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LATEST NEWS RELEASE

Eager home buyers were plentiful in December but their choices were meager

KIRKLAND, Washington (January 6, 2020) – "The buyers are out there and are showing up at open houses and making multiple offers on new listings," was how one industry leader summarized December's housing activity involving members of the Northwest Multiple Listing Service.

Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate in Poulsbo, also said the severe shortage of inventory – "much lower than in years past" – will lead to continued buyer frustration and escalating home values. He noted one of his colleagues added a new listing the day after Christmas and it quickly drew 11 offers.

Newly-released figures from Northwest MLS show inventory at the end of December was down 31% from the same month a year ago, with only 8,469 active listings compared to the year-ago total of 12,275. The figures include single family homes and condominiums across the 23 counties in the MLS service area.

Last month marked the sixth straight month of declining inventory, noted James Young, director of the Washington Center for Real Estate Research. MLS figures show inventory peaked in June when the database had 16,680 active listings–about twice as many as December.

Inventory for single family homes and condos (combined) was down by more than 30% in seven counties: Thurston (-54%), Pierce (-38.9%), King (-38.8%), Snohomish (-35.6%), Mason (-32%), Kitsap (-30.6%), and Skagit (-30.5%). System-wide there is only about 1.2 months of supply.

The inventory of single family homes (excluding condos) is especially tight in several counties, notably Thurston (-54%), King (-41.4%), Pierce (-40%), Snohomish (-36.1%), and Kitsap (-34.3%).

Robb Wasser, branch manager at Windermere Real Estate/East and NWMLS director, noted the sharp drop in King County marked the first time since March 2018 that the supply of homes dropped below one month. "Looking all the way back to 2012 when home values first began recovering, King County has only logged six months with supply levels lower than where we currently stand," he remarked.

"This market is unlike any market I've seen in the South Sound over the past 40 years. Too many buyers chasing too few properties," remarked Dick Beeson, principal managing broker at RE/MAX Northwest in Gig Harbor.

December's volume of active listings included 3,777 new listings added during the month, but during the same timeframe, 5,943 sellers accepted offers on their properties. That number of pending sales was up about 4.7% from twelve months ago.

Brokers said December is typically a slow month for home sales with holidays and historically cold, wet weather, but several MLS representatives commented on last month's surge in activity:

- "December 2019 proved to be better in just about every single category than December of 2018 – this notwithstanding weather that was not as mild as 2018, and weather typically has an impact on sales." — Mike Grady, president and COO of Coldwell Banker Bain.

- "Historically low interest rates and strong job growth continue to drive the Puget Sound housing market, which is already sizzling as we begin the new decade. In the more affordable and mid-price ranges, many areas are seeing frenzied sales activity with multiple offers on most properties." — J. Lennox Scott, chairman and CEO of John L. Scott Real Estate.
- "Home sales continued to be strong through December, fueled by low interest rates and new job creation. Hot spot locations continue to experience multiple offers on properly priced inventory." — Dean Rebhuhn, owner of Village Homes and Properties in Woodinville.
- "December was one of the most active in recent years with an unusual number of ready, willing, and able buyers in the Seattle market. These buyers were competing for little inventory as the year ended." — John Deely, principal managing broker, Coldwell Banker Bain.
- "December was a bit of an anomaly in the King County real estate market. Although appreciation has slowed considerably from the 14% or so annual appreciation increases that we experienced during the market frenzy years, inventory continues to get tighter. We experienced very high demand for housing." — Gary O'Leyar, designated broker/owner, Berkshire Hathaway HomeServices Signature Properties in Seattle.

Northwest MLS member-brokers recorded 7,093 completed transactions during December, a gain of more than 11% from the 6,374 closed sales of the same month a year ago. Prices on last month's closed sales of single family homes and condos rose 8.75% from a year ago. For the MLS market overall the price was $435,000 versus the year-ago figure of $400,000.

For the four-county Puget Sound region (encompassing King, Kitsap, Pierce and Snohomish counties), the median sales price for December's closed sales was $495,000, up 10% from the year-ago figure of $449,950.

In King County, which had the highest volume of sales and the highest prices, the median sales price for last month's closed sales was $615,000. That was an increase of about 3% from a year ago. Prices in King County peaked in May at $645,000.

Deely, a member of the NWMLS board of directors, reported "unusually brisk activity" in the luxury market as the year wound down, with several multimillion-dollar sales coming in all cash with less than two-week closings. Another noticeable trend he cited was foreign buyers and sellers anxious to complete buy-sell transactions before year end. "If this is any indication of the 2020 market, then we will be moving more towards the blistering market of 2017, swinging away from the more balanced market of 2019," he proclaimed.

