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LATEST NEWS RELEASE

Homebuyers resuming search amid improving inventory, attractive terms

KIRKLAND, Washington (February 7, 2019) – Homebuyers around Washington state are making their way back to the market, hoping to take advantage of improving inventory, attractive interest rates, and more approachable sellers, according to officials with Northwest Multiple Listing Service.

Northwest MLS statistics for January show year-over-year improvement in the volume of new listings and total inventory, along with moderating selling prices. Although fewer pending sales (mutually accepted offers) were reported than a year ago (down about 3.3 percent), January was the smallest year-over-year decline since May 2018 when the drop was about 2.7 percent.

Commenting on the MLS statistics summarizing last month's activity, broker Gary O'Leyar said January's post-holiday real estate activity doesn't normally pick up until later in the month, but this year the uptick began early. "January started as a bit of a surprise. Open house activity was very robust, and we saw multiple offers in numerous instances again," reported O'Leyar, the owner of Berkshire Hathaway HomeServices Signature Properties in Seattle.

Brokers tallied 7,564 pending sales during January, a decline from a year-ago when they recorded 7,820 transactions.

Seven counties had increases in pending sales of single family homes and condos compared with 12 months ago, including King (up nearly 7.5 percent) and Snohomish (up 3.8 percent).

James Young, director of the Washington Center for Real Estate Research at the University of Washington, commented on pending sales. The mixed results, including "healthy growth" in King and Snohomish counties, "corresponds well to upward movement in mortgage applications late in December, a leading indicator for the month to follow," he noted, adding, "One should expect to see increased sales activity in the coming months throughout the region if mortgage applications continue to stabilize or increase."

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, said buyers "came out of the woodwork" after the holidays, eager to take advantage of better housing conditions. "Areas close to the job centers are seeing improved affordability from spring 2018," he said, attributing it to lower interest rates, strong job growth, and adjusted pricing.

Scott said buyers are also attracted by expanded inventory resulting from the addition of new listings and a higher number of unsold inventory, although he noted "inventory levels are still considered a shortage."

Prospective buyers who sat out the second half of 2018 or were pushed to the sidelines during last year's heated market are finding better buying conditions, agreed Robb Wasser, branch manager at Windermere Real Estate/East. "Interest rates are near a nine month low and buyers have a stronger platform for negotiating, which have helped drive a 9 percent increase in pending sales of single family homes in King County," Wasser stated.

MLS members added 7,090 new listings of single family homes and condos during January, up from the year-ago figure of 6,805 and nearly doubling December's total of 3,631. At month end there were 11,687 active listings in the database, up more than 45 percent from the year-ago total of 8,037. Listing inventory more than doubled in both King and Snohomish counties.

Sixteen counties, including all four in the Puget Sound region, reported more inventory than a year ago. Even with sizable gains, supply is still tight at 2.4 months system-wide. (In general, four to six months typically indicates a balanced market.)

“The rise in inventory is largely due to investors who are selling because they believe the market has peaked and they want to unload their properties before interest rates rise too far,” said OB Jacobi, president of Windermere Real Estate.

“New listing inventory in King County is bringing more homebuyers to the market. We are enjoying increased open house traffic, including during the Super Bowl weekend,” remarked Dean Rebhuhn, owner of Village Homes and Properties in Woodinville. He also commented on the early arrival of the spring market, crediting jobs and immigration as factors. “Properly priced homes are selling!” he exclaimed.

Mike Grady, president and COO of Coldwell Banker Bain, expects activity to pick up heading into spring, as is customary. “I have absolutely no concerns about 2019 being a strong year, with prices rising 4-to-6 percent and units up 10-to-12 percent. There is no reason for sellers not to move on with their lives and list their homes,” he remarked.

Northwest MLS figures show an area-wide price gain of just over 5 percent on January’s 4,865 closed sales of single family homes and condos. Only six of the 23 counties in the report had year-over-year price drops. Among them was King County where prices slipped about one percentage point, from $571,250 to $565,000.

