			
7/10/18	Board of Directors	9:30 am – 12:30 pm	SKCR	425-974-1011
For updates visit http://www.nwrealtor.com/events/				