Some brokers expect the pressure on prices to ease during the first quarter of the year as inventory improves.

"We will see increased new inventory in the 1st quarter of 2020 resulting in a better selection of homes," declared Rebhuhn, who added, "Buyers should be ready to supply sellers with prequalification letters including satisfaction of major underwriting elements."

Scott said some relief should be on the way as the weather warms up and sellers choose to put their home on the market, but he also cautioned it's possible the trend of fewer resale listings than usual will continue on the Eastside. He described the Eastside housing market as "particularly hot," adding, "It shows no sign of slowing down anytime soon with recent job growth announcements and an extreme shortage of unsold inventory priced up to $1 million."

Brokers in several counties outside of King County also commented on inventory shortages and the velocity of sales.

Frank Leach, broker/owner at RE/MAX Platinum Services in Silverdale, said Kitsap, Mason, Pierce and Jefferson counties continue to have constrained inventory, and "the market remains very competitive in all price categories." NWMLS figures show December's inventory in those four counties declined more than 35% from the selection of a year ago, while prices jumped 10.4%. Collectively, there is less than a month's supply (0.94 months) in these South Sound counties.

Leach also noted rentals are very tight with new apartments rented as soon as they are finished. Builders are "chasing the market with most of their inventory being sold before they are finished," added Leach, a member of the Northwest MLS board of directors.

Wilson, whose office is also in Kitsap County, said more and more of their buyers do not work in Kitsap, adding areas connected to the ferry system are seeing more and more commuters purchase homes "because we are still more affordable than King County with a much higher quality of life." He also said, "The unheard story out there is the one of many sellers who would like to sell their home but cannot find a home to buy in Kitsap."

Young said December's double-digit price increases in several counties reflect the long-term trend of increased interest along the I-5 corridor.

Looking ahead, brokers expect brisk activity.

Grady said, "With inventory below one month in King County, we can only surmise that 2020 will show a return to rising home prices as a result of the lack of inventory and continued robust job market. While buyers will continue to benefit from low interest rates, there are simply not enough homes for sale. These predictors indicate that the first quarter of 2020 will be active."

Beeson, also a member of the NWMLS board of directors, underscored the fact that new construction falls further behind the need each year. "We continuously see multiple offer situations in the median or lower prices ranges. Price creep in Pierce County continues to be above 8% year-over-year for the past three years.""Clients often ask for our 'crystal ball' projection regarding the direction the real estate market is heading," stated O'Leyar. He tells them "Follow the employment numbers," citing State Employment Security Department reports showing the unemployment rate in King County for November 2019 was 2.3%, the lowest rate for any month measured since January 2016 and the highest employment rate since November 2017.

"The only sound reason for waiting to buy real estate in the Greater Seattle market now would be finding the suitable home versus anticipating the market to get any less challenging for buyers in the near future," O'Leyar remarked.

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,300 member firm offices and 30,000 brokers across Washington state, NWMLS (www.northwestmls.com) is the largest full-service MLS in the Northwest. While based in Kirkland, Washington, its service area spans 23 counties and it operates 20 local service centers.

Statistical tables begin on the following page.

December 2019 activity

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	1,107	2,260	1,898	2,416	$756,342	$615,000	0.94	1.71
Snohomish	611	1,006	987	1,152	$532,738	$495,000	0.87	1.53
Pierce	720	1,056	1,020	1,217	$414,046	$369,000	0.87	1.52
Kitsap	168	325	278	395	$468,867	$385,000	0.82	1.48
Mason	45	153	74	100	$296,117	$268,500	1.53	2.65
Skagit	95	267	139	149	$399,363	$369,900	1.79	3.40
Grays Harbor	86	309	118	113	$208,206	$194,900	2.73	2.51
Lewis	55	213	98	85	$273,683	$255,000	2.51	2.34
Cowlitz	74	179	110	84	$277,356	$273,950	2.13	2.39
Grant	50	174	49	74	$277,252	$258,242	2.35	3.65
Thurston	231	275	374	402	$360,424	$337,500	0.68	1.58
San Juan	14	168	23	20	$1,557,503	$870,420	8.40	5.68
Island	67	225	98	129	$436,593	$379,500	1.74	2.49
Kittitas	31	132	38	77	$406,992	$345,000	1.71	2.83
Jefferson	33	106	46	40	$449,931	$374,500	2.65	3.29
Okanogan	18	181	27	35	$332,540	$273,000	5.17	5.60
Whatcom	146	523	231	234	$407,077	$377,250	2.24	2.64
Clark	41	111	73	82	$404,396	$375,000	1.35	2.92
Pacific	18	148	35	40	$210,927	$205,000	3.70	5.28
Ferry	0	34	3	3	$243,000	$225,000	11.33	N/A
Clallam	44	181	75	90	$341,708	$309,000	2.01	3.41
Chelan	58	205	61	80	$391,672	$320,750	2.56	3.29
Douglas	31	90	41	35	$390,248	$339,900	2.57	2.50
Others	34	148	47	41	$227,334	$200,000	3.61	4.29
Total	**3,777**	**8,469**	**5,943**	**7,093**	**$539,382**	**$435,000**	**1.19**	**1.93**