Prices on single family homes (excluding condos) rose 5.4 percent from the same month a year ago. In the four-county Puget Sound region, prices increased in Kitsap, Pierce and Snohomish counties, but decreased about 2.9 percent in King County, dropping from $628,388 to $610,000. Prices for single family homes in Kitsap County, where there is only about 1.7 months of supply, surged nearly 14.7 percent when compared to a year ago.

“The minor decline in King County home prices in January doesn’t mean the housing market is tanking; it’s primarily because of the significant increase in the number of homes for sale,” suggested Jacobi. “We may see prices take minor dips periodically in the coming year, but for the most part they are expected to continue rising, just at a far more modest rate than in recent years,” he added.

“Median prices on closed sales continue to remain stable in January with continued strong upward growth in outlying counties,” stated Young. “Pierce, Kitsap, and Thurston counties outpaced King and Snohomish counties in price growth, consistent with the past few months. This trend indicates that many first-time buyers and middle-income families are continuing to look to the outer regions of the area for value. Strong price growth in Lewis and Whatcom counties also support this general trend of outward migration along the I-5 corridor,” he added.

Mike Larson, president/designated broker at ALLEN Realtors in Lakewood (Pierce County) concurred, describing the slowdown in activity during the second half of 2018 as a “much-needed correction.” Sellers in King and Snohomish counties “got caught up in the craziness so many buyers turned to Pierce County for their affordability solution,” something he expects will continue this year.

Condo prices rose slightly, about 1.6 percent, as inventory more than doubled from a year ago. The median price for the 645 condos that closed last month area-wide was $325,000. In King County, where more than half the sales occurred, the median price was $383,500, up slightly from the year-ago figure of $380,000.

Several brokers expressed optimism for a busy spring.

“Buyers are signaling a more aggressive spring market with an uptick in search activity and high application rates with mortgage companies,” said George Moorhead, designated broker at Bentley Properties. He also noted would-be owners are commenting on having more options to consider and “are feeling the real estate market is less volatile.” He also reported sellers are similarly encouraged by having more options, “and not having to race around with the fear of making a housing mistake.”

“We’ve clearly been in a transitioning market, but given the ongoing demand for real estate in the Greater Seattle area, we may have adjusted to a ‘new market reality’ wherein inventory is up and prices have re-aligned, but there is still strong demand for housing. I would expect to see a robust regional real estate market going forward into spring,” stated O’Leyar.

The director of the Washington Center for Real Estate Research was more guarded in his expectations. “Increasing inventory and moderate price growth in urban counties (and growth in outer regions of the Puget Sound) point to several problems relating to how potential homebuyers see things moving forward,” said James Young. He referenced figures from the National Association of Homebuilders National Trends Report indicating a shrinking pool of buyers.

“The picture for first-time buyer affordability in the longer term for the region is not bright for potential homeowners unless changes in the housing supply framework throughout the area are addressed soon.”

Larson also expressed concerns around affordability, “particularly for entry-level buyers as well as move-down buyers who also want to sell. The middle rungs on the housing ladder are slowly disappearing,” he remarked. Options like condos could help fill that void, he suggested, but believes they won’t be built “until the state legislature reforms the condo liability laws.”

Affordability is a “crucial issue” for 72 percent of millennial renters, according to a survey by Apartment List.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of around 2,200 member offices includes more than 29,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

Statistical chart tables begin on next page.

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	2,591	3,688	2,452	1,575	$676,809	$565,000	2.34	0.92
Snohomish	1,101	1,452	1,239	725	$467,439	$430,000	2.00	0.80
Pierce	1,245	1,623	1,418	895	$374,723	$326,950	1.81	1.36
Kitsap	338	471	363	272	$402,286	$340,000	1.73	1.22
Mason	98	200	121	70	$252,621	$219,900	2.86	2.38
Skagit	134	316	175	110	$373,744	$339,950	2.87	2.34
Grays Harbor	96	287	119	92	$211,848	$178,750	3.12	3.42
Lewis	93	218	111	57	$237,795	$228,200	3.82	2.99
Cowlitz	106	193	122	87	$254,325	$242,000	2.22	1.75
Grant	69	205	78	67	$217,472	$199,000	3.06	4.20
Thurston	347	528	459	276	$333,826	$311,000	1.91	1.61
San Juan	24	151	21	11	$635,764	$637,000	13.73	7.65
Island	127	292	144	87	$401,457	$335,000	3.36	1.88
Kittitas	43	143	57	43	$431,150	$350,000	3.33	2.95
Jefferson	50	119	48	24	$424,725	$390,000	4.96	3.78
Okanogan	28	193	31	30	$173,132	$171,625	6.43	7.19
Whatcom	257	549	267	182	$398,683	$367,500	3.02	2.24
Clark	85	150	74	62	$393,034	$342,500	2.42	2.05
Pacific	50	196	44	31	$211,390	$207,000	6.32	5.71
Ferry	5	44	3	3	$98,167	$119,500	14.67	7.80
Clallam	62	205	79	59	$301,304	$300,651	3.47	2.38
Chelan	65	203	69	43	$385,906	$338,000	4.72	3.93
Douglas	31	81	34	26	$331,373	$332,400	3.12	2.68
Others	45	180	36	38	$234,917	$241,250	4.74	4.53
Total	**7,090**	**11,687**	**7,564**	**4,865**	**$473,150**	**$381,900**	**2.40**	**1.51**

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
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	8052	7612	6893	6235	**6367**	5328	4037
2019	5472											

Northwest MLS brokers summarize 2018 housing activity highlighted by record-high dollar volume

KIRKLAND, Washington. (Jan. 18, 2019) – Members of Northwest Multiple Listing Service reported 92,555 closed sales during 2018, fewer than the previous year, but the dollar volumes surpassed 2017 by nearly $688 million for a small gain of 1.4 percent.

Measured by dollars, last year's sales of single family homes and condominiums were valued at almost $47.2 billion across the 23 counties served by the member-owned Northwest MLS.

The sales activity reflects the work of more than approximately 31,700 brokers in more than 2,300 member offices. (NWMLS members may access the comprehensive 43-page report on the MLS website.)

Of last year's 92,555 completed sales, 80,232 were single family homes (86.7 percent of the total) and 12,323 were condos (13.3 percent). About 12 percent of these sales were newly built residences.

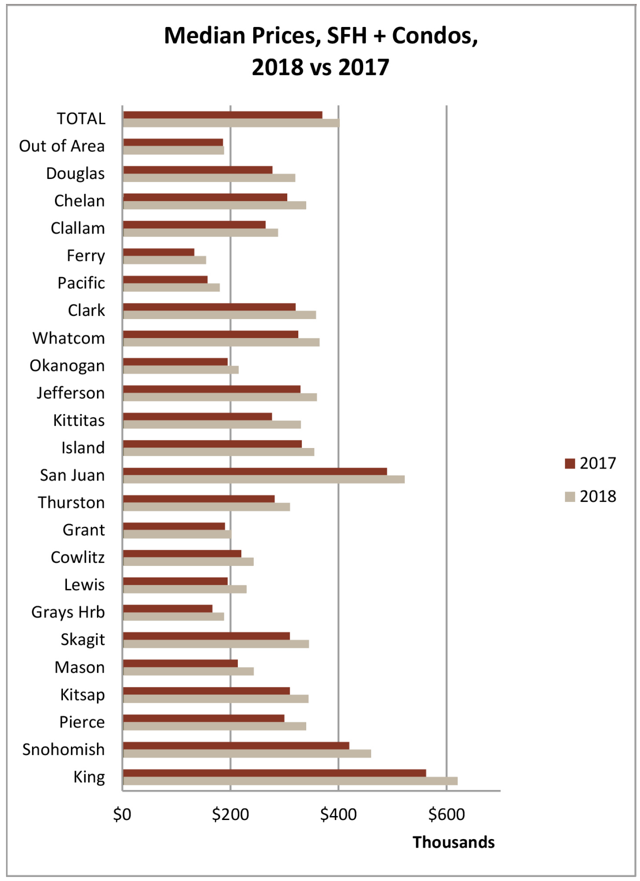
The area-wide median price for last year's sales of single family homes and condominiums (combined) was $402,000, a gain of more than 8.6 percent from the year-ago figure of $370,000. A comparison by county shows median sales prices ranged from $154,000 in Ferry County to $620,000 in King County.