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	4910	7588	8090	8597	8231	7773	7345	6896	6797	5788	**4183**

Washington one of few states with population growth

Washington was one of few states to experience population growth during 2019 (up 1.2%), according to newly-released estimates by the U.S. Census Bureau. Overall, the nation's population grew by only 0.5% between 2018 and 2019 – the slowest pace in decades.

Census Bureau officials attribute the meager gain to various factors, including a sharp decline in the number of new immigrants, fewer births, millennials' delay in having children, and a graying population.

A well-known demographer and senior fellow at the Brookings Institution told a reporter at *The New York Times* that the percentage increase for the U.S. population was the lowest in a century. The demographer, William H. Frey, said the 6.7% growth rate during the most recent decade is expected to be the lowest since the government started taking population counts around 1790.

The yearly snapshot showed Washington was one of eight states with an increase in births (612), and was a "top 10" state for both numeric growth (91,024) and percent growth (1.2%).

The nation's population was 328,239,523 in 2019, growing by 1,522,022 people between 2018 and 2019. Annual growth peaked at 0.73% this decade in the period between 2014 and 2015. The Bureau said growth between 2018 and 2019 is a continuation of a multiyear slowdown since that period.

"While natural increase is the biggest contributor to the U.S. population increase, it has been slowing over the last five years," said Dr. Sandra Johnson, a demographer/statistician in the Population Division of the Census Bureau. "Natural increase, or when the number of births is greater than the number of deaths, dropped below 1 million in 2019 for the first time in decades."

Forty-two states and the District of Columbia had fewer births in 2019 than 2018, while eight states saw a birth increase. Washington topped the list of states with increases in births (612). Utah, Nevada, Arizona, Idaho, Montana, Vermont and Colorado also notched gains.

Twenty-seven states and the District of Columbia lost population through net domestic migration between 2018 and 2019. California with a loss of 203,414, was one of three states with net domestic migration losses greater than 100,000. New York and Illinois also experienced losses exceeding 100,000.

California's exodus could cost the state one of its 53 seats in the U.S. House of Representatives during the next congressional reapportionment, according to Frey. (Election Data Services projects 16 states will see a shift in congressional representation after the 2020 Census.)

In addition to apportionment, Census counts are used to determine electoral votes and to distribute billions of dollars in federal funds to local communities.

Last month's Census estimates for 2019 revealed nine states with populations of more than 10 million: California (39,512,223), Texas (28,995,881), Florida (21,477,737), New York (19,453,561), Pennsylvania (12,801,989), Illinois (12,671,821), Ohio (11,689,100), Georgia (10,617,423) and North Carolina (10,488,084).

Washington's population in the latest estimates was 7,614,893, placing it 6th on the list of states with the largest numeric growth, and 7th when measured by percent growth.

Top 10 States in Numeric Growth, 2018 to 2019

RANK	GEOGRAPHIC AREA	APRIL 1, 2010 (ESTIMATES BASE)	JULY 1, 2018	JULY 1, 2019	NUMERIC GROWTH
1	Texas	25,146,091	28,628,666	28,995,881	367,215
2	Florida	18,804,564	21,244,317	21,477,737	233,420
3	Arizona	6,392,288	7,158,024	7,278,717	120,693
4	North Carolina	9,535,751	10,381,615	10,488,084	106,469
5	Georgia	9,688,729	10,511,131	10,617,423	106,292
6	Washington	6,724,540	7,523,869	7,614,893	91,024
7	Colorado	5,029,319	5,691,287	5,758,736	67,449
8	South Carolina	4,625,366	5,084,156	5,148,714	64,558
9	Tennessee	6,346,276	6,771,631	6,829,174	57,543
10	Nevada	2,700,677	3,027,341	3,080,156	52,815