Year-over-year prices for single family homes (excluding condominiums) increased about 7.9 percent system-wide, rising from $380,000 in 2017 to last year's median price of $410,000. Condo prices jumped 11.4 percent from the 2017 figure of $316,000 to last year's median selling price of $352,000.

Inventory shortages persisted throughout 2018, even though brokers added more new listings (117,177 versus 114,297) last year compared to 2017. Member-brokers reported 112,267 pending sales (mutually accepted offers) during 2018, a year-over-year drop of nearly 7 percent compared to 2017.

Last year, the area-wide supply, as measured by months of inventory, averaged 1.77 months, a slight improvement on the 2017 figure of 1.48 months. Among the counties in the MLS service area, Snohomish had the lowest level, averaging just under1.4 months. In general, industry analysts use a 4-to-6 month range as an indicator of a balanced market, favoring neither buyers nor sellers.

Sales of high-end homes outgained 2017 by 6.5 percent, with homes selling for more than $1 million rising from 5,727 in 2017 to last year's total of 6,101; of these 61 residences commanded $5 million or more. The highest priced home in the 2018 sales report, located in Medina, sold for $26,750,000. Sales of luxury condos surged nearly 28 percent. A total of 3,332 condos sold for $500,000 or more, and 412 of these fetched $1 million or more. The three most expensive condos were in Kirkland, topped by one at Water's Edge that sold for $6.1 million.



Among other highlights in its annual compilation of statistics, Northwest Multiple Listing Service reported:

- About 45 percent of last year's home sales had three bedrooms; of the condo component nearly 72 percent had two or fewer bedrooms.
- The median price for a 3-bedroom home ranged from $163,500 in Ferry County to $610,000 in King County.
- Of the condo sales, 55 percent were located in King County.
- For the new construction component involving Northwest MLS brokers, newly built condos continued to fetch higher prices than single family homes, just like 2016 and 2017. Last year's sales included 10,076 newly built single family homes that sold for a median price of $544,950 and 974 condos that sold for a median price of $634,950. New homes in King County commanded the highest prices: $824,925 for single family homes and $835,000 for condos (although San Juan County reported a single sale of a newly built condo, with a price of $1.6 million).
- Prices vary widely among school districts. Single family homes that sold in the Mercer Island district had a median price of $1.7 million, the highest among all districts.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of nearly 2,300 companies includes around 31,700 licensed brokers (including designated/branch managing brokers). The organization, based in Kirkland, Washington currently serves 23 counties in Washington state.

Planning Commission report touts zoning changes to bolster Seattle's housing supply and affordability

Adding more duplexes near schools, expanding boundaries for urban villages and reducing lot sizes to accommodate more homes are among strategies Seattle planning commissioners suggest in a 52-page advisory report to improve the supply and affordability of housing in the Emerald City.

The report released late last year, culminated an 18-month effort by the commission. Not surprisingly, it drew mixed responses. The 16-member volunteer commissioners plan to hold public workshops around the city to discuss the findings and to work with city leaders to fine-tune the recommendations.

In a news release announcing the *Neighborhoods for All* report, the authors outline strategies to allow "a mix of housing types that can help neighborhoods retain characteristics of lower density areas while welcoming a broader range of residents." The strategies are a combination of short-term and long-term policy opportunities for stakeholders to consider.

"Our current approach to zoning has created a bifurcated city, where two-thirds of residential land is off limits to all but those with the highest incomes," said Tim Parham, chair of the Planning Commission. "The fundamental goal of this report is to encourage a return to the mix of housing and development patterns found in many of Seattle's older and most walkable neighborhoods, thereby giving more people a wider array of living options."

While not commenting on any specifics, Mayor Jenny Durkan issued a statement recognizing "that too many families are getting priced out and pushed out of Seattle, and we urgently need more affordable and equitable housing options for homeowners and renters throughout Seattle."

In addition to promoting diverse neighborhoods, the Planning Commission notes that adding low density housing throughout Seattle is also a way to bolster small businesses, increase environmental sustainability, expand transit access and walkability, and create more homeownership opportunities.

Microsoft earmarks $500 million to help solve affordable housing

Pledging a "commitment to do our part to help kick-start new solutions to this [housing] crisis," Microsoft president Brad Smith and CFO Amy Hood announced a three-pronged $500 million workforce housing fund to boost affordable housing in the Seattle area.

Writing in a blog post, Smith and Hood emphasized affordable housing solutions require a multifaceted and sustained effort by the entire region but said the Eastside suburbs would be the primary focus of the initiative.

In their announcement, the Microsoft executives acknowledged the gap between job growth and housing production. While jobs in the region have grown 21 percent since 2011, housing construction has lagged at 13 percent. (One countywide report estimates the county needs 244,000 new affordable units by 2040.)

"This gap in available housing has caused housing prices to surge 96 percent in the past eight years, making the Greater Seattle area the sixth most expensive region in the United States," they stated, noting the gap is more pronounced in the suburbs.

Seattle is the nation's 18th largest city, but currently has the country's third-largest homeless population.

On a broader geographic view, King County is far behind planners' estimates for affordable housing units.

Microsoft's half-billion-dollar fund, to be spent over three years, is the largest philanthropic commitment in the company's history. It also coincides with the company's expansion of its Redmond headquarters in anticipation of hiring 8,000 more employees.

The fund, modeled after a smaller, but similar trust fund in Silicon Valley, will be allocated in three areas:

- $25 million in grants and subsidies to address regional homelessness;
- $250 million in market-rate loans to low-income housing developers whose housing is intended for households with less than $48,150 annual income; and
- $225 million at below-market rates to assist workforce housing developers construct and develop housing units in six Eastside communities for households with $62,000 to $124,000 annual income.

The company plans to make more loans as the initial ones are repaid.

"It will take much more to solve the problem," Smith and Hood wrote in their blog post, adding "Even more capital will be required. And more critical still is the need for public policy changes to make it easier and more attractive to build affordable housing."

In making the announcement, the Microsoft representatives cited the important role the communities surrounding its Redmond campus would play in addressing affordable housing concerns. Mayors from nine of the largest suburban cities outside Seattle pledged "vital and concrete steps" according to the Microsoft announcement, which also stated, "This is every bit as important as Microsoft's financial commitment."

Microsoft officials said the mayors' commitments included changes in zoning to increase the pipeline of housing in selected areas, as well as providing desirable public land near transit locations, addressing permitting processes and fees, and creating new tax incentives for construction.

Smith said Microsoft's new fund followed eight months of analysis of data and best practices for addressing housing concerns.

Along with funds to accelerate the production of low-income housing, Microsoft earmarked $25 million to help combat homelessness. Of that amount an initial $5 million grant was awarded to a recently announced Home Base program created by the Seattle Mariners, the United Way of King County, and the King County Bar Association. Another $5 philanthropic grant will support a new agency on homelessness being formed jointly by the city of Seattle and King County.

In their blog announcing the funding, Smith and Hood emphasized state government's role in making additional housing investments and implementing policy changes to preserve and develop affordable housing. They said Microsoft would support various measures this legislative session, including condominium liability reforms, extension of the Multifamily Tax Exemption (MFTE), and new incentives for local communities to enact more efficient land use policies.