Top 10 States in Percent Growth, 2018 to 2019

RANK	GEOGRAPHIC AREA	APRIL 1, 2010 (ESTIMATES BASE)	JULY 1, 2018	JULY 1, 2019	NUMERIC GROWTH
1	Idaho	1,567,657	1,750,536	1,787,065	2.1%
2	Nevada	2,700,677	3,027,341	3,080,156	1.7%
3	Arizona	6,392,288	7,158,024	7,278,717	1.7%
4	Utah	2,763,891	3,153,550	3,205,958	1.7%
5	Texas	25,146,091	28,628,666	28,995,881	1.3%
6	South Carolina	4,625,366	5,084,156	5,148,714	1.3%
7	Washington	6,724,540	7,523,869	7,614,893	1.2%
8	Colorado	5,029,319	5,691,287	5,758,736	1.2%
9	Florida	18,804,564	21,244,317	21,477,737	1.1%
10	North Carolina	9,535,751	10,381,615	10,488,084	1.0%

Source: U. S. Census Bureau

Feds raise loan limits

For the fourth straight year, the Federal Housing Finance Agency raised the conforming loan limits for Fannie Mae and Freddie Mac. (By law, conforming loan limits must be adjusted to reflect changes in home prices across the U.S.)

Across most of the U.S. the 2020 loan limit will be raised to $510,400, an increase of nearly 5.4% from last year's level of $484,350. In high-cost areas, including three counties in Washington state, the limit increases to $741,750 (150% of $510,400).

The new $741,750 ceiling will apply in King, Pierce and Snohomish counties. Through November, the year-to-date median sales price for homes (including condos) in Pierce County was $364,100; in Snohomish County it was $474,000 and in King County it was $619,000.

With the exception of 43 counties across the country, plus Guam and the U.S. Virgin Islands, loan limits increased. Limits were unchanged in the 43 counties, and did not decrease anywhere in the U.S. and its territories.

With the latest increases, the conforming loan limit has now increased by more than $93,000 since 2016. FHFA made no increases for the decade from 2006 to 2016.

New limits for 2020 were also set for two, three and four-unit properties:

	MAXIMUM LOAN AMOUNT FOR 2020	MAXIMUM LOAN AMOUNT FOR HIGH-COST AREAS FOR 2020, PLUS ALASKA, GUAM, HAWAII AND THE U.S. VIRGIN ISLANDS
2 units	$653,550	$980,325
3 units	$789,950	$1,184,925
4 units	$981,700	$1,472,550

In addition to Washington other states with high-cost areas include: California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Tennessee, Utah, Virginia, West Virginia, and Wyoming.

The conforming loan limits for Fannie Mae and Freddie Mac are determined by the Housing and Economic Recovery Act of 2008. The FHFA published a full list of the 2020 loan limits for each county nationwide for borrowers to reference.

Graduated tax rates on real estate sales started January 1, 2020

Starting January 1, a graduated excise tax rate for real estate sales replaces a flat 1.28% state rate. The tiered tax is based on the selling price of property sales occurring on or after January 1, 2020 (ESSB 5998).

The new legislation does not affect the sale of undeveloped land, timberland, agricultural land, and water or mineral rights, regardless of selling price. Those transactions will still be subject to REET at a 1.28% state tax rate.

The new graduated REET structure is as follows:

Sale price thresholds	Tax rate
$500,000 or less	1.10%
$500,000.01 - $1,500,000	1.28%
$1,500,000.01 - $3,000,000	2.75%
$3,000,000.01 or more	3%

In addition to the state real estate excise tax, cities and counties may impose local real estate taxes. Two main REET options for these jurisdictions include:

- **REET 1, or the "first quarter percent"** – a 0.25% REET which may be imposed by any city, town, or county primarily for capital projects and limited maintenance;
- **REET 2, or the "second quarter percent"** – an additional 0.25% REET which may be imposed by any city, town, or county fully planning under the Growth Management Act, to be used primarily for capital projects and limited maintenance.

As explained in ESSB 5998, REET revenue is distributed for various uses. Beginning January 1, 2020 and ending June 30, 2023, revenue is distributed as follows:

- 1.7 percent must be deposited in the Public Works Assistance Account;
- 1.4 percent must be deposited in the City-County Assistance Account;
- 79.4 percent must be deposited in the general fund; and
- the remaining amount must be deposited in the Education Legacy Trust Account.

After June 30, 2023, distributions to the Public Works Assistance Account increase to 5.2%.