Savvy buyers expect incentives from builders

Savvy buyers are seeking out incentives from builders, especially on the West Coast and in other higher price point markets, according to representatives from John Burns Real Estate Consulting.

"Buyers have never had quicker and more complete access to information," stated consultant Dean Wehrli, one of a trio of consulting leaders with the Burns firm.

Joined by colleagues Lesley Deutch and Pete Reeb, Wehrli outlined four of the more effective incentives being deployed by today's builders. Speaking during a podcast, the presenters said the enticements are designed to generate traffic, save home seekers cash, provide buyers with nicer homes, and extend price discounts.

To generate traffic, builders are advertising more generous broker commissions and offering buydowns to lower mortgage rates.

An estimated 90 percent of builders of new home communities in California have increased broker commissions, according to researchers with Burns. They cited examples there and in Florida where such commissions have topped 6 percent.

About three-fourths of California builders are advertising lower mortgage rates, typically for the first few years, but sometimes for the life of the loan.

Buyers tend to be very receptive to having builders pay their portion of the closing costs for their newly purchased homes, thereby providing an immediate savings in cash. Speakers said such arrangements are especially appealing to buyers in lower price points and with high loan-to-value terms.

Builders are also offering discounts on home upgrades, particularly to purchasers at higher price points. "Since upgrades have a builder profit margin, a $20K allowance at the design center might only cost the builder $10K," said Wehrli.

Actual price discounts are still rare, especially in the Southeast, according to the Burns team. Notable exceptions have been at overpriced or poorly executed projects and in some very high-priced submarkets where a surge in new home competition occurred.

When prices are lowered, the Burns consultants indicated the discounts mostly come in three forms:

1. Completed homes. "Value-oriented builders don't hold on to fully completed, unsold homes for long," Wehrli reported. "To drop prices without impacting the value of previously sold homes, builders will lower or eliminate any lot premium or not charge full value for the upgrades already included in the home," he explained. A gamble by builders who ramped up construction in 2018 in anticipation of strong sales and to keep their trades busy due to the labor shortage hasn't paid off, resulting in higher-than-planned inventory of completed unsold homes.

2. Advertised price cuts. Buyers who encounter clearly marked discounts on price sheets displayed at one builder's sales office take these sheets to other builders and ask for similar cuts.

3. Hidden incentives. Builders are offering last-minute price cuts when they sense it will persuade a wavering buyer to close. The Burns consultants said such incentives are more difficult to identify, but they've uncovered them by examining public records and via word-of-mouth by interviewing competitor builders who hear of them from buyers or other contacts. "Publicly traded builders are known to offer these incentives at month end, quarter end, and especially at year-end," Wehrli commented.

The Burns consultants expect incentives to continue "now that the incentive train is rolling," but reported they and their builder clients are not panicking. They believe a strong economy, rising wages, lower mortgage rates, high loan limits, a seasonal pickup in demand, and less speculative construction are likely to bring more near-term stability to the market.

Student debt impeding home purchases among millennials

Rising student debt burdens have significantly deterred homeownership among young adults, concluded the Federal Reserve. In a new study, the nation's central banking system quantified what many Realtors, millennials and mortgage lenders have long suspected.

In a recent study, the "Fed" found significant slippage in homeownership rates among household heads ages 24 to 32. Whereas 45 percent of households in this cohort owned their own home in 2005, that number dropped nine percentage points by 2014.

Researchers note several factors have influenced the decline, but many believe historic levels of student debt are a key impediment. The study estimates 400,000 more young adults would be homeowners but for their student loan burdens.

Outstanding student loan balances have more than doubled in real terms in the last decade to a current level averaging around $10,000 per student. Collectively, the student debt burden is around $1.5 trillion, more than the amounts owed for credit cards and car loans.

Analysts emphasize the relationship between student loan debt and homeownership is complex. They also stated an important caveat to keep in mind when interpreting the data "is the difference in mortgage market conditions before and after the financial crisis." Credit was relatively easier to obtain before 2008, but since the crisis loan underwriting may have become more sensitive to student loan debt.

U.S. consumer spending on media rising, but Japan likely to surpass it

U.S. per capita spending averaged $285 per month on media, a figure that is expected to rise to $295 monthly (or about $1,395 annually) through 2022, according to analysts at *Research Intelligencer*. Last year's figure was up from $278 per month in 2017.

With 2018 expenditures totaling $442.7 billion, the U.S.is the world's largest market for consumer media content, access and technology.

The analysis of data from media industry economists PQ Media also shows the component of consumer spending on media content and technology continues to outpace the ad industry's share.

U.S. households currently account for about 55 percent of the cost of media which compares to 45 percent by the ad industry. That's the highest disparity since PQ Media began tracking the trend.

PQ attributes the shift to consumer spending to both premium content and media technology. On a longer-term basis, the gap between advertising and consumer spending is expected to decelerate.

Consumer spending is adversely impacted when the penetration of new media technologies reach "saturation, as we're seeing in smartphone shipments declining in certain quarters due to fewer consumers upgrading phones immediately upon new introductions," explained Quinn.

Despite the upward trend in spending by U.S. households, Japan will surpass it, according to PQ's new report.

Japanese consumers were expected to spend $1,360.11 in 2018, while Russia was expected to post the fastest growth among the Top 20 markets rising 11.2 percent in per capita spending. The U.S., at 2.5 percent, was projected to be the slowest growing.

Tehaleh ranked one of Top 50 Master Planned Communities

Tehaleh, a Newland Communities development in Bonney Lake (near Tacoma), is the only project within Washington state to make the “Top 50” rankings of the country’s top-selling master planned community. It ranked 40th on the 2018 list with 366 net sales reported.

Home buyers can choose homes by 10 different homebuilders at Tehaleh. The neighborhoods are connected by more than 1,800 acres of parks, trails and open space.

Newland’s portfolio encompasses more than 140 real estate developments. The company is based in San Diego.

The “Top 50” list, compiled by John Burns Real Estate Consulting, LLC, was topped by The Villages in Villages, Florida with 2,134 sales. Four of the top 10 masterplans were located in Florida. All the communities on the list reported selling at least 320 homes during 2018. Collectively, they accounted for around 28, 500 home sales.

News In Brief

- According to a 2017 analysis by the U.S. Bureau of Labor Statistics, STEM jobs grew at double the rate of non-STEM jobs between 2009 and 2015. **STEM jobs are growing everywhere, but where are the hotspots, and where should you work in the field?** WalletHub released a ranking of the best cities for STEM jobs, determined by a set of 20 key metrics assigned points that were evenly distributed into three categories: professional opportunities, STEM-friendliness and quality of life. Seattle topped the list for professional opportunities, which included metrics like job openings and employment growth. Also included in the ranking was STEM-friendliness, like qualities of engineering schools and math scores. And quality of life, which included metrics like housing affordability — Seattle did not make the top 10 for quality of life.
- **The state Supreme Court has declined to immediately take up the lower-court ruling that killed Seattle’s income tax and is instead sending the case to the Court of Appeals.** *The Seattle Times* reports the Supreme Court issued the order after meeting en banc Thursday, more than a year after the city petitioned for direct review. Seattle made the request in December 2017, after a King County Superior Court judge struck down the tax on well-off households, which the city hadn’t yet started to collect. Rather than appeal Judge John Ruhl’s ruling to the Court of Appeals, the city went

straight to the Supreme Court. Supporters have seen Seattle's case as an opportunity to break through the long-standing inability of Washington and its cities to tax the wealthy.

- **A group of senators from the Evergreen State have filed a bill to stay on Daylight Saving Time all year round.** Again. It's become a routine part of each new year, when Washington lawmakers move to eliminate switching back from Daylight Saving Time. This year's bill is sponsored by Senators Jim Honeyford (R-Sunnyside), Sam Hunt (D-Olympia), and Kevin Van De Wege (D-Sequim). Their bill, SB 5139, would enact permanent Daylight Saving Time within the state. Were it to be enacted, sunrise and sunset would be one hour later in the day during November to March than it is now. Supporters believe that removing the shift would lessen some of the side effects that come with Daylight Saving Time.