More detailed information on REET may be found at:

- The state Department of Revenue website, including an overview of the changes, a tax calculator and local rates for each municipality.
- Northwest MLS member website, which includes a Seller's Net Proceeds calculator (in Financial Tools), which has been updated to reflect the changes, and a flyer with sample calculations (member log in required).
- The Municipal Research and Services Center (MRSC) website. (MRSC is a statewide, nonprofit resource that provides general legal, finance, and policy guidance to support local government entities pursuant to Chapter 43.110 RCW).

Most buyers of new homes will be part of a homeowner association

More than six of every 10 new homes started in 2018 were built within a community or homeowner's association (HOA), according to data from the Census Bureau's Survey of Construction (SOC). That share (62.5%) is the highest since records began in 2009, when only 47.6% of starts were part of a "covenanted" association.

That Census survey found that 543,000 of all new starts during 2018 were part of an HOA or community association. That number was up nearly 6.9% from 2017, when 508,000 new homes were part of a HOA.

A comparison of the nine census divisions reveals wide variation in the proportion of homes in such communities. The Mountain Division claims the highest share at 82.4%, well above the U.S. average of 62.5%. At the other end of the spectrum is the Middle Atlantic Division, with only 28.6% of new homes being part of a community or homeowner association. In the Pacific Division, which encompasses the states of Alaska, California, Hawaii, Oregon and Washington, 56% of new starts are within an HOA.

Currently, an estimated 24% of the U.S. population resides in HOA-governed housing. In general, membership in an HOA is mandatory for all owners in the designated community.

The Census Bureau defines community or homeowner's associations as "*formal legal entities created to maintain common areas of a development and to enforce private deed restrictions; these organizations are usually created when the development is built, and membership is mandatory.*" HOAs can include single-family homes, townhouses, condominiums, co-ops, retirement communities, vacation timeshare communities, and other groups of homes in planned developments and communities.

Estimates on the number of community associations vary. The Community Association Institute's National and State Statistical Review for 2018 tallied 347,000 communities, 26.9 million housing units, and 73.5 million residents. That's up from the 1970 totals of 10,000 communities, 0.7 million housing units and 2.1 million residents.

HOA-USA, a resource for volunteer-managed associations, maintains a comprehensive directory of HOAs in the U.S., which it offers free to all associations as a way for them to "stay informed of important issues." It estimates there are 351,000 homeowner associations in the country representing over 40 million households. According to HOA-USA, approximately 70% of all homeowner associations are completely managed by volunteers.

The steady growth of homes being built within a community or homeowner's association – at least 50% since 2011 -- has led to the formation of organizations to assist residents in managing their communities' obligations as outlined in their governing documents.

The Community Associations Institute (CAI) is one such organization. It was organized in 1973 through the joint efforts of the Urban Land Institute (ULI), National Association of Home Builders (NAHB), the U.S. League of Savings and Loan Associations, the Veterans Administration, the U.S. Department of Housing and Urban Development and others.

Since its formation, CAI has grown to become the largest paid-membership organization for association board members and members of community management staff. Its international memberships includes more than 40,000 members in 64 chapters. Its services include information, best practices resources, education and advocacy.

Another entity, iProperty Management, acts as a one-stop resource for landlords, tenants, and real estate investors by providing up-to-date information on property management, investing and real estate law. According to its research, roughly 8,000 new HOAs are formed each year, noting "There are very few newly constructed neighborhoods without them, as local development planning processes typically mandate an HOA when approving a new community."

Builder confidence hits highest mark since June 1999

Builder confidence rose to its highest level since June 1999, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI).

Last month's Index of 76 was a 5-point increase from an upwardly revised November reading.

All three HMI components (current sales conditions, sales expectations, traffic of prospective buyers) registered gains in December.

In releasing the results, NAHB said builders are continuing to see the housing rebound that began in the spring. A low supply of existing homes, low mortgage rates, and a strong labor market contributed to the elevated confidence.

Despite the near-term positive market conditions with a 50-year low for the unemployment rate coupled with increased wage growth, we are still under building due to supply-side constraints like labor and land availability, stated Robert Dietz, chief economist at NAHB. He also noted higher development costs are hurting affordability and "dampening more robust construction growth."

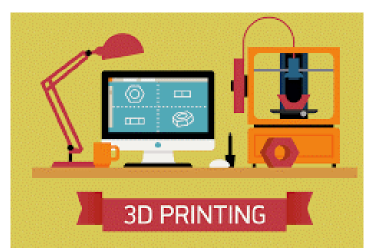
NAHB has been conducting the monthly "confidence" surveys for 30 years. It gauges builder perceptions of current single-family homes sales, sales expectations for the next six months (rated as "good," "fair" or "poor"), and builders' ratings of traffic of prospective buyers (using "high to very high," "average," or "low to very low" as the markers). Any number over 50 indicates that more builders view conditions as good than poor.