- **Discounted listings are becoming more commonplace, with 38 of the largest 45 U.S. markets seeing an increase in price reductions in December, according to a new report from realtor.com®.** The highest number of price reductions on homes was in Charlotte, N.C., where 24 percent of listings were discounted in December, followed by San Jose, Calif. (10 percent); Tampa, Fla. (9 percent); Phoenix (9 percent); and Seattle (8 percent). Further, 40 percent of homes are spending more time on the market, according to realtor.com®'s report.

- **A new study by WalletHub named Washington the worst state in the Lower 48 to drive in, only better than Alaska and Hawaii and even worse than California.** The study used 30 key sets of data ranging from average gas prices to share of rush-hour traffic congestion to road quality. Washington, as you might expect, scored below average in several of their categories, including average gas prices (48th of 50), road quality (44th), car theft rate (44th), auto maintenance costs (37th) and share of rush hour traffic congestion (33rd).

- **The town of Snoqualmie was recently given that crown of the "Safest City In Washington" by the National Council for Home Safety and Security which rated all 50 states and then all cities in those states.** "The study was completed primarily to highlight the cities that have had the least amount of violent and non-violent crimes per population, while also bringing awareness to the cities that are more likely to have crime per capita," the study's authors wrote. In Washington, 72 cities met the criteria to be ranked, and Snoqualmie was tops in the study. Over the study year, the city reported just two reported violent crimes, defined as either murder, manslaughter, rape, robbery or aggravated assault -- far and away the lowest in the state. The town was third in lowest property crimes as well. Oak Harbor was second, followed by Sunnyside and West Richland in Eastern Washington. Enumclaw, Grandview, Washougal, Lynden, Bainbridge Island, and Battle Ground rounded out the Top 10. Some of the larger cities on the list: Bellevue (39), Seattle (42), Everett (49), and Bellingham (53). The bottom five? Kent, Federal way, Tacoma, Spokane and... University Place.

- **The Seattle-based home improvement site Porch.com asked first-time homebuyers what they regretted. The top regret: Buying a house that's too small.** Other first-time buyer regrets include not doing enough research, not saving enough before buying that first house and underestimating how much it costs to maintain that house.

- **Seattle home price growth dropped to an average of 6.3 percent in November amid a slowing U.S. real estate market - but the city still had the third-highest price increase in the nation, according to a new report released late January.** As recently as last summer, Seattle home prices were posting average year-over-year increases of 12 percent or more. But U.S. home price appreciation has slowed in nearly all cities, including Seattle, as sales have tumbled and affordability has deteriorated for many would-be buyers. The S&P CoreLogic Case-Shiller 20-city home price index grew 4.7 percent from a year earlier, dropping off from a 5 percent annual increase in October, according to the new report. The Las Vegas metro area posted the largest price gains at 12 percent, followed by Phoenix at 8.1 percent and Seattle at 6.3

percent. All 20 of the metro areas tracked by the index reported price gains, with Washington, DC posting the slowest gain at 2.7 percent. Still, 2019 has offered consumers some relief as the average 30-year mortgage rate has dipped to 4.45 percent from a recent peak of nearly 5 percent. This could help to boost demand after sales declined last year.

Calendar of Events Through February 5, 2019

DATES	EVENT	TIME	LOCATION	CONTACT
Seattle—King County REALTORS® For updates visit http://www.nwrealtor.com/events				
2 / 18 / 2019	Holiday—Office Closed			
3 / 6-7 / 2019	NAR Region 12		Cedarbrook (SeaTac)	425-974-1011
3 / 13 / 2019	Board of Directors	9:30 am - 12:30 pm	SKCR	425-974-1011
4 / 2 /2019	Government Affairs Committee	10:30 am - 1:30 pm	SKCR	425-974-1011