In the latest HMI index, the gauge of current sales conditions rose seven points to 84, followed by the measure of sales expectations, which edged up a point to 79, and the rating of traffic of prospective buyers, which rose four points to 58.

Regional scores based on three-month moving averages were mixed. The Northwest fell two points to 61, the Midwest increased five points to 63, the South moved one point to 76 and the West rose three points to 84.

The National Association of Home Builders is a federation of more than 700 state and local associations comprising more than 140,000 members. Its members construct about 80% of the new single-family and multifamily homes built each year in the U.S.

Builders embrace IT, but hesitate to adopt construction technology



Builders tend to embrace information technology, but when it comes to construction technology they have been slow to incorporate most of the newer and more innovative options. Those findings were reported by the National Association of Home Builders, which included questions on the use of technology in its regular surveys of single family builders and residential remodelers.

Researchers provided survey participants with a list of 15 construction technologies and asked them identify which ones they used during 2019.

Roof trusses were used by 75% of single family home builders and 71% of remodelers. A smaller percentage of both groups used floor trusses (60% of home builders, 55% of remodelers). Use of the remaining technologies on the list fell off sharply, with the next highest option – prefabricated wall panels – used by only 13% of single family builders and 8% of home remodelers.

Although 3D printing is growing rapidly, with experts projecting that industry to expand from $15.8 billion in 2019 to $35.6 billion by 2024, only 1% of home builders and no remodelers signified using such technology. That's slightly better than the zero percent (0%) of both groups in response to four of the items on the list: digital tilt sensors, wearable construction worker monitors, automated brick laying machines, and other on-site robots.

In a statement announcing the survey results, NAHB said it is "not surprising that these newer technologies have not penetrated the residential construction industry yet." The motivation for including them in the surveys was largely to establish a baseline for future reference. NAHB also noted some of the technologies are not relevant to both groups or for all types of remodeling jobs.

Survey participants were also asked about common types of IT they use and for which applications. Smart phones, desktop computers, and laptops proved to be most common, with 80% or more of the builders and remodelers using them. A majority in both groups use iPads or other tablets.

Around 20% of builders and more than 30% of remodelers use construction management software, GPS systems, design software, and 3D computer graphics. So far, virtual reality, Building Information Modeling, and big data purchases have penetrated the residential construction market "only to a limited extent," according to NAHB.

The builders and remodelers were also asked about how they use IT based on a list of a dozen possible applications. Managing internal business operations proved to be the most widely used, with 92% of builders and 89% of remodelers indicating usage. A similar number said they use technology to communicate with employees or subs.

At least two-thirds of the survey respondents indicated they use IT to help schedule subcontractors, and for marketing presentations to customers.

Another survey question focused on the use of social media platforms. By a wide margin Facebook was the most popular platform, with 79% of builders and 75% of remodelers indicating usage. LinkedIn is reportedly used by 45% of builders and 48% of remodelers.

Not surprisingly, the biggest gap in usage between the two groups proved to be Houzz. While 59% of remodelers use it, only 39% of builders said they use it. (As NAHB noted, Houzz was created specifically to distribute information about interior design and home improvement.)

NAHB included the special questions on use of technology in its monthly NAHB/Wells Fargo Housing Market Index and quarterly Remodeling Market Index. A total of 508 builders and 233 remodelers responded to the two surveys.

An 8-page report summarizing the survey findings is available as a courtesy of HousingEconomics.com, the online economics information source for America's housing industry. Housing Economics is published by NAHB and available by subscription.

Drivers accustomed to driver-assist technologies tend to exhibit more distracted driving

Do drivers become over-reliant on driver-assist technologies and exhibit more distracted driving?

Apparently so, according to recent research.

Studies conducted by the AAA Foundation for Traffic Safety and the Virginia Tech Transportation Institute (VTTI) found that drivers who own cars with assistance technology are nearly twice as likely to engage in texting, adjusting radio or infotainment settings and other distracting behaviors when those features are turned on than when they are off.

In 2017 alone, 3,166 people were killed in motor vehicle crashes involving distracted drivers, according to the National Highway Traffic Safety Administration (NHTSA).

Researchers at VTTI examined data from two previous studies, one based on observations of 30 people driving their own personal vehicles, and the second study based on 120 participants who drove a study vehicle for a month. All vehicles were equipped with adaptive cruise control and lane-keeping assistance systems, plus video cameras and sensors to collect data.

Drivers who used their own vehicles were 50% more likely to engage in secondary tasks and 80% more likely to engage in visual or manual distractions when using the semi-autonomous systems. Researchers also found these drivers also took more frequent and longer glances at non-driving-related tasks and kept their eyes on the road less.

In the second group, where participants drove a study vehicle, researchers reported these drivers were less likely to be distracted when the assistance systems were deployed. However, the drivers of the leased vehicles (who had some training on using the systems) were found to be slightly more likely to speed when the systems were activated.

Analysts noted drivers using the borrowed cars were still learning the systems and probably less likely to trust the technology. These drivers received detailed training about the systems, which the researchers said could account for why these participants were less likely to drive distracted.

Drivers who used their personal vehicles were not given additional training. In fact, researchers found users of automotive technology only receive a minimal set of written and verbal instructions and dealers may not adequately educate buyers on the use of the driver-assistance features.

Authors of the study concluded driver-assistance systems can improve safety, but drivers may overestimate the technology's ability to prevent crashes. "Drivers need to be aware of potential pitfalls that exist even after they have learned when and how to use the systems," the authors cautioned.

The Traffic Safety Administration defines distracted driving as any activity that diverts attention from driving, including talking or texting on your phone, eating and drinking, talking to people in your vehicle, or fiddling with the stereo, entertainment or navigation system. Most concerning is texting. Sending or reading a text takes your eyes off the road for 5 seconds. At 55 mph, NHTSA says that's like driving the length of an entire football field with your eyes closed.

EXPOsed education convention returns

NWMLS expands event to 3 locations

Northwest Multiple Listing Service will present EXPOsed, a daylong education convention for members and subscribers, at three locations this spring. Registration will open in mid-February.

Participants can earn up to 6 clock hour credits, depending on the number classes attended. EXPOsed will include symposium style classes on a variety of topics, such as a legal panel, and tips & trips for using NWMLS products. The program also includes a showcase of associations and MLS product vendors, opportunities to interact with MLS staff and industry experts, plus special guest speakers.

EXPOsed will be offered in Lynnwood on Tuesday, March 31; in Tacoma on Thursday, April 2; and in Wenatchee on Thursday, April 30.

The $50 fee includes the classes, lunch, snacks and a cocktail hour.

This is the second time NWMLS has presented EXPOsed. It debuted at one location in 2018.

Recommended reading and listening list from staffers at Joint Center for Housing

Those who enjoy learning about housing and policies that affect supply and affordability might be interested in seeing the "faves" list of books, articles and podcasts recommended by staff members at the Joint Center for Housing Studies of Harvard University. In introducing the compilation, David Luberoff, the Center's deputy director, noted some of the selections are clearly related to housing, while others are tangentially related or touch on broader subjects and themes.

More than two dozen titles are on the list.

News In Brief

- **Seattle took the second spot in a new ranking among cities across the country with the worst commutes, according to a story in the Seattle PI.** According to the study from Apartment Guide, people in Seattle lost 138 hours a year due to traffic congestion in the city. The cost of congestion per driver in Seattle was $1,932, according to the study. The report also looked at the cost of gas per gallon, which came in at about $3.54 in Seattle and the average monthly price of public transportation, which was $112.50. According to 2018 data from the U.S. Census bureau, the average time commuters spent getting to work in Seattle was 28.4 minutes. The census found 44% of people who commute to work in Seattle drive alone in a car, truck or van and about 7% carpool to work. Nearly one-quarter of people use public transportation to get to work in Seattle and another 12% walk to work, according to the census. Seattle has several public transportation options, but the study pointed to Interstate 5 and the downtown ramps, which see a lot of congestion during rush hours in the city and helped push Seattle into its ranking as the second-worst city for commuters. The city that ranked No. 1 among the 62 cities ranked was Los Angeles. Other cities that made the ranking included Washington, D.C., New York City, Chicago and San Francisco. Some of the cities that ranked at the bottom of the list included Tulsa, Oklahoma; Wichita, Kansas; and Memphis, Tennessee. On average across the U.S., commuters spent about 27 minutes getting to or from their workplace. To conduct the study, Apartment Guide ranked the 62 U.S. cities in INRIX's 2018 Global Traffic scorecard. It ranked the cities with the worst commutes based on hours lost in congestion, cost of congestion per driver, average price of gallon of regular gas and average monthly public transportation costs.

- **A new study has confirmed what most local people here already believe—that Washington is the all-around best state in the nation, as reported by KOMO News.**

  The report, by U.S. News & World Report, ranked every state based on more than 70 metrics - including health care, education, economy, opportunity, infrastructure, crime prevention and natural environment - to generate a final ranking for each. Washington's overall ranking came out on top, according to the study. Specifically, the Evergreen state was ranked fourth best for health care, fourth best for education, third best for its economy and second best for infrastructure. Washington ranked lower in some other categories, such as 22nd best for fiscal stability, 19th best for opportunity and (oddly enough) only 14th best for natural environment. But the cumulative result of the individual rankings put the state on top. New Hampshire was ranked as the second-best state overall, followed by Minnesota at No. 3, Utah at No. 4 and Vermont at No. 5.

  Hawaii was found to be the best state for health care, Massachusetts was best for education, Colorado was best for its economy and Oregon was best for infrastructure.

In other categories, New Hampshire was tops for opportunity and crime prevention, Tennessee was tops for fiscal stability and Rhode Island was ranked No. 1 for natural environment. At the bottom of the list, Louisiana was ranked as the worst state overall. It was followed by Alabama as next worst, Mississippi as third worst, West Virginia as fourth worst and New Mexico as fifth worst.

- **Seattle is one of America's best college cities, according to a new report released last month.** The report, by personal finance website WalletHub, ranked more than 400 U.S. cities based on 31 key indicators of academic, social and economic growth potential. Seattle ranked No. 6 overall and came in at No. 3 among large cities. Specifically, the Emerald City was tied for first place in nightlife options per capita and was among the top 10 cities for "social environment." Seattle also ranked well above average in several other key categories, including quality of higher education, city accessibility and lowest brain drain. The city got its lowest marks for "wallet friendliness" - meaning that the combined costs of tuition, housing, meals, entertainment and overall cost of living in Seattle is one of the highest in the country. The nation's five best college cities, in order, are Austin, Texas; Orlando, Fla.; Scottsdale, Ariz.; Tampa, Fla.; and Ann Arbor, Mich., according to the survey. Portland, Ore., was ranked as the nation's 67th best college city; Pullman, Wash., was ranked 102nd best; and Bellingham, Wash., was ranked 113th among the 415 cities.

- **Seattle ranked seventh on a list of the cities across the country making the most progress toward sustainability,** according to a new study and reported in the Seattle PI. The study, from by CommercialCafe, ranked the top 50 U.S. cities making green progress based on a series of metrics including energy-related CO_2 emissions reduction, the percentage of commuters walking or biking, air quality improvements and the share of environmentally focused jobs in the city. Seattle's ranking in the top 10 came in part due to the increase in the number of commuters in the city who walk or bike to work. The city has seen a steep drop in the number of commuters who drive alone to work since the start of the decade, the study finds, according to the U.S. Census Bureau. "With vital bike connections in progress and new housing slated to open near public transit and employment centers, the Emerald City is sure to see an even bigger boost in walking and biking commuting," the study said. The study also makes note of strategies the city has put forth to "mitigate urban heat islands" and policies relating to "plans for distributed energy systems." The city has also seen an increase in the share of buildings that are LEED-certified. Seattle ranked behind cities including Washington, D.C. -- which came in at the top of the rankings -- and was referred to as the "greenest lantern in the land." New York, Denver, Boston and Los Angeles also ranked among the top five cities making green progress. To conduct the study, authors looked at research from this year's green policy report, released by the American Council for an Energy Efficient Economy, which ranks cities based on energy efficiency policies. It also drew data from several other sources, including the U.S. Energy Information Administration and the Environmental Protection Agency. A study released last year by WalletHub, a personal finance website, ranked state in terms of energy efficiency and found Washington ranked among the top 10 in terms of auto-energy efficiency, but it paled in comparison when ranked by home-energy efficiency. In that category, according to the study, Washington came in 27th.

Calendar of Events Through February 4, 2020

DATES	EVENT	TIME	LOCATION	CONTACT
	Seattle—King County REALTORS® For updates visit http://www.nwrealtor.com/events			
Jan 20	Holiday—Office Closed			425-974-1011
Jan 22	WR Committees		Hotel RL Olympia	425-974-1011
Jan 23	Hill Day		Hotel RL Olympia	425-974-1011
Jan 29	Board of Directors	9:30 am - 12:30 pm	SKCR	425-974-1011
Feb 4	Government Affairs Committee	10:30 am - 1:30 pm	SKCR	425-974-1011